

Updated September 22, 2014

## WHAT IS IN THE FY 2015 BUDGET FOR HOMELESS SERVICES?

The District's Department of Human Services (DHS) provides services to homeless residents through two key channels: the Homeless Services Continuum and Permanent Supportive Housing.

- The **Homeless Services Continuum** includes the Emergency Rental Assistance Program (ERAP), the Family Re-Housing and Stabilization Program (FRSP) — also known as Rapid Re-Housing (RRH) — emergency shelter, transitional housing, and supportive services to homeless and formerly homeless DC residents. Many of these services are delivered by providers who either contract with DHS directly or operate under the umbrella of The Community Partnership for the Prevention of Homelessness (TCP), an intermediary organization.
- **Permanent Supportive Housing (PSH)** provides long-term housing and case management to chronically homeless individuals and families. The DHS PSH Program (PSHP), also known as Housing First, was created in fiscal year 2009. PSH units are also constructed through the Department of Housing and Community Development's Consolidated RFP process. The service dollars for these units are in DHS's Homeless Services Continuum budget.

The fiscal year (FY) 2015 budget for services for homeless residents, which includes both federal and local dollars, is \$124 million. This is an increase of \$1.2 million, or 1 percent, from the FY 2014 adjusted budget, after adjusting for inflation.<sup>1</sup> (Unless otherwise noted, all figures in this analysis are adjusted for inflation to equal FY 2015 dollars and use the adjusted budget for FY 2014 for comparison purposes.)

### FY 2015 BUDGET FOR HOMELESS SERVICES

- Includes \$124 million in gross funds (which includes both federal and local dollars), an increase of \$1.2 million, or 1 percent, from the FY 2014 adjusted budget.
- Decreases funding for homeless families by \$8 million, or 14 percent, from FY 2014. Given the large number of families seeking shelter in FY 2014 and the expectation of a similar number in FY 2015, the budget is insufficient to meet the expected need.
- Includes \$4.7 million increase in local funds for Permanent Supportive Housing (PSH) to help end chronic homelessness among veterans and adds \$2.3 million to provide PSH to approximately 77 additional families.
- Adds \$600,000 for new social workers at DC General Family Shelter.
- Reduces funding for Emergency Rental Assistance, from \$9.4 million to \$8.8 million.
- Adds \$2 million for a new homelessness prevention program for families that combines case management, service referrals, and rental arrearages.
- Includes \$1.5 million in one-time funding to continue a pilot program providing Rapid Re-Housing to single individuals.
- Does not include dedicated funding to continue the individual Emergency Rental Assistance Program piloted in the FY 2014 budget.

