
Barbara Poppe and associates

The collective for impact

Prepared for: Continuum of Care Board of Polk County (CoCB)

Prepared by: Barbara Poppe

July 23, 2014

Executive Summary

Acting on a charge from the Continuum of Care Board of Polk County (CoCB), a planning team composed of representatives of the HUD grantee (City of Des Moines), the HMIS lead (Institute for Community Alliances), and the CoCB worked with Barbara Poppe and associates to gain greater understanding of current HUD priorities and guidance and develop options for the CoCB to apply to the upcoming 2014 CoC competition. The planning team reviewed available HMIS data about the clients served by CoC funded projects, critiqued the current alignment of the Continuum of Care with CoCB and HUD priorities, and developed a list of questions that were explored with HUD technical assistance providers. The planning team found there are three key opportunities to align with HUD priorities and begin to implement the strategic priorities of the CoCB and the HCC.

1. The CoCB, the city, and the HMIS working together can use HUD priorities and guidance on these topics to work with providers to develop a Housing First system and transition current program models to adopt Housing First practices.
2. The CoCB can incentivize and/or require providers to modify program models, target populations, and admission criteria to conform with HUD priorities via the ranking process in the 2014.
3. The City of Des Moines can modify its grant agreements with providers to reflect HUD and CoCB priorities relative to admission criteria and program services.

The planning team has developed a set of immediate term (6-9 months) and longer-term recommendations. Suggested process improvements and a new ranking and rating approach for the 2014 local competition were developed as part of the immediate term recommendations. The planning team strongly recommends improved coordination among the CoCB, the City of Des Moines, and the Institute. By working together successfully on this planning team, an improved foundation for communication has been established. The planning team also strongly recommends increased outreach, engagement, communication, and cooperation with homeless service providers (both funded and non-funded organizations) as providers possess critically needed expertise and are the frontline to achieve improved results for those who experience homelessness in Polk County. Improved partnership and collaboration is a necessary requirement to implement the strategic changes called for by HUD and the CoCB.

Finally, the planning team recommends that the approach to the 2014 CoC competition should be modified from the CoCB endorsed approach to reallocation (January 2014). Instead the planning team recommends that the 2014 competition incentivize providers to change program models to align with Housing First practices, implement strategies to prioritize admission to adults, families, and youth who experience chronic homelessness or are residing in unsheltered locations or exiting from emergency shelter, and shift resources to expand the availability of permanent supportive housing for chronically homeless adults and rapid rehousing for families. The recommendations describe many opportunities to better use client and financial data to inform decisions.

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Timely action by the CoCB will be needed to begin preparing for the HUD 2014 NOFA which will be issued imminently. Additionally, the CoCB will need to concurrently begin undertaking additional strategic activities.

Background and purpose

Barbara Poppe and associates (BPA) was contracted with to assist the CoCB to prepare for the local competitive funding process as part of the 2014 HUD CoC competition. The CoCB requested assistance to design an application process and a reallocation approach that aligns with HUD guidance. HUD-paid Technical Assistance (HUD-TA) was accessed to advise the CoCB on options for “a process to reallocate funding in time for the 2014 Continuum of Care Grant Competition and solicit proposals that serve the chronically homeless and provide rapid rehousing for homeless families”¹ and to identify alternative approaches that could be used to increase access to permanent supportive housing for individuals experiencing chronic homelessness and increase the supply of rapid rehousing for homeless families.

The role of BPA was to facilitate a planning team composed of **Merlie Crowley** (CoC coordinator for CoCB), **Julie Eberbach** (HMIS Lead) and **Chris Johansen** (City of Des Moines, HUD grantee) to develop background and questions for consideration by the HUD-TA providers as well as assist in the development of recommendations. The group developed and worked with the following as the charge to the planning team:

The CoCB desires to make strategic changes in how CoC funding is awarded and administered. The CoCB is charged with developing and submitting the coordinated HUD application; HUD funds are awarded to the City of Des Moines who administers contracts with grantees. Guidance was requested from HUD-TA in three areas:

1. How can the CoCB use the upcoming HUD CoC competitions to implement strategic changes?
2. What role can the City of Des Moines in implementing contracts that will support these strategic changes?
3. How could the CoCB be better aligned with HUD priorities and improve the overall community response to homelessness?

