

Examples of Successful Partnerships with Service Providers

Public Housing Agency and Community-Based Healthcare Provider

In many communities, the public housing agency (PHA) becomes the *applicant* for the rental assistance and a community-based behavioral or mental health organization serves as the *sponsor* of the program. This is a good partnership because PHAs have experience in the administration of rental assistance, and behavioral and mental health organizations have a population of persons who are homeless, have serious mental illnesses, and may have co-occurring substance abuse disorders. The health organization provides the supportive services, such as case management and medication management, which will match the rental assistance. In this example, the PHA manages the nuts and bolts of the rental assistance, including certifying that the housing units meet housing quality standards. In turn, the health organization recruits participants, certifies their eligibility, coordinates with the PHA, and provides ongoing supportive services to tenants.

State Agency and Local Providers

In some states, the state housing and community development agency, often in cooperation with the state mental health or substance abuse agency, will be the *applicant* for a substantial number of Shelter Plus Care slots. The state agency sets up a system through which local providers apply for the assistance and the program is offered throughout the state. In this case, local providers are responsible for ensuring that housing meets housing quality standards, as well as providing participant recruitment, eligibility certification, and ongoing supportive services to tenants.

Workforce Investment Act One-Stop Career Centers

The One-Stop Career Center system is funded under the Workforce Investment Act and administered by the Department of Labor. The One-Stop system provides three levels of service: (1) Core, which includes eligibility assessment and job search; (2) Intensive, which includes literacy skills enhancement and job clubs; and (3) Training, which includes on-the-job training and occupational skills training. Clients are assessed by the local One-Stop Career Center as to what services they need and are eligible to receive. To locate the nearest One-Stop Center, visit <http://www.servicelocator.org/>. For more information on connecting to the workforce development system to help individuals exit homelessness, see Coordinating Community Plans and Community Employment Pathways, both available on <http://hudhre.info>.

Ticket to Work

The Ticket to Work Program is an employment program administered by the Social Security Administration (SSA) for people with disabilities who are interested in going to work. The goal of the Ticket Program is to increase opportunities and choices for Social Security disability beneficiaries to obtain employment, vocational rehabilitation (VR), and other support services from public and private providers, employers, and other organizations. Under the Ticket Program, SSA provides disability beneficiaries with a “ticket” they may use to obtain the services and jobs they need from a new universe of organizations called Employment Networks (ENs). Beneficiaries receiving tickets can contact one or more ENs to discuss services and once an agreement between the beneficiary and EN is reached, the two work together to develop a work plan to assist the beneficiary in reaching his or her employment goal. For more information on Ticket to Work, see <http://www.yourtickettowork.com/>.

The Emergency Food Assistance Program (TEFAP)

Under TEFAP, commodity foods are made available to states by the U.S. Department of Agriculture (USDA). USDA buys the food, including processing and packaging, and ships it to the States. The amount received by each state depends on its low-income and unemployed population. State agencies work out details of administration and distribution. They select local organizations that either directly distribute or serve meals to households or distribute to other local organizations that perform these functions. States provide the food to local agencies that they have selected, usually food banks, which in turn, distribute the food to soup kitchens and food pantries that directly serve the public. For information on TEFAP, see <http://www.fns.usda.gov/fdd/programs/tefap/>.

FEDERAL ENTITLEMENT BENEFIT PROGRAMS

Each year, billions of dollars in Federal funds are made available to low-income persons, including homeless individuals and their families, through mainstream entitlement benefit programs. An entitlement is a benefit that an individual or family is able to receive if he/she or they meet certain fixed and objective eligibility criteria. Eligibility standards for entitlements usually include financial criteria (e.g., income level, amount of assets) and categorical criteria (e.g. disabled, family with children under 21 years of age, elderly). Once an individual or family has established eligibility for benefits included in an entitlement program, he/she/they continue to receive those benefits automatically until either their financial or categorical characteristics change.

Entitlements must be made available to every eligible individual or family in the same way and with the same benefits throughout a state or other administering jurisdiction. In most cases, entitlement programs are obligated to provide for qualifying individuals and families regardless of the amount of funds appropriated or allocated at the Federal or state level to fund each given entitlement program. (The state often has to cover the difference.) It should be noted that entitlement programs could have non-mandatory benefits as well as mandatory benefits. For example, TANF recipients have access to a range of childcare, educational, and employment-related services. However, not all TANF recipients are entitled to receive all of these types of services at all times during their tenure as TANF recipients. Some TANF childcare and employment services were funded with discretionary block grant Federal allocations that are no longer available in some states, thereby restricting access to these benefits.

While accessing mainstream benefits is central to stabilizing persons experiencing homelessness and stretching continuum resources as far as possible, conditions of homelessness, such as the lack of a permanent address and insufficient documentation, often make it difficult for homeless individuals and households to apply for and retain benefits. Thus, improving access to entitlement programs requires planning and coordination. Continuums should work with mainstream agencies/providers to improve outreach efforts to the homeless community about program benefits and eligibility requirements, and they should identify ways to hold mainstream programs accountable for serving homeless people. Continuums can also train mainstream program personnel about the many issues unique to homeless persons, such as lack of stable housing, transportation, and access to a permanent mailing address and phone. Finally, case managers in the homeless system will need to learn more about the mainstream benefits programs to help their clients navigate these systems. The Department of Health and Human Services (HHS) has developed FirstStep, a tool for case managers and

outreach workers to help their clients who are homeless access Federal mainstream benefits. FirstStep can be accessed at <http://www.cms.hhs.gov/apps/firststep/content/howtouse.html>.

Entitlement benefit programs typically provide income benefits and healthcare benefits. The most common entitlement programs are described below.