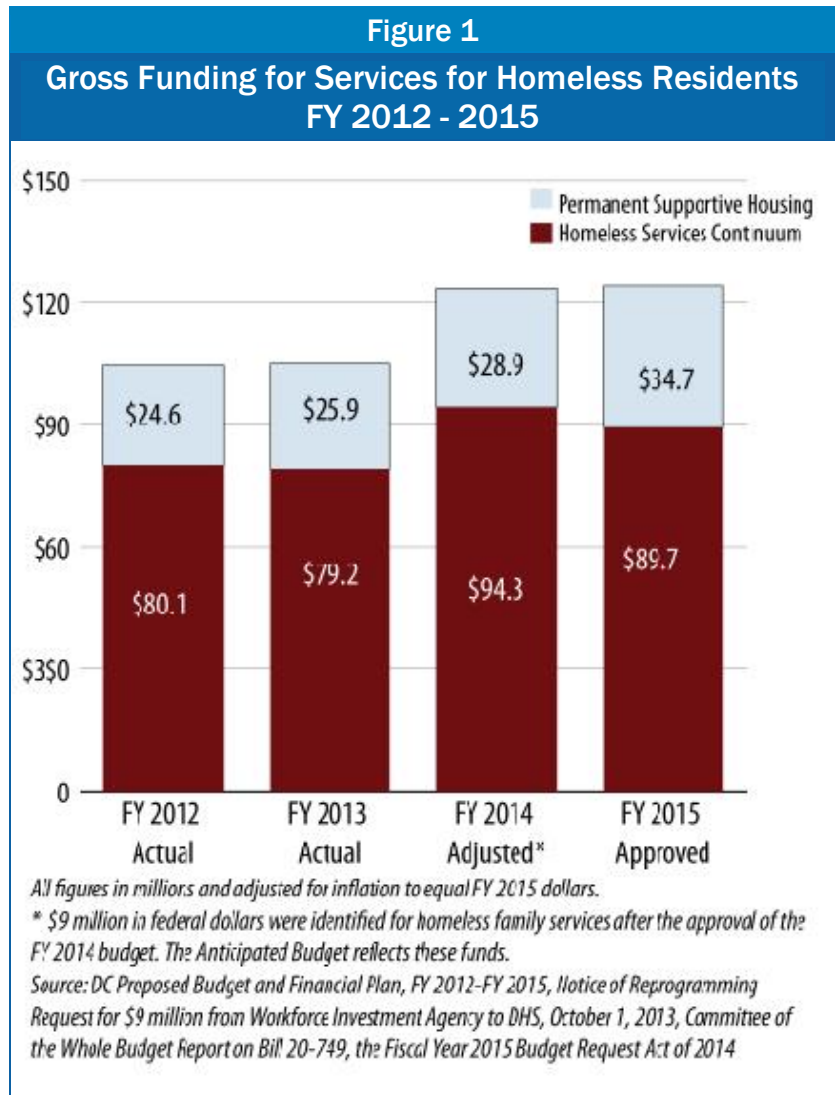
<sup>1</sup> DHS was able to identify \$9 million in federal carryover dollars after the FY 2014 budget was approved to be used for homeless family services. Unless otherwise noted, FY 2014 budget figures are the adjusted budget, meaning they include this \$9 million in federal carryover funds.

The Continuum budget is \$90 million, a decrease of \$4.6 million from FY 2014. (See **Figure 1**.) This reduction will affect shelter and Rapid Re-Housing for homeless families. This is especially concerning given the fact that DC was not able to handle the significant increase in the number of homeless families that occurred this past winter.

The budget for the DHS Permanent Supportive Housing program is \$35 million, a \$6 million increase from FY 2014. This includes funds to serve 195 chronically homeless veterans and meet the federal goal to end veteran homelessness by 2015. The new funds also will serve approximately 77 chronically homeless families.

### Homeless Services Continuum Analysis

The budget for the Homeless Services Continuum is \$90 million, a \$4.6 million decrease from FY 2014 budget. (See **Table 1**.) The decrease reflects the fact that DHS will spend \$9 million in FY 2014 using federal funds that had carried over from prior years, but it is unlikely there will be any significant carryover dollars available for FY



**Table 1**  
**Homeless Services Continuum Funding Sources, FY 2012-2015**

	FY 2012 Actual	FY 2013 Actual	FY 2014 Adjusted	FY 2015 Approved
Local	\$69.3	\$67.7	\$78.3	\$83.4
Federal Funding	\$10.8	\$11.5	\$16.0	\$6.3
<b>Total</b>	<b>\$80.1</b>	<b>\$79.2</b>	<b>\$94.3</b>	<b>\$89.7</b>

In millions. All figures adjusted for inflation to equal FY 2015 dollars.  
Sources: Committee of the Whole Report on Bill 20-749, the "Fiscal Year 2015 Budget Request Act of 2014", DC Proposed Budget and Financial Plan, FY 2014-FY 2015, Notice of Reprogramming Request for \$9 million from Workforce Investment Agency to DHS, October 1, 2013.

2015. The decrease also reflects an anticipated \$500,000 cut in federal Social Services Block Grant (SSBG) funds due to federal sequestration and because the District is planning to carry over fewer federal Emergency Solutions Grant (ESG) dollars from FY 2014 into FY 2015.

### Funding for Homeless Families Is Not Sufficient to Meet the Need

The FY 2015 budget for homeless families is \$47 million, a decrease of \$8 million, or 14 percent, from the FY 2014 budget. Yet the District struggled to serve homeless families in FY 2014 and took several new actions to limit access to shelter. With no sign that need for shelter will be any less in FY 2015, it appears that the District will face even greater challenges in the coming year to provide safe and legal shelter.

