

**COMMUNITY PLANNING AND DEVELOPMENT
HOMELESS ASSISTANCE GRANTS
2019 Summary Statement and Initiatives
(Dollars in Thousands)**

HOMELESS ASSISTANCE GRANTS	<u>Enacted/ Request</u>	<u>Carryover</u>	<u>Supplemental/ Rescission</u>	<u>Total Resources</u>	<u>Obligations</u>	<u>Outlays</u>
2017 Appropriation	\$2,383,000	\$2,262,655 ^a	...	\$4,645,655	\$2,217,791	\$1,992,046
2018 Annualized CR	2,383,000	2,435,204 ^b	-\$16,182 ^c	4,802,022	2,367,080	2,292,920
2019 Request	<u>2,383,000</u>	<u>2,447,941^d</u>	...	<u>4,830,941</u>	<u>2,382,919</u>	<u>2,348,677</u>
Change from 2018 .....	...	+12,737	+16,182	+28,919	+15,839	+55,757

a/ This number includes \$25.7 million of funds recaptured from prior year obligations in fiscal year 2017.

b/ This number includes \$13 million in anticipated fiscal year 2018 recaptures.

c/ Public Law 115-56 requires a reduction of 0.6791 percent from the fiscal year 2017 enacted budget authority.

d/ This number includes \$13 million in anticipated fiscal year 2019 recaptures.

1. Program Purpose and Fiscal Year 2019 Budget Overview

The fiscal year 2019 Budget requests \$2.383 billion for Homeless Assistance Grants (HAG). This request includes \$2.121 billion for the Continuum of Care (CoC) Program, which will allow HUD to continue to serve over 750,000 people experiencing homelessness each year. It also includes a new \$40 million effort for rapid re-housing to address the rise in unsheltered homelessness; \$255 million for Emergency Solutions Grants (ESG), which supports over 350,000 persons in emergency shelter each year; and \$7 million for Homeless Management Information System (HMIS) Technical Assistance through the National Homeless Data Analysis Project.

Homeless Assistance Grants are key to addressing homelessness nationwide, which has declined by 13 percent between 2010 and 2017.¹ HAG funds allow HUD to serve vulnerable individuals and families who are homeless or at-risk of homelessness through a wide variety of service and housing interventions, including homelessness prevention, emergency shelter, rapid re-housing, transitional housing, and permanent supportive housing.

In addition, the fiscal year 2019 Budget includes legislative language to (1) allow CoC grantees to receive one-year transition grants to transition from one CoC program component to another; (2) allow CoC grantees to use program income toward meeting match

¹ Department of Housing and Urban Development. The 2017 Annual Homeless Assessment Report to Congress, Part 1.

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requirements; (3) allow recipients greater flexibility in how they apply for rental assistance, including the option to request less than the current Fair Market Rent (FMR); and (4) expand the eligible costs under the CoC program to allow eligible rural communities to apply for some of the costs eligible under the Rural Housing Stability Assistance Program to help increase the capacity and performance of rural communities and to better serve persons experiencing homelessness in rural communities.

2. Request

Emergency Solutions Grants Program (\$255 million)

The Emergency Solutions Grants (ESG) program provides the first response to people with a housing crisis and engages people living on the streets. ESG awards funds to over 365 urban counties, metropolitan cities, states, and territories, supporting a variety of life-saving activities including:

- emergency shelter to house people in crisis;
- street outreach and other essential services to engage people who may be living on the streets;
- rapid re-housing to provide time-limited permanent housing and stabilization services; and
- homelessness prevention for individuals and families.

Continuum of Care Program (\$2.121 billion)

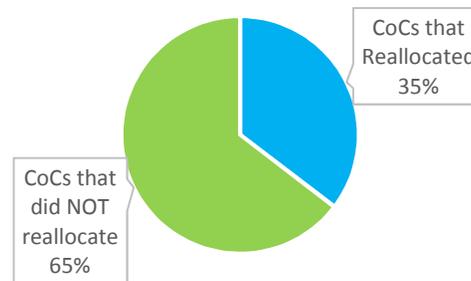
The Continuum of Care (CoC) program is HUD's largest program targeted to men, women, and children experiencing homelessness. Funds are awarded to over 7,300 projects through a national competition. In the fiscal year 2017 CoC program competition, over 91 percent of those projects were renewals (see description of renewal demand on page 3).

- CoC program funds can be used for rapid re-housing to provide time-limited permanent housing and stabilization services;
- permanent supportive housing for homeless people with disabilities;
- transitional housing to help individuals and families move to stability within 2 years;
- support services to help identify and maintain permanent housing; and
- planning to improve program monitoring, collaboration, and data collection to drive higher performance at the local level.

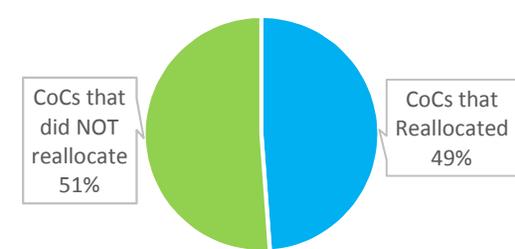
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Policy priorities for the CoC program are focused on preventing and ending homelessness, including ending homelessness for veterans, families, youth, and people experiencing chronic homelessness. The CoC program’s competitive funding process encourages applicants to carefully review the performance of each project in its portfolio and reallocate funds from under-performing or under-utilized projects to ones based on proven, data-driven strategies. For fiscal year 2017, HUD is awarding approximately the amount needed to maintain the same level of services after adjusting for increases in rents. Nevertheless, CoCs continue to reallocate funding from renewal projects to create new projects – 49 percent of CoCs reallocated funds in fiscal year 2017. The competitive process also resulted in funds moving from lower performing communities to higher performing ones.

