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WHAT IS IN THE PROPOSED FY 2016 BUDGET FOR HOMELESS SERVICES?

SUMMARY OF PROPOSED FY 2016 BUDGET FOR HOMELESS SERVICES

- Provides \$156 million in local funding for services for homeless residents, the highest level ever. This will support initial implementation of a Strategic Plan to end long-term homelessness.
- Includes \$40 million to replace the District's dilapidated primary family shelter, DC General, with four smaller shelters and \$4.9 million to rent 84 new family shelter units.
- Increases the family shelter budget by \$15.7 million to better match anticipated spending. And increases the hypothermia budget by \$1.8 million to ensure the agency can provide needed services.
- Includes \$3.8 million to help 455 individuals exit shelter with Rapid Re-Housing.
- Supports a new Intensive Rapid Re-Housing program for 80 families with children who need more intensive support services and longer periods of rental assistance in order to succeed.
- Provides Permanent Supportive Housing (PSH) for 250 individuals and 110 families. PSH provides housing and intensive support services to homeless residents who face significant challenges, like chronic physical or mental health issues. This is roughly a 20 percent expansion of PSH from FY 2015.
- Provides Targeted Affordable Housing (TAH) for 147 families and 150 individuals. TAH provides rental assistance to residents who need help paying rent after their Rapid Re-Housing ends or who no longer need the intensive services provided by PSH but still need help to afford housing.
- Increases funding for homelessness prevention, so that 900 families can get assistance.
- Includes \$800,000 to create a Daytime Services Center, a place for homeless individuals to access housing, employment assistance, and supportive services.
- Sees an \$8 million reduction in contracts for homeless services to be achieved by identifying efficiencies and cost savings.

The proposed fiscal year (FY) 2016 budget provides \$156 million in local funding for homeless services, a \$27 million increase from fiscal year FY 2015 and the highest funding level ever. (See **Figure 1**.)¹ The mayor's budget makes substantial investments towards funding the new Interagency Council on Homelessness (ICH) Strategic Plan to end long term homelessness in the District by 2020. The FY 2016 budget also devotes more resources to emergency shelter, which has been under-funded in recent years.

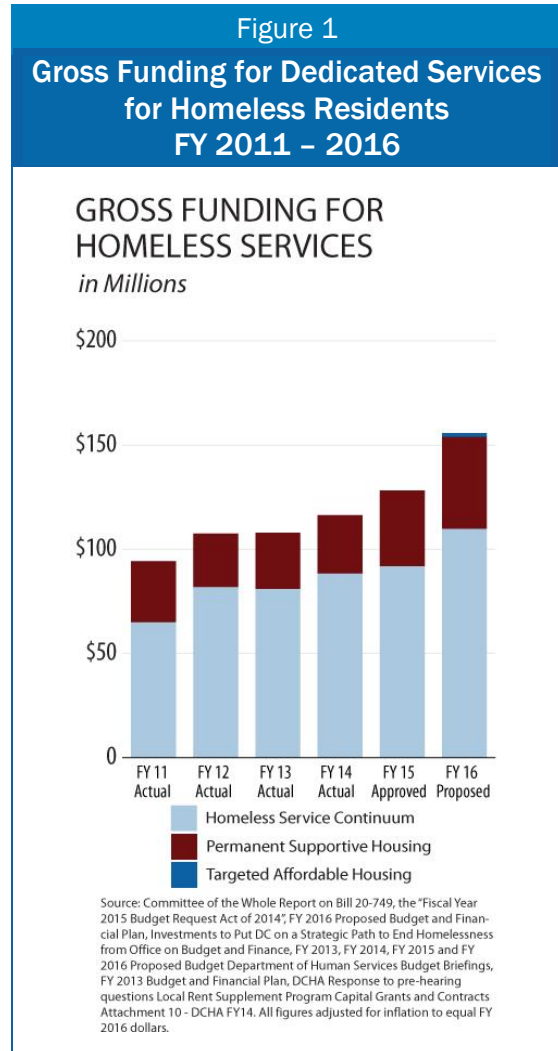
The increase in funding shows up in three broad categories of services:

¹ The value of federally funded vouchers is not included in this budget analysis.

- **The Homeless Services Continuum:** includes emergency shelter, the Emergency Rental Assistance Program, Rapid Re-Housing (RRH), transitional housing and other programs. 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. Funding for this set of services will grow 19 percent in FY 2016, adjusting for inflation. (See **Appendix Table**.) The budget includes an \$8 million reduction in contracts for these services to be achieved by identifying efficiencies and cost savings. These savings allowed for significant investments in the new Strategic Plan.