The number of families with children in emergency shelter (including motel rooms the District uses when its shelters are full) has more than doubled since 2011, from 326 to 907 families. (See **Figure 2.**)

In FY 2014, the District started hypothermia season with family shelters nearly at capacity.<sup>2</sup> That meant that the District used motels as overflow shelter far earlier than during previous hypothermia seasons, and to a much greater extent than previously. At the highest point, the District was sheltering 472 families in motels, compared to the prior year's high of 166.<sup>3</sup>

The increase in homelessness and the failure of funding to rise sufficiently led the District to end its long-standing practice of placing all "priority-1" families into shelter year-round. These are families with no safe place to stay, such as families sleeping on the street or fleeing domestic violence. DC law mandates only that the District provide shelter during hypothermic conditions, but recognizing the risks to children that accompany homelessness, the District had, in the past, placed families regardless of the weather. This changed in 2011 when no families were admitted to shelter from April through

### Federal Funding through the Continuum of Care Program Competition

Each year the federal government allocates funding through the Continuum of Care (CoC) Program Competition to communities across the country. This funding is to assist individuals (including unaccompanied youth) and families experiencing homelessness and to provide the services needed to help such individuals move into transitional and permanent housing, with the goal of long-term stability.

Communities choose a CoC Lead Agency, a government agency or nonprofit organization, to manage the application process, disburse funding to providers, and monitor performance. In the District, The Community Partnership (TCP) for the Prevention of Homelessness, a nonprofit organization, acts as the District's CoC Lead Agency. As CoC funding goes directly to TCP from the federal government and does not go through the District budget, this funding does not appear in the Homeless Services budget.

DC was awarded \$20.8 million in the CoC Competition completed in June 2014.

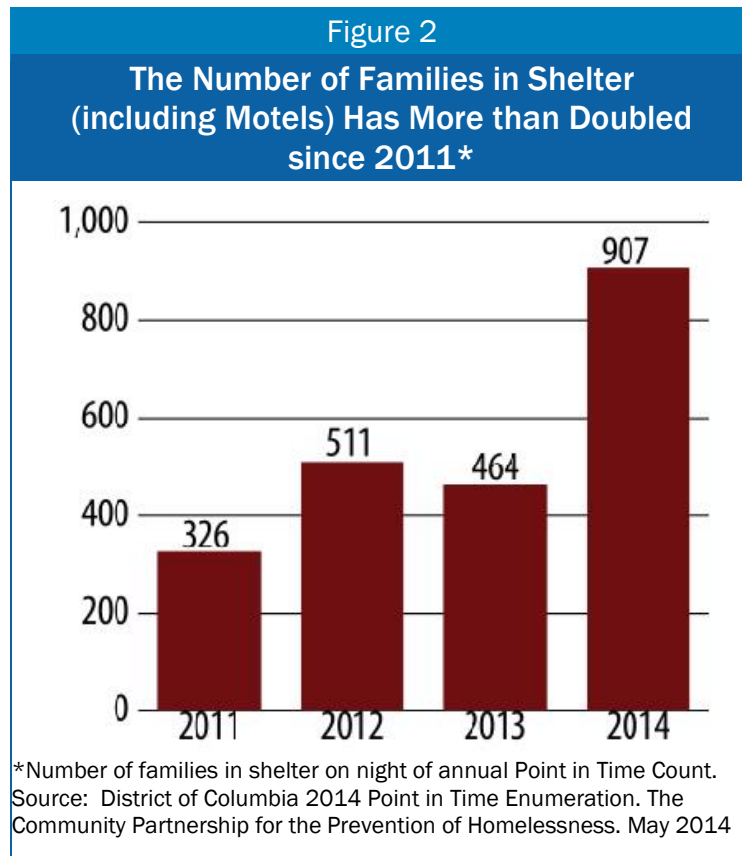
<sup>2</sup> The night before the first hypothermic alert was called, 262 of the maximum 288 available slots were filled with families. Emergency Shelter Nightly Census 10/23/2013, produced by The Community Partnership for the Prevention of Homelessness.

