

**COMMUNITY PLANNING AND DEVELOPMENT
HOMELESS ASSISTANCE GRANTS
2017 Summary Statement and Initiatives
(Dollars in Thousands)**

HOMELESS ASSISTANCE GRANTS	Enacted/ Request	Carryover	Supplemental/ Rescission	Total Resources	Obligations	Outlays
2015 Appropriation	\$2,135,000	\$2,089,432 ^a	...	\$4,224,432	\$2,109,360	\$1,899,000
2016 Appropriation	2,250,000	2,123,252 ^b	...	4,373,252	2,286,000	2,263,000
2017 Request	<u>2,664,000</u>	<u>2,107,027^c</u>	...	<u>4,771,027</u>	<u>2,664,000</u>	<u>2,279,000</u>
Program Improvements/Offsets	+414,000	-16,225	...	+397,775	+378,000	+16,000

a/ This number includes \$25 million of funds recaptured from prior year obligations in fiscal year 2015 and \$5 million transferred to this account for the Department of Justice’s Bureau of Justice Assistance (BJA) Pay for Success demonstration program.

b/ This number includes \$20 million in fiscal year 2016 recaptures, and another \$5 million transfer to support the Pay for Success demonstration with DOJ.

c/ This number includes \$20 million in anticipated fiscal year 2016 recaptures.

1. What is this request?

In fiscal year 2017, the Department requests \$2.664 billion for Homeless Assistance Grants (HAG). This program is key to the Administration’s progress in the reductions in homelessness nationwide, particularly chronic homelessness among individuals, which has declined by 22 percent between 2010 and 2015¹. This request includes \$2.387 billion for the Continuum of Care (CoC) Program, \$270 million for Emergency Solutions Grants (ESG) and \$7 million for Homeless Management Information System (HMIS) Technical Assistance. This is an increase of \$414 million from fiscal year 2016, and it will enable HUD to do the following:

- continue supporting emergency programs through ESG and fund the CoC competitive renewal demand,
- create 25,500 beds of permanent supportive housing for individuals experiencing chronic homelessness to reach the goal of ending chronic homelessness,
- fund rapid re-housing interventions for 8,000 households with children to support the administration’s goal to end family homelessness, and
- provide \$25 million for projects targeted to youth experiencing homelessness, and improve our understanding of how to best meet the Administration’s goal of ending youth homelessness.

¹ Department of Housing and Urban Development. The 2015 Annual Homeless Assessment Report to Congress, Part 1.

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Complementing these investments, the Budget also includes an \$11 billion mandatory proposal to end homelessness among families by 2020, as described in the Homeless Assistance for Families Congressional Justification, and 10,000 vouchers targeted to families with children experiencing homelessness, as described in the Housing Choice Voucher Congressional Justification.

HAG funds allow HUD to continue making progress on the goals of *Opening Doors: Federal Strategic Plan to Prevent and End Homelessness* (Opening Doors), and are used 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 2017 Budget includes legislative language to 1) amend Title V of the McKinney-Vento Act to establish a more timely and effective process to support the use of surplus federal properties to assist homeless persons; 2) allow CoC grantees to receive one-year transition grants to transition from one CoC program component to another; 3) allow public housing agencies to be eligible subrecipients of Emergency Solutions Grants (ESG) program funds; and 4) within the Department of Homeland Security's budget, transfer funding and administration of the Federal Emergency Management Agency's Emergency Food and Shelter (EFS) program to HUD to reduce fragmentation and align efforts to end homelessness.

2. What is this program?

Emergency Solutions Grants

Emergency Solutions Grants (ESG) provides the first defense in serving people with a housing crisis and to engage 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 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;
- rapid re-housing to provide time-limited permanent housing and stabilization services; and
- homelessness prevention for individuals and families.

Continuum of Care Program

The Continuum of Care (CoC) Program is HUD's largest program targeted men, women, and children experiencing homelessness. Funds are awarded to over 8,000 projects through a national competition. In the fiscal year 2014 CoC Program competition, approximately 93 percent of those projects were renewals (see description of renewal demand on page 4).

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CoC Program funds can be used to fund:

- 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;
- 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.

Policy priorities for the CoC Program are driven by *Opening Doors*, which contains specific goals and timeframes for 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. In the fiscal year 2014 CoC Program competition, 40 percent of the communities reallocated projects to create new permanent supportive housing units, resulting in over 2,400 new beds dedicated to serving people experiencing chronic homelessness, and new rapid re-housing units, resulting in over 7,300 new beds dedicated to families with children experiencing homelessness.