Supplemental Security Income and Social Security Disability Insurance

Supplemental Security Income (SSI) is a monthly benefit for persons who are blind, have severe disabilities, or are at least 65 years old and have limited income and resources. In most states, people receiving SSI benefits will automatically be eligible to receive Medicaid. To qualify for SSI payments, a person must meet income and resource limits but there are no specific work requirements. Social Security Disability Insurance (SSDI) pays cash benefits to persons with severe disabilities who have worked and paid Social Security taxes for a specified period of time. SSDI also provides benefits for family members. In either case, case managers should immediately begin to document their clients' inability to work in case notes and should seek independent medical verification as soon as possible. The lack of proper medical documentation, the complexity of the process, or the applicant's inability or unwillingness to go through the disability determination process can result in the denial of benefits.

For more information on SSI, see http://www.ssa.gov/pgm/links_ssi.htm. Also see www.cms.hhs.gov/apps/firststep/content/ssitips.html for guidance on how to help a client through the SSI application process.

For more information on SSDI, see http://www.ssa.gov/pgm/links_disability.htm. As well, see www.cms.hhs.gov/apps/firststep/content/ssditips.html for guidance on helping a client through the SSDI application process.

Finally, the SSI/SSDI Outreach, Access, and Recovery (SOAR) technical assistance initiative provides strategic planning and training to increase access to Social Security disability benefits. For more information, see <http://www.prainc.com/soar/>.

One-Stop Information on Government Benefit Programs

Although increasing access to mainstream resources can provide homeless individuals with valuable benefits and services and may relieve programs of some of the financial burdens they face, accessing mainstream service resources can be challenging. Each mainstream resource is limited as to who can benefit from the services. Not all homeless individuals and families will be eligible for a program's benefits. Each program is limited to the type of services that can be funded. Programs have their own applications, process, administering agencies, and other unique issues.

To help address this issue, the Federal government created a website designed to provide personalized information about eligibility for government programs. At GovBenefits.gov, a free, online, confidential screening tool leads users through a series of questions, and then returns a list of government benefit programs the user may be eligible to receive along with information on how to apply. For more information, visit GovBenefits.gov.

Temporary Assistance to Needy Families

Temporary Assistance to Needy Families (TANF) provides financial assistance and work opportunities to needy families by granting states the Federal funds and wide flexibility to develop and implement their own welfare programs. Basic eligibility varies from state to state, but in general, a person who has little or no monthly income (approximately \$400 or less), no other appreciable assets, and one or more dependent children will be eligible for TANF. Federally imposed time limits mandate that a person who has received TANF assistance for a total of five years (less at state option) is no longer eligible for assistance. States, however, have the option of extending assistance beyond the five-year limit if a recipient has a hardship, as defined by the state. TANF recipients are required to participate in a work activity, which might include work, internships, education, or vocational training, for a certain number of hours each week. The number of hours of work required and exemptions to the requirement vary from state to state but a recipient may be exempted, for example, if she has a very young child, needs treatment for drug or alcohol abuse, or is injured or disabled. Time limits and work requirements may limit the access of some clients who are homeless to TANF assistance. To apply for assistance, applicants typically need to provide social security numbers for all applying family members, the age of all family members, any income information (including other public assistance family members are receiving), and proof of citizenship/legal residency or eligible non-citizen status. Applicants should go to the local TANF office to apply for benefits. For detailed information about TANF, go to <http://www.acf.hhs.gov/programs/ofa/tanf/index.html>.

Supplemental Nutrition Assistance Program

The U.S. Department of Agriculture's Food and Nutrition Service (FNS) oversees the Supplemental Nutrition Assistance Program (SNAP), formerly known as the Food Stamp Program. SNAP provides resources to buy food with coupons or Electronic Benefits Transfer (EBT) cards. Recipients must use their food stamp benefits to buy eligible food in authorized retail food stores. In general, most people who are homeless are eligible for food stamps. Under SNAP rules, an individual is considered homeless if he/she does not have a regular nighttime residence or his/her primary nighttime residence is a temporary accommodation in a supervised shelter; a halfway house; the residence of another person for up to three months; or a place not designed for regular sleeping, such as a hallway, bus station or lobby. Typically, a written or oral statement from a homeless shelter or from someone who can verify where the applicant is staying is sufficient to receive SNAP assistance. Some barriers that could prevent

eligible individuals from receiving benefits include lengthy application forms that are difficult to understand and frustration over the application process. For more information on SNAP, visit <http://www.fns.usda.gov/snap/>. For guidance on the SNAP application process, see www.cms.hhs.gov/apps/firststep/content/foodtips.html#tip1.

Medicaid

Medicaid is a health insurance program for low-income people, which is run jointly by states and the Federal government, with guidelines regarding eligibility and services varying from state to state. All states must cover individuals or families that fall into the mandatory eligibility group, which includes the following: low-income families with children; low-income pregnant women and children; and certain low-income Medicare beneficiaries. States may choose whether to cover the optional group, which includes the following: disabled individuals who would be eligible for Supplemental Security Income (SSI) if they were not in medical institutions; and individuals receiving only state supplemental payments. At a minimum, an individual applying for Medicaid would need to provide the following information: a social security number; proof of disability from a qualified physician; and information about income and assets. For detailed information on Medicaid, go to <http://www.cms.hhs.gov/MedicaidGenInfo/>.

Medicare

Medicare is a Federal health insurance program available to an individual who meets one of the following criteria:

- Age 65 or older and already receives retirement benefits from Social Security or the Railroad Retirement Board
- Under the age of 65 and has received disability benefits from Social Security or the Railroad Retirement Board for 24 months
- Has End-Stage Renal Disease (permanent kidney failure that requires regular dialysis or a kidney transplant)

An individual must provide a mailing address when he/she applies for Medicare benefits so that a Medicare card can be sent to him/her. Case managers may consider using their agency's address. To obtain a new Medicare card, individuals must also provide a social security number; date of birth; contact information; place of birth; and mother's maiden name. For more information about Medicare eligibility, go to Medicare's website at www.Medicare.gov.