Percent of CoCs that Reallocated:
FY 2012



Percent of CoCs that Reallocated:
FY 2017



The chart below details the number and type of new and renewal grants in the most recently awarded CoC program competition.

Fiscal Year 2017 Funding Amount
(Dollars in Millions)

	Awarded
Total Projects	7,328
Total Amount (\$)	\$2,011.3
CoC Planning and UFA Cost Applications	367
CoC Planning and UFA Cost Amount (\$)	\$54.7
New Applications	541
New Amount (\$)	\$120.6
Renewal Applications	6,420
Renewal Amount (\$)	\$1,836.1

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Renewal Demand: The estimated renewal demand for each fiscal year is based primarily on three factors: the number of previously renewed grants which are eligible to seek renewal again; the number of new awards made in the prior 1 to 5 years, which are now eligible for renewal for the first time; and increases based on Fair Market Rent (FMR) updates.

HUD estimates renewal requirements within a range, to accommodate the uncertain percentage of projects that will need renewal. The following chart details HUD's 5-year estimates of renewal demand.

Fiscal Year	Estimated Renewal Need
2018	\$2,058,180,904 - \$2,142,188,288
2019	\$2,113,040,605 - \$2,221,401,661
2020	\$2,136,961,875 - \$2,269,145,084
2021	\$2,189,325,074 - \$2,324,747,244
2022	\$2,230,061,459 - \$2,368,003,405
2023	\$2,271,973,906 - \$2,412,508,374

Technical Assistance: CoC funds also support Technical Assistance (TA), which helps communities improve their homeless assistance. HUD uses TA resources to:

- develop and provide guidance to communities on critical compliance issues;
- work directly with communities to develop strategic plans and action steps to improve project and community level performance;
- develop tools and provide direct assistance to improve data collection and reporting to HUD; and
- increase the overall capacity of grantees to understand their own markets and manage their portfolios successfully.

Rapid Re-Housing

Between January 2016 and January 2017, there was an estimated 9 percent increase in unsheltered homelessness nationwide. To address this rise in unsheltered homelessness, the Budget request proposes a new \$40 million initiative to provide rapid re-housing in communities with high numbers of unsheltered persons. Communities will be selected based on need, performance, and the quality of their strategies to reduce unsheltered homelessness. Rapid re-housing will provide the following:

- Housing search, including assistance with locating low-cost housing and negotiating with property managers;
- Financial assistance such as application fees, rent and utility deposits, and short- or medium-term rental assistance; and
- Supportive services to improve housing stability, including employment assistance and case management.

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The initiative's rapid re-housing resources will be closely integrated with the CoC and ESG programs and local public and private efforts to reduce homelessness.

National Homeless Data Analysis Project (\$7 million)

The National Homeless Data Analysis Project provides critical resources to communities to improve data collection and reporting, integrate data collection efforts in HMIS with other federal funding streams, use software as a service for data integration and to enhance the ability for HUD and communities to report and analyze data about persons experiencing homelessness, produce standards and specifications for data entry and reporting for all HMIS-generated reports, analyze point-in-time and longitudinal data to produce the Annual Homeless Assessment Report (AHAR), and provide direct technical assistance to CoCs on HMIS implementation.

Congress charged HUD with "taking the lead on data collection" on homelessness (House Report accompanying the fiscal year 2001 appropriations (106-988)). HMIS has grown to include other federal partners—in 2011, both VA and HHS committed to requiring HMIS to be used by their grantees—thereby streamlining data collection and improving collaboration among programs that serve individuals experiencing homelessness. HUD incentivizes participation in HMIS and high-quality data through its annual CoC Program application. HUD also provides extensive technical assistance (TA) for HMIS at the local level – including needs assessments, on-site assistance to improve data quality, community participation, and data analysis. HMIS has changed the way that HUD and communities do business, moving from using anecdotal and inconsistent evidence to using comprehensive and standardized data to inform policy decisions.

HMIS TA ensures consistency in data standards, policies, collection and reporting standards. HUD coordinates the participation of federal partners in HMIS, facilitating specifications for reporting that are cross-cutting, and supporting a HMIS Data and Research lab to provide data resources designed to lower costs for communities while increasing reporting accuracy for HUD and the federal partners.