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

Fiscal Year 2014 Funding Requests

(Dollars in Millions)

	Requested	Awarded
Total Projects	8,553	8,352
Total Amount (\$)	\$1,901.4	\$1,810.6
CoC Planning Applications	309	308
CoC Planning Amount (\$)	\$16.4	\$10.3
New Applications	504	312
New Amount (\$)	\$215.7	\$102.1
Renewal Applications	7,738	7,730
Renewal Amount (\$)	\$1,669.3	\$1,692.1

Renewal Demand: The estimated renewal demand for each fiscal year is based primarily on three factors: the number of previously renewed grants which are expected to seek renewal again; the number of new awards made in the prior 1-5 years, which are now

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eligible for renewal for the first time; and, the average rate of increase in renewal demand, including Fair Market Rent (FMR) updates, for the previous 5-year period.

Historically, not all rental assistance grants eligible to seek renewal will actually do so in any given year. Therefore, HUD estimates renewal requirements within a range, in order to accommodate the unknown percentage of projects that will actually seek renewal. The following chart details HUD's 5-year estimates on renewal demand for currently awarded projects that will seek renewal.

Fiscal Year	Estimated Renewal Need
2016	\$1,929,731,574 - \$1,988,505,124
2017	\$1,972,743,053 - \$2,053,263,178
2018	\$1,986,653,751 - \$2,088,533,430
2019	\$2,001,435,988 - \$2,125,236,152
2020	\$2,024,177,509 - \$2,149,384,365
2021	\$2,047,185,558 - \$2,173,815,593

Technical Assistance: This account supports 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.

National Homeless Data Analysis Project

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, 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

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individuals experiencing homelessness. HUD incentivizes participation in HMIS and high-quality data through its annual CoC Program application. HUD also provides extensive technical assistance 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 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.

Emergency Food and Shelter Program

In fiscal year 2017, the Federal Emergency Management Agency (FEMA) at the Department of Homeland Security is proposing legislative language granting FEMA the authority to transfer funding for the Emergency Food and Shelter (EFS) program to HUD to be administered by the Office of Special Needs Assistance Programs. The FEMA budget request for EFS is \$100 million. By allowing HUD to administer this program, the Administration is aligning its dedicated homeless assistance resources, avoiding duplication between programs, and ensuring that the funding appropriated for EFS assists in meeting the goals of *Opening Doors*. HUD looks forward to working with Congress to enable this realignment of the EFS program funding and authority.

The EFS program provides grants to nonprofit and governmental organizations at the local level to supplement their programs for emergency food and shelter. Funding for this program is distributed by the National Board, currently chaired by FEMA, which consists of designees from six charitable organizations: American Red Cross, Catholic Charities USA, Jewish Federations of North America, and National Council of Churches of Christ in the USA, Salvation Army, and United Way Worldwide.

Local jurisdictions (cities or counties) qualify for EFS program support when they demonstrate the highest need for emergency food and shelter services as determined by unemployment and poverty rates. Funding also may be provided to jurisdictions that do not qualify for funding under the formula through the National Board's State Set-Aside Committee process. The National Board allocates a portion of appropriated funds to each state based upon the unemployment rates in jurisdictions that did not qualify for direct funding from the National Board. The State Set-Aside Committee process allows states to address pockets of homelessness and poverty or address the immediate needs of a locality that might be going through a high economic impact event.

Key Partners and Stakeholders

In 2010, the U.S. Interagency Council on Homelessness (USICH) published *Opening Doors*. *Opening Doors* employs a partnership between government and the private sector to reduce and end homelessness and maximizes the effectiveness of the federal

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government in contributing to the end of homelessness. The programs funded through the Continuum of Care competitive process provide the community structure for comprehensive and data-driven decision-making at the local level, and are critical for meeting the goals of *Opening Doors*:

1. Building on past progress, end chronic homelessness by 2017;
2. Prevent and end homelessness for veterans by 2015;
3. Prevent and end child, family, and youth homelessness by 2020; and
4. Set a path to ending all types of homelessness.

HUD Collaboration with Department of Veterans Affairs

HUD and the Department of Veterans Affairs (VA) have the joint goal of ending homelessness among veterans 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 VA have successfully collaborated to administer HUD-VASH, resulting in over 100,000 veterans being housed since 2008. As part of these joint efforts, HUD and the VA are collaborating on two studies: (a) the evaluation of the Veterans Homeless Prevention Demonstration, that identifies better outreach strategies and improved service delivery for this population; and (b) the HUD-VASH Evaluation and Exit Study, that provides information about the reasons for exiting the program, the barriers to accessing housing, and the long-term stability of participants.