Findings

Given the extent of the current conflict and mistrust between providers and the CoCB/HCC, establishing/re-establishing safe, trusting and respectful relationships will be critical to advancing any progress on homelessness. The upcoming 2014 HUD CoC competition can be an excellent opportunity to begin to repair relationships if the process is inclusive, transparent and reasonable. With improved understanding of the HUD policy priorities, using the tools that the CoCB has through the HUD regulations, and by working in partnership with the City and the providers - both CoC funded and others, the upcoming competition can be a starting place for implementation of an improved response to homelessness. It will be equally important that

¹ CoCB decision- 2013 CoC Grant Competition, January 10, 2014

additional activities occur concurrent with the competition in order to achieve the broader vision of reducing homelessness.

The planning team discovered through analysis using HMIS data:

1. Very few families and single adults who are admitted into CoC funded PSH are chronically homeless.
2. Some CoC funded PSH² is admitting households who are not from emergency shelter or unsheltered situations (e.g. own apartment, family/friends, detox) despite significant evidence that there are adults who are CH living unsheltered or in emergency shelter.
3. Some CoC funded TH is admitting households who are not from emergency shelter or unsheltered situations (e.g. TH, own apartment, family/friends, detox) despite evidence that there are unsheltered adults and adults and families who have long stays in emergency shelter.
4. The HUD standard is 80% exited TH to permanent housing and the CoCB falls below this standard. Of the 5 CoC funded TH programs, two were below this standard.

The comprehensive list of questions and background materials that the planning team developed are attached to this report. Rough notes captured during the call are noted within the questions. The follow up from the call with HUD TA providers was recently provided by e-mail.

Opportunities to improve access to permanent supportive housing (PSH) for chronically homeless persons, increasing rapid rehousing (RRH) for families, and increase exits from transitional housing (TH) to permanent housing are described below.

1. Use HUD priorities and guidance on these topics (see reference list in the appendix) to work with providers to develop a Housing First system and transition current program models to adopt Housing First practices. Online training, guidance, and technical assistance are available from HUD to support the activities below.

² Per HUD: The only persons who may be served by any permanent supportive housing projects are those who come from the streets, emergency shelters, safe havens, institutions, or transitional housing.

i. Homeless individuals and homeless households with children coming from transitional housing must have originally come from the streets or emergency shelters.

ii. Homeless individuals and homeless households with children with a qualifying disability who were fleeing or attempting to flee domestic violence, dating violence, sexual assault, or stalking and are living in transitional housing are eligible for permanent supportive housing even if they did not live on the streets, emergency shelters, or safe havens prior to entry in the transitional housing. As participants leave currently operating projects, participants who meet this eligibility standard must replace them.

iii. Persons exiting institutions where they resided for 90 days or less and came from the streets, emergency shelter, or safe havens immediately prior to entering the institution are also eligible for PSH.

- a. HUD recommends that the CoC work in partnership with providers and other community stakeholders to analyze your portfolio of grants to determine if you have the right mix of housing and services and whether funding for some projects, in whole or in part, should be reallocated in 2014 to make resources available for new efforts. This could be done in the context of developing an updated community plan and implementation approach to adopt HUD priorities, including aligning efforts to achieve the goals and strategies outlined in *Opening Doors: the federal strategic plan to end homelessness*.
- b. HUD has a priority on PSH that is intended to to retain existing PSH units and to prioritize admission to chronically homeless persons ahead of other homeless persons as turnover units become available. Providers should be adopting this prioritization as units turnover in PSH. The CoCB should work with providers to identify appropriate and sufficient services resources to ensure housing stability once persons who experience chronic homelessness are admitted to PSH³.
- c. HUD has priority for TH and PSH to adopt Housing First practices (admission criteria doesn't exclude based on income, disability, treatment compliance, criminal histories, etc.). Providers should be modifying practices to come into alignment with this HUD priority.
- d. HUD has encouraged development of a coordinated assessment system which can assist in appropriately identifying and prioritizing candidates for affordable housing, PSH, TH and RRH. The CoCB should work with providers to fund an efficient and effective approach to implementing coordinated assessment. [note: centralized assessment is one approach to coordinated assessment system but it is generally more costly than a “no-wrong-door” approach.
- e. HUD has stated a priority to serve unsheltered and those accessing emergency shelter ahead of other homeless populations. Providers should be adopting this prioritization as units turnover in TH and PSH.