State Children's Health Insurance Program (SCHIP)

The State Children's Health Insurance Program (SCHIP) provides health insurance to uninsured, low-income children 18 years of age or younger, including those who are homeless. By Federal law, a child first must be found ineligible for Medicaid in order to be approved for SCHIP coverage. SCHIP is jointly financed by Federal and state governments and administered by the states. Within broad Federal guidelines, each state determines the design of its program, eligibility groups, benefit packages, payment levels for coverage, and administrative and operating procedures. For more information on SCHIP, visit <http://www.cms.hhs.gov/home/schip.asp>.

Some General Tips for Accessing Mainstream Benefit Programs

Streamlining the eligibility process: Case managers should find out about all the benefits a client might be eligible to receive and apply for them at one time, if possible. A benefits representative from one program may be able to help access other programs or may be able to use eligibility for one program as a way to determine eligibility for other programs. For example, a client who receives Supplemental Security Income (SSI) may automatically be eligible for Medicaid.

Helping clients who are homeless establish proof of residency: Most mainstream benefit programs require proof of residency. While this is an added challenge for homeless persons, case managers can help them establish the necessary documentation. Homeless service organizations can give a client a letter with the case manager's name and the agency's address as proof of residency. A client may also use the agency/shelter address to obtain a photo ID from the Department of Motor Vehicles.

Helping clients obtain identification: Most states will accept a variety of forms of identification as valid for accessing mainstream benefit programs. Case managers should not assume that their clients need official state-issued identification cards. Oftentimes, local program offices will accept a public library card as positive identification.

For more tips see http://www.cms.hhs.gov/apps/firststep/content/general_tips.html.

Veteran Benefits

VA compensation is a monthly benefit paid to veterans who are disabled by injury or disease that developed or worsened in the line of duty. VA annually awards more than \$29 billion in disability benefits to millions of veterans. The monthly benefit varies depending on the degree of disability and the number of dependents. Documentation requirements may include dependency records (marriage and children's birth certificates); medical evidence (treatment records and hospital reports); Report of Separation from Active Military Service (DD Form 214) or discharge certificate; and dependent(s) Social Security number(s). Case managers should contact the Homeless Veteran Outreach Coordinator in their area. To locate the nearest VA regional office, visit www.va.gov/sta/guide/home.asp.

Veterans Health Care

Veterans Affairs (VA) Health Care provides health coverage for veterans. Eligibility for VA health care is dependent upon a number of variables, including the nature of discharge from military service, length of service, VA adjudicated disabilities (commonly referred to as service-connected disabilities), and income level. Every VA Medical Center has a Homeless Veterans Coordinator who helps veterans who are homeless with the eligibility process. When a case manager contacts the local VA Medical Center, he/she should ask the operator for the Homeless Veteran Coordinator. Services for veterans who are homeless provided through the Veterans Health Administration include outreach; case management; referrals to benefits counselors; and linkage to health care and housing assistance. To find a local Homeless Veteran Coordinator, visit http://www1.va.gov/homeless/docs/HCHV_Sites_ByState.pdf.

CHAPTER 3: MANAGING AN EFFECTIVE CONTINUUM OF CARE

INTRODUCTION

This chapter discusses the process for managing a continuum, which requires year round planning and multi-year strategic planning efforts. Once established, continuums need to continue to evolve to meet the changing needs of the people they serve. To do this, planning groups periodically need to rethink goals and alter their programs and service systems. Over time, continuums also need to evaluate the quality of their programs and services and improve them or replace them with better programs and services. The strategic planning process described in this chapter can be used to guide a continuum's expansion or modification of its existing programs and service delivery system.

The Continuum of Care (CoC) is first and foremost a planning process. The goal is to understand the size and scope of the problem of homelessness in a community, and to design strategies and solutions to address the problem. It is locally driven, although the process must meet federally set objectives and follow a federally mandated process.

The year round planning process is focused on the community's approach to ending homelessness. In order to formulate an approach, each CoC needs a comprehensive understanding of the number, type and needs of people who are homeless in the community, with a special focus on identifying and tracking people who are chronically homeless. Each Continuum also needs a comprehensive picture of what resources and services are already available to meet the needs of people who are homeless.

This chapter covers the following steps in the strategic planning process:

- **Defining a continuum's geographic coverage.** Geography can play a significant role in determining how a continuum is organized. This chapter begins by enumerating the options available – urban and county, rural and regional, and balance of state or statewide – and their advantages and disadvantages.
- **Selecting a lead organization.** A strong lead organization is critical to the success of a continuum. A lead organization that has strong leadership, access to resources, and high visibility in a community can provide a continuum with the credibility needed to attract broad-based participation in the community. Communities should, therefore, carefully review their choices, which include homeless coalition, government agency, or nonprofit leadership. While the strengths of organizations and leaders will vary from community to community, there are some generally applicable advantages and disadvantages to each type of leadership that is considered in this chapter.
- **Identifying potential stakeholders.** Identifying potential stakeholders should be an ongoing effort of any continuum. One of HUD's primary goals for any CoC system is to have maximum participation in the planning process by all interested parties – including public, private, and nonprofit sectors and representatives of homeless subpopulations. While broad participation is encouraged, levels of participation among stakeholders may and should vary. An effective continuum should be able to explain clearly why a stakeholder should participate, the expected level of participation, and the anticipated

outcomes of participation. This chapter provides guidance on how to identify stakeholder organizations and their staff representatives and then how to define their roles within the continuum.

