

CommonBond Communities

**Social impact measurement of
CommonBond's eviction prevention
activities**

April 2018



Table of contents

1.	Executive summary.....	1
2.	Introduction	4
2.1	About CommonBond	4
2.2	About Advantage Services	4
2.3	Project background	5
2.4	What is SROI?	6
2.5	Purpose and scope	6
2.6	Assumptions and limitations	7
3.	Theory of change.....	8
3.1	Stakeholder map.....	8
3.2	Impact map	9
4.	Measurement approach and results	13
4.1	Determining social impact.....	13
4.2	Additionality considerations.....	24
4.3	Findings.....	30
4.4	Sensitivity analysis.....	31
5.	Go-forward considerations.....	34
5.1	Examine the reasons for and implications of the significant difference in SROI between Minnesota, Iowa and Wisconsin.....	34
5.2	Use SROI findings to drive strategic benefits.....	34
5.3	Track additional data	34
5.4	Consider using SROI to assess impact in other areas	35
	Appendix A: Approach	36
	Appendix B: Resident Impact Survey	38
	Appendix C: Bibliography	42

Limitations of use

EY has prepared this report in order to assist CommonBond Communities. In carrying out our work, we have worked solely on their instructions. EY assumes no duty, obligation or responsibility whatsoever to any other parties that may obtain access to this report. Any use such a third party may choose to make of this report is entirely at its own risk.

(c) 2018 Ernst & Young LLP. All rights are reserved.

1. Executive summary

CommonBond Communities (CommonBond) is one of the largest non-profit providers of affordable housing with services in the Midwest United States. Advantage Services is a division within CommonBond's integrated Housing and Services model focused on supporting residents of all ages to achieve long-term stability and independence. Advantage Services provides on-site programs and services, and partners with other organizations to support residents in the areas of education and personal advancement, health and wellness, and community-building and engagement. Some of these activities are directly related to supporting residents at risk of eviction whose objective is to stay housed in a CommonBond property.

CommonBond identified its eviction prevention program (EPP) activities as playing a key role in providing benefits to society at large. Decent and affordable housing has a demonstrable impact on family stability, the life outcomes of children and community development. Stable housing is the foundation upon which people build their lives— absent a safe, decent, affordable place to live, it is next to impossible to achieve good health, positive educational outcomes, or to reach one's overall potential.

As research related to the impact and importance of affordable housing and community development continues to evolve, CommonBond sees an opportunity to better understand and communicate the impact of its eviction prevention activities with both residents and the wider community. Based on this, CommonBond engaged EY to perform a Social Return on Investment analysis (SROI) of its eviction prevention activities in the three states in which it operates.

EY undertook four steps to determine the SROI of CommonBond's eviction prevention activities:

1. Identify CommonBond key stakeholders in Minnesota
2. Map short-term outcomes and long-term impacts
3. Engage stakeholders in Iowa and Wisconsin to validate the theory of change for these states, and
4. Identify indicators and values to calculate (quantitative) and describe (qualitative) the SROI for Minnesota, Iowa and Wisconsin.

Findings and go-forward considerations

The following annual impacts were identified through stakeholder engagement for different stakeholder groups: residents, government and community. The values of the impacts were measured using proxies, which are listed below.

<u>Inputs</u>	<u>Activities</u>	<u>MN</u>	<u>WN</u>	<u>IA</u>
CommonBond	General eviction prevention activities	\$1,622,089	\$106,301	\$109,033
	Office space	\$633,600	\$66,000	\$79,200
	Additional material costs	\$36,803	\$1,277	\$1,920
<u>Stakeholders</u>	<u>Impacts</u>	<u>MN</u>	<u>WN</u>	<u>IA</u>
Residents	Improved access to quality housing options	\$2,726,456	\$468,377	\$482,744
	Increased self-agency/self-reliance	Qualitative	Qualitative	Qualitative
	Increased community well-being and civic engagement	Qualitative	Qualitative	Qualitative

	Improved mental, physical and social well-being	\$1,445,718	\$208,007	\$242,110
	Improved educational attainment	\$246,269	\$29,882	\$46,369
	Improved economic mobility	\$813,459	\$130,433	\$138,136
Property investors	Improved quality and profitability of housing asset	\$779,837	\$124,118	\$128,802
Government	Reduced government costs	\$910,548	\$112,393	\$170,157
Community	Increased acceptance of affordable housing/value to the community	\$1,399,560	\$97,274	\$111,119

The details of the above calculations are located in the **Determining social impact** section.

The SROI analysis revealed that the total average input from CommonBond in eviction prevention services between 2015 and 2017 was \$2,656,222 per year. During the same time period, the total value of the impacts from the eviction prevention services was \$10,811,768 per year. This results in a total annual overall social return on investment estimated at \$4:\$1, meaning that \$4 in social benefits would be generated for every \$1 invested by CommonBond. Broken down by state, the SROI was estimated to the nearest 25 cents as follows:

Minnesota	Wisconsin	Iowa	Overall SROI
\$3.50	\$6.75	\$7.00	\$4.00

Although the activities and outcomes identified in Minnesota, Iowa and Wisconsin are similar, the calculated proportion of return on investment is significantly more in Iowa and Wisconsin than in Minnesota. This may be partly due to the effects of CommonBond’s activities in Iowa and Wisconsin for some indicators being higher. This is referred to as ‘additionality’ and is described in the report. However, it may not be the only cause for the different values between states. It is recommended as a go-forward consideration for further research on resource allocations and the extent of impacts in each state.

It is important to note that the impacts on residents of increased self-agency or self-reliance and increased community well-being and civic engagement were not included in the calculation as the analysis for these impacts was qualitative only. Residents who received Advantage Services support in home management described improving their ability to manage life issues on their own, a critical life skill. Overall, 82% of survey respondents agreed that they had gained the skills and confidence to manage difficult situations as a result of working with Advantage Services.

During stakeholder interviews, it was identified that a key impact of eviction prevention is an improved sense of community cohesion among residents as well as within their greater community. Examples identified in the interviews include past residents who have returned to mentor youth. Other residents have become civically engaged by inviting elected officials to speak to resident groups, participating in voting and encouraging others to do so by arranging for transportation to polls.

SROI has proven to be a useful tool to identify and articulate the activities, outcomes and impact of CommonBond's EPP program. A number of go-forward considerations were identified throughout the course of this project and are listed below.

- ▶ Examine the reasons for and implications of the difference in SROI between Minnesota, Iowa and Wisconsin
- ▶ Consider expanding areas of service that are creating the most impact
- ▶ Track additional data at sites, including related to identified impacts such as reduced stress, and
- ▶ Consider undertaking additional SROI in future on EPP or other areas to assess impact as CommonBond provides more services or expands its footprint.

2. Introduction

2.1 About CommonBond

CommonBond Communities (CommonBond) is the Midwest's largest non-profit provider of affordable housing with services. CommonBond owns and manages over 6,000 affordable rental apartments and townhomes throughout 52 cities in Minnesota, Wisconsin and Iowa. In total, CommonBond properties house over 12,000 people - including adults, families with children, older adults and people with disabilities and other barriers.

CommonBond receives funding from individual and organizational contributions and government grants. Revenue is also generated through fees for service, rental income and investment earnings.

2.2 About Advantage Services

Advantage Services is a division within CommonBond's integrated Housing and Services model focused on supporting residents of all ages to achieve long-term stability and independence. Advantage Services provides on-site programs and services, and partners with other organizations to support residents in the areas of stability and independence, education and advancement, health and wellness, and community-building and engagement. A summary of the types of services provided by Advantage Services is below.

Youth

- ▶ One-to-one academic and social support (Study Buddies)
- ▶ Homework help (Homework Center)
- ▶ Support in helping residents obtain access to college and careers
- ▶ Leadership development opportunities

Families

- ▶ Employment services from work-readiness preparation through job placement and advancement
- ▶ Financial literacy coaching and education
- ▶ Housing stability support including lease education and connections to tenant support resources

Veterans and Formerly Homeless

- ▶ Housing stability support including lease education and tenant support resources
- ▶ Connections to mental, physical and chemical health support
- ▶ Community engagement and leadership development opportunities

Older Adults and People with Disabilities

- ▶ Support to live independently longer
- ▶ Community engagement and leadership development opportunities
- ▶ Group health and wellness programs

A portion of the activities above are directly and indirectly related to supporting residents at risk of eviction in an effort to ensure they remain housed in a CommonBond property or, at minimum, leave CommonBond on neutral as opposed to negative terms. In addition, Advantage Services employs a framework to help residents maintain housing stability when they would otherwise be at risk of losing housing due to lease noncompliance for reasons other than unpaid rent (for example, multiple lease infractions, major infractions such as possession or use of drugs, or failed apartment inspections). In both these cases and in cases of unpaid rent or financial instability, Advantage Services proactively helps residents maintain housing stability through connection to resources, consultation and facilitated

communication to resolve the issue. For the purposes of this study, a portion of the proactive activities are considered along with the eviction prevention framework as EPP activities.

CommonBond operates core, enhanced and comprehensive sites, with varying levels of programs provided by Advantage Services at each level. In addition, sites are categorized as senior, family and special needs housing, with different services targeted to each housing type. Supportive housing units are also found at core, enhanced and comprehensive sites.