HUD Collaboration with Health and Human Services

HUD and the Department of Health and Human Services (HHS) share the joint goal of ending homelessness among children, families, and youth. Currently, HUD and HHS are collaborating with USICH to further develop and promote a national framework to meet the goals of *Opening Doors*. In addition to these efforts, HUD, in coordination with HHS, is providing assistance to communities to reduce duplication of healthcare services by ensuring that homeless assistance is coordinated with state Medicaid programs and other mainstream healthcare initiatives.

3. Why is this program necessary and what will we get for the funds?

The requested increase in funding reflects the effectiveness of HUD's homelessness programs, which have developed over 113,000 permanent supportive housing beds since 2001, and achieved a 22 percent reduction in chronic homelessness since 2010. It has also contributed to declines of 36 percent in veteran homelessness and 19 percent in family homelessness since 2010. The request supports the renewal of over 238,000 beds and the addition of 25,500 new permanent supportive housing beds and 8,000 new rapid re-housing units nationwide through the CoC Program, as well as an investment of \$25 million in innovative projects for youth experiencing homelessness. These resources are dedicated to serving individuals and families experiencing homelessness and have

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helped achieve those homelessness reductions. The funding also supports a range of critical services that assist those served to identify and maintain housing.

This request is needed to continue making progress on implementing *Opening Doors*, especially the goals of ending chronic and family homelessness.

- *Chronic Homelessness.* People experiencing chronic homelessness have a disability, and are homeless either continuously (for 365 consecutive days) or repeatedly (at least 4 times within a 3-year period where the total time is at least 12 months). HUD is encouraging communities to use their homeless assistance funding to develop permanent supportive housing, which has proven to be the most successful intervention to end chronic homelessness, and is requiring communities to better target permanent supportive housing to people experiencing chronic homelessness. However, even with these policies in place, additional funding is needed to achieve the goal of ending chronic homelessness.

The fiscal year 2017 request includes funding for 25,500 new permanent supportive housing beds for people experiencing chronic homelessness, including chronically homeless veterans who are not eligible for services through the Department of Veterans Affairs. These new beds would be distributed competitively and would be geographically targeted to communities with the highest numbers of chronic homelessness.

- *Child, Family, and Youth Homelessness.* Although family homelessness has declined since 2010, the reduction has been modest compared to those for chronic and veteran homelessness. HUD has taken critical strides to improve its data collection on homeless youth and intends to continue this effort in order to better understand how to best serve homeless youth.

In this budget, HUD proposes to accelerate progress toward the goal of ending homelessness among children, families, and youth by increasing funding for rapid re-housing, which provides time-limited housing assistance and stabilization services. The request includes funding to rapidly re-house 8,000 additional families with children. Rapid re-housing is the most cost effective solution for many homeless families, and it has helped many communities significantly reduce homelessness. HUD is working with communities to help them reallocate underperforming homeless assistance projects to more cost effective rapid re-housing interventions. However, to reach the 2020 goal for ending family homelessness, additional resources will still be needed.

Complementing the targeted increases in Homeless Assistance Grants, the Budget provides 10,000 new Housing Choice Vouchers to support families with children experiencing homelessness. These vouchers would be distributed competitively to PHAs with demonstrated need who partner with relevant Continuums of Care to secure the appropriate wraparound services for those served. The Budget also provides \$11 billion over the next 10 years in mandatory funding for housing vouchers and