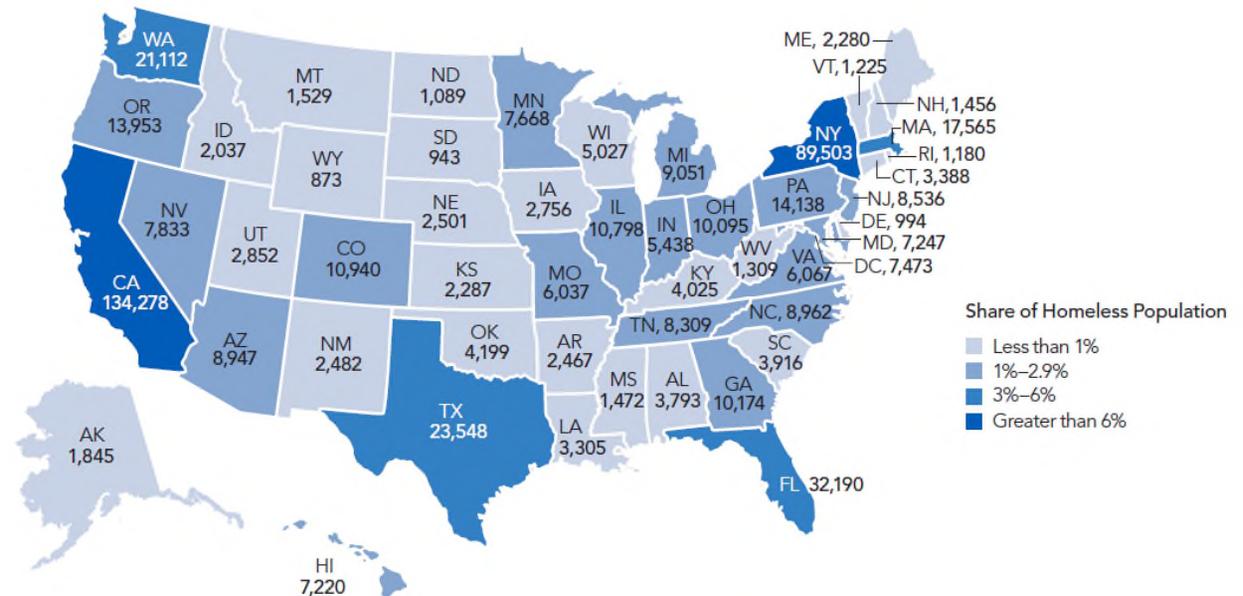
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3. Justification

Efficiency and Effectiveness of the Programs

While HUD and our federal, national and local partners have learned a lot about what works to solve homelessness, it still affects nearly 554,000 men, women and children on any given day. To track progress and continue learning about individuals and families experiencing homelessness, each year, HUD publishes its *Annual Homeless Assessment Report to Congress (AHAR)*,² which provides valuable information on the scope of homelessness and the needs of the persons served. It provides critical data to HUD and other policymakers so they can make informed decisions, while also providing data that is the basis for establishing goals and tracking progress towards ending homelessness. The data is collected both as a “snapshot” of the number and characteristics of persons who are homeless on a given night, and longitudinally, showing persons being served in emergency shelter, transitional housing, safe havens, and permanent housing.

The most recent AHAR shows that homelessness increased slightly, for the first time since 2010. The number of people experiencing homelessness on a single night increased by less than 1 percent between 2016 and 2017: from 549,928 in January 2016 to 553,742 in January 2017. This increase was driven by the 9 percent (16,518 persons) increase in unsheltered persons between 2016 and 2017. Roughly 1.42 million people spent at least 1 night in an emergency shelter or transitional housing program during the 2016 AHAR reporting period, a 10.8 percent decrease from 2010.



² Part 1 of the 2017 AHAR can be accessed online at <https://www.hudexchange.info/resource/5639/2017-ahar-part-1-pit-estimates-of-homelessness-in-the-us/> and Part 2 of the 2016 AHAR can be accessed online at <https://www.hudexchange.info/resource/5640/2016-ahar-part-2-estimates-of-homelessness-in-the-us/>.

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To track progress on efforts to end homelessness, HUD uses the 2017 Point-In-Time (PIT) count data in the AHAR to track the number of families, chronically homeless individuals, and veterans experiencing homelessness. The following charts from the *2017 Annual Homeless Assessment Report to Congress: Point-in-Time Estimates of Homelessness* show the progress in reducing homelessness among these three groups.

EXHIBIT 5.1: PIT Estimates of Homeless Veterans By Sheltered Status, 2009–2017



EXHIBIT 6.1: PIT Estimates of Chronically Homeless Individuals By Sheltered Status, 2007–2017

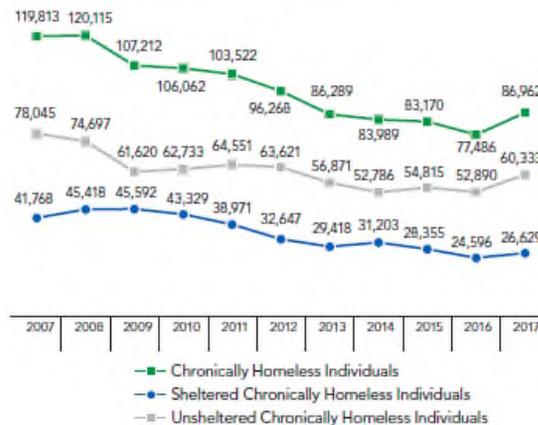


EXHIBIT 3.1: PIT Estimates of Homeless People in Families with Children By Sheltered Status, 2007–2017



For people who have lost their homes or are at risk of losing their homes, homeless assistance brings stability and helps address their needs for treatment, health care, and employment. To deliver these services, homeless assistance providers establish partnerships with a variety of public and private health, human service, and job training and placement organizations. HUD is working with communities to implement coordinated entry systems to ensure that people experiencing homelessness are quickly assessed and referred to the most cost-effective solution to their homelessness.

