

What's In the Proposed Fiscal Year 2019 Budget for Homeless Services?

By Kate Coventry

The proposed fiscal year (FY) 2019 budget provides the highest funding level ever for homeless services, a recognition of the enormity of this challenge, and reflects new investments in the Strategic Plan to end long-term homelessness by 2020. The Strategic Plan, developed by the Interagency Council on Homelessness (ICH), aims to make homelessness rare, brief, and non-recurring.

But the budget also falls far short of the needs outlined in the Strategic Plan. It provides too little housing to end chronic homelessness, too little support to help homeless families and youth, and too little long-term affordable housing for homeless residents who need it. As a result, homelessness will continue to be a highly visible problem in the District in FY 2019, and the homeless services system will face many challenges.

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

The Homeless Services Continuum for Families and Individuals

This includes shelter, the Homelessness Prevention Program (HPP), 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.

SUMMARY

Adds the following for individuals:

- 315 Permanent Supportive Housing (PSH) units. The Way Home campaign called for 820 units this year.
- \$1.1 million for 100 Rapid ReHousing (RRH) slots. The Way Home called for 400 slots.
- \$1.3 million for 70 Targeted Affordable Housing (TAH). The Way Home called for 400 slots
- \$875,000 for a new homelessness prevention program
- \$68.5 million for shelter and service improvements

Adds the following for families:

- \$1.6 million for 50 PSH slots. The Way Home campaign asked for 309 slots
- \$2.1 million for 100 TAH slots
- 100 RRH slots
- \$32.2 million for family shelters

Adds \$3 million for youth programs, \$1.4 million of this replaces one-time funding included in the FY 2018 budget.

The Homeless Services Continuum for Youth

This includes family mediation, emergency shelter beds, transitional housing, Rapid ReHousing, permanent supportive housing, and aftercare services which help youth maintain housing stability after exiting a program. Most of these services are delivered by providers who either contract with DHS directly or operate under the umbrella of TCP.

Permanent Supportive Housing (PSH)

This provides long-term housing and intensive case management to residents who would otherwise have difficulty remaining housed. PSH helps people stay in housing and improve their health, which in turn saves a substantial amount of money. DC places some participants in apartments using rental subsidies, and others in buildings developed with District funding.¹

Targeted Affordable Housing (TAH)

This provides long-term affordable housing for formerly homeless residents, with no or minimal supportive services.

Budget Takes Steps to End Chronic Homelessness but Falls Short of the Need

A large number of single adults in DC are chronically homeless, meaning they have been homeless for a long time and suffer from life-threatening health conditions and/or severe mental illness. Additionally, families can also experience chronic homelessness (see *Budget*

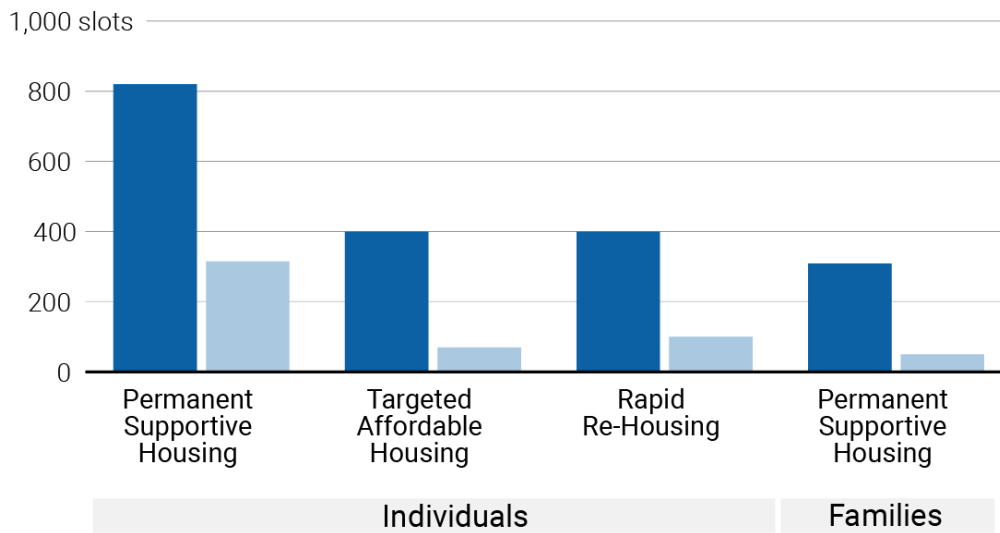
Makes Investments in Family Housing Programs below.)