- **Creating a governance structure.** A successful CoC should have a year-round planning process that is coordinated, inclusive, and outcome oriented. The expectation is that the process will be organized with a governance structure and a number of sub-committees or working groups. This chapter provides a brief overview of how continuums have set up effective governance structures.
- **Creating a Homeless Management Information System (HMIS).** HMIS provides communities with a tool to collect and analyze ongoing data on people using homeless service programs. By allowing communities to calculate accurately the size and needs of the homeless population as well as the outcomes of specific interventions, HMIS provides a means for tracking service and demand for homeless programs and understanding where improvements need to be made. A community should select the components to be included in its HMIS based on its specific information needs, goals and vision for its homeless service system. Basic HMIS components include client intake, case management, service tracking, information and referral, and a report generation tool. A Community may choose to broaden the scope of its HMIS by including components beyond homelessness.
- **Establishing a common vision and system-wide performance goals.** This step is critical to creating and maintaining a common sense of purpose and an action-oriented continuum. This common vision may be articulated through a mission statement and/or guiding principles that help focus a group's planning efforts. As continuums evolve, they may need to rethink their goals and objectives.
- **Monitoring and measuring provider performance.** Finally, a continuum should monitor and measure the performance of providers within its system and how the system performs as a whole. It is also the responsibility of the CoC leadership to act on performance information, rewarding effective performance, excluding poorly-performing projects from the application for funding, and making any systemic changes deemed necessary. This information is also critically important for making strategic planning decisions. This step provides a basic framework for assessing this performance.

While issues such as leadership, governance, and stakeholder participation are also relevant to the CoC application process, because they have year-round management and strategic planning implications, they are presented in greater depth in this chapter.

DEFINING THE GEOGRAPHIC AREA OF A CONTINUUM

Continuum planning efforts may be organized at a number of geographic levels: a single city, a city and surrounding county, a region, or a state. Regardless of how a continuum is organized, the process must include meaningful representation from throughout the planning area. This can be particularly challenging when the planning area covers an entire state or region. In these cases the continuum may not function as a single integrated continuum, as it does in a metropolitan area, but instead as a federation of continuums organized to share information, financial resources, technical assistance, and training. This type of planning is particularly important for non-metropolitan areas, many of which continue to be underserved by homeless

service systems. The number of homeless persons relative to metropolitan areas may be small, but the needs are critical and resources scarce. This section briefly describes how continuums may be organized within a geographic area.

The primary consideration is to design a system that will most effectively meet the needs of the homeless population. Communities consider several factors when defining a continuum's geographic area:

- The key agencies and providers involved in the delivery of homeless services and their service/planning areas to facilitate linkages and coordination
- The jurisdictions that have control over mainstream resources needed to facilitate linkages and thereby respond comprehensively to the needs of people who are homeless
- The methods by which homeless persons access services

Organizations within any locality may have decided to organize a continuum in any of the following ways:

- Created a CoC system within its own local boundaries
- Joined nearby communities in creating a multi-county or regional CoC system that fully involves all the communities included and serves the territory of the combined communities
- Joined with the state government or a statewide organization in creating a statewide CoC system
- Joined with the state government or statewide organization in developing a CoC system for a specific community or an entire region

A state government or statewide organization would consider the following options when deciding what areas to include in a CoC application:

- Include the entire area of the state not covered by local continuums in a single application which describes the statewide CoC system for that entire area
- Include a part of the area of the state not covered by local continuums in a single application which describes the CoC system for that area, which could include one or more counties not covered by local CoC systems
- Submit two or more applications, each representing a separate CoC system developed by the state or statewide organization and its local partners for different sub-state areas not covered by local CoC systems. Each sub-state area could cover a single county area or multi-county areas

Each year, HUD publishes a spreadsheet of cities and counties and the associated geographic codes and preliminary pro rata need amounts to help CoC groups define their geographic area when competing for McKinney Homeless Assistance funding. (This document is updated every year. Enter search term "Preliminary Pro Rata Need" on the Homeless Resource Exchange at

<http://hudhre.info> to locate the current year's document.) A CoC application should be composed of one or more of the cities and counties listed in this guide. Note that current HUD policy states that one CoC system may not overlap with the service area of any other system.

Municipal or County Continuum of Care

In many cases, the CoC serves one city or county, and the scope of the planning area is fairly simple. A multi-jurisdictional county may want to define the continuum's geography to include all cities within its borders. These cities and the county can then coordinate the planning process countywide. The result is that county and city resources can be more effectively deployed, thereby avoiding both duplication of effort and the funding of activities or policies that operate at cross-purposes. If a city within the county's jurisdiction chooses to develop its own CoC plan, then the county Continuum would cover the county outside the city's boundaries. Again, coordination and cross-referencing make a stronger plan.

Advantages of this Approach

- The scope of the planning area is relatively simple. At the municipal and county levels, a single integrated continuum can be created with coordinated services that directly benefit the client. In addition, service providers and other stakeholders may be familiar with one another and in many cases may have previously worked together.
- County and city resources can be more effectively deployed, thereby avoiding both duplication of effort and the funding of activities or policies that operate at cross-purposes.

Disadvantages of this Approach

- If the city or county area is small, the amount of McKinney-Vento Homeless Assistance funds calculated to be needed by a community may be too small to provide meaningful services.
- The service area may be too small to develop a continuum within municipal or county borders. In many instances, it is more cost effective and practical to deliver services in cooperation with adjacent communities in a regional continuum.