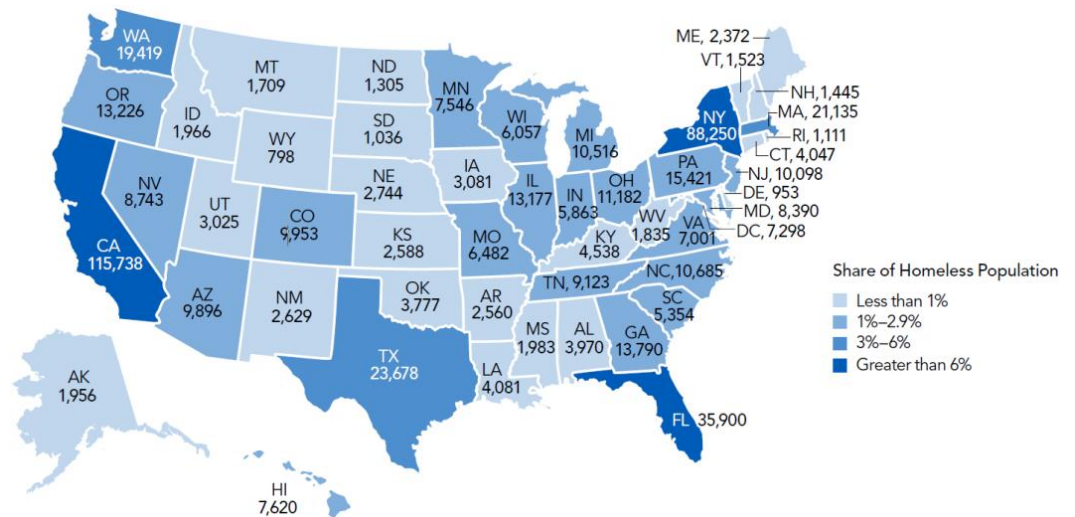
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rapid rehousing to reach and maintain the goal of ending homelessness among all of America's families by 2020. Further details on these significant investments are provided in the Tenant-Based Rental Assistance and Homeless Assistance for Families Congressional Justifications.

HUD also requests \$25 million to provide targeted resources to serve youth experiencing homelessness. HUD has heavily promoted the importance of identifying youth experiencing homelessness, but there are insufficient resources to meet the needs, as evidenced by the fact that 47 percent of youth experiencing homelessness are unsheltered. The \$25 million is a critical resource for improving the capacity to serve homeless youth and for building the evidence base for how to best achieve the goal of ending youth homelessness. The Budget also continues to allow HUD to partner with other federal agencies to allow local communities to test innovative, cost-effective, and outcome-focused strategies for improving results for disconnected youth through the Performance Partnership Pilots for Disconnected Youth.

What is the problem we are trying to solve?

While HUD and our federal, national and local partners have learned a lot about what works to solve homelessness, it still affects over 564,000 men, women and children on any given day. In order 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, and also provides the data that is the basis for the targets and goals set for *Opening Doors*. 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.



² Part 1 of the 2015 AHAR can be accessed online at <https://www.hudexchange.info/resource/4832/2015-ahar-part-1-pit-estimates-of-homelessness/> and Part 2 of the 2014 AHAR can be accessed online at <https://www.hudexchange.info/resource/4828/2014-ahar-part-2-estimates-of-homelessness/>.

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The most recent AHAR shows that homelessness continues to decline. The number of people experiencing homelessness on a single night decreased by 2 percent between 2014 and 2015: from 576,450 in January 2014 to 564,708 in January 2015. Roughly 1.49 million people spent at least 1 night in an emergency shelter or transitional housing program during the 2014 AHAR reporting period, a 6.6 percent decrease from 2010.

To track progress on implementation of the goals of *Opening Doors*, HUD uses the 2015 PIT count data in the AHAR to track the number of families, chronically homeless individuals, and veterans experiencing homelessness. The following charts from the *2015 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, 2009–2015

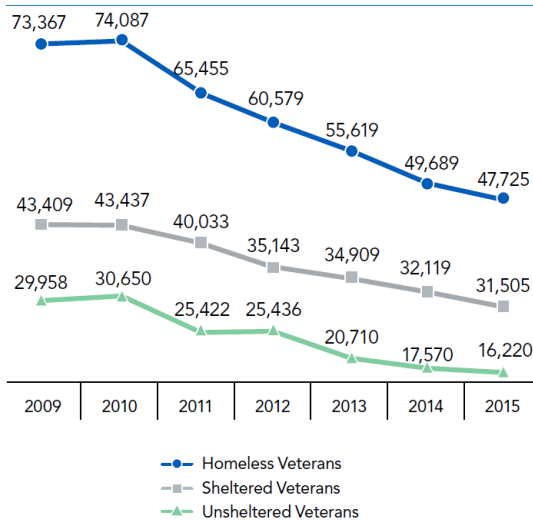


EXHIBIT 6.1: PIT Estimates of Chronically Homeless Individuals
By Sheltered Status, 2007–2015