HUD’s Homeless Assistance Grants fund a variety of program types that address the needs of individuals and families experiencing homelessness. Communities conduct a gaps analysis, and fund or reallocate projects based on the gaps identified. In a typical community, homeless assistance includes the following types of assistance:

- emergency shelter to house people in crisis;
- street outreach and other essential services to engage people who may be living on the streets or who are service-resistant;

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- transitional housing to help individuals and families move to stability within 2 years;
- rapid re-housing to provide time-limited permanent housing and stabilization services;
- permanent supportive housing for homeless people with disabilities;
- homelessness prevention for individuals and families; and
- a variety of support services to help identify and maintain permanent housing.

For over 15 years, HUD has prioritized permanent supportive housing, which serves people with the highest levels of housing and service needs, especially people experiencing chronic homelessness. In fiscal year 2017, HUD allocated over \$1.48 billion – 77 percent of its competitive funds – to permanent supportive housing projects. More recently, as more evidence has emerged about the cost effectiveness of rapid re-housing relative to certain other interventions, HUD has created incentives for communities to use their ESG and CoC resources to expand rapid re-housing. The recent rise in unsheltered homelessness highlights the need for new rapid re-housing resources to help people move quickly off the streets and into housing.

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Goals and Outcomes to Date

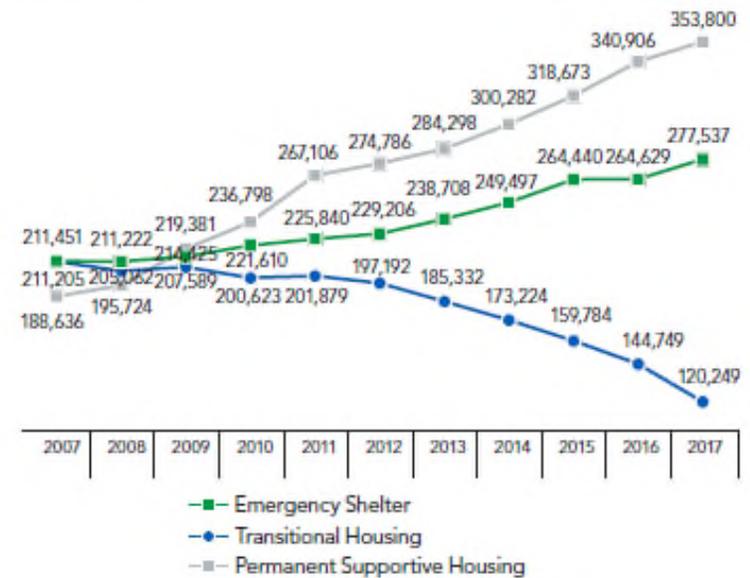
HUD has undertaken several policy and administrative initiatives that have resulted in positive outcomes for the program and for those being served by HUD's homeless programs.

Permanent Supportive Housing and Chronic Homelessness: HUD focuses its resources on people with the highest needs by offering bonuses and other incentives to communities in its annual NOFA. As shown in the chart below from the *2017 Annual Homeless Assessment Report to Congress: Point-in-Time Estimates of Homelessness*, since 2009, the number of permanent supportive housing beds has exceeded either the number of emergency shelter or transitional housing beds. Permanent supportive housing projects leverage an estimated \$3 to each \$1 of HUD funds.

Homeless Veterans: HUD is committed to ending veteran homelessness. The programs funded through the Homeless Assistance Grants account play an important role in achieving this goal and contributed to the decrease in veteran homelessness by 46 percent since 2010. Projects funded in fiscal year 2016 will provide over 10,000 homeless veterans permanent supportive housing through HUD's CoC program. Additionally, CoCs continue to work closely with the Department of Veterans Affairs (VA) and Public Housing Authorities to effectively use HUD-Veterans Affairs Supportive Housing (HUD-VASH) resources.

Child, family, and youth homelessness: Nearly 160,000 HUD-funded beds across the country were serving persons in homeless families at the beginning of 2017. In the fiscal year 2016 CoC program competition, HUD funded over 43,000 rapid re-housing beds that were targeted to homeless families with children. Over 23,000 beds across the country are dedicated to serve youth experiencing homelessness, 9,800 of which receive HUD funding. Many more youth are served in adult and family programs that do not necessarily set beds aside for youth.