- **Permanent Supportive Housing (PSH):** provides long-term housing and case management to chronically homeless individuals and families. These are residents who have been homeless for a long time and have a significant disabling condition that makes it difficult for them to stay housed without case management assistance. Created in FY 2009, DC’s program places some participants in apartments using rental subsidies, and others are placed in buildings developed with District funding. Funding for PSH will grow 22 percent in FY 2016.

- **Targeted Affordable Housing (TAH):** is a new program that provides long-term affordable housing with no or minimal supportive services. The program will serve residents who need help paying rent after their short-term RRH rental subsidy ends and PSH residents who no longer need the intensive services provided by PSH but still need help to afford housing. The new program will be funded at \$4 million in FY 2016 and serve roughly 300 households.



FY 2016 Budget Takes Steps to Implement New Strategic Plan to End Homelessness

In March 2015, the District’s Interagency Council on Homelessness (ICH) adopted a Strategic Plan aimed at ending long term homelessness by 2020, and the new budget includes resources to start implementing it.²

² The ICH is made up of representatives from DC government, nonprofit providers, advocates, and homeless and formerly homeless residents. Its mission is to guide the city’s homelessness efforts.

Acknowledging that it will never be possible to prevent all the life events that can lead to homelessness, such as divorce or job loss, the Strategic Plan is designed to make homelessness:

- **Rare.** Homelessness will be prevented whenever possible. This will involve the expansion of prevention programs that help people who face eviction. It also will require coordination with other agencies to ensure residents transitioning out of foster care, juvenile justice, or other systems do not become homeless.
- **Brief.** When homelessness cannot be prevented, services will be provided quickly to help residents move into stable housing.
- **Non-recurring.** The District will provide support services to make sure residents do not become homeless again.

The FY 2106 budget invests in the following ways to meet the Plan's goals.

- Replacing the DC General family shelter;
- Enhancing the Rapid Re-Housing program that moves families and individuals out of shelter quickly with short-term rental assistance and case management services;
- Expanding Permanent Supportive Housing;
- Supporting homelessness prevention services; and
- Creating a new rental assistance program, Targeted Affordable Housing, for some residents who have left shelter through other services but still need help paying rent.

These are discussed in more detail below.

Replacing the DC General Shelter

The FY 2016 budget allocates \$40 million in capital funding over the next two fiscal years to construct replacement facilities for the District's dilapidated primary family shelter, DC General. This will support creating four buildings of 50 units each. The budget also includes \$4.9 million to rent 84 new family shelter units.

This means that the District will need to use the DC General shelter for at least two years. The FY 2015 budget included \$600,000 to hire new social workers to focus on the needs of children living at the DC General Family Shelter but this was eliminated in a supplemental FY 2015 budget submitted by Mayor Bowser. The FY 2016 budget does not include funding for these positions.

Enhancing Rapid Re-Housing

The FY 2016 budget includes plans to strengthen Rapid Re-Housing (RRH) for both families and single individuals. RRH provides housing search assistance, supportive services, and short-term rental assistance, generally up to 12 months. The goal of the program is to move residents out of shelter as quickly as possible. This allows more residents to access emergency shelter using the same number of shelter units.

- **More Rapid Re-Housing for Individuals:** The FY 2016 budget includes \$3.8 million to serve at least 455 individuals. This is a \$2.3 million increase from the FY 2015 budget. The Strategic Plan projects a need for 2,571 RRH slots, but it would not be possible for expand capacity that much in one year.
- **New Intensive Rapid Re-Housing Services for Some Families:** The FY 2016 budget maintains 1,100 slots for family Rapid Re-Housing, also known as the Family Re-Housing and Stabilization Program (FRSP), provided in FY 2015. But the Department of Human Services has found that some families, particularly those headed by a parent under the age of 25, need more intensive support services and longer periods of rental assistance in order to succeed. To meet this need, the agency is launching an Intensive Rapid Re-Housing program in FY 2016. This program will serve 80 families with a longer period of assistance.

Expanding Permanent Supporting Housing

The total budget for Permanent Supportive Housing is \$44.2 million, an increase of \$7.9 million from FY 2015.³ (See **Table 2.**) Combined with federal vouchers, this will extend PSH to 250 more individuals and 110 families more families, an expansion of approximately 20 percent.⁴

The new funding for PSH in FY 2016 builds on efforts in the FY 2015 budget to end chronic veteran homelessness by 2015, the deadline set by the federal government – by serving roughly 200 veterans who are chronically homeless. The Department of Human Services reports that it is on track to meet this goal.