CommonBond property types and levels of service		
Intensity level	Program areas	Primary delivery mechanism
Core	<ul style="list-style-type: none"> Eviction prevention Health and wellness classes Community-building events 	Property managers with Advantage Services training and technical assistance, H&W Instructors
Enhanced	<ul style="list-style-type: none"> Eviction prevention/service coordination Health and wellness classes and activities Homework center Employment and financial services Community-building events 	Advantage Services (average 0.4 FTE per property)
Comprehensive	<ul style="list-style-type: none"> Eviction prevention/service Coordination Health and wellness classes and activities Homework Center/Study Buddies/teen programs Employment and financial services Community-building events 	Advantage Services and strategic partners (average of 0.6–1.0 FTE per property)

2.3 Project background

CommonBond identified its eviction prevention activities as playing a key role in providing benefits to society at large. Since CommonBond’s inception, eviction prevention has been a core component of its services and property management models. Decent and affordable housing has a demonstrable impact on family stability, the life outcomes of children and community development. Stable housing is the foundation upon which people build their lives— absent a safe, decent, affordable place to live, it is next

to impossible to achieve good health, positive educational outcomes, or reach one's overall potential. In many states, eviction rates are rising and concerns are growing around this topic for CommonBond and its stakeholders. Additionally, both CommonBond and the greater community have expressed increasing concerns around racial equality and people of color are disproportionately affected by this topic.

As research related to the impact and importance of affordable housing and community development continues to evolve, CommonBond sees an opportunity to better understand and communicate the impact of its eviction prevention activities with both residents and the wider community. In an effort to better understand and articulate the impact of CommonBond's activities with its stakeholders, CommonBond engaged EY to undertake a Social Return on Investment analysis (SROI) of its eviction prevention activities in the three states in which it operates.

2.4 What is SROI?

SROI is a principles-based framework for measuring and accounting for the value of an investment beyond its direct financial return, relative to resources invested. It is among the more commonly used frameworks to measure the creation of social value among non-profit organizations worldwide. Initially developed in the late 1990s by Roberts Enterprise Development Foundation (REDF), a non-profit social venture focused on supporting employment for low-income and previously homeless persons, the framework has been further developed in recent years by Social Value UK (formerly the SROI Network).

The SROI method standardized by Social Value UK involves the following main steps:

1. Establishing scope and identifying stakeholders
2. Mapping outcomes
3. Evidencing outcomes and giving them a value
4. Establishing impact
5. Calculating SROI, and
6. Reporting, using and embedding¹.

As a tool, SROI analysis can be used to facilitate strategic discussions, anticipate and manage unexpected outcomes, analyze stakeholders' expectations and prioritize management activities and resources.

2.5 Purpose and scope

The purpose of this SROI is to determine if the cost of CommonBond's eviction prevention activities is outweighed by the societal benefits of ensuring that residents remain housed. The scope of the analysis covered the average costs and benefits of CommonBond's eviction prevention activities for one year, in each of the states CommonBond operates in: Minnesota, Iowa and Wisconsin.

Data from three years, from January 2015 to December 2017, was used to calculate the average yearly financial cost of CommonBond's eviction prevention activities. With a recognition that the costs and benefits of CommonBond's eviction prevention activities differed across states, the decision was made to undertake three separate SROI analyses in order to provide a more precise SROI for each state.

¹ SROI Network (2012), pg. 4 to 5.

2.6 Assumptions and limitations

Many significant assumptions go into determining an SROI, as methodologies and tools are evolving. While best efforts are made to represent impacts as accurately as possible, readers should be aware of the limitations of the methodology, including that changes in the assumptions applied, proxy indicators identified and stakeholders engaged could produce materially different results. A sensitivity analysis has been conducted to test certain significant assumptions made in this assessment.

All data required for this social impact analysis was provided to EY by CommonBond or was available through publicly available sources. In some cases, publicly available data was not available to use as a proxy for each individual state. Where these cases occurred, EY utilized a proxy indicator either from Minnesota or a national USA figure. This has been noted in the calculation of proxy values in the **Measurement approach and results** section. We have not attempted to verify, audit, review or otherwise examine CommonBond's payroll information, financial statements, and any other information provided by CommonBond for the purposes of this study, nor any of the publicly available information used in conducting this study. EY was not engaged to perform such procedures.

Due to the limited services provided by Advantage Services at core sites, there was a lack of data regarding eviction prevention activities at these sites. Therefore it was determined that for the purposes of this project, the majority of core sites that did not have internal data available would be excluded from the analysis.

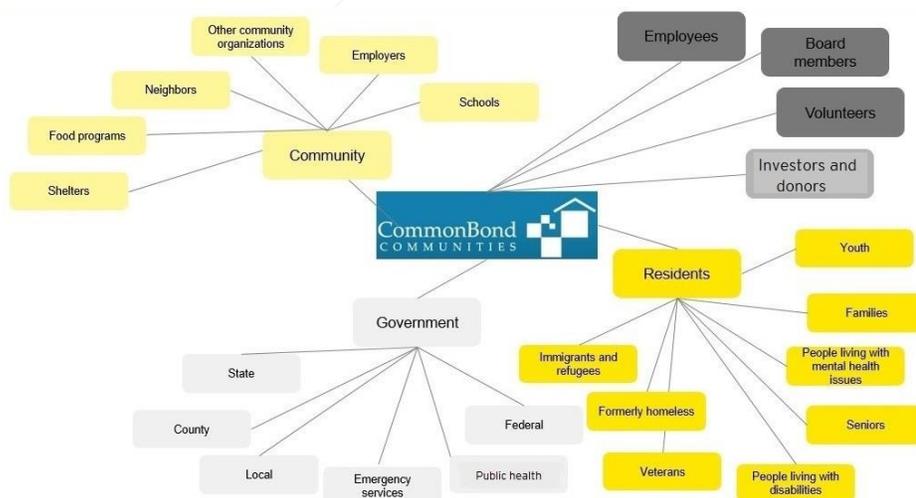
3. Theory of change

In order to develop the impact map for the SROI calculation, EY conducted preliminary stakeholder interviews, drafted a theory of change and validated it with the CommonBond management team. The theory of change demonstrates the relationship between inputs (the resources expended by CommonBond), outputs (eviction prevention activities), outcomes and impacts². The impact map was then further validated via a survey of CommonBond residents in Minnesota and interviews with Advantage Services employees in Iowa and Wisconsin. For details regarding the stakeholder engagement process, refer to **Appendix A**.

3.1 Stakeholder map

Social Impact UK defines stakeholders as ‘people or organizations that experience change or affect the activity, whether positive or negative’³. The stakeholders that were identified as being the most materially affected by CommonBond’s eviction prevention activities were residents, government and the greater community.

- ▶ **Resident stakeholders** include families, youth, seniors, veterans, people living with mental health issues and/or disabilities, people who are formerly homeless, and immigrants and refugees. In some cases, residents can fall into one or more of these categories.
- ▶ **Government stakeholders** include government bodies at the local, county, state and federal level, in addition to government-funded services such as public health and emergency services.
- ▶ **Community stakeholders** include many of the organizations and groups that CommonBond engages with through their eviction prevention activities. These stakeholders include schools, employers, shelters, food programs, neighbors and other community organizations and programs that might be providing support or assistance to residents.
- ▶ **Other stakeholders** include employees, board members, volunteers and investors and donors. For the purposes of this study, employees, board members and volunteers were identified as indirectly impacted by EPP activities and were not included in the impact map.



² SROI Network (2012)

³ Ibid.

3.2 Impact map

The theory of change informed the measurement decisions that were made for each impact. The following table describes the inputs, outcomes, impacts and proxy indicators identified as a result of our analysis.

Inputs

Stakeholder	Input activity	Input definition	Indicator
CommonBond	Eviction Prevention Program (EPP) activities	Activities conducted by Advantage Service (AS) coordinators that promote stability and prevent evictions and negative exits from taking place. This value includes the percentage of staff time dedicated to the described activities and overhead costs.	Percentage of AS coordinator, property manager and corporate staff time dedicated to the described activities, multiplied by the total salary costs plus corporate overhead rate.
	Office space	The value of the office space provided to AS coordinators to conduct their work.	Per-square-foot average value of office space in a CommonBond property, multiplied by the number of CommonBond properties with AS coordinator offices, and multiplied by twelve months to arrive at an annual value.
	Additional material costs	Any other costs that are not included in staff time or office space (e.g., printing).	Total value of other material costs related to the provision of EPP activities as indicated by CommonBond.

Impacts

Stakeholder	Outcome	Outcome definition	Impact	Impact definition	Indicator
Residents	Maintained stable housing	Ability of residents to live in stable home without fear of eviction.	Improved access to quality housing options	A positive housing record is critical to maintaining access to housing options in the future (e.g., no negative evictions, positive credit score).	The additional costs of finding a new rental with a negative rental history.

	Improved home management	Residents gain skills through engagement with AS coordinator to manage physical and financial aspects of home (e.g., reading mail, managing finances and anticipating any issues, maintaining cleanliness of unit).	Increased self-agency/self-reliance	Residents with support in home management gain life skills and the ability to manage life issues on their own.	<i>Qualitative</i>
	Improved social connectedness	Residents feel reduced social isolation and become more engaged with their families, friends and broader community.	Increased community well-being and civic engagement	Residents and past residents take an interest in their community and take a proactive role in participating in community initiatives (e.g., mentoring youth, becoming civically engaged).	<i>Qualitative</i>
	Maximized access to community resources that promote stability	Residents are able to benefit from community resources such as: social workers, mental health, legal, financial support opportunities, public health and language services.	Improved mental, physical and social well-being	Residents experience improved overall well-being through increased health, confidence and happiness.	Value of increase in access to benefits per person multiplied by the number of CommonBond households that have contacted an AS coordinator for support with accessing community resources.
	Reduced stress and improved ability to manage stress	Residents do not have to worry about stable housing and have more capacity to manage other life issues. AS coordinators provide critical support through listening to residents and helping their concerns.			The difference in value between affordable housing rent and market value rent (proxy for the ability to focus on things other than housing costs/direct money towards other life necessities).