<sup>3</sup> Coalition of Housing and Homeless Organizations (COHHO) 2013-2014 Hypothermia Report; COHHO 2013-2013 Hypothermia Report.

October. Since then, DHS has only sporadically allowed families to enter shelter on non-hypothermic nights.<sup>4</sup>

In addition, the District ended the long standing practice of sheltering families until they found alternative housing. Families were forced to reapply for shelter each day at the Virginia Williams Family Resource Center, which interfered with their ability to work, look for work, search for housing, and participate in job training.<sup>5</sup>

It now appears likely that the DC General Family Shelter is likely to be nearly full at the start of the coming hypothermia season. This means that the District will face the same kinds of challenges as in the prior year, yet with far fewer resources to address it. DHS budgeted to use only 150 shelter units at DC General Family Shelter with no use of, or budget for, motels. The District has required more than 150 shelter units during hypothermia every year since FY 2008. There are no indications that the need for shelter will decrease significantly in FY 2015.



As of August 8 2014, 250 families had been moved out of shelter under a mayoral initiative called *500 Families, 100 Days* launched in spring 2014.<sup>6</sup> At this current pace, the DC General Family Shelter is likely to be nearly full, again, at the start of hypothermia season in the fall.

Given the similar need expected next winter for shelter, the lack of resources, and little evidence to date that DC can move a significant number of families from shelter into housing each month, DC's budget for homeless services will not be able to meet the needs of families next winter. It is unclear what steps the District would take next winter in order to meet its legal obligations to families seeking shelter.

### Rapid Re-Housing for Families

The Rapid Re-Housing Program (RRH), also known as the Family Re-Housing and Stabilization Program (FRSP), provides housing search assistance, supportive services, and short-term rental

<sup>4</sup> DHS plans to allow families to access shelter in FY 2015 once the occupancy of DC General falls below approximately 100 families—a number DHS is unlikely to reach before hypothermia season.

<sup>5</sup> At the highest point, the District sheltered 24 families in recreation centers on a single night. Coalition of Housing and Homeless Organizations (COHHO) 2013-2014 Hypothermia Report.

<sup>6</sup> WAMU. "D.C. Moves Families Out Of D.C. General, But Date For Closing Shelter Unclear"

[http://wamu.org/programs/metro\\_connection/14/08/08/dc\\_moves\\_families\\_out\\_of\\_dc\\_general\\_but\\_date\\_for\\_closing\\_shelter\\_unclear](http://wamu.org/programs/metro_connection/14/08/08/dc_moves_families_out_of_dc_general_but_date_for_closing_shelter_unclear)

assistance to homeless families. The goal of the program is to move families out of shelter as quickly as possible. This can allow more families to access emergency shelter using the same number of shelter units.

It appears that the RRH budget will not be sufficient to serve all eligible families in a timely way in FY 2015. The FY 2015 budget is \$15 million, an increase of \$1 million from the *approved* FY 2014 budget. However, expenditures on RRH in 2014 may be higher than budgeted, because funds for homeless families were added after the budget was approved. It is unclear how many of these dollars were used for RRH in FY 2014.<sup>7</sup> This means that the FY2015 budget for Rapid Re-Housing is at best a modest increase from FY 2014 and may be a decrease.

Moreover, DHS anticipates 40 exits per month of families currently in the RRH program, allowing new families to enter these slots. But if the FY 2015 hypothermia is similar to the FY 2014 season, far more than 40 qualifying families will enter shelter each month. Ensuring sufficient RRH slots are available when families enter shelter is important because there have been delays in exiting families because there were no available slots. Once DHS decides to contract for new slots, it takes several steps and much time before the slots can be utilized.

### **New Homelessness Prevention Program for Families**

The FY 2015 budget includes \$2 million to create a new homelessness prevention program similar to a successful New York City program known as Homebase, which provides ongoing case management to families identified as most at risk of entering shelter. These services can include connecting a parent with employment services or tenant-landlord mediation. Some families also receive limited financial assistance to pay for rental arrearages. Services will be located in a number of community locations, improving access and lessening the caseload at the homeless family services center, the Virginia Williams Family Resource Center, which can lead to long wait times.