	FY 2011 Actual	FY 2012 Actual	FY 2013 Actual	FY 2014 Actual	FY 2015 Approved	FY 2016 Proposed
Local Funding						
DHS Budget	\$12.1	\$20.3	\$20.2	\$22.5	\$29.5	\$34.7
Local Rent Supplement Program (DCHA budget)*	\$0.7	\$0.7	\$0.6	\$0.6	\$0.6	\$2.6
Federal Funding						
Shelter Plus Care	\$3.0	\$3.9	\$5.3	\$3.9	\$4.9	\$5.5
DC Veterans Administration	\$0.7	\$0.9	\$0.9	\$1.1	\$1.3	\$1.3
One-Time	\$12.9					
Total	\$29.3	\$25.7	\$27.0	\$28.0	\$36.3	\$44.2
In millions. All figures adjusted for inflation to equal FY 2016 dollars.						
*Rental subsidy for some PSH units is paid through the DC Housing Authority's Local Rent Supplement Program (LRSP)						
Sources: FY 2013 DC Proposed Budget and Financial Plan; FY 2013, FY 2014, FY 2015, and FY 2016 DHS Budget Briefing.						

³ Capital funding used to construct PSH units through the Consolidated RFP and the ongoing Local Rent Supplement Program (LRSP) subsidies needed to support these built units are not included in this budget analysis.

⁴ DCFPI is waiting for final FY 2015 PSH slot number from DHS. Our best estimate is that there are approximately 1,900 PSH in FY 2015.

Some PSH units are created through affordable housing projects funded by the Department of Housing and Community Development. Currently these units do not have to use a Housing First model, meaning that they may have sobriety or income requirements that chronically homeless residents cannot meet. Additionally, providers are not required to ensure that the units are filled by those most in need. To help meet the Strategic Plan's goal of ending chronic homelessness by 2017, DCFPI supports the Strategic Plan recommendation that these units use a Housing First model and be dedicated to the homeless residents who need PSH the most.

DHS has committed \$3 million to provide supportive services for the DHCD PSH units coming online in FY 2016. DHS had anticipated spending up to \$1.75 million for units coming online in FY 2015, but these units will not be built in time and this funding will be used for another purpose.

Supporting Homelessness Prevention Efforts

The District is in the process of launching a new family homelessness prevention program, initially funded in FY 2015, modeled on a successful New York City program known as Homebase. This program identifies families most at risk of entering shelter and provides a variety of services, such as connecting a parent with employment services or tenant-landlord mediation. Some families also receive limited financial assistance to pay for rental arrearages or other items that can help them avoid homelessness, such as clothing needed for a job.

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.

In January, DC was awarded \$21.2 million in the latest CoC Competition.

The proposed FY 2016 budget includes an \$180,000 increase, bringing the total budget to \$2.2 million. The increase will allow the program to serve roughly 900 families.

This new program complements the District's current prevention program, the Emergency Rental Assistance Program. The Emergency Rental Assistance Program (ERAP) helps individuals facing eviction pay 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 funds cannot be used as flexibly as the new prevention funds can and does not target those most likely to become homeless.

The FY 2016 ERAP budget is \$9.3 million, a slight reduction from \$10 million in FY 2015. (See **Figure 2**.) This will allow the program to serve roughly 2,700 households.⁵

New Program: Targeted Affordable Housing

Targeted Affordable Housing (TAH) is a new program recommended by the Strategic Plan that provides long-term affordable housing with no or minimal supportive services. The program will serve Rapid Re-Housing participants who need help paying rent after their short-term RRH rental subsidy ends, as well as PSH residents who no longer need the intensive services provided by PSH but still need help to afford housing.

