

DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT
Office of Community Planning and Development
Homeless Assistance Grants

SUMMARY OF RESOURCES

(Dollars in Thousands)

	Enacted/ Requested	Carryover	Supplemental/ Rescission	Total Resources	Obligations	Outlays
2019 Appropriation	2,636,000	2,540,159 ^a	-	5,176,159	2,597,012	2,168,084 ^d
2020 Appropriation	2,777,000	2,914,197 ^b	-	5,691,197	2,768,000	2,248,000
2021 Request	2,773,000	2,973,197 ^c	-	5,746,197	3,013,000	2,637,000
Change from 2020	(4,000)	59,000	-	55,000	245,000	389,000

^a Per Sec. 231 of Public Law 116-94, carryover includes Rental Assistance recaptures of \$56 million.

^b Per Sec. 231 of Public Law 116-94, carryover includes Rental Assistance recaptures of an estimated \$340 million.

^c Per Sec. 231 of Public Law 116-94, carryover includes Rental Assistance recaptures of an estimated \$50 million.

^d Differs from the Budget Appendix due to rounding.

PROGRAM PURPOSE

Homeless Assistance Grants (HAG) are key to addressing homelessness nationwide, which has declined by 12 percent between 2010 and 2019.¹ 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.

BUDGET OVERVIEW

The 2021 President’s Budget requests \$2.773 billion for Homeless Assistance Grants (HAG), which is \$4 million less than the 2020 enacted level. This request includes \$2.486 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 \$280 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.

JUSTIFICATION

While HUD and our federal, national, and local partners have learned a lot about what works to solve homelessness, it still affects nearly 568,000 adults and children on any given day. To track progress and continue learning about individuals and families experiencing homelessness, HUD uses data from local Homeless Management Information System (HMIS), Point-in-Time Count (PIT), and Housing Inventory Count (HIC) data reported in the Annual Homeless Assessment Report to Congress (AHAR).² The longitudinal data is collected both as a “snapshot” of the number and

¹ Department of Housing and Urban Development. The 2019 Annual Homeless Assessment Report to Congress, Part 1.

² Part 1 of the 2019 AHAR can be accessed online at <https://www.hudexchange.info/resource/5948/2019-ahar-part-1-pit-estimates-of-homelessness-in-the-us/> and Part 2 of the 2017 AHAR can be accessed online at <https://www.hudexchange.info/resource/5769/2017-ahar-part-2-estimates-of-homelessness-in-the-us/>.

characteristics of persons who are homeless on a given night and persons being served in emergency shelter, transitional housing, safe havens, and permanent housing. HUD also relies on system performance data that shows the progress of communities in ending homelessness, including reducing the average length of time homeless, reducing the rate people return to homelessness, increasing the exits to and retention of permanent housing, and increasing employment and other income.

The most recent AHAR shows that homelessness increased slightly between January 2018 and January 2019. The number of people experiencing homelessness nationwide increased by 3 percent (14,885 people). This increase was driven by a 9 percent (16,826 persons) increase in unsheltered persons overall, but more specifically largely due to the unsheltered homeless individuals in California increasing by 21 percent (nearly 19,000 more people). Between 2007 and 2019, the number of people experiencing homelessness on a single night in January has decreased by 12 percent (79,543 people). Unsheltered homelessness declined by 17 percent (44,564 fewer people) over the same period. The number of veterans experiencing homelessness declined by two percent between 2018 and 2019 and has dropped by almost 50 percent since 2009.

Continuum of Care Program (\$2.486 billion)

The Continuum of Care (CoC) program is HUD's largest program targeted to adults and children experiencing homelessness. Funds are awarded to nearly 6,800 projects through a national competition. In the 2018, CoC program competition, over 86 percent of those projects were renewals.

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 two 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.

The CoC Program is a key driver of the multiyear progress in ending homelessness. 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.

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 one to five 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 five-year estimates of renewal demand. These projections include currently awarded projects and new projects anticipated from funding provided by Congress through 2020.