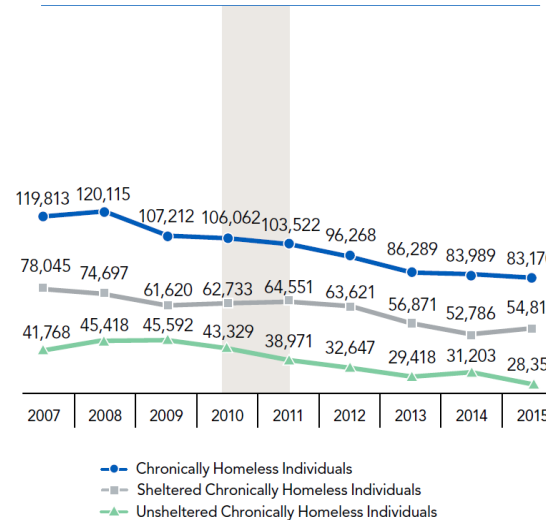
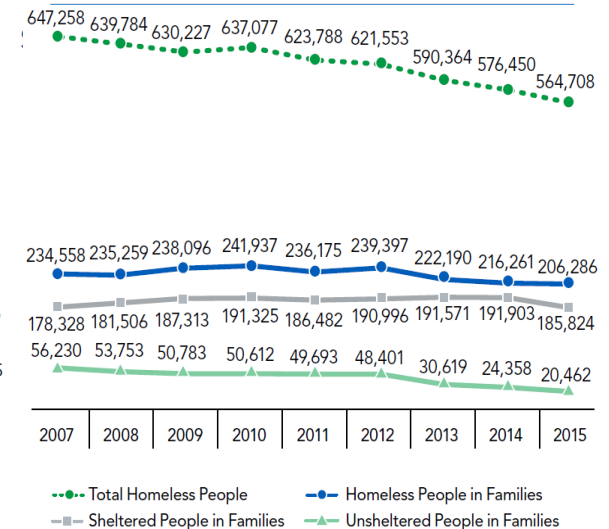


EXHIBIT 3.1: PIT Estimates of Homeless People in Families with Children
By Sheltered Status, 2007–2015



Existing Resources

To better understand potential gaps in resources, HUD closely tracks the nationwide inventory of homeless programs and beds, including those that are not HUD-funded. HUD also tracks the utilization rates of beds by type to understand the flow of homeless

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persons in and out of the homeless services system and to help communities to improve program models. The following charts show the number of beds funded by HUD's homeless assistance programs.

2015 McKinney-Vento Funded Bed Inventory			
Program Type	Beds - Families	Beds - Individuals	Total Beds
Emergency Shelter	28,507	36,736	65,243
Transitional Housing	48,489	26,332	74,821
Rapid Re-housing	20,259	4,956	25,215
Permanent Supportive Housing	76,559	111,302	187,861
Safe Havens		1,694	1,694
TOTAL BEDS	173,814	179,728	354,834

How does this program help solve the problem?

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 assessment 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 are required to conduct a gaps analysis each year, 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;
- 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;

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- 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 2014, HUD allocated over \$1.24 billion--nearly 70 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, HUD has created incentives for communities to use their ESG and COC resources to expand rapid re-housing, especially for families with children.

Key Initiatives: Goals and Outcomes to Date

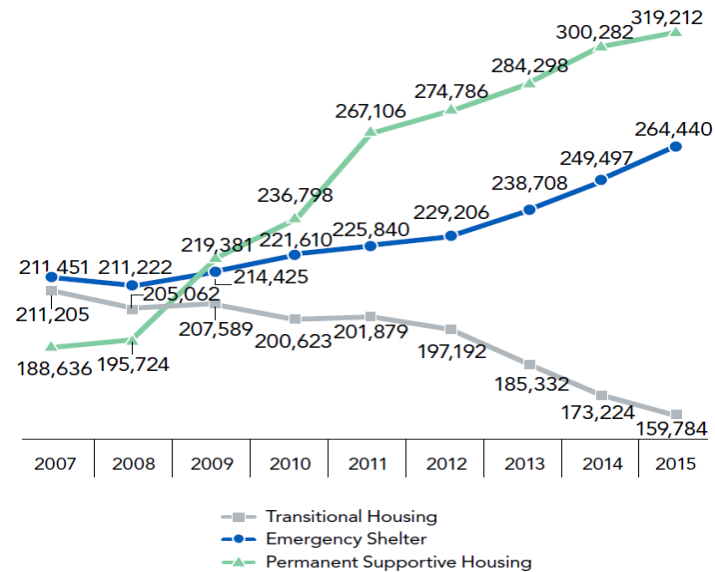
HUD has undertaken several policy and administrative initiatives that have resulted in positive outcomes for the program and for those being served by HUD's homeless programs.