Regional or Statewide and Balance of State Continuum of Care

For some areas, it makes sense to use a regional approach, to include either a number of rural counties or an urban area surrounded by participating rural counties. Because of their small populations, rural areas generally have relatively few homeless people within any geographic area. To maximize its funding potential and take advantage of economies of scale, a rural area may wish to form a regional CoC system encompassing several contiguous counties. However, all geographic areas included in the regional CoC system should be actively involved in the development and implementation of the CoC system.

The geographic coverage of state Continuums of Care varies. Small states, such as Rhode Island and Delaware, have truly statewide Continuums of Care that include the urban centers of the state as well as the more rural areas. However, in larger states this is often not practical and may not even be particularly desirable because of substantial differences in the needs and resources of urban and rural areas. In larger states, the state continuum typically covers the so-

called “balance of state” that is, the areas that are not covered by other continuums. These plans typically include small communities and rural areas. There may still be parts of the state that have not yet organized CoC planning, but states typically encourage broad participation and help localities to set up local planning groups if they are interested in joining the state CoC process.

A state should consider which cities and/or counties have their own continuums and ensure that the geographic area defined in the state’s CoC does not overlap with these, though coordination is certainly encouraged. The state may want to encourage cities and/or urban counties to develop their own continuums if they have not yet done so, thereby leaving the role of the state to organize and plan for rural and ex-urban areas that would otherwise be underserved.

Some communities may be involved in a regional or balance of state CoC process, but not in a meaningful way. Those communities that wish to become more involved should contact their local CoC administrator. (Go to <http://hudhre.info/index.cfm?do=viewCocContacts> to locate contact information for CoC lead agencies.) If there is no balance of state CoC for a particular state and an organization wants to create one, it should consult with the agency that produced the state’s or region’s consolidated plan to get started.

Advantages of these Approaches

- Statewide and regional planning efforts increase the visibility for the needs of homeless people in non-metropolitan areas and ensure critical coverage for these rural communities that may not be linked to the networks of service providers found in larger cities. In addition, these approaches provide attention to and validation of strategies and approaches that work in rural areas.
- From a strategic point of view, combining the homeless assistance needs of a region or most or all of a state’s non-metropolitan areas creates a “critical mass” that boosts funding prospects.
- State governments can provide a valuable partnership to bring additional resources to homeless assistance programs throughout the state. Some of these resources include access to staff and funds from the state to coordinate the process and planning activities; greater participation of people and agencies not previously involved in planning efforts; stronger statewide advocacy efforts; and coordination of support for critical statewide needs (such as migrant workers or homeless youth).
- Jurisdictions within a regional continuum may have different degrees of familiarity with homeless needs and services. By working together, communities with more experience in homeless service systems can share their expertise with less experienced communities.

Disadvantages of this Approach

- Implementing a statewide or regional planning approach is challenging. States, counties, and participating localities must come up with efficient organizational structures that allow participatory involvement in all aspects of the CoC process, from forming local planning groups to soliciting applications to setting priorities.

- Assembling meaningful data on the housing and service needs of homeless people from each community in a large geographic area that is often non-contiguous poses significant challenges. Local/state partnerships need to find ways to do this effectively.

SELECTING A LEAD ORGANIZATION

A lead organization that has strong leadership, access to resources, and high visibility in a community can provide a continuum with the credibility needed to attract broad-based participation in the community. The lead organization should have the resources and capacity to conduct multi-year strategic planning efforts, schedule and hold meetings, and with the help of the other members of the continuum, organize and lead the needs assessment. The needs assessment involves the point-in-time count, identifying service needs and select projects, assessing the performance of providers, and completing the application and producing planning materials. Continuums need to strategically assess who should be designated as the lead organization. Some examples of continuum governance structures include the following:

- Homeless coalition led
- Government led
- Nonprofit organization led

Homeless Coalition Leadership

In this approach, a coalition of homeless providers coordinates the CoC process. The planning group is made up of representatives from not only coalition members, but also local foundations, corporations, and people who are, or formerly were, homeless. Both city and county government officials may have a seat at the table and support the process, but they do not lead.

As a group, the coalition conducts a comprehensive needs assessment and planning process over the course of the year to develop a CoC plan. Committees are organized to address specific aspects of the continuum process, including membership development, research and information, advocacy, and interagency planning. The coalition leverages resources – such as researchers from a local university – to assist with the CoC needs assessment and other activities. Overall responsibility for developing the plan and monitoring its implementation is usually provided by the member agencies, through committee assignments.

Advantages of this Approach

- Promotes broad-based participation in the continuum process. With a wide range of players involved, members may establish creative partnerships and learn about new funding opportunities and programs.
- Facilitates data collection by involving more agencies to contribute to the effort.

Disadvantages of this Approach

- If the coalition has no staff dedicated to the CoC effort, it may be more difficult for planning activities to be accomplished, and members may have to share a large portion of the workload.

- Although this approach may encourage broad-based participation, without a prominent community member acting as a champion for the coalition, a coalition of homeless providers may not have the clout to attract a broad-based membership.
- There is no mechanism inherent in this CoC approach that ensures accountability from the parties involved. Members may become frustrated by the lack of follow through on strategies and action steps.

Government Leadership

In a government led continuum, staff from government agencies take a leadership role in organizing the planning process and implementing the CoC. Government staff typically coordinates all data collection activities, including an annual census of street and sheltered people who are homeless. They also facilitate meetings with key stakeholders in the community – including homeless shelters and service providers, advocacy organizations, housing providers, veterans groups, people who are, or formerly were, homeless, and leaders from the business community – to inventory the system, identify gaps, set priorities, and develop strategies and action steps. When necessary, subcommittees focus on particular subpopulations or discrete system issues. These activities are accomplished through an ongoing process in order to get input from a broad range of players and build consensus on priority activities and strategies. Government staff would also be responsible for monitoring the implementation of the CoC plan and making policy recommendations to local and state officials.