**EXHIBIT 7.1: Inventory of Beds for Homeless and Formerly Homeless People
2007–2017**



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Research-based Evidence of Effectiveness

There is a large body of research that demonstrates positive outcomes and cost-savings gained from housing and supportive services for homeless people. A recent study conducted in Orlando showed that placing 58 persons who regularly use public services (e.g., hospitals, jails) into permanent supportive housing resulted in a cost savings of nearly \$2.5 million in a single year.³ When looking at health service utilization in Orange County, California, researchers estimated average annual cost among those homeless who are housed (\$26,158) is half the annual cost incurred by those on the street or in emergency shelters (\$51,855), with the disparity even greater between those in permanent supportive housing (\$43,184) and the chronically street homeless (\$98,199).⁴ Other research shows similar results. One study⁵ showed that before housing placement, homeless people with serious mental illness used \$40,451 per person per year in publicly funded emergency services. After placement in permanent supportive housing, the annual public cost of emergency services was reduced by approximately \$12,146 per placement in housing, enough to offset virtually all of the cost of the permanent supportive housing. A randomized trial of homeless adults with chronic mental illness in Chicago found that case management and housing assistance reduced hospitalization and hospital days by 29 percent and emergency department visits by 24 percent and it generated an average annual cost savings of \$6,307 per person.⁶ Another study of homeless people with chronic mental illness in Seattle found that total cost offsets for Housing First participants relative to the control group averaged \$2,449 per person per month after accounting for housing program costs.⁷ Studies have also found that supportive housing improves housing stability and reduces emergency department and inpatient services.⁸

³ Ability Housing. 2017. "Solutions that Save." <https://abilityhousing.org/the-solution-that-saves/>.

⁴ Snow, David A. and Richard E. Goldberg. 2017. "Homelessness in Orange County: The Costs to Our Community." <https://www.jamboreehousing.com/uploads/pdfs/united-way-cost-study-homelessness-2017-report-jamboree.pdf>.

⁵ Culhane, Dennis P., Stephen Mettraux, and Trevor Hadley. 2002. "Public Service Reductions Associated with Placement of Homeless Persons with Severe Mental Illness in Supportive Housing." *Housing Policy Debates* 13(1): 107-63. See also, Cunningham, Mary. 2009. "Preventing and Ending Homelessness-Next Steps." *Metropolitan Housing and Communities Center*. Washington, DC: Urban Institute; Martinez, Tia, and Martha R. Burt. 2006. "Impact of Permanent Supportive Housing on the Use of Acute Care Health Services by Homeless Adults." *Psychiatric Services* 57(7): 992-99.

⁶ Basu, Anirban, Romina Kee, David Buchanan, and Laura S. Sadowski. 2012. "Comparative Cost Analysis of Housing and Case Management Program For Chronically Ill Homeless Adults Compared to Usual Care." *HSR* 47(1): 523-543; Sadowski, Laura, Romina Kee, Tyler VanderWeele, David Buchanan. 2009. "Effect of a Housing and Case Management Program on Emergency Department Visits and Hospitalizations Among Chronically Ill Homeless Adults: A Randomized Trial." *JAMA* 301(17): 1771-8.

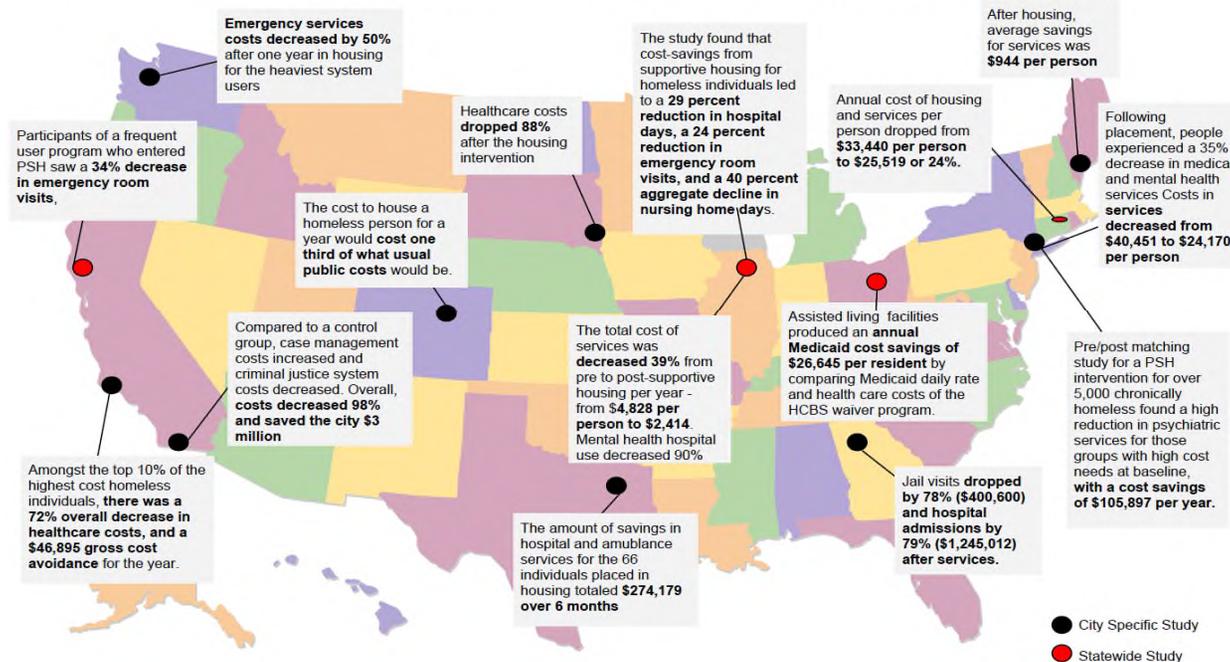
⁷ Larimer, Mary, Daniel Malone, Michelle Garner, et al. 2009. "Health Care and Public Service Use and Costs Before and After Provision of Housing for Chronically Homeless Persons With Severe Alcohol Problems." *JAMA* 301(13): 1349-57.