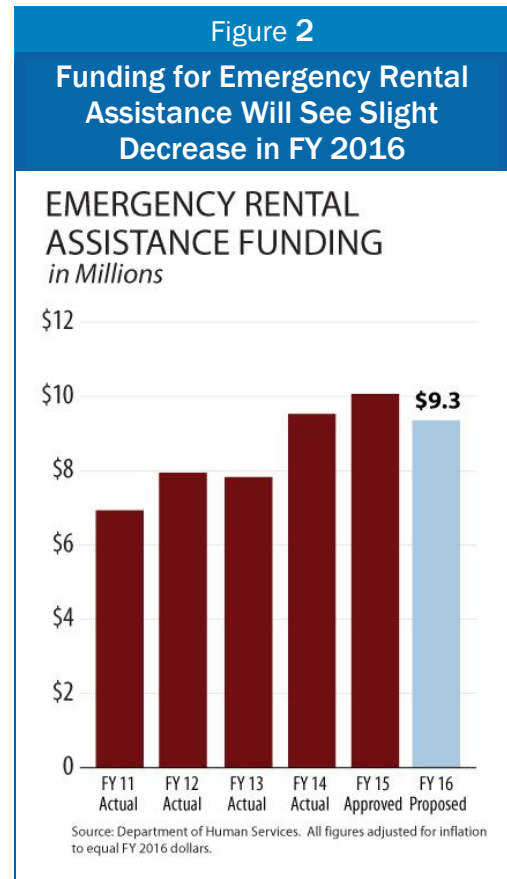
TAH will serve 147 families and 150 individuals in FY 2016. This meets the Strategic Plan target level for families and about half of the 350 units recommended for individuals. TAH will be funded using \$3.7 million in Local Rent Supplement Program (LRSP) tenant vouchers, as well as federal housing vouchers.

FY 2016 Budget Increases Shelter Funding, But It May Not Be Enough to Allow Families to Access Shelter Year-Round

The proposed FY 2016 budget addresses the fact that emergency shelter for families has been greatly under-budgeted in recent years. A \$16 million increase in funding will help stabilize emergency shelter services for families. But it is not clear if this will be sufficient to allow the District to provide year-round access to shelter, a policy abandoned in 2011.

The inadequate funding for shelter has led to two problems. First, shelter funding has not kept up with the dramatic increase in family homelessness since 2011 (see **Figure 3**), which 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. Since then, DHS has only sporadically allowed families to enter shelter on non-hypothermic nights.

Second, the under-funding of shelter has forced the Department of Human Services to take funds from other programs each winter, as costs for sheltering families exceeded what had been budgeted. This made it hard to administer the shelter system and created pressure to find savings, such as placing families in recreation center gyms rather than in apartments or private rooms as the law requires, and it took funds away from the programs that help families move out of shelter.



⁵ Estimate based on number of households served in FY 2014 with a similar amount of funding.

The proposed \$16 million increase in FY 2016 will help stabilize the family shelter system. Yet, when combined with anticipated federal carryover funding, this increase will simply bring the budget up to match the amount that is expected to be spent on shelter in FY 2015. (The District spending in FY 2015 will exceed the amount budgeted.)

As a result, it is not clear if the FY 2016 budget will be sufficient to allow a change in policy to provide year-round shelter access for families with children. The Department of Human Services plans to help families exit shelter more quickly, which will reduce costs, and to implement more robust prevention efforts to reduce the number of families who need to enter shelter. Through these two efforts, DHS hopes to be able to provide year-round access to shelter for families, but this is not a stated policy.

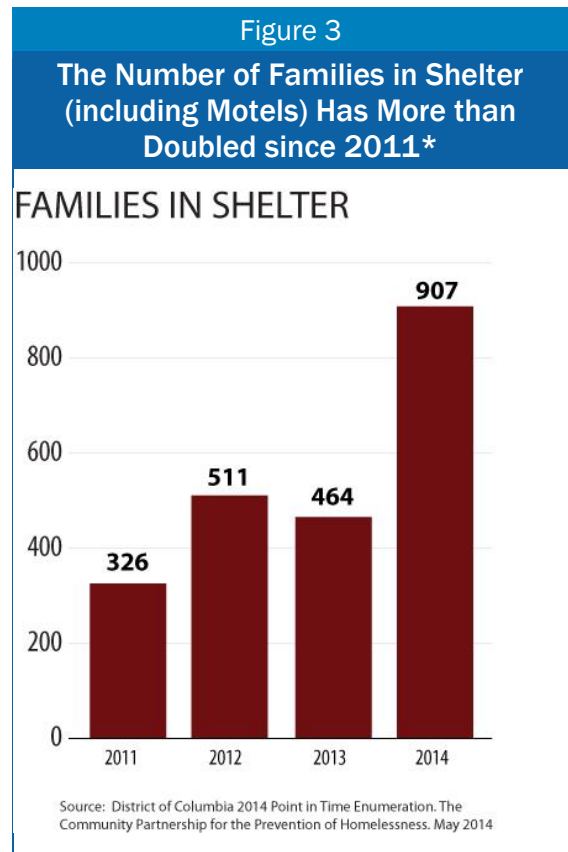
Other Homeless Services in the FY 2016 Budget

The FY 2016 homeless services budget includes funding for several key initiatives including a new Daytime Service Center, the Coordinated Entry System, and a program to match families with mentors from faith congregations.