Advantages of this Approach

- Government agencies are usually able to contribute staff and/or resources towards the continuum planning effort. Other members will be able to participate without feeling over-burdened by the workload.
- Government agencies have the power and ability to hold people accountable for gathering data, implementing action steps, and accomplishing other planning related tasks.

Disadvantages of this Approach

- As part of local or state government, government agencies coordinating the CoC process may be subject to the political agenda of local officials.
- Coordination by a government agency sometimes can lead to the process being controlled by that government agency. This domination by one entity may create a more rigid and less creative process and make it difficult to get new and innovative ideas heard.

Nonprofit Organization Leadership

In this approach, a nonprofit agency takes the leadership role in organizing and implementing the planning process. In some communities, a nonprofit organization may be formed for the sole purpose of coordinating and monitoring the CoC plan. The organization must have staff with the capacity, resources, and organizational skills to coordinate the planning process. When the nonprofit has programs funded through the CoC process, it must separate its role as facilitator and leader of the planning process from its role as a funded agency.

Advantages of this Approach

- As with the government led process, a nonprofit organization may be able to dedicate staff and resources to the CoC planning effort. Consequently, less of the burden for arranging logistics (such as meeting space, distributing information, gathering materials, etc.) will fall on coalition members.
- A local nonprofit organization may be very aware of the community's needs. This knowledge will enhance the quality of the Housing and Services Needs Assessment and will facilitate legitimacy in the community. Coalition members will benefit by establishing relationships with the other community players involved in the planning process.

Disadvantages of this Approach

- This approach has the potential for perceived or actual bias in decision making and allocation of funding since the nonprofit organization coordinating the efforts may also be receiving funding obtained through the CoC process. Members may find it difficult to get support for new projects if the decision-making process is not fair. By creating a new nonprofit organization with the sole purpose of facilitating the CoC process, this bias can be avoided.
- Although the nonprofit organization may have staff and resources that can be used by the CoC group, this staff – and the agency as a whole – may be over-burdened and unable to accomplish many of the action steps. Consequently, members may perceive a lack of leadership and experience frustration at the inability to get things done.

Lead Organization Responsibilities

- Establish format for conducting meetings
- Develop meeting agendas, protocol, and conflict resolution procedures
- Define roles and responsibilities
- Maintain group process
- Prepare homeless assistance grant application annually
- Assess Continuum provider performance and act on those assessments
- Oversee strategic planning efforts
- Maintain focus on goals, objectives and action steps
- Delegate responsibilities

IDENTIFYING STAKEHOLDERS

One of HUD's primary goals for any CoC system is to have maximum participation in the planning process by all interested parties. To determine who should be involved, one of the decisions that is made early on is the geographic range of the continuum planning area. As discussed above, in many cases, the CoC is one city or county, and the scope of the planning area is fairly simple. For some areas, it makes sense to use a regional approach, either a number of rural counties or an urban area surrounded by participating rural counties. In any case, the process must include meaningful representation from throughout the planning area.

Inclusiveness also refers to the participation of public and private sector representatives. Public sector representatives should include state and local government agencies, public housing agencies, school systems and universities, law enforcement and the corrections system, local workforce investment act (WIA) boards and other public agencies as appropriate. Private sector representatives include nonprofit organizations (including faith-based organizations) advocates, private funders, businesses, persons who have experienced homelessness, and hospitals/medical representatives. Within the nonprofit organizations, it is particularly important to include the mental health system, the substance abuse treatment system, shelters, soup kitchens, and other organizations providing services to homeless people.

In addition to inclusiveness regarding type of organization, it is important to include representatives of sub-populations likely to be served within the homeless group. This list includes people with serious mental illness, people with substance abuse disorders, people with co-occurring disorders, veterans, people experiencing domestic violence, and youth.

While it is important to encourage broad participation in the continuum process, levels of participation may and should vary among continuum stakeholders. Some stakeholders will be involved in the daily activities while others will simply provide their expertise on an "as-needed" basis. A successful continuum should be able to explain clearly why a stakeholder should participate, the level and amount of participation, and the expected outcomes of participation.

Defining Stakeholder Roles

When defining the roles and responsibilities of continuum stakeholders consider the following factors:

- The amount of staff time a member organization can commit and the amount of time an individual can commit
- Skills, expertise, and experience that individuals and organizations as a whole offer
- Access to resources
- Interest and level of commitment to specific issues

When initially identifying potential stakeholders, continuum organizers would naturally identify those organizations whose missions most closely align with that of the continuum, such as homeless service organizations and advocacy groups. Then as continuums grow and evolve, they typically broaden their membership search to include organizations that may affect or be affected by the continuum, have shown an interest in the continuum's mission, or have resources to contribute to the continuum.

To create and maintain a strong homeless services system, continuums need to think on an ongoing basis about the roles of existing and potential stakeholders. In considering what type of participation to seek from some of the organizations listed below, continuum organizers must also decide who within the agency would best serve the continuum. For example, an agency director would be effective in influencing policy and legislation, obtaining funding, and bringing on other community leaders. Service providers would have an understanding of the day-to-day needs of people who are homeless and the organizations that serve them. They would also be more available to participate regularly in continuum meetings and activities and benefit more directly from a continuum's accomplishments.

Continuums should consider using agency directors or other senior staff strategically. Having an agency director participate in a continuum's initial planning stages and then later in its major strategic planning efforts can enhance the credibility of a continuum, help attract other community leaders, and establish a high level of commitment from the organization. Additionally, key decisions will need to be made during these phases of a continuum's development and so it is useful to have representatives from organizations who have the authority to make decisions on behalf of their organizations. Thereafter, senior staff may attend continuum meetings on an as-needed basis and service providers or other junior staff could participate in regular continuum meetings.