	Children and youth are able to remain in the same school	Residents with children and youth are not at risk of leaving the building and community, therefore displacing children and youth.	Improved educational attainment	Children and youth have better access to future opportunities through educational achievements (e.g., college, higher-paying jobs).	Expected future increase in income for children who are prevented from experiencing eviction/disruption.
	Improved job stability and wages	Residents with housing stability are better able to retain their jobs.	Improved economic mobility	Residents and past residents are able to take advantage of job opportunities through new jobs or job advancement which improves overall financial options (e.g., purchasing a home, attending higher education).	Estimated increase in income as a result of receiving stable housing.
CommonBond/ financial stakeholders	Reduced tenant turnover	CommonBond does not need to invest time and resources into finding new tenants due to turnover.	Improved quality and profitability of housing asset	CommonBond properties require less maintenance costs which improves the overall financial health of the asset.	Value of reduced turnover.
Government	Reduced healthcare costs	People who are housed use less overall government-funded healthcare resources, including emergency room visits.	Reduced government costs	Reduced costs and strain on programs such as public health, shelters, foodbanks, emergency calls.	Value for the number of households prevented from eviction multiplied by the value of healthcare savings to government.
	Reduced reliance on public support related to homelessness	People who are housed use less overall other public services (shelters, food banks).			Value for the number of households prevented from eviction multiplied by the cost of emergency shelter services to government.

	Improved relationship with emergency services	Housing stability reduces future reliance on public supports of children and youth.			Value of annual future cost savings to government.
Community	Increased community safety	Increased value to the community through improved neighborhood safety.	Increased acceptance of affordable housing/value to the community	Affordable housing is seen as an integral, active and beneficial part of the community.	Value for the number of households prevented from eviction multiplied by the value of community safety.
	Increased economic benefits to the community	Improved economic impacts in neighborhoods with affordable housing developments due to resident service use (transportation, local shops, etc.).			Value of increased local spend for households prevented from eviction using local multiplier effect.

4. Measurement approach and results

The SROI measurement approach included identifying the appropriate proxy values to measure social impact based on research findings, considering additionalities to achieve more representative amount of SROI, and conducting a sensitivity analysis to test the validity of the assumptions made in the SROI.

4.1 Determining social impact

In order to calculate the value of CommonBond’s EPP activities, EY gathered data provided by CommonBond and from external resources. This information is summarized below.

Number of residents impacted by CommonBond EPP activities

Data regarding the number of residents who were prevented from eviction was required in order to measure the scale of the impact of the eviction prevention program. CommonBond tracks this data and was able to aggregate and disaggregate it as required for the analysis. The average number of at-risk residents or households with resolved issues in each state for the years 2015–2017 are as follows:

State	Average number of residents per household	Households with resolved housing risks linked to outside resources	Households with housing risk that received career advancement advice/services	Households with housing risks resolved	Number of children with housing risks resolved
Minnesota	1.8	190	207	333	239
Wisconsin	1.5	25	36	53	29
Iowa	1.9	47	39	55	45

Inputs

General eviction prevention activities

The majority of eviction prevention activities are conducted by Advantage Services coordinators, but a small proportion are also attributed to the work of CommonBond property managers, corporate staff and overhead costs. In order to calculate this cost, CommonBond estimated the amount of time spent by their staff on EPP activities to determine a corresponding value. The three options that CommonBond came up with to measure the AS coordinator inputs (which included both proactive and reactive activities) were to:

- ▶ Count all time and resources that fall under the stability and independence program area for AS coordinators,
- ▶ Count all activities that fall under the stability and independence theme for AS coordinators, or
- ▶ Count all AS coordinator activities as eviction prevention.

CommonBond determined that the most reasonable estimate was to include all stability and independence activities.

To determine property manager time spent on eviction prevention activities, CommonBond held a group interview with property managers. They estimated that they spend between 3 to 10% of their time on eviction prevention activities, with the consensus being 7%. CommonBond determined that 7% was the most reasonable estimate.

To account for overhead costs, CommonBond opted to use the rate that is approved in government grants, which is 14.74%.

The results are as follows:

	Minnesota	Wisconsin	Iowa
AS Coordinator expenses and corporate expenses	\$1,239,003.22	\$78,377.52	\$84,386.05
Property manager expenses	\$174,704.82	\$14,267.18	\$10,640.25
Overhead expenses	\$208,380.57	\$13,655.83	\$14,006.88
Total	\$1,622,088.61	\$106,300.53	\$109,033.18

Staff costs make up the vast majority of input costs. As the percentage of staff time dedicated to EPP activities was estimated by CommonBond, the cost was tested in the sensitivity analysis of the final SROI value.

Office space

CommonBond determined that office space used by Advantage Services to provide EPP activities to residents contributes significantly to the overall success of the Eviction Prevention Program. Office space is used by coordinators to conduct private one-on-one meetings with residents and provide support. The average office size was estimated by CommonBond to be 100 square feet, and an additional 10% was included to accommodate common spaces that are found in some CommonBond buildings. The average value of the space was estimated at \$10 per square foot, which was determined based on the cost to lease a comparable space. The total cost of office space for each state is estimated as follows:

	Minnesota	Wisconsin	Iowa
Number of offices	48	5	6
Office size	110 sqf	110 sqf	110 sqf
Value per square foot	\$10	\$10	\$10
Total	\$633,600	\$66,000	\$79,200

Additional program costs

Like any program, there are additional program costs associated with the EPP. CommonBond identified other expenses from their budget related to EPP such as interpretation (translation) services, office supplies and training and memberships. Management estimated that the total expense budget for Stability and Independence costs is attributable to EPP.

	Minnesota	Wisconsin	Iowa
Translation	\$9,700	\$50	\$250
Office supplies	\$8,018	\$782	\$1,200
Training/memberships	\$19,085	\$445	\$470
Total	\$36,803	\$1277	\$1,920

Resident impacts

Improved access to quality housing options

One observation from the CommonBond stakeholder interviews was that stakeholders think that a positive housing record is critical to maintain access to quality future housing options. Having an eviction on a person's rental history can disqualify them from future rental applications, making it exceptionally difficult for them to find a home. In CommonBond's 2016 impact report, one resident describes how it was difficult to find an apartment for herself and her daughter that she could afford. "Most places disqualified her application because of an eviction, which was the result of a job loss that led to her inability to pay rent"⁴. Through the EPP, CommonBond is supporting residents by working through lease violations where possible and allowing them to maintain a positive housing record. Of the 33 residents who completed the anonymous survey created for this study, 75% said that Advantage Services has helped them remain stably housed.

To calculate the social impact, research was conducted on the impact of a negative housing record. While hard data on this issue was not readily available, a commonly referenced toolkit indicated that applicants may have to pre-pay at least two months' rent as a deposit to secure housing⁵. The benefit of maintaining housing in a CommonBond property is calculated by taking the average apartment value for each of CommonBond's studio, 1-bedroom, 2-bedroom and 3+ bedroom apartments and multiplying it by two to represent two months' rent, and then multiplying it by the average number of at-risk households residing in each apartment type. Finally, an additional value representing moving logistics costs (e.g., renting a truck) was included⁶.

⁴ Impact Report, CommonBond Communities (2016), https://issuu.com/commonbond/docs/cbc_impact_report_2016-no_crop_mark.

⁵ Fix a bad rental history, WikiHow, <https://www.wikihow.com/Fix-a-Bad-Rental-History>.

⁶ American Moving and Storage Association, <https://www.moving.com/movers/moving-cost-calculator.asp>.

Minnesota	Studio	1-bedroom	2-bedroom	3+ bedroom
Market rate ⁷	\$502	\$598	\$769	\$1112
Number of at-risk residents	24	97	96	78
Sub-total	\$24,096	\$116,012	\$147,648	\$173,472
Cost to move	\$1,150 per household			
Total	\$800,478			

Wisconsin	Studio	1-bedroom	2-bedroom	3+ bedroom
Market rate ⁸	n/a	\$576	\$744	\$1043
Number of at-risk residents	n/a	13	28	9
Sub-total	n/a	\$14,976	\$41,664	\$18,774
Cost to move	\$1,150 per household			
Total	\$137,514			

Iowa	Studio	1-bedroom	2-bedroom	3+ bedroom
Market rate ⁹	n/a	\$529	\$680	\$954
Number of at-risk residents	n/a	6	25	23
Sub-total	n/a	\$6,348	\$34,000	\$43,884
Cost to move	\$1,150 per household			
Total	\$141,732			

Increased self-agency/self-reliance

During stakeholder interviews, the impact of increased self-agency and self-reliance for residents was highlighted by CommonBond staff, residents and third parties as a key benefit for residents that carries on as a skill throughout their lives. Eviction prevention activities include services such as home management (for example, by working with residents to help them maintain their units in order, open and read their mail). AS coordinators work with residents to develop home management skills that will avoid a lease violation. In addition, as part of lease education, AS coordinators work with residents to help them understand their rights and responsibilities as tenants.

Residents who received AS support in home management described improving their ability to manage life issues on their own, a critical life skill. 33% of residents surveyed said that AS coordinators helped them to maintain the cleanliness of their unit and 47% said AS coordinators helped them to read and understand correspondence. Overall, 82% of respondents agreed that they had gained the skills and confidence to manage difficult situations as a result of working with AS. Although this benefit is not quantified in the study, it is a key impact and may benefit from further research in the future.