Federal Strategic Plan to Prevent and End Homelessness: Homeless Assistance Grants-funded programs play a major role in the implementation of *Opening Doors*. The fiscal year 2017 Budget proposes sufficient funding to meet the goals of ending veteran and chronic homelessness and to put HUD on track to meet the goals of ending child, family, and youth homelessness by 2020 and setting a path to ending homelessness overall.

Permanent Supportive Housing and Chronic Homelessness: Since Congress and the Administration first established goals of ending chronic homelessness, HUD has focused its resources on the hardest to serve population by offering bonuses and other incentives to communities in its annual NOFA. As shown in the following chart from the *2015 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. The increased availability of permanent supportive housing led to the 22 percent decrease in the number of chronically homeless persons between 2010 and 2015.

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EXHIBIT 7.1: Inventory of Beds for Homeless and Formerly Homeless People
2007–2015



Homeless Veterans: The Administration’s goal, as described in *Opening Doors* is to end homelessness among veterans by 2015. The targeted programs funded through the Homeless Assistance Grants account play an important role in achieving this goal. Projects funded in fiscal year 2014 will provide over 10,000 homeless veterans permanent supportive housing through HUD’s CoC Program.

Data collected by communities and reported to HUD provides the baseline for enumerating homelessness among veterans and understanding their characteristics. In 2011, VA agreed to allow its housing and service providers to participate in local HMIS so that communities can more accurately count and determine service needs for veterans in their geographic area. Beginning in 2010, HUD and VA worked together to issue data on homeless veterans as part of the AHAR reports. This data informs how HUD-VASH resources are allocated.

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Child, family, and youth homelessness: Over 173,000 HUD-funded beds across the country were serving persons in homeless families at the beginning of 2015. In the fiscal year 2014 CoC Program competition, HUD funded over 9,000 new rapid re-housing beds that were targeted to homeless families with children. Beginning in 2014, HUD requested that communities report their data on beds dedicated to serve homeless youth up through age 24. HUD learned that it funds nearly 8,000 beds that are dedicated to serve homeless youth. Many more youth are served in adult and family programs that do not necessarily set beds aside for youth.

4. How do we know this program works?

Evaluation and Research

There is a large body of literature that provides evidence of positive outcomes and cost-savings gained from housing and supportive services for homeless people. For example, one study³ 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.⁴ 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.⁵ Studies have also found that supportive housing improves housing stability and reduces emergency department and inpatient services.⁶

³Culhane, 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 Adults." *Psychiatric Services* 57(7): 992-99.

⁴ 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.

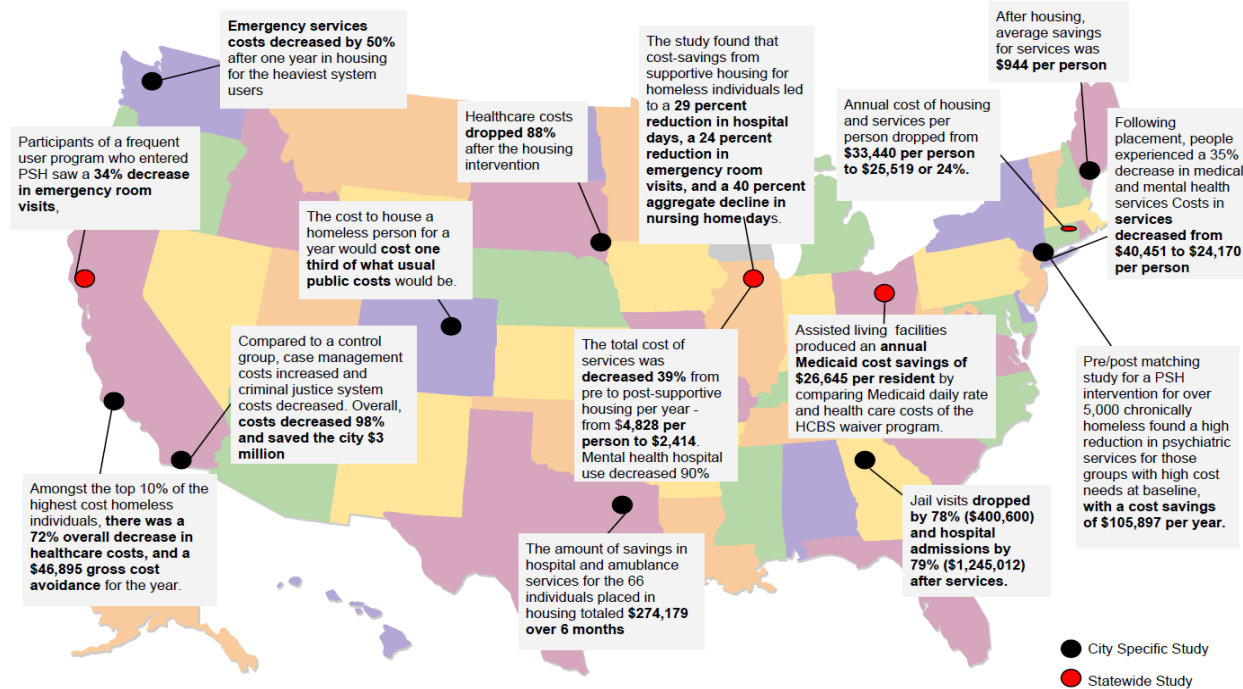
⁵ Larimer, Mary, Daniel Malone, Michelle Garner, et al. 2009. "Health Care and Public Service Use and Costs Before and After Provision of Housing for Chronically Homeless Persons With Severe Alcohol Problems." *JAMA* 301(13): 1349-57.

