



Stay Midtown Program Evaluation

Program Overview

In 2016, Capital Impact Partners (Capital Impact) and Midtown Development Inc. (MDI) launched Stay Midtown, a program aimed at addressing an anticipated two- to four-year supply gap for low- to moderate-income households at risk of displacement in Detroit's rapidly redeveloping Midtown neighborhood. The objective was to help these residents maintain housing security during this period of high demand and limited supply, with an anticipated increase in affordable housing options across all income levels by 2019 or 2020. Stay Midtown aims to reduce housing burden and increase housing and financial stability for 150 residents or households that have lived in Midtown for at least two years.

The program provides up to \$1,500 annually in rental assistance for three years to help reduce housing cost burdens and reach targeted levels of housing affordability. To be eligible for assistance, applicants must be a current resident of a property within program boundaries, have a household income between 30 percent and 80 percent of area median income (AMI), experience a cost burden of more than 30 percent of total household income, and be unable to receive other federal housing subsidies/ vouchers or other housing assistance programs. Since 2016, the program has provided rent assistance to 148 households and supported an additional four households with relocation services.

Program Evaluation

In late 2019, Capital Impact contracted with Public Sector Consultants (PSC)—a Lansing-based nonpartisan research firm—to conduct an evaluation of Stay Midtown to determine the program’s effectiveness in meeting established goals and its impact on participants. This evaluation was completed through a survey of both program participants and nonparticipants, in-depth participant interviews, interviews with leaders of similar programs, and market data research from publicly available sources.¹ Exhibit 1 illustrates the evaluation framework PSC used to measure Stay Midtown’s impact.

EXHIBIT 1. Evaluation Framework

Evaluation Objectives	Participant Data Analysis	Participant Surveys and Interviews	Nonparticipant Surveys	Stakeholder Interviews	Market Analysis	Benchmarking
Program impact on housing and financial security	●	●	●			
Program ability to align with participant needs		●	●			●
Program effectiveness within the Midtown housing market		●		●	●	●

Evaluation Findings

Stay Midtown participants noted significant benefits from the program, expressed overall satisfaction with program implementation, and appreciated their interactions with staff. Key findings from the full evaluation include:

- Stay Midtown helped participants reduce their average housing costs from 42 percent of household income to 37 percent.
- Of participants, 22 percent were able to reduce their housing costs to 30 percent of their household income.
- Of survey respondents, 95 percent said participating in Stay Midtown made it easier to afford other essential items and household expenses.
- Of participants, 56 percent would have sought lower-cost housing without the opportunities offered by Stay Midtown.
- Participants rated MDI highly across all program aspects, including staff responsiveness, communication, and support throughout the application and participation process.
- Many participants were interested in receiving more information on affordable housing alternatives, but they were unsure of how to access this information.



- Housing cost burden impacts nearly 74,000 rental households in Detroit.
- More than half of participants enrolled in Stay Midtown for multiple years experienced rent increases that ranged from \$17 to \$277.
- Other programs using flexible housing subsidies rely heavily on local government for funding or implementation support, while Stay Midtown uniquely emphasizes resident retention, maintaining socioeconomic diversity, and housing choice within a specific neighborhood.

¹ Nonparticipants are individuals who began the application process and either did not finish the process or were deemed ineligible.

Recommendations

Participants were asked to recommend changes to Stay Midtown. These recommendations mostly focused on communicating more with landlords and expanding the scope of the assistance provided—either by increasing the subsidies, offering a broader set of services, or assisting participants in identifying affordable housing options. Additionally, based on peer program research, the evaluation team developed recommendations focused on developing local partnerships and program management and long-term planning.

Program Impact on Housing and Financial Stability

- Consider tiered housing subsidies based on income, housing rental costs, or other household needs to help more participants with the lowest incomes meet the affordable housing threshold
- Clarify resources available to help participants secure and relocate to more affordable housing