⁸ Cunningham, Mary. 2009. "Preventing and Ending Homelessness-Next Steps." *Metropolitan Housing and Communities Center*. Washington, DC: Urban Institute; Martinez, Tia, and Martha R. Burt. 2006. "Impact of Permanent Supportive Housing on the Use of Acute Care Health Services by Homeless Adults." *Psychiatric Services* 57(7): 992-99; Tsemberis, Sam, Leyla Gulcur, and Maria Nakae. 2004. "Housing First, Consumer Choice, and Harm Reduction for Homeless Individuals with Dual Diagnosis." *American Journal of Public Health* 94:651; Culhane, Dennis P., Stephen Mettraux, and Trevor Hadley. 2002. "Public Service Reductions Associated with Placement of Homeless Persons with Severe Mental Illness in Supportive Housing." *Housing Policy Debate* 13(1): 107-63.

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The map below details the findings of several of studies related to cost effectiveness of permanent supportive housing projects, which demonstrate cost savings and increased positive outcomes for program participants. It is clear from the outcomes on chronic homelessness as stated above that focused federal attention can make a difference in the homeless population.

Health Cost Savings Studies - Permanent Supportive Housing

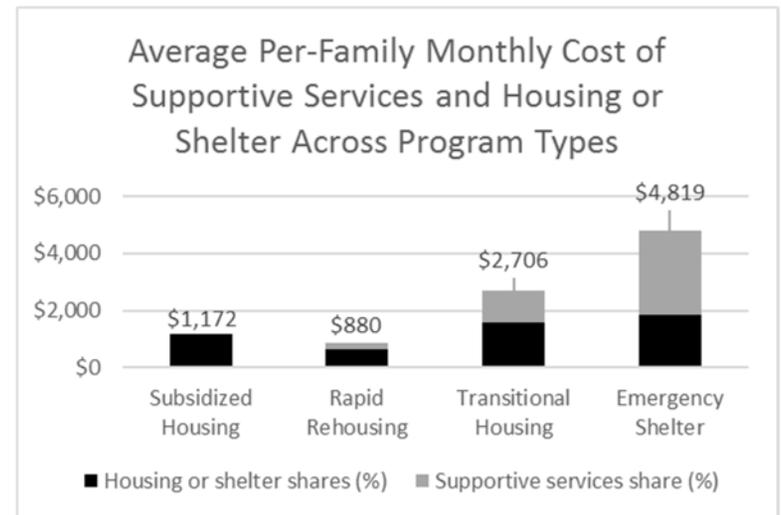


GAO reports identify opportunities to improve outreach to women veterans and to improve coordination across federal agencies that are members of the U.S. Interagency Council on Homelessness.⁹ HUD is also engaged in several efforts to improve interagency coordination, as well as a number of evaluations on the effectiveness of homelessness interventions to identify best practices to serve special populations, such as families with children, youth aging out of foster care, and veterans. These studies include:

⁹ GAO-12-491 Homelessness: Fragmentation and Overlap in Programs Highlight The Need to Identify, Assess, and Reduce Inefficiencies. Washington, DC: GAO; GAO-12-182 Homeless Women Veterans: Actions Needed to Ensure Safe and Appropriate Housing, Washington, DC: GAO

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- The outcomes from the *Family Options Study*, a large and rigorous study of the impact of various housing and service interventions for homeless families, were released in October of 2016. These outcomes document how families were faring 3 years after being randomly assigned to one of four interventions: a permanent housing subsidy, community-based rapid re-housing, project-based transitional housing, or usual care. The study indicates that having priority access to deep long-term housing subsidies produces substantial benefits for families. More than one-third of families in all assignment groups found their way to long-term housing subsidies, but families given priority access to that assistance obtained subsidies more often and sooner. Families assigned to receive rapid re-housing received assistance at a lower cost than any other intervention. All reports associated with the study can be found on <https://www.huduser.gov/portal/publications/Family-Options-Study.html>.



- The *Evaluation of the Rapid Re-housing for Homeless Families Demonstration* included both a process and outcome evaluation of the 23 grantees that participated in the demonstration, and documents the program models implemented by the grantees, as well as a set of outcomes observed from a subset of program participants. The final report was released on April 13, 2016 and can be found on <https://www.huduser.gov/portal/publications/RRHD-Report-PartI.html>. Results show that families had a low likelihood of returning to emergency shelter within the study period—a review of Homelessness Management Information System, or HMIS, data found that only 10 percent of households served experienced at least one episode of homelessness within 12 months of program exit. Additionally, it found that families were highly mobile following the end of program participation—76 percent of households moved at least once within the 12-month period following their exit from the program.
- The study on *Housing Models for Youth Aging Out of Foster Care* was conducted to help understand the housing needs of the nearly 30,000 youth who “aged out” of the foster care system every year, catalog the range of housing programs available to them, and identify opportunities to mitigate the risk of homelessness to this young population. The cornerstone activity of this research effort was an in-depth exploration of the Family Unification Program (FUP), and the extent to which communities target this special purpose voucher program to eligible youth who have aged out of foster care. The final reports from this study are currently available here: http://www.huduser.org/portal/youth_foster_care.html. The report

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showed 47 percent of PHAs operating FUP had awarded vouchers to former foster youth, and most youth with a FUP voucher are able to lease up. “Nearly three-fourths of the PHAs serving youth reported that youth secure housing before the initial period expires more than half the time, and two-thirds of the PHAs said that more than 75 percent of youth who receive a voucher lease up eventually.”