⁶ 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 Metraux, 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 indicate opportunities to improve outreach to women veterans and to improve coordination across federal agencies in the U.S. Interagency Council on Homelessness.⁷ 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:

⁷ 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 short-term 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 July of 2015. These outcomes document how families were faring roughly 20 months 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. Overall, families assigned to receive a permanent housing subsidy achieved superior outcomes in all key measures, including increased housing stability and reduced homelessness, reduced family separations, and reduced exposure to psychological distress, family violence, and food insecurity. Families assigned to receive rapid re-housing did not achieve significant increases in housing stability over the short term, but did experience modest increases in annual income, as well as food security, and did so at a lower cost than those households assigned to receive either transitional housing or usual care. The results of this study have contributed significantly to the mix of funding requested in the 2017 Budget to reach the goal of ending family homelessness by 2020. All reports associated with the study can be found on https://www.huduser.gov/portal/family_options_study.html. A report documenting the 36-month impact estimates will be available in early 2017.
- The *Homelessness Prevention Study* surveyed communities implementing prevention programs using HPRP funding and proposed alternative research designs for an empirical study of homeless prevention. The report for this study is available on HUDUSer.gov.
- The *Evaluation of the Veterans Homeless Prevention Demonstration* studied the best outreach and service provision models to meet the specific needs of homeless veterans. The final report was released on December 10, 2015, and can be found on <http://www.huduser.gov/portal/publications/homeless/veterans-homelessness-prevention-report.html>. Among the lessons learned from this demonstration is that intense and targeted outreach is necessary; veteran-on-veteran supports are critical; service providers must have skills for working with clients suffering from traumatic brain injuries and post-traumatic stress disorders; and employment service providers must know how to translate military experience into terms that are meaningful in civilian labor markets. The evaluation of the Veterans Homelessness Prevention Demonstration found that 6 months after leaving the demonstration program, 76 percent of those veterans studied lived in their own place, employment nearly doubled, and monthly incomes grew by 41 percent.
- The *Evaluation of the Rapid Re-housing for Homeless Families Demonstration* included both a process and outcomes 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. We expect this study to be published in early 2016.
- 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

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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 showed 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 programs in support of *Opening Doors* to end 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.

Plans for Future Improvement

The Department prioritizes performance analysis and project-level improvements. HUD monitors its grantees to ensure program compliance, and performance is scored at the community and project level during the annual competition. Where problems are identified, HUD issues findings, conditions grants, and, when necessary, terminates grants that are not performing. However, keeping assistance within a community is a priority, and HUD 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.

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. HUD is confident that this systematic review by each community will lead to better use of limited resources and more efficient service models, resulting in the prevention and ending of homelessness. Performance measures include rates of returns to homelessness, the average length of time persons experience homelessness, housing stability, and employment. Once data collection on these measures is fully implemented, HUD and communities will more easily identify projects that are less effective and gaps in housing and services. HUD will incentivize high performance on these and other indicators through the CoC competition, providing additional points to communities with higher

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rates of success. HUD is continuing to work towards releasing a final rule, and anticipates releasing a Notice for Further Comment by the second quarter of fiscal year 2016.

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.