Potential Stakeholders

Directly Aligned with Coalition Mission

- Homeless service providers
- People who are, or have been, homeless
- Homeless advocates

Mainstream Housing Services

- Public housing agency representatives
- Nonprofit housing developers
- City housing and finance representatives
- Property managers/landlord group representatives

Mainstream Agencies

- Mental health agencies
- Substance abuse treatment centers
- Veteran service agencies
- Organizations representing special needs populations
- Local employment and training agencies

Access to Resources

- Colleges and vocational educational institutions
- Local and state government representatives (e.g., TANF, child welfare)
- School district
- Religious leaders
- Business leaders
- Police/law enforcement
- Prison/jail/correctional facility representatives

Continuums should think creatively about ways to engage those players that do not typically serve people who are homeless, such as banks and businesses. There are many different methods of “participating” in the CoC process. For example, agencies can participate in the process in the following ways:

- Attending core working group meetings
- Joining an issue-related task force or subcommittee
- Sponsoring activities that benefit and facilitate input from people who are homeless
- Financially supporting CoC activities
- Commenting on written materials
- Providing input on specific strategies or action steps
- Collecting data
- Reviewing data to ensure these are accurate and realistic
- Reviewing proposals for funding

Before asking a community player to be involved in the CoC process, it is important to know specifically what the continuum is asking of that person. For example, should the continuum request that the bank provide free checking for individuals who are homeless and working, or ask them to hang a poster in the bank window during homeless awareness week?

It also helps to indicate what that player has to gain from their involvement. For example, participation in the process can boost a bank’s Community Reinvestment Act (CRA) rating, and help keep people who are homeless from sleeping in its ATM booths. Much of the success of a CoC plan will ultimately rest on the cooperation and buy-in of policy makers and funders. If these stakeholders are not directly involved in the process, they should be kept informed of the ongoing CoC activities and the plans to address homelessness in the community.

Involving Mainstream Agencies

By including stakeholders who are involved in other community planning efforts, the CoC group can share data; learn about other programs in the community; strengthen coordination among programs; eliminate fragmentation and duplication of services; and gain access to mainstream resources for people who are homeless with serious mental illnesses and other subpopulations. Stakeholders from mainstream agencies or systems can also keep the CoC group informed about any agency or system-wide planning processes or decisions that might affect the homeless population.

One mainstream service system issue that is of particular importance to continuums is discharge planning. Mainstream agencies, such as alcohol and drug, mental health, prisons and jails, and foster care agencies, while critical components in good prevention, vary in regard to discharge planning efforts and coordination. When individuals exit these systems without solid planning for employment, housing, access to health care and real opportunities for community integration, many people become homeless. It is important, then, to work with those systems to increase the use of discharge planning, and to encourage solid links to housing and other supports upon discharge. The first basic rule in discharge planning is to stop or prohibit the discharge of people from mainstream systems to homelessness, including CoC services. In this context, discharge planning should be part of a larger community effort to treat people at the lowest levels of income and with the greatest need, with persons experiencing homelessness as a prioritized sub-group.

Discharge Planning: An Effective Strategy to Help End Chronic Homelessness

The Federal Interagency Council on the Homeless has identified discharge planning as an effective strategy in helping to end chronic homelessness. To the extent that institutions are discharging people to homelessness, they are causing homelessness. While statistics are often hard to find, it is common knowledge among service providers that people coming out of mental hospitals, jails, and foster care often end up homeless. Each year, nearly 20,000 foster care teens "age-out" of the foster care system. Foster care studies have shown that in just four years after leaving foster care, 25 percent of "aged-out" youth had been homeless for at least one night.¹¹ Moreover, a survey of 400 homeless people in New York found that 20 percent of those surveyed had been in foster care as youth.¹²

At any given time in Los Angeles and San Francisco, 30 to 50 percent of all people under parole supervision are homeless. Jeremy Travis, a senior fellow at the Urban Institute who studies reentry issues, notes that a "significant percentage" of the 600,000 people leaving state prisons each year are likely to be homeless. "Even if it's 10 percent of 600,000 a year, that's 60,000 a year coming out that have some serious housing issue."¹³

Continuums can use a number of strategies that can lead to increasing the use of discharge planning and improving the effectiveness of discharge planning. One strategy is to include mainstream service system representatives in the planning process. To ensure that this issue is addressed, some continuums have established standing committees within the Continuum planning group working on discharge planning, with a standing report item on each meeting agenda. Continuums could also invite state representatives to planning meetings that address discharge planning, since change may be most feasible from the state level. The goal is a written agreement or protocol that governs discharge planning from publicly funded institutions, along with regular monitoring of the agreements, and a measurable decrease in the number of people exiting institutions into homelessness.

Involving People Who Are or Were Homeless

The input and knowledge of consumers of homeless services is critical to the development of a comprehensive, effective CoC. Continuums should consider some of the following creative strategies to engage consumers meaningfully in the process:

- Identify former consumers of homeless services who are now active members of the Board of Directors, interested alumni, or staff from its agency or other agencies in the community.

¹¹ Sherman, Rachel, Serving Youth Aging Out of Foster Care, The Finance Project Issue Note, Volume 8, Number 5, October 2004. www.financeproject.org/Publications/servingyouthagingoutIN.pdf. Cook, R., (1992). *Are we helping foster care youth prepare for the future?* Children and Youth Services Review, 16(3/4), 213-229.