⁷ Office for Policy Development and Research, 2017 Small Area Fair Market Rents, <https://www.huduser.gov/portal/datasets/fmr/smallarea/index.html> and Office for Policy Development and Research, County-level Fair Market Rents, <https://www.huduser.gov/portal/datasets/fmr.html#2017>

⁸ Ibid.

⁹ Ibid.

Increased community well-being and civic engagement

During stakeholder interviews, it was identified that a key impact of eviction prevention is an improved sense of community cohesion among residents as well as within their greater community. CommonBond has dedicated space in their buildings for community-building activities. As a result, current and past residents begin to take an interest in their communities and assume proactive roles in community initiatives. 33% of residents surveyed said they participate more in community activities, and 66% feel more connected to their community as a result of working with Advantage Services. Examples identified in the interviews include past residents who have returned to mentor youth. Other residents have become civically engaged by inviting elected officials to speak to resident groups, participating in voting and encouraging others to do so by arranging for transportation to polls. This benefit has not been quantified; further study is recommended in the future.

Improved mental, physical and social well-being

One of the most critical services that CommonBond AS coordinators provide is access to external support services. When a resident experiences a lease violation, the EPP strives to address the cause of the issue and prevent it from reoccurring in the future if possible. Often, this requires connecting the resident with external resources, for example: county emergency assistance, financial resources (energy assistance, community action, etc.), legal aid, financial counselling, mental health services, substance abuse treatment, in-home support, faith communities, adult protection, and county's coordinated entry program. Of the 33 residents who completed the anonymous survey, 85% said that Advantage Services helped them access one or more outside resources which they would not have been able to access on their own.

By connecting residents with support resources that they need, the EPP also contributes to improved overall well-being for residents through increased health, confidence and happiness. 90% of respondents reported being more confident and happy knowing they have the support of Advantage Services, and 72% report an improvement in their mental health. One resident interviewed for this study said that, "If I was [housed elsewhere], I would not have any drive to succeed. These buildings are such a difference. There are people here who care and [make] you feel like you matter." To capture the value of the reduced stress that being stably housed in an affordable home brings to residents, the average annual income savings per household was calculated.

	Minnesota	Wisconsin	Iowa
Number of at-risk households	295	54	50
Average annual household income	\$12,473.12	\$16,031.11	\$17,906.58
Median % income spent on subsidized rent	27.36%	29.10%	30.59%
Median % income spent on market-rate rental	85.23%	51.53%	52.87%
Annual savings	\$7,218.69	\$3,596.40	\$3,989.58
Total	\$2,129,514	\$194,206	\$199,479

A proxy for these services was calculated using the average value of an emergency rent services grant in Minnesota per household, which is just one type of support with which CommonBond might connect an at-risk resident¹⁰. The data for this proxy value is limited to Minnesota and used for the other two states using the average number of households with resolved housing risks linked to outside resources and multiplied by 12 to bring the value up to an annual value.

	Minnesota	Wisconsin	Iowa
Households with resolved housing risks linked to outside resources	190	25	47
Average emergency rent services grant	\$123.67	\$123.67	\$123.67
Total	\$281,968	\$37,101	\$69,750

Improved educational attainment

Housing stability is uniquely critical to child and youth residents as it can impact educational outcomes. Research suggests that housing instability is correlated with lower graduation rates, where youth who have moved to a new neighborhood at least once during high school are 48% more likely to drop out of school¹¹. Youth cognitive and social development critically relies on their connections to greater support systems such as parents, teachers, peers, tutors, neighbors and other community members, and this can be disrupted by frequent moves¹². The impacts of homelessness on youth, and thus educational attainment, also disproportionately affect people of color. In a 2015 study of Minnesota homelessness, 73% of youth experiencing homelessness were African American, Native American, Asian, Hispanic, or of mixed race, compared to just 26 percent of all Minnesota youth¹³.

The National Center for Education statistics measured the median income for young adults aged 25 to 34¹⁴ in the United States. In order to capture the positive impact of staying housed to children and youth living in CommonBond residences, the difference between the median income of a high school graduate (\$30,500) and a high school drop-out (\$25,000) is used to calculate SROI.

¹⁰ Housing Assistance Programs, Research Department, Minnesota House of Representative (2017), <http://www.house.leg.state.mn.us/hrd/pubs/hsgassist.pdf>.

¹¹ Residential Mobility during Adolescence: Even “upward” moves predict high school dropout, George Warren Brown School of Social Work (2015), <https://csd.wustl.edu/Publications/Documents/RB15-52.pdf>.

¹² Ibid.

¹³ Minnesota Homeless Study, Wilder Research (2015), <http://mnhomeless.org/minnesota-homeless-study/youth.php>.

¹⁴ Fast Facts: Income of young adults, National Center for Education Statistics (2015), <https://nces.ed.gov/fastfacts/display.asp?id=77>

	Minnesota	Wisconsin	Iowa
Youth in school with resolved risks	239	29	45
Average benefit	\$5,500	\$5,500	\$5,500
Total	\$1,314,500	\$159,500	\$247,500

Improved economic mobility

CommonBond provides career support for residents to obtain and maintain jobs as well as progress in their careers. Residents that are able to take advantage of job opportunities through new jobs or job advancement will likely see an improvement in their overall economic mobility. Examples of economic mobility identified in the interviews include residents who have eventually purchased a home or pursued higher education. Job advancement protects residents from future housing risks. As it relates to eviction prevention, AS coordinators support residents through job loss and connect them with resources to ensure that they can remain housed during transition periods. 60% of survey respondents reported that working with Advantage Services has helped them to improve their financial situation by connecting them with resources.

In order to measure the impact of economic mobility, the difference between median income for each state¹⁵ and the national poverty income level for a household of two (\$15,391)¹⁶ is used to calculate SROI. This calculation assumes that most CommonBond households only have one wage-earner in the household and that, as per the survey results, 60% of residents with career support would experience an improved financial situation.

	Minnesota	Wisconsin	Iowa
Households with career advancement support	207	36	39
Median income	\$59,044	\$55,638	\$54,736
National poverty wage	\$15,391	\$15,391	\$15,391
Total	\$5,421,703	\$869,335	\$920,673

¹⁵ Minnesota, Iowa and Wisconsin, DataUSA (2015), <https://datausa.io/profile/geo/minnesota/>, <https://datausa.io/profile/geo/wisconsin/>, <https://datausa.io/profile/geo/iowa/>

¹⁶ What are poverty thresholds and poverty guidelines?, Institute for Research on Poverty (2015), <https://www.irp.wisc.edu/faqs/faq1.htm>

CommonBond/financial stakeholder impacts

Improved quality and profitability of housing asset

The efforts of the EPP impact on CommonBond itself and its stakeholders, who invest in CommonBond properties. By preventing evictions, tenant turnover is significantly reduced, resulting in cost savings for CommonBond. Maintaining a stable margin allows CommonBond to uphold its service levels and reinvest in the organization and its beneficiaries. The cost of eviction includes costs to CommonBond such as write-offs of any outstanding rent, unit “turn” cost such as cleanup and painting, time that the apartment sits vacant, legal fees and marketing.

A collaborative report by Community Properties of Ohio and NeighborWorks America estimates that the “cost saving” of an eviction can range from \$1,200 up to \$6,000 inclusively¹⁷. A proxy value of \$2,500 was selected to value eviction preventions by CommonBond after considering its costs and validating it with their Real Estate and Property Management teams. The estimated range is wide, and therefore is reviewed in the sensitivity analysis.

	Minnesota	Wisconsin	Iowa
Households with housing risks resolved	333	53	55
Cost to find a new tenant	\$2,500	\$2,500	\$2,500
Total	\$832,500	\$132,500	\$137,500

Government impacts

Reduced government costs

The benefits of CommonBond’s EPP to government were identified through the stakeholder engagement process. Through stakeholder consensus and data availability, it was determined that this impact would be measured by using:

- ▶ Reduced healthcare costs,
- ▶ Reduced reliance on emergency shelters, and
- ▶ Reduced future reliance on public supports for children and youth.

Reduced healthcare costs

In order to calculate healthcare savings to government as a result of eviction prevention, the study calculated the difference between the cost of healthcare for a homeless person (\$9,000) and the cost of

¹⁷ Eviction Prevention Programming (EPP): Best Practices Review, CPO Management, CPO Impact and NeighborWorks America (2015), http://neighborworks.org/Documents/TrainingandServices_Docs/Training_ProfDev_Docs/Resident-Services-Convening-February-2015/EPP_CaseStudyReport_FINAL_PB-and-MM-edits_Feb-2015.aspx

healthcare for a housed person (\$5,000) annually¹⁸. The calculation was then pro-rated to 34 days to reflect the average length of stay at a state-funded shelter in Minnesota¹⁹ and multiplied by the average number of residents per household to account for the average number of residents per unit in CommonBond properties. The data for this proxy value is limited to Minnesota and used for the other two states. CommonBond estimated that 10% of their at-risk residents may become homeless if evicted (others would likely stay with friends and relatives) so this was also accounted for in the calculation.

	Minnesota	Wisconsin	Iowa
Households with housing risks resolved	333	53	55
Cost difference of healthcare for a housed vs homeless person	\$4,000	\$4,000	\$4,000
Average number of residents per household	1.8	1.5	1.9
Total	\$22,334	\$2,962	\$3,894

Reduced reliance on emergency shelters

The costs savings on publicly-funded shelters was calculated by taking the average daily shelter cost in Minnesota (\$53) and multiplying it by 34 days to reflect the average length of stay at a state-funded shelter in Minnesota²⁰. The data for this proxy value is limited to Minnesota and used for the other two states. CommonBond estimated that 10% of their at-risk residents may become homeless if evicted so this was also accounted for in the calculation.