5. Proposals in the Budget

- Improve Title V data collection and process. HUD proposes to amend Title V of the McKinney-Vento Act, which enables eligible organizations to use unutilized, underutilized, excess, or surplus federal properties as facilities that assist homeless persons. As part of the Administration's efforts to improve federal real property management, the amendments would improve the utility of the data provided to the public and support a more timely and effective process. (Sec. 251)
- CoC Transition for Reallocated Grants. HUD proposes a provision that would 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. (Sec. 261)
- PHA Eligibility for ESG Funds. This provision would allow public housing agencies to be eligible subrecipients of Emergency Solutions Grants (ESG) program funds. PHAs are important providers of homeless services in many communities. They often provide services across several project types. However, they are currently prohibited from administering ESG activities as a subrecipient, which is an unnecessary burden, especially if the PHA is most qualified to provide such services. This provision proposes to remove that barrier and allow PHAs to serve as a subrecipient. (Sec. 262)

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

<u>Budget Activity</u>	<u>2015 Budget Authority</u>	<u>2014 Carryover Into 2015</u>	<u>2015 Total Resources</u>	<u>2015 Obligations</u>	<u>2016 Budget Authority</u>	<u>2015 Carryover Into 2016</u>	<u>2016 Total Resources</u>	<u>2017 Request</u>
Continuum of Care	\$1,878,000	\$2,036,240	\$3,914,240	\$1,870,018	\$1,935,000	\$2,031,932	\$3,966,932	\$2,362,000
Emergency Solutions Grants	250,000	43,019	293,019	238,092	270,000	75,397	345,397	270,000
National Homeless Data Analysis Project	7,000	...	7,000	...	7,000	7,000	14,000	7,000
Youth Demonstration ...	...	...	...	...	33,000	...	33,000	25,000
Youth Technical Assistance .....	...	...	...	...	5,000	...	5,000	...
Technical Assistance ..	...	173	173	...	...	173	173	...
Pay for Success Demonstration .....	...	<u>10,000</u>	<u>10,000</u>	<u>1,250</u>	...	<u>8,750</u>	<u>8,750</u>	...
Total	2,135,000	2,089,432	4,224,432	2,109,360	2,250,000	2,123,252	4,373,252	2,664,000

NOTES

- a. In the 2014 Carryover Into 2015 column, the Continuum of Care set-aside includes \$25 million in fiscal year 2015 recaptures.
- b. The Continuum of Care 2015 Carryover Into 2016 column includes \$20 million in anticipated recaptures.

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COMMUNITY PLANNING AND DEVELOPMENT HOMELESS ASSISTANCE GRANTS Appropriations Language

The fiscal year 2017 President's Budget includes proposed changes in the appropriation language listed and explained below. New language is italicized and underlined, 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, [~~\$2,250,000~~]*\$2,664,000,000*, to remain available until September 30, [2018] *2019*: 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 [~~\$250,000,000~~]*\$270,000,000* of the funds appropriated under this heading shall be available for such Emergency Solutions Grants program: Provided further, That not less than [~~\$1,955,000,000~~]*\$2,362,000,000* 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 all funds awarded for supportive services under the Continuum of Care program and the Rural Housing Stability Assistance program shall be matched by not less than 25 percent in cash or in kind by each grantee:] 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 the Secretary shall establish system performance measures for which each Continuum of Care shall report baselines outcomes, and that relative to fiscal year 2015, under the Continuum of Care competition with respect to funds made available under this heading, the Secretary shall base an increasing share of the score on performance criteria]: 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 program to Continuums of Care that have demonstrated a capacity to reallocate funding from lower performing projects to higher performing projects: [Provided further, That all awards of assistance under this heading shall be required to coordinate and integrate homeless programs with other mainstream health, social services, and employment programs for which homeless populations may be eligible: Provided further, That with respect to funds provided under this heading for the continuum of care program for fiscal years 2013, 2014, 2015, and 2016 provision of permanent housing rental assistance may be administered by private nonprofit organizations:] Provided further, 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:

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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 [2016]2017. [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 [~~\$33,000,000~~]\$25,000,000 of the funds appropriated under this heading shall be to implement project to demonstrate how a comprehensive approach to serving homeless youth, age 24 and under, [in up to 10 communities, including at least four rural communities,] can dramatically reduce youth homelessness: 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 \$5,000,000 of the funds appropriated under this heading shall be available to provide technical assistance on youth homelessness, and collection, analysis, and reporting of data and performance measures under the comprehensive approaches to serve youth, in addition to an in coordination with other technical assistance funds provided under this title: 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 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. (Department of Housing and Urban Development Appropriations Act, 2016.)