Daytime Services Center: The FY 2016 budget includes \$800,000 to create a Daytime Services Center. Most emergency shelters for individuals are only open from 7 p.m. to 7 a.m., meaning they must leave each morning and spend the day navigating the city to get the services they need. The Strategic Plan recommends that the District replace existing shelters with new 24-hour shelters but this will take several years. In the meantime, a Daytime Service Center will help fill this gap and be a place for homeless individuals to access services. The Center is expected to open in the spring of 2015.

Coordinated Entry Systems for Homeless Individuals: DHS is in the process of expanding a system intended to help match homeless individuals with needed services. Prior to a pilot effort launched in FY 2014 by a number of community organizations, individuals would often have to visit multiple shelters or service providers to apply for housing, because there was no system for shelters to have access to information on openings at other shelters.

The new Coordinated Entry System (CES), required under the federal HEARTH Act, addresses this problem. The CES assesses an individual's needs when they seek homeless services and matches them with appropriate housing and services. Participating service providers use a common assessment and application, which then allows homeless individuals to be matched with openings across organizations. The FY 2015 budget included \$250,000 to hire dedicated staff to perform the assessments and manage the system. The FY 2016 proposal includes the same amount of funding to continue the effort.



Shelter Redevelopment: The FY 2015 Department of Human Services operating budget included \$200,000 in one-time funding 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. DHS is in the process of transferring this funding to the Department of General Services so it can manage the needed work.

One Congregation/One Family: In FY 2015, the Department of Human Services allocated \$500,000 for 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 leads this initiative and funding was allocated for volunteer training and program administration. The FY 2016 budget includes \$500,000 to continue this initiative.

Homeless Youth Services

Homeless youth fall into two broad categories: those under age 18 and those who are 18 to 24 years old. Youth under age 18 can only access housing and shelter dedicated to this population. Older youth, often called transition-aged youth (TAY), can access adult housing and shelter as well as specialized TAY programs. Dedicated youth programs include family reunification services, emergency shelter beds, transitional housing, and independent living programs. The FY 2016 budget for services dedicated youth is \$7.7 million, the same as in FY 2015.

The Strategic Plan did not include recommendations for youth programs because the District – like most communities around the country – does not have robust data on the true size of the population, their characteristics, and needs. The Interagency Council on Homelessness began to develop a system of coordinated assessment and referral for youth without children (“unaccompanied youth”), like the Coordinated Entry System for single adults, to gather the needed data and to ensure that youth could be quickly matched with available services. The ICH plans to include a more detailed plan on youth homelessness at the first annual update of the Strategic Plan. In addition, the ICH will be working with partners to conduct a youth census early in the fall. In the meantime, the ICH is using the preliminary results from the coordinated assessment process to make a plan for the \$1.3 million in new funding that was allocated in the FY 2015 budget for youth services.

One recently identified gap that will not be filled with the current budget is emergency shelter for youth under age 18 who have children. Under current policy, these young families cannot be served in the adult family system and it is likely these parents need more intensive support services than those provided in the adult family shelter. These parenting teens often have to couch surf until they turn 18 and qualify for adult shelter, meaning they move in with a different friend or family member every few days. This makes it difficult for parents to consistently get to school and can lead them to drop out.

Appendix

Table 1

Homeless Services Continuum Funding Sources, FY 2011-2016

	FY 2011 Actual	FY 2012 Actual	FY 2013 Actual	FY 2014 Actual	FY 2015 Approved	FY 2016 Proposed
Local						
DHS budget	\$46.3	\$70.7	\$69.1	\$80.0	\$84.9	\$101.7
Federal						
Social Service Block Grant	\$0.6	\$4.4	\$5.8	\$6.0	\$5.3	\$6.0
Temporary Assistance for Needy Families (TANF)		\$3.6	\$4.3	\$1.1	\$0.5*	\$0.5*
Emergency Shelter Grant	\$0.6	\$0.9	\$1.7	\$1.2	\$1.1	\$1.5
One-Time	\$17.5	\$2.2				
Total	\$65.0	\$81.8	\$80.9	\$88.3	\$91.8	\$109.7

In millions. All figures adjusted for inflation to equal FY 2016 dollars.

* Funding for One Congregation/One Family

Sources: FY 2013 DC Proposed Budget and Financial Plan; FY 2013, FY 2014, FY 2015, and FY 2016 DHS Budget Briefings