HUD is also improving collaboration across internal program areas to support ending homelessness. A census of all PHAs will document current PHA engagement in serving homeless households and will identify mechanisms to address barriers to increasing the number of homeless households served. HUD provides tools for local communities to improve collaboration between Public Housing Authorities and homeless systems.

Plans to Increase Efficiency

The Department bases funding on performance and community-wide improvements. Through its annual CoC Program Competition and its messaging, HUD works with communities to create a performance-based environment. Communities are expected to use data to understand the needs of their local homeless population, resources available to serve the homeless, the gaps in needs and resources, and the effectiveness of existing resources. When there are projects with low performance and compliance issues, HUD prioritizes keeping assistance within a community and attempts to intervene and provide grantees with an opportunity to make improvements before recapturing funds. HUD also encourages reallocation of under-performing grants to new grants. Incentives are offered to communities that implement a reallocation process to identify and replace under-performing or unnecessary projects. With limited resources, it is important to ensure that all projects funded through the CoC Program, including renewals, are effective. For the last several years HUD has pushed hard to make its investments more efficient – to make every dollar that we spend mean the most to the people whom we serve. In fact, HUD has increased the number of households served with residential programs by 22.5 percent over 2 years. And through the fiscal year 2016 awards, the CoC program is serving 14.8 percent more households per dollar spent for residential programs than in 2014. These efforts mean that communities can reach and assist more people with the same dollars than they could two years ago.

The implementation of the HEARTH Act provided HUD and its grantees with new goals and tools to increase performance both at the project level and the system level. For example, the HEARTH Act includes a variety of new performance measures to help increase overall effectiveness of the program. The CoC program interim rule, issued in 2012, requires CoCs to establish formal performance measurement procedures and encourages critical evaluation of resources and needs. This includes evaluation of the effectiveness of projects by emphasizing performance at both the project and the system level. This systematic review by each community will lead to better use of limited resources and more efficient service models. Performance measures include rates of returns to homelessness, the average length of time persons experience homelessness, housing stability, and employment. Now that data collection on these measures is fully implemented, HUD and communities will more easily identify projects that are less effective and

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gaps in housing and services. HUD continues to incentivize high performance on these and other indicators through the CoC competition, providing additional points to communities with higher rates of success.

Under the HEARTH Act, Congress authorized HUD to fund Unified Funding Agencies (UFAs) to provide greater flexibility and local autonomy to communities that demonstrate that they have the financial and performance capacity to take a stronger role in administering HUD funds. Communities that are designated as UFAs by HUD are required to monitor their grants and perform greater financial oversight. In return, HUD is able to award funds more flexibly to the UFAs who then administer the funds according to their application to HUD. This reduces the administrative burden on HUD and increases the local control of CoC Program funds for communities.

Finally, HUD is committed to providing a variety of technical assistance resources to communities and grantees to help identify and address any performance and compliance issues. HUD intends to use technical assistance as another tool to encourage communities to implement best practices and improve efficiencies in projects and in the community as a whole.

General Provisions

The President's Budget proposes the following General Provisions for Homeless Assistance Grants:

- Allowing Continuum of Care grants to count towards matching requirements. HUD proposes to allow Homeless Assistance Grant recipients to count program income as an eligible match for CoC program funds (Section 221).
- Continuum of Care Transition Grants. HUD proposes to allow CoC grantees to receive one-year transition grants to transition from one CoC program component to another. When a grant for a project is awarded through reallocation, it is a new project and cannot start operations until the grant agreement has been executed. However, there are instances where a new grant created through reallocation is using the staff and other resources, including housing, from the grant that is being eliminated to create the new grant. To avoid undue hardship on organizations, and to ensure that program participants are served in the most appropriate manner during the transition period, HUD is seeking authority to allow the eliminated project to continue operating during the transition period from the old to new grant (Section 232).
- Rental Assistance Flexibility. HUD proposes to allow additional flexibility for applicants to calculate their need for rental assistance. The change would allow applicants to use their own methodology for calculating their rental assistance budget rather than relying on a HUD determined formula. It would not change the amount of rental assistance that could be

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provided to a program participant. This change will simplify the application process and reduce opportunities for errors. It will also provide rental assistance amounts that more accurately reflect the need in each community. (Section 237).

- Rural Communities and Homelessness. HUD proposes to allow rural communities to use funds for additional eligible activities, including capacity building, repairs, and other short-term activities that help rural homeless communities address barriers to transitioning homeless individuals and families to permanent housing. This provision helps address the lack of provider capacity in many rural areas and allows rural providers to use cost effective strategies to help individuals and families move into and retain permanent housing. (Section 238).