Fiscal Year	Estimated Renewal Need (in millions)
2020	\$2,294 - \$2,436
2021	\$2,412 - \$2,561
2022	\$2,522 - \$2,678
2023	\$2,576 - \$2,735
2024	\$2,631 - \$2,794
2025	\$2,796 - \$2,969

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 2018, HUD allocated over \$1.54 billion --71 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 among unaccompanied individuals highlights the need to help individuals move quickly off the streets and into housing. The Administration plans to begin a new initiative to reduce unsheltered homelessness. Funding would support comprehensive and coordinated interventions to reduce street homelessness and would be targeted to select cities that have experienced the largest increases in unsheltered homelessness in recent years.

Emergency Solutions Grants Program (\$280 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 360 urban counties, metropolitan cities, states, and territories, supporting a variety of life-saving activities including:

- emergency shelter for 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.

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.

Key Partners and Stakeholders

HUD continues to prioritize key partnerships with local, state, and federal stakeholders to prevent and end homelessness. HUD and the Department of Veterans Affairs (VA) are committed to end veteran homelessness and have implemented joint planning efforts related to data collection and reporting and partnered to develop milestones and strategies to meet the goal of ending homelessness among veterans. HUD and the VA continue to successfully administer HUD-VASH, resulting in over 170,000 veterans being housed since 2008, and continue to improve the efficacy of

the program. HUD, VA, and USICH continue to collaborate on innovative strategies to reduce veteran homelessness, including the use of rapid resolution, a problem-solving technique that helps veterans reunify with family members or find other creative housing options. This partnership has been critical in reducing homelessness by nearly 50 percent since 2009.

HUD, Department of Education (ED), and the Department of Health and Human Services (HHS) share the joint goal of ending homelessness among children, families, and youth. Currently, HUD, ED, and HHS are collaborating with the U.S. Interagency Council on Homelessness (USICH) to further develop and promote a national framework to end family and youth homelessness. Through HUD's Youth Homelessness Demonstration Program (YHDP) process, HUD, HHS, ED, and USICH have worked closely to use data and better understand performance as well as what interventions and partnerships are necessary to end youth homelessness.

HUD, in coordination with HHS, is aiding communities to reduce duplication of healthcare services by ensuring that homeless assistance is coordinated with state Medicaid programs and other mainstream healthcare initiatives. Additionally, HUD, HHS, and the Department of Justice (DOJ) jointly fund the federal Domestic Violence and Housing Technical Assistance Consortium (the Consortium) – an innovative, collaborative approach to providing training, technical assistance, and resource development at the critical intersection of domestic and sexual violence, homelessness, and housing. HUD is also working with the Department of Labor to help communities better connect people experiencing homelessness to employment opportunities.

Research-based Evidence of Effectiveness

With the rise of unsheltered homelessness over the past few years, it is critical that HUD focus on solutions that are appropriate for this population. A recent report published by the California Policy Lab analyzed the characteristics of the people experiencing unsheltered homelessness.³ The researchers found that health and behavioral health and trauma are significant contributing factors to loss of housing, particularly for unsheltered women. Unsheltered people continue to experience major and worsening health conditions while homeless. People with the longest experiences of homelessness, most significant health conditions, and greatest vulnerabilities are not being served by emergency shelters. HUD's Annual Performance Report (APR) data for CoC Program-funded projects indicates that HUD's permanent housing programs admit roughly 30 percent of persons they serve directly from unsheltered situations. This is higher than HUD's transitional housing program which admits roughly 21 percent of persons directly from unsheltered situations. There is a large body of research that demonstrates positive outcomes and cost-savings gained from housing and supportive services for homeless people. A 2017 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. There is a rich body of research demonstrating that serving people who are the hardest to serve results in improving their lives and saving money for the public.⁴

³ Roundtree, Janey, Nathan Hess, and Austin Lyke. 2019. "Health Conditions among Unsheltered Adults in the U.S." <https://www.capolicylab.org/health-conditions-among-unsheltered-adults-in-the-u-s/>.