This new program will differ from the District's current prevention program, the Emergency Rental Assistance Program (ERAP), which primarily provides payments for rent arrearages and does not provide ongoing case management. The program will also differ from ERAP because it will target families most likely to become homeless.

### **One Congregation/One Family**

One Congregation/One Family is a new initiative to match homeless families with a faith community that will assign a team of their members to support the family. The Mayor's Interfaith Council will lead this initiative. DHS allocated \$500,000 of federal Temporary Assistance for Needy Families (TANF) funding in FY 2015 for volunteer training and program administration.<sup>8</sup>

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<sup>7</sup> FY 2015 Responses to Pre-Hearing Questions from The Committee on Human Services. April 28, 2014.

<sup>8</sup> One Congregation/One Family is considered part of the TANF budget and thus is not included in the Homeless Services Budget or the figures in this Toolkit.

## Emergency Rental Assistance Program (ERAP)

The Emergency Rental Assistance Program (ERAP) prevents homelessness by paying for overdue rent and related legal costs for households facing eviction. The program also provides security deposits and first month's rent for residents moving into new homes. ERAP serves low-income households that include one of the following: a child under the age of 19, an adult over the age of 59, or a person with a disability.

The FY 2015 ERAP budget is \$8.8 million, including \$500,000 in funds provided on a one-time basis. This is a reduction from \$9.4 million in FY 2014. (See **Figure 3**.)

It is likely the budget will not be sufficient to meet the need.

For the past few years, the organizations that administer the program have run out of ERAP funds several months before the end of the fiscal year.

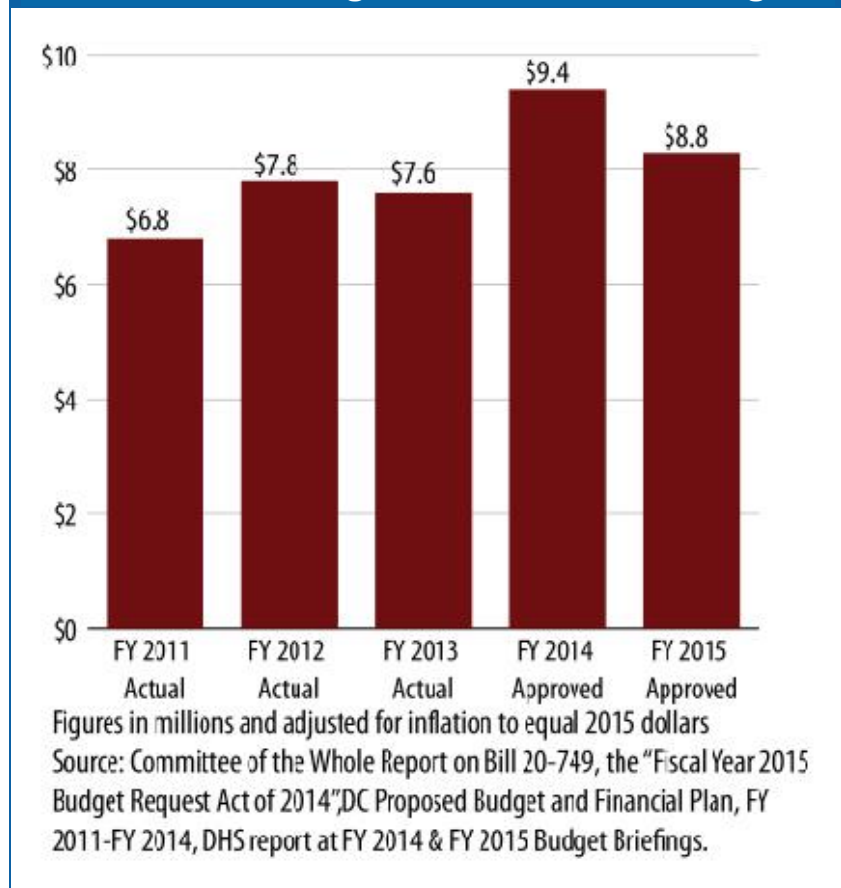
### Funding for Individual Homeless Services

The FY 2015 budget for homeless individuals is \$19 million, an increase of \$2 million, or 9 percent, from FY 2014. The budget includes funding to expand a system to make it easier for homeless individuals to access services and to continue a Rapid Re-Housing pilot program for individuals.