	Minnesota	Wisconsin	Iowa
Households with housing risks resolved	333	53	55
Cost to stay at a state-funded shelter for 34 days	\$1,802	\$1,802	\$1,802
Total	\$60,007	\$9,551	\$9,911

¹⁸ Ending long-term homelessness in Minnesota, Minnesota Department of Human Services, Minnesota Department of Corrections and Minnesota Housing Finance Agency (2004), http://www.dhs.state.mn.us/main/groups/disabilities/documents/pub/dhs_id_053186~1.pdf

¹⁹ Economic Impact Measurements of Minnesota Legal Aid, Minnesota Legal Services Coalition (2014), http://mylegalaid.org/downloads/Economic_Impact_Report.pdf

²⁰ Economic Impact Measurements of Minnesota Legal Aid, Minnesota Legal Services Coalition (2014), http://mylegalaid.org/downloads/Economic_Impact_Report.pdf

Reduced future reliance on public supports for children and youth

Intervening in housing instability results in positive future outcomes for children and youth, which has already been discussed under **Resident impacts**. However, more productive future citizens also results in future cost savings for government. A 2015 study found that each youth formerly at risk of or experiencing homelessness who becomes a productive and tax-paying citizen saves an estimated \$211,059 in lifetime fiscal costs²¹. Spreading out the lifetime savings over a presumed 45 working years, this value amounts to an average of \$4,690 in government savings per person per year.

	Minnesota	Wisconsin	Iowa
Youth in school with resolved risks	239	29	45
Average benefit	\$4,690	\$4,690	\$4,690
Total	\$1,120,958	\$136,016	\$211,059

Community impacts

Increased acceptance of affordable housing/value to the community

A common perception cited by neighborhood groups is that affordable housing will negatively impact property values in the area. In 2013, Shelterforce analyzed 62 studies that investigated this topic, and found that:

- ▶ 29 studies suggested that affordable housing has a positive impact on housing value,
- ▶ 27 studies found that affordable housing has a neutral effect on property values,
- ▶ 5 studies found mixed effects, and
- ▶ 1 study found that affordable housing has only negative effects²².

Nevertheless, the perception that affordable housing has a detrimental effect on communities persists. CommonBond seeks to counterbalance this perspective by providing safe and stable affordable housing that contributes positively to the neighborhoods in which they operate. Ongoing research is being conducted by CommonBond into the precise impact of their presence in surrounding neighborhoods.

Absent available data from CommonBond, the value of the stable housing environment that CommonBond provides to its surrounding neighborhoods was estimated based on the value of:

- ▶ Increased community safety, and
- ▶ Increased local spending.

²¹ The Economic Burden of Youth Experiencing Homelessness and the Financial Case for Investing in Interventions to Change Peoples' Lives: An Estimate of the Short- and Long-term costs to taxpayers and society in Hennepin County, Minnesota, Foldes Consulting LLC (2015), <http://www.youthlinkmn.org/wp-content/uploads/2016/04/the-economic-burden-of-homeless-youth-in-hennepin-county.pdf>.

²² "Does affordable housing development lower property values?", Shelterforce (2013), https://shelterforce.org/2013/07/18/answer_172_affhsg_lower_property_values/

Increased community safety

Through the EPP, CommonBond provides stable housing to residents who might otherwise become homeless. A study on supportive housing in Minnesota found that the criminal justice costs associated with homelessness amount to \$16,347 per year²³. This study used this proxy indicator with the assumption that approximately 10% of resident households end up homeless if evicted. The data for this proxy value is limited to Minnesota and used for the other two states.

	Minnesota	Wisconsin	Iowa
Households with housing risks resolved	333	53	55
Average criminal justice costs per individual	\$16,347	\$16,347	\$16,347
Average number of residents per household	1.8	1.5	1.9
Total	\$979,839	\$129,959	\$170,826

Increased local spending

By preventing evictions, CommonBond is preventing households from leaving the neighborhoods where they reside. This benefits local businesses and community members in the local areas, since an average of 50% of income²⁴ is typically spent locally. The social impact of this spending is calculated by taking the additional funds available to residents between the average affordable rate and the average market rental rate described for the improved wellbeing impact, and applying the local multiplier. The assumption of 50% of the funds being spent locally is tested in the sensitivity analysis.

	Minnesota	Wisconsin	Iowa
Amount that enters the local economy	\$1,064,757	\$97,103	\$99,740
Local multiplier	50%	50%	50%
Total	\$2,129,514	\$194,206	\$199,479

²³ Return on investment in supportive housing in Minnesota, Wilder Research (2010), <https://www.wilder.org/Wilder-Research/Publications/Studies/Return%20on%20Investment%20in%20Supportive%20Housing%20in%20Minnesota/Return%20on%20Investment%20in%20Supportive%20Housing%20in%20Minnesota,%20Summary.pdf>

²⁴ 50% represents a halfway point between the NEF's "Plugging the Leaks" best (80% local spend) and worst (20% local spend) case scenarios. New Economics Foundation (2002), *Plugging the Leaks: Making the most of every pound that enters your local economy*.

4.2 Additionality considerations

Additionality considerations help to improve the accuracy of the SROI by assessing the monetized outcomes for aspects of change that would have happened anyway or are a result of other factors²⁵. The following considerations have been applied to the social impact measurement of CommonBond’s EPP to achieve a more representative estimated value.

Consideration	Definition ²⁶
Deadweight	An estimation of the amount of the outcome that would have happened even if the EPP activity had not taken place; it is calculated as a percentage.
Attribution	An estimation of how much the outcome was caused by the contribution of other organizations or people; it is calculated as a percentage.
Duration	Timescale (i.e., number of years) the benefit is expected to endure after the organization’s intervention.
Drop-off	In future years, the amount of the outcome is likely to be less, or if the same, will be more likely to be influenced by other factors, so attribution to the organization is lower over time. Drop-off is used to account for this; it is calculated as a percent reduction in impact value per year over the duration of the impact.
Displacement	A measure of how much the outcome displaces other outcomes (e.g., if the provision of EPP services prevents CommonBond from providing alternative beneficial services).

The estimated percentages for these considerations have been co-created with CommonBond and validated through stakeholder interviews. The table below summarizes the analysis for each consideration applied. Note that in this table the deadweight, attribution and drop-off are inverted (e.g., a deadweight of 40% means that 40% of the outcome would not have happened without intervention, 70% attribution means that 70% of the change is attributed to CommonBond, and 90% drop-off means that 90% of the value of the impact is retained year over year). In the analysis, Minnesota was initially assessed to draft the additionality considerations and additional stakeholder interviews with Iowa and Wisconsin validated them. Where there were variances noted in Iowa and Wisconsin, they are noted below.

²⁵ SROI Network (2012). *A Guide to Social Return on Investment*, pg. 10

²⁶ SROI Network (2012). *A Guide to Social Return on Investment*

All impacts

Consideration	Minnesota analysis	Wisconsin/Iowa variations and comments	Conclusion - MN	Conclusion - WN/IA
Displacement	Through discussions with CommonBond, it was decided that displacement does not apply to this SROI since the benefits allocated to one unit would displace the benefits for someone else living in that unit. Since no two people can receive the same benefits at the same time, the outcome is the same in either case.	N/A	N/A	N/A
Duration	It is assumed that the outcome will, on average, last as long as residents live in a CommonBond property (an average of five years) plus one year.	N/A	6 years (average stay +1 year)	6 years (average stay +1 year)

Improved access to quality housing

Consideration	Minnesota analysis	Wisconsin/Iowa variations and comments	Conclusion - MN	Conclusion - IA and WN
Deadweight	Comparison or benchmark would be market rate housing, where residents would likely have more lease violations to the point where their lease wouldn't be continued. Many at-risk residents would not remain in stable housing and would not experience this outcome without access to affordable housing. Most at-risk resident with lease violations would be evicted from a market-rate rental. Residents at some affordable housing units may be able to work through issues and either resolve the violation or avoid it altogether.	N/A	90%	90%
Attribution	Aside from emergency access for rental assistance, CommonBond plays a significant role in ensuring people remain in their housing, of which property management preventative actions is a large part.	N/A	90%	90%
Drop-off	Slight drop-off while someone is housed in a CommonBond unit, since housing instability can affect residents throughout their stay, not just at the beginning. Housing issues can accumulate over time and CommonBond's influence is likely to be just as important at the beginning of someone's stay as at the end. Significant drop-off after an at-risk resident leaves CommonBond.	N/A	90%	90%

Improved mental, physical and social well-being

Consideration	Analysis	Wisconsin/Iowa variations and comments	Conclusion – MN	Conclusion – IA and WN
Deadweight	This outcome depends to a large degree on the individual involved and what support is required for them to achieve this outcome (for some residents, they just need to be connected to resources, while for others, this outcome might be very hard to achieve). Deadweight is estimated to be somewhere in the middle.	N/A	40%	40%
Attribution	Significantly attributable to others - other services outside of eviction prevention also play a significant role in contributing to this outcome (e.g., external support services, other CommonBond programs related to education, support for seniors). Additionally, without support from CommonBond, residents would not otherwise know about or access these services.	Many CommonBond properties in Wisconsin and Iowa are located in fairly isolated communities located far from other services. As a result, CommonBond provides additional support in those areas that might have otherwise been provided by community organizations. Higher attribution to CommonBond.	40%	60%
Drop-off	See duration above. Moderate drop-off, year over year, since this outcome will be increasingly influenced by other factors as time goes on.		85%	85%