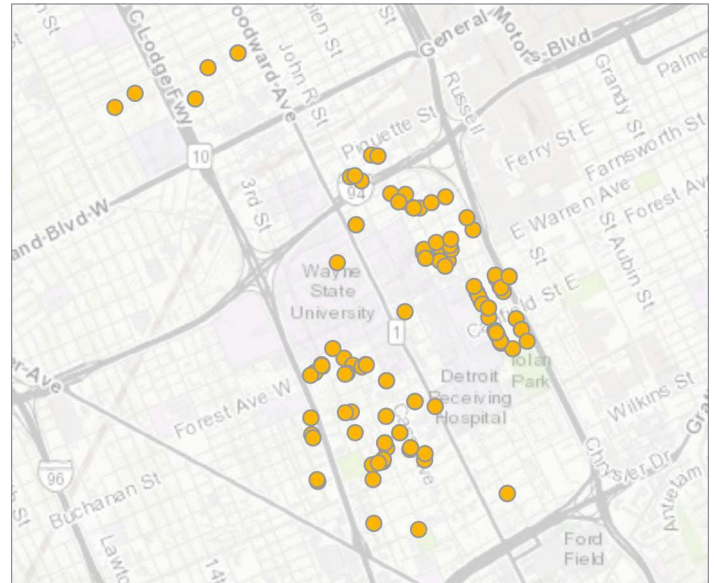
Alignment of Program with Participant Needs

- Assess participants' needs for information (e.g., availability of affordable housing or other resources)
- Use additional avenues of communication (e.g., program partners, written communication, social media)
- Partner with other social service agencies to help participants increase their income and reduce other household expenditures
- Engage participating landlords and property managers to enhance communications with participants, minimize subsequent rent increases, and prioritize participants when affordable housing units become available

Program Effectiveness in the Midtown Housing Market

- Consider program objectives in the context of the market conditions, with a focus on demonstrating the need for more affordable housing options
- Engage in a strategic planning process with participants and stakeholders from organizations and local government agencies that support affordable housing, community development organizations, social service agencies, and others
- Use the strategic planning process to determine next steps for Stay Midtown, optimize program design and implementation, and integrate it more deeply into existing social services

Exhibit 2. Participant Locations



Peer Program Benchmarking

Stay Midtown employs a real estate market stabilization technique called a flexible housing subsidy, which helps housing-burdened renters avoid homelessness or displacement with short-term and capped rental assistance. As part of the program evaluation, PSC conducted interviews with program leaders and researched various publications to understand how similar programs compare with Stay Midtown and to identify best practices that could inform Capital Impact's future rental assistance efforts. These program comparisons are detailed in Exhibit 3.



EXHIBIT 3. Summary of Peer Programs

Program	Los Angeles County Flexible Housing Subsidy Pool (Los Angeles County, California)	Minneapolis—Soft Subsidy Initiative (Minneapolis, Minnesota)	DC Flexible Rent Subsidy Program (Washington, D.C.)	Stay Midtown (Detroit, Michigan)
Eligibility	Individuals who are homeless and have complex medical and behavioral health needs	Families who are homeless or below 30 percent of AMI	Families residing in the D.C. area at risk of experiencing homelessness who have custody of at least one dependent child	Households with incomes between 30 percent to 80 percent of AMI living in or near the Midtown neighborhood
Program Benefits	Development and placement of extremely vulnerable individuals in subsidized housing with rent subsidies	Placement of individuals in housing with significantly subsidized rents (30 percent to 40 percent below typical affordable housing rates), with cash incentives for timely rent payments	\$7,200 rental subsidy per year, which families can use for other purposes if they can pay rent on their own	\$1,500 rental subsidy per year
Eligibility Period	Unlimited	Unlimited, but targets housing stability in five years	Four years	Three years
Partnerships	The Los Angeles Homeless Services Authority determines eligibility and supports participants through its Continuum of Care initiative to coordinate housing and other services	The Soft Subsidy Initiative is a partnership between the Minneapolis Public Housing Authority and the Alliance (a coalition of community-based organizations and advocacy groups), which administers the housing portion of the program	The Flexible Rent Subsidy Program is a partnership between the D.C. Department of Human Services (DHS) and Capital Area Asset Builders, an organization that provides financial education, matched savings, and consumer education programs and conducts research and advocacy for low- and moderate-income households in the D.C. area	Stay Midtown is a partnership between Capital Impact, which provides program funding and oversight, and MDI, which provides staff, conducts participant screening and engagement, and disburses subsidies
Funding Sources	Initial investment of \$18 million over five years—\$4 million in philanthropic funding and \$14 million of public investment	Combination of housing authority funding, federal funding for subsidized rent, and philanthropic funding for program management	D.C. DHS	Funding from the Ford Foundation for rental subsidies and the Kresge Foundation for program administration

Sources: Tyler Fong, pers. comm; Barbara Jeanetta, pers. comm.; Brown 2019; Cohen and Leopold 2018; Hunter et al. 2017; District of Columbia DHS 2017

References

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