**Coordinated Entry Systems for Homeless Individuals.** The FY 2015 budget includes \$250,000 for a Coordinated Entry System (CES) which assesses an individual's needs when they seek homeless services and matches them with appropriate housing and services. Prior to a pilot effort launched in FY 2014 by a number of community organizations, individuals would have to visit each organization to apply for housing, often learning that there were no openings. Now individuals complete a common assessment and application and are matched with openings across organizations. With dedicated funding in FY 2015, coordinated entry will be able to serve more individuals. The federal Homeless Emergency Assistance and Rapid Transition to Housing (HEARTH) Act requires the District to have a CES.

Figure 3

### FY 2015 ERAP Budget Less than FY 2014 Budget



**Rapid Re-Housing for Individuals (RRH).** RRH provides case management services and up to 12 months of rental assistance. The FY 2015 budget includes \$1.5 million to continue a pilot RRH program for individuals. With federal funding, DC was able to serve individuals through the program in prior years, but little or no federal funding is available for use in FY 2014 or FY 2015. The FY 2014 budget included \$400,000 in local funding to launch a pilot program that began in May 2014.

**Emergency Rental Assistance.** In FY 2014, \$500,000 was added to the Emergency Rental Assistance Program (ERAP) budget to pilot an expansion of the program to single, non-disabled, non-senior individuals who previously have not qualified for assistance. This pilot began May 1, 2014. The FY 2015 budget adds \$1.5 million to ERAP, but does not include dedicated funding to continue the individual pilot. However, DHS may use funds from the general ERAP budget to do so.

### Shelter Redevelopment and Shelter Services

The FY 2015 Department of General Services (DGS) operating budget includes \$500,000 to explore alternative sites for the DC General Family Shelter, the District's primary family shelter, and 801 East Men's Shelter.<sup>9</sup> This funding may be used for needed surveys, appraisals, and site work. The FY 2015 Department of Human Services operating budget includes \$200,000 to commission a study to determine the housing and space needs for the residents and service providers within the Federal City Shelter, commonly known as the CCNV (Community for Creative Non-Violence) Shelter.

The FY 2015 budget also includes \$600,000 to hire new social workers to focus on the needs of children living at the DC General Family Shelter.

### Homeless Youth Services

DHS does not have a dedicated budget for services to homeless youth. Instead, these services are funded out of the Homeless Services Continuum budget. The main services DC funds for youth are family reunification services, emergency shelter beds, transitional housing, and independent living programs. The FY 2015 budget for youth will be \$7.7 million, a \$1.2 million increase from last year's budget.

It is unclear if this funding is sufficient to meet the need for homeless youth services. In February 2013, service providers reported turning away 300 youth seeking emergency shelter. As a result, DHS added beds and made improvements in the turn-away tracking system. Data collected through this improved system has not yet been released. The FY 2015 Budget Support Act requires that the District conduct an annual homeless youth census and develop a Plan to End Youth Homelessness by 2020 to ensure that services are adequate to meet the need. The additional FY 2015 funding will be used for these requirements, the establishment of a street outreach program and drop-in center to help connect youth with needed services, an additional five emergency beds, and 10 additional transitional housing beds.

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<sup>9</sup> As this funding is in the DGS budget, it is not included in the Homeless Services Budget or the figures in this Toolkit.

Additionally, the FY 2015 budget continues funding for three FY 2013/FY 2014 initiatives:

- **Shelter beds for LGBTQ youth.** The FY 2015 budget continues to fund shelter beds for LGBTQ youth, which were funded in the FY 2014 budget with \$486,000 but have not yet been put on line.
- **Youth transitional program (YTP) for 24 males ages 18 to 24.** This program provides up to nine months of shelter and supportive services to help male youth find permanent housing and make progress towards independence.
- **Shelter beds for youth under the age of 18.** DHS is in the process of finalizing a contract that will fund six shelter beds for these youth.