Improved educational attainment

Consideration	Analysis	Wisconsin/Iowa variations and comments	Conclusion – MN	Conclusion – IA and WN
Deadweight	Housing stability contributes to educational attainment since it allows children to stay in the same school. However educational attainment is also strongly linked to other factors, including individual characteristics and motivation, so a child who moves might improve their education regardless (or a child who stays at the same residence may never improve their education). Deadweight is somewhere in the middle.	N/A	50%	50%

Attribution	This outcome will be caused by a variety of organizations or people (e.g., schools, teachers, mentors/tutors, family). Low attribution to CommonBond.	N/A	10%	10%
Drop-off	Moderate drop-off, year over year, since this outcome will be increasingly influenced by other factors as time goes on.	N/A	85%	85%

Improved economic mobility

Consideration	Analysis	Wisconsin/Iowa variations and comments	Conclusion – MN	Conclusion – IA and WN
Deadweight	Economic mobility will be caused by many factors, so someone may or may not experience this outcome even in a market rate rental unit. However, affordable housing is a key component to ensuring people have a chance to improve their economic situation. Deadweight is moderate.	N/A	50%	50%
Attribution	While CommonBond may provide advice, they cannot directly improve a resident's economic mobility in isolation. Most of the support ultimately delivered to the resident is through community and other programming, not through CommonBond's eviction prevention activities. Many organizations and people will contribute to this outcome (e.g., employers). Low attribution to CommonBond.	N/A	10%	10%
Drop-off	Highly influenced by other factors as time goes on – significant drop-off year over year.	N/A	75%	75%

Improved quality and profitability of the asset

Consideration	Analysis	Wisconsin/Iowa variations and comments	Conclusion – MN	Conclusion – IA and WN
Deadweight	There are many things that contribute to the profitability of housing assets – including competitive financing and contracts. Many affordable housing properties are run on tight margins, however, so activities such as those related to eviction prevention can be a moderate contributor to how the asset is performing.		50%	50%
Attribution	CommonBond is actively looking to reduce costs in a number of ways. While eviction prevention is an important factor of financial management, it is not the only one. Attribution is moderate.	N/A	50%	50%

Drop-off	Moderate drop-off, year over year, since this outcome will be increasingly influenced by other factors as time goes on.	N/A	85%	85%
-----------------	---	-----	-----	-----

Reduced government costs

Consideration	Analysis	Wisconsin/Iowa variations and comments	Conclusion – MN	Conclusion – IA and WN
Deadweight	Housing stability and organizations like CommonBond are playing a critical role, without which the government would be significantly burdened. Deadweight is considered to be low.	N/A	80%	80%
Attribution	Many other organizations are working in conjunction with CommonBond to help people make more efficient use of government resources. Low attribution to CommonBond overall.	N/A	20%	20%
Drop-off	Slight drop-off year over year.	N/A	95%	95%

Increased acceptance of affordable housing

Consideration	Analysis	Wisconsin/Iowa variations and comments	Conclusion – MN	Conclusion – IA and WN
Deadweight	Communities benefit from affordable housing environments that support residents to prevent hardships such as eviction. As a result, communities are more accepting of affordable housing as they become aware of affordable housing organizations like CommonBond and experience the positive impacts (or not experience negative impacts) directly (e.g., from having a CommonBond or another affordable housing property in their communities). However, perceptions may also change due to research studies, political viewpoints, etc. Deadweight is moderate.	N/A	50%	50%

Attribution	Community perceptions may or may not change due to other affordable housing properties/organizations that are working in the same communities. This should be measured in relation to CommonBond's footprint in the affordable housing market in each state; however, such data is not available.	Since CommonBond has only recently begun operating and has fewer properties in Wisconsin and Iowa, people are not as familiar with CommonBond and their reputation. Low attribution to CommonBond. For MN, CommonBond estimates that their footprint of the total affordable housing in the state is at maximum 10%; however CommonBond is unique in that most affordable housing doesn't provide additional eviction prevention support services. The attribution to positive attitudes towards affordable housing relies highly on CommonBond. Estimated 30% and 20% respectively.	30%	20%
Drop-off	Recognition that although this is a longer term outcome, community safety and perceptions will depend on a variety of other factors as time progresses – significant drop-off year over year.	N/A	75%	75%

4.3 Findings

The following impacts were identified through stakeholder engagement and measured:

<u>Inputs</u>	<u>Activities</u>	<u>MN</u>	<u>WN</u>	<u>IA</u>
CommonBond	General eviction prevention activities	\$1,622,089	\$106,301	\$109,033
	Office space	\$633,600	\$66,000	\$79,200
	Additional material costs	\$36,803	\$1,277	\$1,920
<u>Stakeholders</u>	<u>Impacts</u>	<u>MN</u>	<u>WN</u>	<u>IA</u>
Residents	Improved access to quality housing options	\$2,726,456	\$468,377	\$482,744
	Increased self-agency/self-reliance	Qualitative	Qualitative	Qualitative
	Increased community well-being and civic engagement	Qualitative	Qualitative	Qualitative
	Improved mental, physical and social well-being	\$1,445,718	\$208,007	\$242,110
	Improved educational attainment	\$246,269	\$29,882	\$46,369
	Improved economic mobility	\$813,459	\$130,433	\$138,136
Property investors	Improved quality and profitability of housing asset	\$779,837	\$124,118	\$128,802
Government	Reduced government costs	\$910,548	\$112,393	\$170,157
Community	Increased acceptance of affordable housing/value to the community	\$1,399,560	\$97,274	\$111,119

The details of the above calculations are located in the **Determining social impact** section.

The SROI analysis revealed that the total average annual input from CommonBond in eviction prevention services between 2015 and 2017 was \$2,656,222 per year. During the same time period, the total value of the impacts from the eviction prevention services was \$10,811,768 per year. This results in a total annual overall social return on investment estimated at \$4:\$1, meaning that \$4 in social benefits would be generated for every \$1 invested by CommonBond. Broken down by state, the SROI was estimated as follows:

Minnesota	Wisconsin	Iowa	Overall SROI
\$3.50	\$6.75	\$7.00	\$4.00

Although the activities and outcomes identified in Minnesota, Iowa and Wisconsin are similar, the calculated proportion of return on investment is significantly more in Iowa and Wisconsin than in

Minnesota. This may be partly due to the effects of CommonBond's activities in Iowa and Wisconsin for some indicators being higher. This is referred to as 'additionality' and is described in the report. However, it may not be the only cause for the different values between states. It is recommended as a go-forward consideration for further research on resource allocations and the extent of impacts in each state.

It is important to note that the impacts on residents of increased self-agency or self-reliance and increased community well-being and civic engagement were not included in the calculation as the analysis for these impacts was qualitative only. Residents who received AS support in home management described improving their ability to manage life issues on their own, a critical life skill. Overall, 82% of survey respondents agreed that they had gained the skills and confidence to manage difficult situations as a result of working with Advantage Services.

Another impact of eviction prevention that is not quantified is an improved sense of community cohesion among residents as well as within their greater community. Examples identified in the stakeholder interviews conducted include past residents who have returned to mentor youth. Some residents have also become civically engaged by inviting elected officials to speak to resident groups, participating in voting and encouraging others to do so by arranging for transportation to polls.

4.4 Sensitivity analysis

After calculating the ratio, it is important to assess the extent to which results would change if the key assumptions from the SROI calculations were to be adjusted. The aim of such an analysis is to test which assumptions have the greatest effect on the SROI model and to provide users with a greater awareness of the limitations of the calculated value.

The suggested protocol per the SROI Network guidance is to assess key assumptions regarding:

- ▶ Estimates of additionality assumptions including deadweight, attribution and drop-off,
- ▶ Financial proxies,
- ▶ The quantity of the outcome, and
- ▶ The value of inputs, where applicable²⁷.

The following scenarios were tested to assess the sensitivity of the results to key assumptions. Refer to the results for all sensitivity tests in the graphs at the end of this section.

Scenario 1

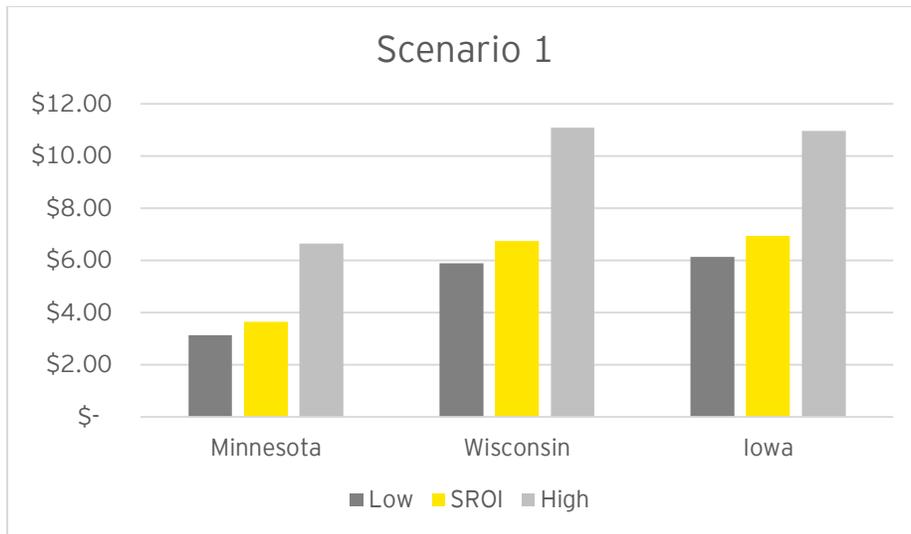
Assumption tested: Amount of staff time dedicated to eviction prevention activities.