³ 2014 CoC Registration Notice :Ending chronic homelessness.

a. **Increasing Beds:** In order to increase the number of beds specifically for the chronically homeless and work towards the goal of ending chronic homelessness by 2015, CoCs will be able to apply for new projects created through reallocation for permanent supportive housing (PSH) that propose to exclusively serve the chronically homeless—which includes individuals and households with children—as defined in 24 CFR 578.3, as part of its comprehensive strategy to end chronic homelessness. Chronically homeless and permanent supportive housing are defined in 24 CFR 578.3. Consistent with the interim rule, the chronically homeless includes individuals and families who have a qualifying disabling condition and meet the criteria of chronic homelessness.

b. **Targeting:** The chronically homeless should be given priority for PSH beds as vacancies become available through turnover. PSH renewal projects serving specific disabled subpopulations (e.g., persons with mental illness or persons with substance abuse issues) must continue to serve those groups, as required in the current grant agreement. However, the chronically homeless within the specified subpopulation should be prioritized for entry.

c. **Housing First** is a model of housing assistance that is offered without preconditions (such as sobriety or a minimum income threshold) or service participation requirements, and rapid placement and stabilization in permanent housing are primary goals. Research shows that it is effective for the chronically homeless with mental health and substance abuse disorders, resulting in fewer inpatient stays and less expensive interventions than other approaches. PSH projects should use a Housing First approach in the design of the program.

- f. HUD has encouraged that CoC-funded projects that serve homeless veterans should continue to coordinate with the local VA so that CoC Program funds are used to the maximum extent feasible to serve veterans who are not eligible for VA housing and health services.
- g. HUD has encouraged communities to address the needs of homeless youth and young adults. The CoCB should work with the community and providers to ensure the needs of homeless youth and young adults are appropriately met.⁴
- h. HUD has encouraged communities to find alternative local and/or other federal resources to phase out SSO projects over time wherever possible. The CoCB should work to identify alternative funding sources to support new and existing programs that fill critical community needs.
- i. HUD is encouraging communities to reallocate CoC resources to create new permanent supportive housing units where those resources are needed and to create rapid re-housing for homeless households with children coming from the streets or emergency shelter. There are several approaches to reallocation that other communities are effectively implementing and should be considered by the CoCB.
 - 1. Review all CoC funded projects with special focus on Shelter Plus Care to determine if there are unspent funds being returned to HUD at the end of the grant period. A commensurate reduction can be made to renewal projects that have a history of under-spending. These funds can be made available for new PSH or RRH.
 - 2. Existing TH or SSO projects may elect to apply as new RRH projects for an amount commensurate with current funding levels. Note that in some cases additional funding outside of HUD CoC may be necessary for these purposes: 1) one-time assistance to fill gap between when existing program ends and new contract begins; 2) one-time assistance to help the provider transition to a new program model (e.g. staff training, program re-design technical assistance, etc.); and 3) ongoing funding to add enhanced services (e.g. adding a housing locator).
 - 3. Funding for renewing projects that are not conforming to HUD and CoCB priorities or that have significant performance problems (including excess cost to the community) can have funding reduced. The funds that are freed up by reducing funding to the project can be made available for reallocation. Transition planning with the provider will be needed. The provider may elect to plan for the closure of the program and/or seek other funding. The provider, in partnership with the CoCB, should ensure that currently housed households do not lose housing and re-enter homelessness. In some cases, the transition may take place over a period of time to avoid abrupt loss of housing.

⁴ 2014 HUD recommendations on performance measures: HUD recognizes, for example, that projects that serve homeless youth may have permanent housing placement rates that are lower than projects serving other populations.

- 2. The CoCB can incentivize and/or require providers to modify program models, target populations, and admission criteria to conform with HUD priorities via the ranking process in the 2014.**
- 3. The city can modify its grant agreements with providers to reflect HUD and CoCB priorities relative to admission criteria and program services.**

Recommendations

Principles:

1. Homelessness in Polk County should be “rare, brief and one-time”. CoC funding should be directed to programs that contribute to this result.
2. CoC funding should be prioritized to meet the needs of the most vulnerable among the adults, youth and children who are experiencing homelessness. Those who are unsheltered and/or experiencing chronic homelessness are highly vulnerable.
3. CoC funding should focus on projects that enable households to leave unsheltered situations and exit emergency shelters to permanent housing.
4. CoC funding should be directed to projects that will contribute to reductions in homelessness as measured by the annual PIT count.
5. Projects should be cost effective to the CoC and leverage other community resources.