⁴ See Culhane, Dennis P., Stephen Metraux, 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

The unsheltered and chronic homelessness research supports a need for healthcare providers and homeless assistance systems to closely collaborate. This is especially true of the aging homeless population that present with unique health challenges. In a multi-site study in Boston, New York City, and Los Angeles County, researchers found that the aged homeless population is growing rapidly and will double or triple (depending on the location) in the next decade.⁵ With this growth in the aged population there will be an increase in service use and costs, including for hospital and nursing home stays.

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.

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.

Adults.” *Psychiatric Services* 57(7): 992–99; 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; 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; 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.

⁵ Culhane, Dennis, Thomas Byrne, Stephen Metraux, Randall Kuhn, Kelly Doran, Eileen Johns, and Maryanne Schretzman. 2019. “The Emerging Crisis of Aged Homelessness: Could Housing Solutions Be Funded by Avoidance of Excess Shelter, Hospital, and Nursing Home Costs?” <https://www.aisp.upenn.edu/wp-content/uploads/2019/01/Emerging-Crisis-of-Aged-Homelessness-1.pdf>.

SUMMARY OF RESOURCES BY PROGRAM

(Dollars in Thousands)

Budget Activity	2019 Budget Authority	2018 Carryover Into 2019	2019 Total Resources	2019 Obligations	2020 Appropriation	2019 Carryover Into 2020	2020 Total Resources	2021 President's Budget
Continuum of Care	2,219,000	2,254,028 ^d	4,473,025	2,165,436	2,350,000	2,641,032 ^e	4,991,032	2,486,000
Emergency Solutions Grants	280,000	101,225	381,225	331,962	290,000	49,263	339,263	280,000
National Homeless Data Analysis Project	7,000	12,000	19,000	16,000	7,000	3,000	10,000	7,000
Youth Demonstration	75,000	122,763	197,763	52,763	70,000	150,000	220,000	-
Youth Technical Assistance	5,000	-	5,000	-	10,000	-	10,000	-
Technical Assistance	-	80	80	-	-	333	333	-
Pay for Success Demonstration	-	62	62	2	-	1,127 ^f	1,127	-
Housing Needs for Human Trafficking Victims	-	[14,916]	-	-	[14,916]	291	291	-
Rapid Rehousing for Victims of Domestic Violence	50,000	50,000	100,000	30,849	50,000	69,151	119,151	-
Total	2,636,000	2,540,158	5,176,158	2,597,012	2,777,000	2,914,197	5,691,197	2,773,000

^d Per Sec. 231 of Public Law 116-94, the allocation of the Rental Assistance recaptures of \$56 million will be determined at a later date.

^e Per Sec. 231 of Public Law 116-94, the allocation of the estimated Rental Assistance recaptures of \$340 million will be determined at a later date.

^f Funding includes from recaptures.

LEGISLATIVE PROPOSALS AND GENERAL PROVISIONS**General Provisions**

The 2021 President's Budget re-proposes the following general provisions that were enacted in the 2020 appropriations bill:

- **Participation in the Performance Partnerships Pilots:** This provision allows Homeless Assistance Grant recipients to participate in Performance Partnership Pilots. This provides flexibility for communities to seek waivers and partner with other federal agencies to address youth homelessness issues. (2021 President's Budget, Section 218)
- **Allow Continuum of Care grants to count program income towards matching requirements:** This provision allows Homeless Assistance Grant recipients to count program income as an eligible match for CoC program funds. (2021 President's Budget, Section 219)
- **Continuum of Care Transition Grants:** This provision allows CoC grantees to receive one-year transition grants to transition from one CoC program component to another. (2021 President's Budget, Section 220)

The 2021 President's Budget proposes the following new general provision:

- **Homeless Assistance Grants Recaptured Funds:** HUD proposes to add this provision that will modify the existing authority, uses of and conditions for Homeless Assistance

Grants recaptures by deleting the current funding minimum for rural grants and the reporting requirement. Further, consistent with the Administration's goal of reducing duplication and improving efficacy across all Federal disaster recovery programs, the President's Budget does not propose to use recaptured funds for major disasters. In addition to funds provided by the Federal Emergency Management Agency, under the Community Development Block Grants for Disaster Recovery – a program that provides substantially more funding for long-term recovery needs – HUD requires its CDBG-DR grantees to consider and address the shelter and housing needs of persons who are homeless and at-risk of homelessness. (2021 President's Budget, Section 221)