Considerations: CommonBond staff include Advantage Service coordinators and Property Managers who carry out a variety of duties, only some of which are related directly or indirectly to eviction prevention. In order to capture this, CommonBond consulted with staff to determine low, moderate and high estimates of the amount of time spent on eviction prevention.

For all staff, moderate assumptions were used as the basis for the SROI calculation. For AS coordinators, the moderate estimate was 66% of staff time. For property managers, the moderate estimate was 7% of staff time. In order to test this assumption EY analyzed the impact of using a low estimate (30%, 3%) and a high estimate (100%, 10%).

²⁷ SROI Network (2012), *A guide to Social Return on Investment*, pg. 64.

Conclusion: Overall, salary and overhead for EPP activities had by far the greatest effect on SROI for each state and overall. It is critical that CommonBond directs these funds in the most efficient manner possible to ensure that funding is equitably attributed to the most impactful program elements.



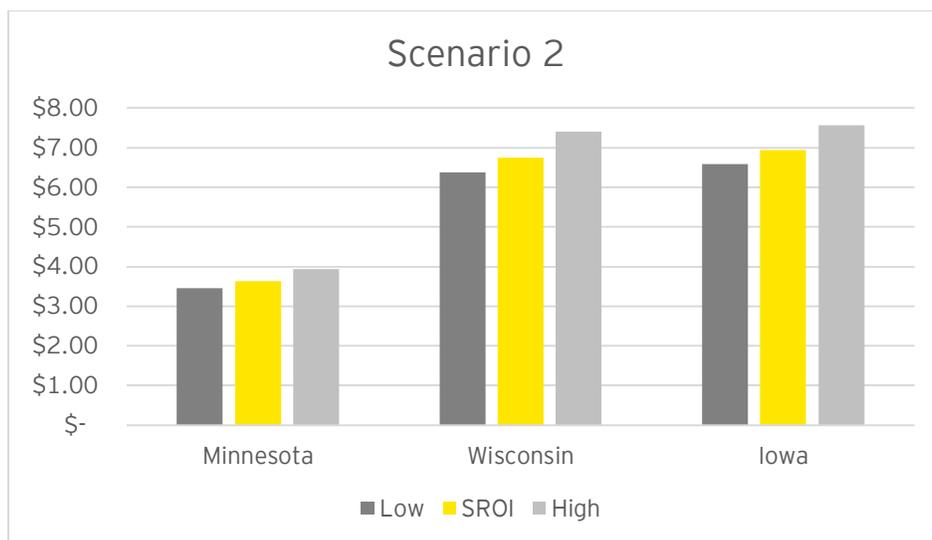
Scenario 2

Assumption tested: Reduced tenant turnover

Considerations: CommonBond has in the past relied on a figure of \$2,500 to demonstrate the cost savings of reduced turnover. This figure includes apartment repairs, time spent interviewing and finding a new tenant, etc. CommonBond uses \$2,500 as a conservative estimate from a Neighbor Works report that suggests the cost saving per eviction ranges from \$1,200 to \$4,000, \$4,800 or \$6,000.

In order to test this assumption EY analysed the impact of using a low estimate (\$1,200) and a high estimate (\$4,800) to understand the impact on overall SROI.

Conclusion: Overall, this assumption does not have a significant impact on any state.



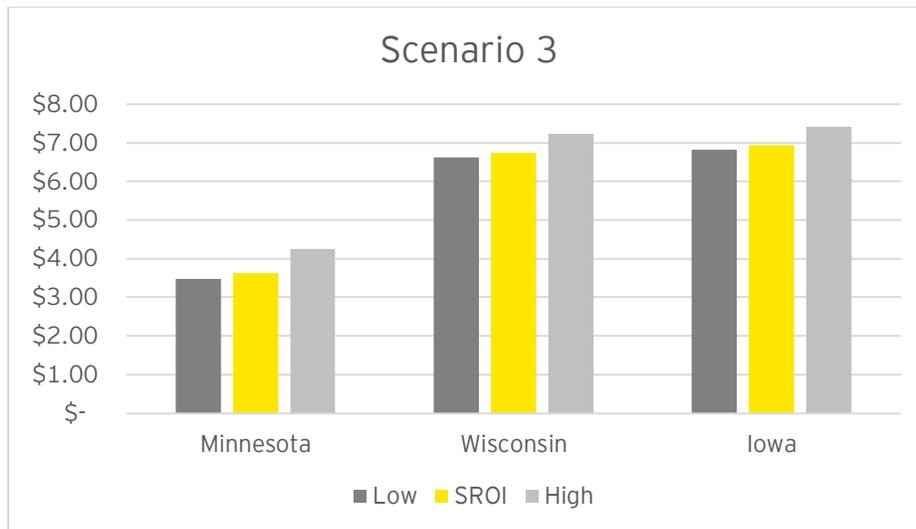
Scenario 3

Assumption tested: Increased economic benefits to the community

Considerations: In the New Economics Foundation report "Plugging the Leaks", the amount of local spending that stays in the local economy is estimated to range from 20% (worse case) to 80% (best case). EY used a 50% mid-way estimate for this SROI.

In order to test this assumption EY analysed the impact of using a reasonable low estimate (30%) and a high estimate (70%) to understand the impact on overall SROI.

Conclusion: Overall, this assumption does not have a significant impact on any state.



Overall, the results show that the SROI depends highly on the amount of time and overhead costs that CommonBond considers to be inputs to the EPP program. A more accurate determination of applicable investment input can be considered as a go-forward recommendation.

For Scenario 1, which shows the greatest amount of variance, the estimates used to determine the SROI are more conservative than average, particularly in Minnesota and Wisconsin. As a result of our conservative assumption in the base case, the SROI is closer to the low sensitivity analysis than high. This adds credibility to the estimate that is used for the SROI value.

5. Go-forward considerations

SROI has proven to be a useful tool to identify and articulate the activities, outcomes and impact of CommonBond's EPP program. A number of go-forward considerations were identified throughout the course of this project and are listed below.

5.1 Examine the reasons for and implications of the significant difference in SROI between Minnesota, Iowa and Wisconsin

Although the activities and outcomes identified in Minnesota, Iowa and Wisconsin are similar, the calculated proportion of return on investment is significantly more in Iowa and Wisconsin than in Minnesota. This may be partly due to the fact that the attribution to CommonBond in Iowa and Wisconsin for some indicators was higher. As described above, since the communities in which CommonBond operates in these states are more remote, Advantage Services provides more services in these communities as compared to Minnesota, where other service providers can be relied upon at a closer distance. However, this alone cannot explain the discrepancy in the final SROI value. Most proxy indicators used for Iowa and Wisconsin were the same, or fairly similar, to Minnesota. This suggests that there are other reasons for the lower investment to benefit ratio in Minnesota. CommonBond may benefit from examining what they are doing differently in Iowa and Wisconsin to account for the additional return on investment.

5.2 Use SROI findings to drive strategic benefits

By identifying those areas where the return on investment is higher, SROI can be a useful tool to prioritize activities going forward. Some areas with a notably high SROI include:

- ▶ Improved access to quality housing,
- ▶ Improved mental, physical and social well-being,
- ▶ Reduced government costs,
- ▶ Increased acceptance of affordable housing in the community

In addition to the above impacts, increased agency or self-reliance was consistently noted by EY as a top impact from almost every stakeholder interview, and particularly from residents. This impact largely stems from CommonBond's interventions to support access to other community services, as well as CommonBond's direct interventions such as lease education and home management. CommonBond should continue to focus on supporting residents in these areas and may even want to consider expanding programming and services in these areas. Additionally, CommonBond can look into ways to better track the value that is driven as a result of these interventions.

5.3 Track additional data

Generally speaking, EY found that the anonymized data collected by CommonBond on its residents and delivered services was comprehensive and robust compared to what EY has previously observed at similar organizations. There was, however, an identified lack of quality data in some key areas:

- ▶ There was a lack of data from core sites in comparison to comprehensive sites. As a result, it is possible that this study is underestimating the SROI since EPP activities at core sites were not fully considered. For the future SROIs on EPP activities, CommonBond would benefit from greater data in this area to more fully capture the benefits of EPP activities at these sites.
- ▶ EY was unable to calculate the SROI for two key impacts that were identified by stakeholders: increased community well-being; and increased self-reliance. As a result, these impacts were

evaluated qualitatively and were not included in the overall quantitative SROI result. Tracking qualitative outcomes (e.g., reduced stress, access to support resources) would enable an SROI calculation for these impacts going forward.

5.4 Consider using SROI to assess impact in other areas

As the first SROI undertaken by CommonBond, this study provides a baseline for future analysis. CommonBond may wish to conduct another SROI of EPP activities in future years to assess how the organization's social value performance is trending over time, particularly as it expands its EPP activities and reach in each of the three states.

CommonBond and Advantage Services also provide a range of activities to residents that were not within the scope of this project. SROI has proven a useful tool for management in identifying stakeholders and outcomes and articulating the impact of EPP activities. CommonBond might benefit from conducting SROI analysis on some of its other service offerings, or the organization as a whole.

Appendix A: Approach

EY undertook four simplified steps based on the methodology developed by Social Value UK to determine the SROI of CommonBond’s eviction prevention activities.

1. Identify key stakeholders in Minnesota

EY worked with CommonBond to identify key stakeholders in Minnesota who are both directly and indirectly impacted by CommonBond’s eviction prevention activities.