Immediate term recommendations- the 2014 competition/next 6-9 months:

Recommended concurrent community planning and capacity building over next 6-9 months:

1. The CoCB should fully address all the HEARTH governance and CoC requirements. This will include developing staff capacity for the CoCB.
2. The City of Des Moines, in partnership with the providers, the Iowa Council on Homelessness, Housing Finance Agency, HUD, and other key stakeholders, should provide/secure training and technical assistance to build the capacity of all homeless shelter/services/housing providers (funded and non-funded) to implement Housing First practices and modify admission criteria and program models to address HUD and CoCB priorities. Strategies to implement rapid rehousing and permanent supportive housing should be an important focus.
3. The CoCB, in partnership with the providers and other stakeholders, should undertake a review of the current inventory of programs and assess the right mix of shelter, housing, and services to determine what is necessary to achieve reductions in homelessness.

4. The CoCB, in partnership with the providers and other stakeholders, should continue developing and begin implementing a coordinated or centralized assessment system.
5. The Institute for Community Alliances, the City of Des Moines, and the CoCB should work together to develop community capacity to “focus relentlessly on results” by harnessing the capacity of HMIS.
6. The CoCB and the City of Des Moines should improve coordination and collaboration on ESG and CoC funding to ensure better alignment with HUD priorities and to increase effectiveness.

Recommended overall process improvements for 2014 competition:

1. Improve coordination between CoCB/City and providers to reduce confusion and conflict.
2. Add two non-CoC funded homeless services providers to grant review committee to increase the on-the-ground practical knowledge about how programs work.
3. Improve communications and ensure greater transparency to build trust and confidence in the decision making process.

Recommended program review and ranking process for 2014 competition:

1. Review all CoC funded projects with special focus on Shelter Plus Care to determine if there are unspent funds being returned to HUD at the end of the grant period. Estimate the amount that a commensurate reduction could be made to renewal projects that have a history of under-spending so that this estimate can be made available for new PSH or RRH.
2. Issue RFP for new PSH for chronically homeless adults and new RRH for homeless families or adults. Estimate that 10%-20% of pro rata need may be available for reallocation to new projects based on above analysis and likelihood that not all program will modify programs to serve priority populations or align with Housing First. Actual funding level will be determined following review and ranking of renewal projects. Encourage existing TH/SSO projects to apply as new RRH projects for an amount commensurate with renewal funding levels.
3. Use HMIS to evaluate programs on these factors: annual number served, number new admissions, extent of clients served with disabilities, chronic homelessness status, living situation prior to program admission (unsheltered, emergency shelter/motel voucher, or other situation), number and % exit to permanent housing (TH and SSO), housing stability (PSH), change in income, employment, and benefits for exited clients.
4. Prepare cost efficiency analysis based on review of most recent APRs and spending to date and combine with household served and outcome data from HMIS analysis.
5. Review HUD NOFA requirements and adapt local competition.
6. Issue renewal project RFP.

7. Review submission of local application by each renewal application that focuses on intended sub-population to be served, alignment of program admission criteria and services/operations consistent with Housing First, and feasibility of outreach and admission plan to reach intended sub-population.
8. Review submission of new applications for PSH and RRH.
9. Establish funding levels and ranking order that consider sub-population served, consistency with Housing First and preferred program models. Scores based on a streamlined program evaluation and cost efficiency analysis should be considered after ranking by program model, Housing First alignment, and sub-populations to be served.
10. While awaiting HUD awards, City can begin developing sub-recipient contracts that reflect provider intentions with regard to sub-population and alignment with Housing First.

Longer term recommendations subsequent to above:

1. The CoCB should undertake a community conversation to identify ways to meet the affordable housing needs of those who experience or are at risk of homelessness. This should include a review of opportunities to engage public housing agencies, private owners, and nonprofit housing developers.
2. The CoCB should assess ways to assist and improve provider capacity to link participants to employment and mainstream benefits.
3. The CoCB should convene community conversations to determine ways to reduce discharge from institutions into homelessness. Conducting data matches with institutions and other systems of care would increase understanding about the extent that discharge into homelessness is occurring.

Note: HUD TA as well as online resources are available for many of these activities.

Concluding thoughts

The planning team recommendations, if implemented, can shift the paradigm to a more collaborative, Housing First, results-oriented, systematic response to homelessness. The success of this effort will hinge on the ability of all key stakeholders to come together and commit to moving toward a system that puts the needs of those who experience homelessness ahead of organizational agendas and move beyond the discord of the past. With resolve, commitment, and a renewed sense of purpose, Des Moines and Polk County can make homelessness “rare, brief and one-time”.

Over the years, we've proven we can house anyone. Now, our charge is to house everyone.
HUD Secretary Shaun Donovan, June 4, 2014

EXHIBIT 1

Sample Approach to Implement Priorities through Ranking and Funding Levels:

Overview: Prioritization should consider sub-population served, consistency with Housing First and program model. Scores based on a streamlined program evaluation and cost efficiency analysis will be considered after ranking by program model, Housing First alignment, and serving sub-populations.