The Way Home is the campaign to end chronic homelessness in the District and sets budget targets each year to meet this goal. For single adults, the proposed budget makes new investments, but does not meet these targets (*Figure 1*.)

The proposed budget adds \$6 million in new funding to provide additional Permanent Supportive Housing (PSH) to 250 individuals. It also includes funds to build 15 PSH units for seniors at the new Ward 1 Family Shelter (see *Additional Funding Added for Construction and Operations of New Family Shelters* below for more information). The budget also adds \$28.1 million to build a PSH community for senior women. Many women staying in shelters have qualified for a PSH voucher to rent their own apartments but would prefer to live in community together. This new building will allow them to do that. The Way Home campaign called for at least 820 PSH units because that is the number of individuals who have been assessed as currently needing PSH.

FIGURE 1.

Proposed FY 2019 Investments Fall Short of What is Called for By The Way Home Campaign to End Chronic Homelessness



Source: Fiscal Year 2019 Proposed Budget & Financial Plan, The Way Home Campaign FY19 Budget Recommendations and Policy Priorities.

The budget adds \$1.1 million to assist individuals through Rapid Re-Housing, bringing the total budget to nearly \$6.7 million. RRH provides housing search assistance, supportive services, and short-term rental assistance, generally for 3 to 6 months. The program aims to move residents out of shelter as quickly as possible, which in turn allows more residents to access emergency shelter. The Strategic Plan calls for more than 2,000 slots of RRH, which need to be phased in over time due to implementation constraints. Thus, The Way Home called for 400 additional units this year to allow the District to build the foundation needed for this growth.

The budget includes \$1.3 million for Targeted Affordable Housing (TAH) for 70 individuals. TAH helps 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.

The Strategic Plan calls for 1,604 TAH slots in FY 2019. Recognizing this could not be implemented this year, The Way Home asked for 400 slots.

Budget Makes Investments in Family Programs, But Fails to Hit FY 2019 Targets

The proposed FY 2019 budget includes \$3.2 million to add 100 new Rapid ReHousing (RRH) slots for families and adds \$3.4 million to the RRH budget to account for increased program costs. This brings the total RRH budget to \$40.6 million. RRH is a short to medium term subsidy program. Compared to the individual program, the subsidy is generally longer, approximately 12 months.

The proposed budget also adds \$1.6 million for 50 additional Permanent Supportive Housing (PSH) units. The Way Home campaign called for 309 units for families experiencing chronic homelessness.

The budget includes \$2.1 million for 100 additional Targeted Affordable Housing (TAH) units. The actual need is difficult to measure based on existing data, but the investment falls short of what is called for in the Strategic Plan.

The budget removes \$81,575 in one-time local funding added to the FY 2018 budget for a domestic violence specialist at the Virginia Williams Family Resource Center, the service center for families experiencing a housing crisis. The Department of Human Services plans to continue this position using federal funding.

Expanding Services for Unaccompanied Homeless Youth without Children

Many youths who are experiencing homelessness do so without their parents or guardians and do not have children of their own. These “unaccompanied” homeless youth fall into two broad categories: those under age 18 and those who are 18 to 24 years old. In DC, youth under age 18 can only access housing and shelter dedicated to this population. Older youth, often called transition-aged youth (TAY), can access both TAY programs and adult housing and shelter.

The total FY 2019 budget for unaccompanied homeless youth is \$13.4 million. The proposed budget continues the \$1.4 million in one-time funding that was included in the FY 2018 budget to maintain 5 transitional housing beds, 10 shelter beds for minors, and 42 aftercare service slots moving forward. Aftercare provides individually tailored services to formerly homeless youth and their host family or friends to ensure that the housing placement is stable. These services can include conflict mediation and referrals to mental health and other services.

The budget adds an additional \$500,000 for a new 24-hour Drop-In Center, a facility the District currently lacks. The budget also includes \$660,000 for 30 new shelter beds for youth aged 18 to 24.

Federal Funding through the Continuum of Care Program Competition

Each year the federal government allocates funding through the U.S. Department of Housing and Urban Development (HUD) 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. Additionally, these funds are awarded at different times each year and do not neatly line up with the District's fiscal year so are not counted in our year to year analysis.

In December 2017, DC was awarded nearly \$22.1 million in the CoC Competition.

Finally, the budget includes \$250,000 for 5 new transitional housing beds and \$300,000 for 10 new PSH beds.