2. Map outcomes and impacts

EY interviewed select stakeholders across Minnesota including residents, Advantage Services employees and community partners to identify short-term outcomes and long-term impacts.

Minnesota stakeholders engaged	
CommonBond staff	Residents and other stakeholders
Katie Haas, Director of Services	Supportive housing resident #1, Upper Post (MN)
Jennifer Nielsen, Director of Programs	Officer Scott Marks, member of local police force and licensed social worker
Brenda Petry, Advantage Services Regional Manager	Megan Beukema, social worker, Hennepin County Medical Center
Kelly Harding, Advantage Services Coordinator	Supportive housing resident #2, Views at City Walk (MN)
Advantage Service focus group with representation from various housing types: senior, family and supportive	

Following the interviews, EY developed a draft theory of change that was then validated with the CommonBond management team.

CommonBond Management Workshop attendees	
Deidre Lal Schmidt, President and CEO	Jessie Hendel, Vice President, Advantage Services
Lisa Wilcox-Erhardt, Executive Vice President, Housing & Services	Derek Madsen, Executive Vice President, Resource Development
John Lattyak, ETO Database Administrator	Jennifer Nielsen, Director of Programs

3. Engage stakeholders in Iowa and Wisconsin to validate of the theory of change for these states

Once the theory of change was developed for Minnesota, Advantage Services employees in Wisconsin and Iowa were engaged to confirm the applicability of the impact map to these states.

Advantage Services employees engaged - Wisconsin and Iowa

Jamie Bachman-Behrends (IA)	Sara Gilbert (WI)
Evelyn Garrison (IA)	Jamila Fisher (WI)
Shinita Crawley (IA)	Greg Lamas (WI)
	Vanessa Giraldez (WI)

4. Identified indicators and values to calculate (quantitative) and describe (qualitative) the SROI for Minnesota, Iowa and Wisconsin

Details on the approach we used to calculate the SROI are outlined in the **Measurement approach and results** section.

Appendix B: Resident Impact Survey

CommonBond Communities has contracted with Ernst & Young LLP (EY) to determine the social impact of CommonBond's housing stability activities from 2015 to present. As part of this project, EY is surveying a handful of CommonBond residents to understand how CommonBond's housing stability activities impact their residents in both the short and long term.

Your survey responses will be kept confidential between CommonBond and EY.

1. As a result of working with Advantage Services, I have gained the skills and confidence to manage difficult issues on my own, that seemed overwhelming before.

Strongly Disagree Disagree Neither Agree nor Disagree Agree Strongly Agree Not Applicable

Comments: _____

2. Working with Advantage Services has helped me to improve my mental health.

Strongly Disagree Disagree Neither Agree nor Disagree Agree Strongly Agree Not Applicable

Comments: _____

3. Working with Advantage Services has helped me to improve my physical health.

Strongly Disagree Disagree Neither Agree nor Disagree Agree Strongly Agree Not Applicable

Comments: _____

4. Working with Advantage Services has helped me to improve my financial situation.

Strongly Disagree Disagree Neither Agree nor Disagree Agree Strongly Agree Not Applicable

Comments: _____

5. I am more confident and happy knowing that I have the support of Advantage.

Strongly Disagree Disagree Neither Agree nor Disagree Agree Strongly Agree Not Applicable

Comments: _____

6. I participate in more community activities as result of working with Advantage Services.

Strongly Disagree Disagree Neither Agree nor Disagree Agree Strongly Agree Not Applicable

Comments: _____

7. I feel more connected to my community since working with Advantage Services.

Strongly Disagree Disagree Neither Agree nor Disagree Agree Strongly Agree Not Applicable

Comments: _____

8. Having stable housing through CommonBond has enabled my children to stay in the same school.

Strongly Disagree Disagree Neither Agree nor Disagree Agree Strongly Agree Not Applicable

Comments: _____

9. Having stable housing through CommonBond has helped my children improve their education.

Strongly
Disagree

Disagree

Neither Agree
nor Disagree

Agree

Strongly Agree

Not Applicable

Comments: _____

10. Having stable housing through CommonBond has contributed to my stable employment.

Strongly
Disagree

Disagree

Neither Agree
nor Disagree

Agree

Strongly Agree

Not Applicable

Comments: _____

11. Having stable housing through CommonBond has improved my job opportunities.

Strongly
Disagree

Disagree

Neither Agree
nor Disagree

Agree

Strongly Agree

Not Applicable

Comments: _____

12. Advantage service coordinators have helped me to (select all that apply):

- Improve how I manage my finances
- Maintain the cleanliness of my unit
- Read and understand correspondence (e.g., mail)
- Deal with unforeseen issues that arise
- Remain stably housed
- Feel supported in ways that I was not before

13. Advantage Services Coordinators have helped me access the following resources that I wouldn't have been able to access on my own (select all that apply):

- Social workers
- Mental health support
- Legal support
- Financial advice/support

- Public health advisors
- Language services
- None of the above

14. Have your relationships improved as a result of working with Advantage Services? Select all that apply:

- My relationships with family members have improved
- My relationships with my friends has improved
- My relationships with my neighbours has improved
- None of the above

15. Has an Advantage Services Coordinator assisted you with any of the following issues? Select all that apply:

- Unpaid Rent
- Lease Violation
- Failed Unit Inspection
- Eviction Notice
- None of the above

Thank you for your time. Please return this survey to your Advantage Services Coordinator or mail it using the supplied pre-addressed envelope by December

Appendix C: Bibliography

CommonBond internal sources

CommonBond, *2015-2017 Site Demographics*

CommonBond, *2017 Budget*

CommonBond, *2016-2017 AS and PM expenses*

CommonBond, *Resident Impact Survey*

External research

CommonBond Communities (2016), Impact Report, https://issuu.com/commonbond/docs/cbc_impact_report_2016-no_crop_mark.

CPO Management, CPO Impact and NeighborWorks America (2015), Eviction Prevention Programming (EPP): Best Practices Review, http://neighborworks.org/Documents/TrainingandServices_Docs/Training_ProfDev_Docs/Resident-Services-Convening-February-2015/EPP_CaseStudyReport_FINAL_PB-and-MM-edits_Feb-2015.aspx

DataUSA (2015), Minnesota, <https://datausa.io/profile/geo/minnesota/>.

DataUSA (2015), Wisconsin, <https://datausa.io/profile/geo/wisconsin/>.

DataUSA (2015), Iowa, <https://datausa.io/profile/geo/iowa/>.

Department of Human Services, Minnesota Department of Corrections and Minnesota Housing Finance Agency (2004), Ending long-term homelessness in Minnesota, Minnesota, http://www.dhs.state.mn.us/main/groups/disabilities/documents/pub/dhs_id_053186~1.pdf.

Foldes Consulting LLC (2015), The Economic Burden of Youth Experiencing Homelessness and the Financial Case for Investing in Interventions to Change Peoples' Lives: An Estimate of the Short- and Long-term costs to taxpayers and society in Hennepin County, Minnesota, <http://www.youthlinkmn.org/wp-content/uploads/2016/04/the-economic-burden-of-homeless-youth-in-hennepin-county.pdf>.

George Warren Brown School of Social Work (2015), Residential Mobility during Adolescence: Even "upward" moves predict high school dropout, <https://csd.wustl.edu/Publications/Documents/RB15-52.pdf>.

Institute for Research on Poverty (2015), What are poverty thresholds and poverty guidelines?, <https://www.irp.wisc.edu/faqs/faq1.htm>.

Minnesota Legal Services Coalition (2014), Economic Impact Measurements of Minnesota Legal Aid, http://mylegalaid.org/downloads/Economic_Impact_Report.pdf.

National Center for Education Statistics (2015), Fast Facts: Income of young adults, <https://nces.ed.gov/fastfacts/display.asp?id=77>.

New Economics Foundation (2002), *Plugging the Leaks: Making the most of every pound that enters your local economy*, http://www.pluggingtheleaks.org/downloads/ptl_handbook.pdf.

Office of Policy Development and Research, Small Area Fair Market Rents, <https://www.huduser.gov/portal/datasets/fmr/smallarea/index.html>.

Office of Policy Development and Research, County Fair Market Rents, <https://www.huduser.gov/portal/datasets/fmr.html#2017>.

Research Department, Minnesota House of Representative (2017), Housing Assistance Programs, <http://www.house.leg.state.mn.us/hrd/pubs/hsgassist.pdf>.

Shelterforce (2013), "Does affordable housing development lower property values?", https://shelterforce.org/2013/07/18/answer_172_affhsg_lower_property_values/.

SROI Network (2012), A Guide to Social Return on Investment, <http://socialvalueint.org/wp-content/uploads/2016/12/The-SROI-Guide-2012.pdf>.

WikiHow, Fix a bad rental history, <https://www.wikihow.com/Fix-a-Bad-Rental-History>.

Wilder Research (2015), Minnesota Homeless Study, <http://mnhomeless.org/minnesota-homeless-study/youth.php>.

EY | Assurance | Tax | Transactions | Advisory

EY is a global leader in assurance, tax, transaction and advisory services. The insights and quality services we deliver help build trust and confidence in the capital markets and in economies the world over. We develop outstanding leaders who team to deliver on our promises to all of our stakeholders. In so doing, we play a critical role in building a better working world for our people, for our clients and for our communities.

EY refers to the global organization and/or one or more of the member firms of Ernst & Young Global Limited, each of which is a separate legal entity. Ernst & Young Global Limited, a UK company limited by guarantee, does not provide services to clients. For more information about our organization, please visit ey.com.

© 2018 Ernst & Young LLP
All Rights Reserved.

ey.com