## Permanent Supportive Housing Analysis

The total budget for the DHS Permanent Supportive Housing program is \$35 million, a \$6 million increase from the FY 2014 budget. (See **Table 2**.) This reflects a \$7 million increase in local funding and a \$1 million decrease in available federal funding.

Table 2 DHS Permanent Supportive Housing Funding Sources FY 2012-2015				
	FY 2012 Actual	FY 2013 Actual	FY 2014 Adjusted	FY 2015 Approved
Local	\$19.9	\$19.8	\$21.8	\$28.6
Federal Grants <sup>1</sup>	\$4.7	\$6.1	\$7.1	
Federal One-Time	--	--		\$6.1
<b>Total</b>	<b>\$24.6</b>	<b>\$25.9</b>	<b>\$28.9</b>	<b>\$34.7</b>
<small>In millions. All figures adjusted for inflation to equal FY 2015 dollars.  <sup>1</sup>Federal renewable grants include Shelter Plus Care, Emergency Shelter Grant, and DC Veterans Administration grants.            Sources: Committee of the Whole Report on Bill 20-749, the "Fiscal Year 2015 Budget Request Act of 2014", DC Proposed Budget and Financial Plan, FY 2011-FY 2015.</small>				

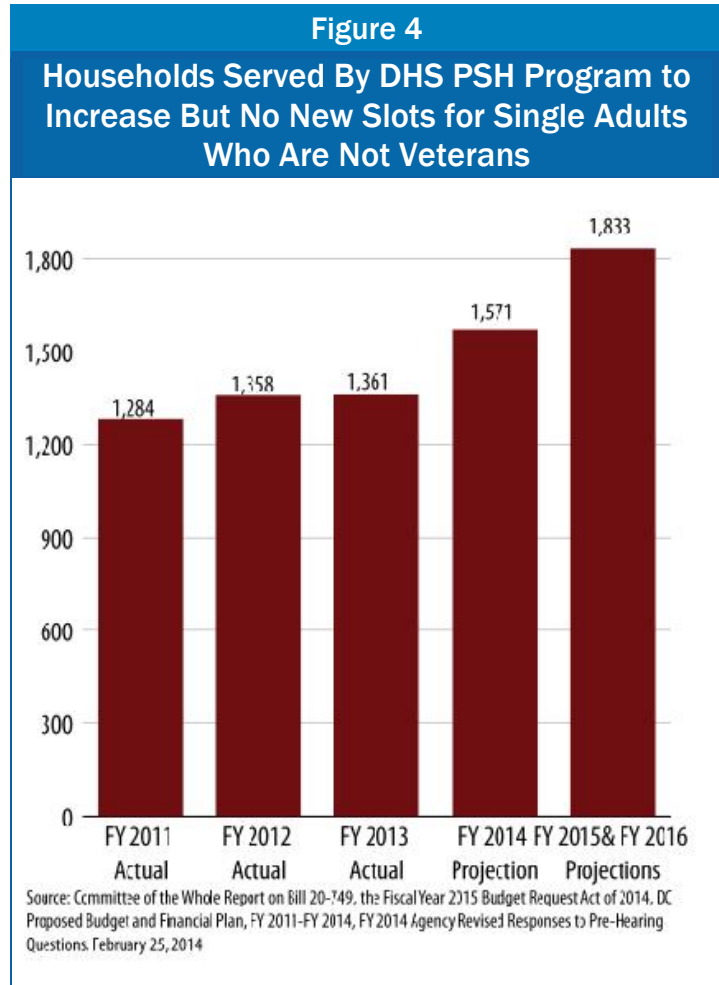
The budget includes nearly \$7 million to serve new households. Of this, \$4.7 million will serve 195 chronically homeless veterans and will put the District on track to end veteran homelessness by 2015, the deadline set by the federal government. The remaining \$2.3 million in new local funding will serve approximately 77 families and is expected to be sufficient to serve the 8 to 10 percent of families coming into shelter who need PSH. It is anticipated that these new slots combined with turnover slots will meet this need. Local funding for existing clients however, will decrease by \$130,000 due to anticipated cost savings on contracts for services. It is not clear how DHS will make up the reduction if the contract savings are not achieved.