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**COMMUNITY PLANNING AND DEVELOPMENT
HOMELESS ASSISTANCE GRANTS
Summary of Resources by Program
(Dollars in Thousands)**

<u>Budget Activity</u>	<u>2017 Budget Authority</u>	<u>2016 Carryover Into 2017</u>	<u>2017 Total Resources</u>	<u>2017 Obligations</u>	<u>2018 Annualized CR</u>	<u>2017 Carryover Into 2018</u>	<u>2018 Total Resources</u>	<u>2019 Request</u>
Continuum of Care	\$2,018,000	\$2,169,803	\$4,187,803	\$2,064,933	\$2,004,296	\$2,114,150	\$4,118,446	\$2,121,000
Emergency Solutions Grants	310,000	59,781	369,781	152,629	307,895	217,151	525,046	255,000
National Homeless Data Analysis Project	12,000	...	12,000	...	11,919	12,000	23,919	7,000
Youth Demonstration ...	43,000	33,000	76,000	156	42,708	75,844	118,552	...
Youth Technical Assistance .....	...	...	...	...	...	...	...	...
Technical Assistance ..	...	...	...	...	...	17	17	...
Pay for Success Demonstration .....	...	71	71	73	...	...	...	...
Housing Needs for Human Trafficking Victims ..	<u>[16,042]</u>	<u>...</u>	<u>[16,042]</u>	<u>...</u>	<u>...</u>	<u>16,042</u>	<u>16,042</u>	<u>...</u>
Total	2,383,000	2,262,655	4,645,655	2,217,791	2,366,818	2,435,204	4,802,022	2,383,000

NOTES

- a. In the 2016 Carryover Into 2017 column, the Continuum of Care set-aside includes \$10.4 million in fiscal year 2016 recaptures.
- b. The Continuum of Care 2017 Carryover Into 2018 column includes \$13 million in fiscal year 2017 recaptures.

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COMMUNITY PLANNING AND DEVELOPMENT HOMELESS ASSISTANCE GRANTS Appropriations Language

The fiscal year 2019 President's Budget includes proposed changes in the appropriation language listed below.

For the Emergency Solutions Grants program as authorized under subtitle B of title IV of the McKinney-Vento Homeless Assistance Act, as amended; the Continuum of Care program as authorized under subtitle C of title IV of such Act; and the Rural Housing Stability Assistance program as authorized under subtitle D of title IV of such Act, \$2,383,000,000, to remain available until September 30, 2021: Provided, That any rental assistance amounts that are recaptured under such Continuum of Care program shall remain available until expended: Provided further, That not less than \$255,000,000 of the funds appropriated under this heading shall be available for such Emergency Solutions Grants program: Provided further, That not less than \$2,081,000,000 of the funds appropriated under this heading shall be available for such Continuum of Care and Rural Housing Stability Assistance programs: Provided further, That up to \$7,000,000 of the funds appropriated under this heading shall be available for the national homeless data analysis project: Provided further, That of the amounts made available under this heading, up to \$40,000,000 may be made available for grants for rapid re-housing projects targeted to reducing unsheltered homelessness in areas with high rates of unsheltered homelessness: Provided further, That for all match requirements applicable to funds made available under this heading for this fiscal year and prior years, a grantee may use (or could have used) as a source of match funds other funds administered by the Secretary and other Federal agencies unless there is (or was) a specific statutory prohibition on any such use of any such funds: Provided further, That none of the funds provided under this heading shall be available to provide funding for new projects, except for projects created through reallocation, unless the Secretary determines that the continuum of care has demonstrated that projects are evaluated and ranked based on the degree to which they improve the continuum of care's system performance: Provided further, That the Secretary shall prioritize funding under the Continuum of Care program to continuums of care that have demonstrated a capacity to reallocate funding from lower performing projects to higher performing projects: Provided further, That any unobligated amounts remaining from funds appropriated under this heading in fiscal year 2012 and prior years for project-based rental assistance for rehabilitation projects with 10-year grant terms may be used for purposes under this heading, notwithstanding the purposes for which such funds were appropriated: Provided further, That all balances for Shelter Plus Care renewals previously funded from the Shelter Plus Care Renewal account and transferred to this account shall be available, if recaptured, for Continuum of Care renewals in fiscal year 2019: Provided further, That youth aged 24 and under seeking assistance under this heading shall not be required to provide third party documentation to establish their eligibility under 42 U.S.C. 11302(a) or (b) to receive services: Provided further, That unaccompanied youth aged 24 and under or families headed by youth aged 24 and

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under who are living in unsafe situations may be served by youth-serving providers funded under this heading: Provided further, That the Secretary may use amounts made available under this heading for the Continuum of Care program to renew a grant originally awarded pursuant to the matter under the heading "Department of Housing and Urban Development—Permanent Supportive Housing" in chapter 6 of title III of the Supplemental Appropriations Act, 2008 (Public Law 110–252; 122 Stat. 2351) for assistance under subtitle F of title IV of the McKinney-Vento Homeless Assistance Act (42 U.S.C. 11403 et seq.): Provided further, That such renewal grant shall be awarded to the same grantee and be subject to the provisions of such Continuum of Care program except that the funds may be used outside the geographic area of the continuum of care.

Note.—A full-year 2018 Annualized CR for this account was not enacted at the time the budget was prepared; therefore, the budget assumes this account is operating under the Further Continuing Appropriations Act, 2018 (P.L. 114-254). The amounts included for 2019 reflect the annualized level provided by the continuing resolution.