This is a significant investment in youth homelessness but falls short of what is called for in the strategic plan to end youth homelessness.

Voucher Recipients to Receive Move-In Cost Assistance

Residents who currently receive rental vouchers cannot use these vouchers to pay for security deposits or application fees. This leads many to be unable to use their vouchers or to face long delays in moving in. The proposed budget includes a provision to allow locally funded tenant vouchers to be used for these costs.

Additional Funding Added for Construction and Operations of New Family Shelters

The proposed budget adds \$30.4 million in additional funding to meet the expected costs of 3 of the shelters being built to replace the dilapidated DC General Family Shelter. The budget also includes \$33.8 million for the new Ward 1 Family Shelter. This shelter will replace apartment-style shelter units that were lost when a provider lost the lease for the building. The project will also include 15 units of Permanent Supportive Housing (PSH) for seniors and make renovations to the Rita Bright Family and Youth Center which is adjacent to the new shelter. The

budget also adds \$10.2 million to support operations at the new shelters.

Improving Shelters and Services for Individuals

The proposed budget includes a number of investments to improve conditions at the dilapidated shelters for singles.

The budget includes \$40 million to build a replacement for the 801 East Men's Shelter. This shelter will be moved to a new site on the St. Elizabeths Hospital campus to make way for a new hospital. The intention is for the new shelter to have the same number of beds as the existing shelter, 380 year-round and 52 Winter Seasonal beds.

A little more than \$8.5 million is allocated for renovations at the New York Avenue Men's Shelter. These renovations will include the creation of 25 medical respite beds for individuals recovering from illness and injuries. The renovations will also include the creation of beds compliant with the Americans with Disabilities Act, daytime services space, and a clinic. The Department of Human Services reports that their goal is to preserve as many beds as possible but that they may need to reduce the number to accommodate the new spaces. The current facility has 360 beds.

The budget also includes \$13 million to make critical repairs at Emery and Blair Men's Shelters, including renovating existing bathrooms and replacing ramps to comply with the Americans with Disabilities Act. The budget also includes \$4.5 million to make improvements at other shelters and a District file storage facility.

The budget also includes \$2 million to provide daytime services and \$300,000 to provide outreach to residents staying in encampments. The budget adds \$200,000 to make operational improvements at shelters such as piloting a bed reservation system and creating beds for populations with specialized needs.

The budget includes \$875,000 to launch a new homelessness prevention and diversion program for approximately 500 individuals. This program will be modeled on research-tested best practices from other jurisdictions and will serve individuals who have recently entered or are about to enter shelter.

Emergency Rental Assistance Program

The Emergency Rental Assistance Program (ERAP) helps residents facing eviction pay for overdue rent and related legal costs. The program also provides security deposits and first month's rent for residents moving into new homes. The proposed FY 2019 budget is \$5.5 million and removes \$765,655 of one-time funds added to the FY 2018 budget and \$1 million in recurring funding. The Department of Human Services reports they plan to serve the same number of clients through three avenues. Clients who currently receive ERAP to pay for their security deposit when moving into an apartment with locally-funded housing vouchers will now have those costs paid for through the voucher

program. Residents receiving DC Housing Authority assistance will receive help to negotiate rental arrearage payment plans. And some clients will be referred to homelessness prevention programs.

SSI/SSDI Outreach, Access, and Recovery (SOAR)

SSI/SSDI Outreach, Access, and Recovery (SOAR) helps individuals who have a serious mental illness, medical impairment, and/or a co-occurring substance use disorder secure federal disability benefits. Because the application process is so complicated and difficult to navigate, only 14 percent of these individuals are approved on initial application for these benefits. Using the SOAR model, DC has been able to help 73 percent of these individuals secure benefits on this initial application.

Paying for a SOAR specialist costs about \$50,000 in salary and benefits. Given the current approval rate, each specialist can be expected to help 18 individuals secure benefits, that will be at least \$8,831 annually. This translates into \$158,958 in income for residents experiencing homelessness, a more than \$3 return per dollar spent on staff costs.

In the past two years, the Department of Human Services has used \$500,000 one-time funds in each year for SOAR assistance. The proposed FY 2019 budget does not continue this funding.

¹ The proposed budget retains the \$3 million in recurring funding put in the FY 2016 budget to provide supportive services for the built PSH units coming online. It is difficult to predict when these units will come online as construction can be unpredictable. DHS is confident the \$3 million will be sufficient to cover the units already occupied as well as the new units that will come online in FY 2019.