The \$1 million decrease in federal funding mostly reflects fewer federal carryover dollars from the Shelter Plus Care Grant. Carryover funds are federal dollars unspent in the year awarded and thus available to be spent in the next year. DHS reports that they anticipate savings in contracting costs to counterbalance the reduction in available carryover funding.



It is anticipated that 1,833 households will be served in FY 2015, an increase of 262 households from FY 2014. (See **Figure 4**.) While this number represents significant growth from the number of clients served in FY 2014, there will be no new slots for single adults who are not veterans, the largest sub-population of homeless households in need of PSH.

PSH units are also created through affordable housing projects funded through the Department of Housing and Community Development’s consolidated request for proposals (RFP) process. DHS has committed to provide up to \$1.75 million for supportive services for up to 100 new PSH units to be constructed through the FY 2013 RFP. Because these units are being constructed, there is a lag between contracts being awarded and households moving into the units and thus starting services. DHS reports that the funding for these services is in the FY 2015 budget for the Homeless Services Continuum budget, not the PSH budget.



## Performance Measures

Each agency’s budget includes a number of performance measures intended to provide an indication of how well the agencies are using funds to meet their goals. Unfortunately, the quality of these performance measures is quite uneven, with some lacking clarity and others disconnected from the agency’s core functions.<sup>10</sup> Additionally, the same performance measures are not used from year to year. Improving and updating performance measures is a good practice, but without continuity from one year to the next, it is difficult to gauge progress.

In FY 2015, the District plans to track only two performance measures related to homeless services, a reduction from the seven included in the FY 2013 budget.

Four PSH-related performance measures have been combined into one measure. DHS used to separately measure the number of individuals, families, veterans, and seniors who received PSH, but now provides only one measure: the total number of households served. To track the progress of PSH

<sup>10</sup> The issues related to DC’s performance measurement are discussed further in a 2009 DCFPI report, Ten Ways to Improve the Transparency of the DC Budget, <http://www.dcfpi.org/ten-ways-to-improve-the-transparency-of-the-dc-budget>.

development against the identified need, it would be helpful if DHS reported on number of existing units as a percentage of the targets outlined in the Interagency Council on Homelessness Permanent Supportive Housing Production Plan.

The budget also includes a performance measure on retention of PSH housing from the previous fiscal year through the following fiscal year.

The District reports no measures that address the performance of the shelter system or transitional housing. At a minimum, the agency should report on the number of singles and family beds, hypothermia beds, low-barrier shelter beds, as well as the number of individuals receiving case management through the Continuum. Given the increasing reliance on motels in past years it would be helpful if the agency reported on the number of rooms used, length of stay, and associated costs. The agency should also report on the median length of stay in shelter and the median time between entrance into shelter and completion of a needs assessment.

Additionally, it would be helpful to provide information on exits from shelter by month and the services that supported those transitions, including:

- Rapid Re-Housing (RRH)
- Permanent Supportive Housing (PSH)
- Emergency Rental Assistance (ERAP)
- Transitional Housing
- Shared Housing with Family or Friends
- Long-term affordable housing program such as Local Rent Supplement Program (LRSP), public housing, or nonprofit program
- Other/Unknown

The District does not produce consistent, reliable and timely data on the performance permanent supportive housing, transitional housing, and Rapid Re-Housing. The information needed to assess these programs includes:

- total number in program;
- number exiting;
- where participants are exiting to (market rate housing, subsidized housing, abandoned unit, evicted, and unknown);
- number of participants returning to or reapplying for shelter;
- median length of stay in program;
- number of participants that increased their income at program exit, if applicable;<sup>11</sup>
- median and percent increase in income at program exit, if applicable;<sup>11</sup> and
- number of participants able to afford rent independently upon program exit, if applicable.<sup>11</sup>

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<sup>11</sup> Families can “exit” PSH because they no longer need the intensive support services. But many still need affordable housing so they retain their rental subsidy. Additionally, some PSH households have significant disabilities that prevent them from working. These three measures should only be applied to families with goals of increasing income and paying rent independently.