The final ranking list will prioritize **sub-populations** in this order:

Priority 1: Adults, youth, or families experiencing chronic homelessness.

Priority 2: Adults, youth, or families who are unsheltered and those accessing emergency shelter.

Priority 3: Adults, youth, or families who are experiencing other forms of homelessness.

Prioritization by **consistency with Housing First practices:**

Programs that currently operate or have a clear plan to operate consistent with Housing First practices (admission criteria doesn't exclude based on income, disability, treatment compliance, criminal histories, etc.) will be ranked higher than programs that don't. To be considered, the plan should be operational within not more than six months from the date of the application for funding.

Prioritization by **program models:**

1. Permanent supportive housing
2. Rapid re-housing
3. Transitional housing
4. Supportive Services Only
5. HMIS and Continuum of Care Planning

HMIS and Continuum of Care Planning proposals must be submitted by the applicant organization and reviewed on the same time table as other proposals. Cost reasonableness and implementation plan will be considered.

Funding level:

Funding levels for renewal projects will be determined by consideration of funding need, cost efficiency and priority program status.

Funding Need: Prior history and current spending will be reviewed to identify projects who are not fully spending down HUD funds; funding levels will be reduced commensurate with that analysis.

Cost Efficiency: Programs will be benchmarked against similar program models (i.e. PSH will be compared to other PSH) to assess cost efficiency based on cost per household served and cost per successful housing outcome. Programs that appear to be less cost efficient may have funding reduced.

Program priority status:

A high priority renewal program is defined as a program that serves⁵ the top two priority populations (chronic homeless and and unsheltered/those accessing emergency shelter) and operates consistent with Housing First. These projects will be eligible for 90-100% of renewal amount, except if funding need is less.

A medium priority renewal program is defined as a program that serves the top two priority populations⁶ (chronic homeless and and unsheltered/those accessing emergency shelter) but does not operate consistent with Housing First. These projects will be eligible for 80-90% of renewal amount, except if funding need is less.

A low priority renewal program is defined as a program that serves the third priority populations⁷ (other homeless) and may or may operate consistent with Housing First. These projects will be eligible for 70-80% of the renewal amount, except if funding need is less. These projects should also be planning to phase out of CoC funding over next two years.

Table 1. Ranking Strategy

Ranking Group	Priority program	Program type	Sub-population	Housing First alignment	Funding level
1	High	PSH - Renewal	#1	yes	90-100%
2	High	PSH-New	#1	yes	
3	High	RRH-New	#2	yes	
4	High	TH/SSO-Renewal	#1 & #2	yes	90-100%
5	High	HMIS/Planning			90-100%
6	Medium	PSH - Renewal	#1 & #2	no	80-90%

⁵ 100% of PSH admissions to the program will be Priority 1 and 2. At least 85% of TH/SSO admissions to the program will be Priority 1 and 2. Priority 3 is admitted only when no Priority 1 or 2 applicants are available as verified by HMIS.

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⁷ More than 15% of admissions to the program are Priority 3 populations.

Ranking Group	Priority program	Program type	Sub-population	Housing First alignment	Funding level
7	Medium	TH/SSO-Renewal	#1 & #2	no	80-90%
8	Low	TH/SSO-Renewal	not prioritizing #1 & #2	maybe	70-80%

EXHIBIT 2

Selected Relevant Guidance from HUD, USICH, and NAEH

[Letter from Ann Oliva to Grant Recipients, CoC Leaders and Stakeholders](#)

[SNAPS In Focus: Why Housing First](#)

[System Performance Measures](#)

[SNAPS Weekly Focus: Changing the Way We Do Business](#)

[SNAPS Weekly Focus: What about Transitional Housing?](#)

[The Housing First Checklist: A Practical Tool for Assessing Housing First in Practice](#)

[Implementing Housing First in Permanent Supportive Housing](#)

[Family Connection: Building Systems to End Family Homelessness](#)

[Core Components of Rapid Re-Housing](#)

[Assessing Strategic Value of CoC Program-Funded Supportive Services](#)

[CoC Services Categories with Possible HHS Program Alternatives](#)

[Ending Chronic Homelessness: A Message to Continuum of Care & Ten-Year Plan Leaders](#)

[Ending Family Homelessness: A Message to Continuum of Care & Ten-Year Plan Leaders](#)