Legislative Proposals

The 2021 Budget supports the following legislative proposals and will seek changes through the authorization process rather than the appropriations process:

- Rental Flexibility. HUD proposes to allow additional flexibility in CoC grantees in how rental assistance is calculated. This flexibility will make it easier for both HUD and communities to calculate their eligible rental assistance amount and to avoid error, reducing unnecessary administrative actions that may delay access to funding.
- Rural Communities and Homelessness. HUD proposes to allow additional capacity building activities, repairs, and other short-term activities that help rural homeless communities address barriers to transitioning homeless individuals and families to permanent housing. This flexibility recognizes that solutions to homelessness in rural communities are unique to urban areas and allows rural communities activities that address rural-specific issues.

APPROPRIATIONS LANGUAGE

The 2021 President's Budget includes proposed changes in the appropriation language listed below. New language is italicized, and language proposed for deletion is bracketed.

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 [\$2,777,000,000] *\$2,773,000,000*, to remain available until September 30, [2022] *2023: Provided* [further], That not less than [\$290,000,000] *\$280,000,000* of the funds appropriated under this heading shall be available for such Emergency Solutions Grants program: Provided further, That not less than [\$2,350,000,000] *\$2,486,000,000* of the funds appropriated under this heading shall be available for such Continuum of Care and Rural Housing Stability Assistance programs: [Provided further, That of the amounts made available under this heading, up to \$50,000,000 shall be made available for grants for rapid re-housing projects and supportive service projects providing coordinated entry, and for eligible activities the Secretary determines to be critical in order to assist survivors of domestic violence, dating violence, sexual assault, or stalking: Provided further, That such projects shall be eligible for renewal under the continuum of care program subject to the same terms and conditions as other renewal applicants:] 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 for all match requirements applicable to funds made available under this heading for this fiscal year and prior fiscal 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 the Secretary shall provide incentives to create projects that coordinate with housing providers and healthcare organizations to provide permanent supportive housing and rapid rehousing services: 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 2020: Provided further, That the Department shall notify grantees of their formula allocation from amounts allocated (which may represent initial or final amounts allocated) for the Emergency Solutions Grant program within 60 days of enactment of this Act: Provided further, That up to \$80,000,000 of the funds appropriated under this heading shall be to implement projects to demonstrate how a comprehensive approach to serving homeless youth, age 24 and under, in up to 25 communities with a priority for communities with substantial rural populations in up to eight locations, can dramatically reduce youth homelessness: Provided further, That of the amount made available under the previous proviso, up to \$10,000,000 shall be available to provide technical assistance on improving system responses to youth homelessness, and collection, analysis, use, and reporting of data and performance measures under the comprehensive approaches to serve homeless youth, in addition to and in coordination with other technical assistance funds provided under this title: Provided further, That the Secretary may use up to 10 percent of the amount made available under the previous proviso to build the capacity of current technical assistance providers or to train new technical assistance providers with verifiable prior experience with systems and programs for youth experiencing homelessness:] *Provided further*, That amounts made available for the Continuum of Care program under this heading in this and prior Acts may be used to competitively or non-competitively renew or replace grants for youth homeless demonstration projects under the Continuum of Care program, notwithstanding any conflict with the requirements of the Continuum of Care program: 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 under who are living in unsafe situations may be served by youth-serving providers funded under this heading: Provided further, That persons eligible under section 103(a)(5) of the McKinney-Vento Homeless Assistance Act may be served by any project funded under this heading to provide both transitional housing and rapid re-housing: Provided further, That when awarding funds under the Continuum of Care program, the Secretary shall not deviate from the FY 2018 Notice of Funding Availability with respect to the tier 2 funding process, the Continuum of Care application scoring, and for new projects, the project quality threshold requirements, except as otherwise provided under this Act or as necessary to award all available funds or consider the most recent data from each Continuum of Care.].