¹² *Homelessness: the Foster Care Connection. A report of Homes for the Homeless. 1997.* <http://www.homesforthehomeless.com/index.asp?CID=3&PID=24>

¹³ Rodriguez, Nino and Brenner Brown. *Preventing Homelessness Among People Leaving Prison*, VERA Institute of Justice. 2003. http://www.vera.org/publication_pdf/209_407.pdf

- Sponsor regular focus groups with consumers to obtain information and data, review strategies and action steps, and to prioritize needs and projects. To ensure participation at focus groups, try to identify barriers to participation and provide some incentives – whether it is food or a small stipend – or other means to demonstrate appreciation. Report back to consumers on the results of the process.
- Conduct regularly-scheduled surveys and interviews. These surveys can be conducted upon exit from homeless programs or at regularly scheduled intervals throughout the year (e.g., every six months).

Ensuring Representation of All Homeless Subpopulations

It is important for a CoC group to include stakeholders representing the needs of the various segments of subpopulations that are homeless:

- People with serious mental illnesses
- Youth
- Chronic substance abusers
- Veterans
- People with dual or multiple diagnoses
- Victims of domestic violence
- People living with HIV/AIDS

There is considerable interrelation and crossover among subpopulations that should be addressed through CoC planning. For example, in some communities there is a need for substance abuse and recovery services and supports for people who are homeless and have serious mental illnesses.

GOVERNING PROCESS

A successful CoC should have a year-round planning process that is coordinated, inclusive, and outcome oriented. The expectation is that the process will be organized with a governance structure and a number of sub-committees or working groups. For example, many planning groups have: a data committee, charged with the assessment of needs and gaps; a service coordination committee, charged with interagency case coordination and identifying problems with interagency referrals; a reporting committee, frequently concerned with HMIS implementation; an implementation committee, concerned with provider performance and operation of the CoC system.

The governing process is frequently conducted through a “steering committee” or “governing board.” It is important that the membership of the governing committee is decided through an open and democratic process and is representative of both private, nonprofit, and public sectors. For example, even when the process is coordinated by a governmental department, the expectation is that 65 percent of the governing committee will come from the private or

nonprofit sector. In any case, it is essential that members of the governing committee are fair, impartial, and objective when reviewing projects and making decisions. This means that any member of the governing committee with any relationship to a provider under consideration for selection or funding must not participate in that decision. There should be a formal process for recusing oneself or abstaining from discussion and voting.

Within the governing committee, leadership should be rotated in a planned way through the use of staggered terms. Private and public sector leadership should be rotated, and both sectors should be represented in leadership positions (Chair and Co-Chair, for example). Meetings of the committee should be open and interested citizens should be provided with timely notice of those meetings. The governing committee should have a code of conduct that includes information about how the process works, what types of conflicts of interest are not acceptable, and what people can do if they are unhappy with the process or decisions made by the governing committee.

One key to success is documenting the activity of the governing committee, other committees, and how public and private sector representatives are working together to address homelessness. At a minimum, documentation involves keeping attendance and minutes of all planning group meetings, being specific about which agencies attended, and making the connection between agencies and the sub-population served. For ease of communication and transparency, this information must be readily available to both the interested organizations and the community at large. Meetings need to be held often and year-round. A year-round schedule supports the idea that this planning process has multiple roles in addressing homelessness, and is not focused solely on completing the funding application. Meeting often builds trust among participants, fosters partnerships, and may even lead to better services and more referrals as participants learn more about what services each participating organization offers.

COLLECTING DATA: HOMELESS MANAGEMENT INFORMATION SYSTEM (HMIS)

Uniform, longitudinal data is necessary to understand the extent and scope of homelessness in individual communities and across the country. A Homeless Management Information System (HMIS) provides communities with a tool to collect and analyze ongoing data on people using homeless service programs. By allowing communities to accurately calculate the size and needs of the homeless population as well as the outcomes of specific interventions, HMIS provides a means for tracking service and demand for homeless programs and understanding where improvements need to be made.

What is a Homeless Management Information System?

An HMIS is a computerized data collection tool designed to capture client-level information over time on the characteristics and service needs of men, women, and children experiencing homelessness. It is designed to aggregate client-level data to generate an unduplicated count of clients served within a continuum. An HMIS can also be statewide or regional, possibly including several continuums.

Prior to the development of HMIS, the data on homelessness in many communities was neither reliable nor accurate because service providers across jurisdictions lacked compatible tracking capabilities. In addition, many communities could only estimate the size of local homeless populations by using point-in-time census counts. However, this has begun to change since

HUD's national HMIS initiative, which was formulated in response to a 2001 Congressional directive to help communities implement and operate management information systems. Approximately 75 percent of continuums reported in their 2005 CoC application that they are collecting client-level data in their HMIS, as compared with less than 60 percent in 2004.¹⁴

Benefits of HMIS

Information gathered from HMIS can be used to target limited resources and inform community planning and policy decisions. Within a specific community, HMIS can provide the following important benefits at the client, program, and systems level:

- Front-line service staff can provide faster, more effective services to clients through streamlined referrals, benefits eligibility, and coordinated case management.
- Agency administrators can better manage operational information through access to a variety of agency, program, and client-level reports.
- Policymakers and advocates can make informed decisions by having access to system-wide data describing the extent and nature of homelessness and a greater understanding of service usage, effectiveness, and gaps.

Regional and statewide HMIS implementation offers an opportunity to achieve all of these service coordination and policy benefits across even greater geographic areas.

Components

A community should select the components to be included in its HMIS based on its specific information needs, goals, and vision for its homeless service system. Basic HMIS components include client intake, case management, service tracking, information and referral, and a report generation tool. A community may choose to broaden the scope of its HMIS by including components beyond homelessness.

- **Client Intake.** Information about people served at the point of entry into shelters or other homeless assistance programs. All client information is associated with a unique identifier that can be used to create an unduplicated count of homeless persons served in a particular area. (Data elements: name, social security number, gender, age and bed assignments).
- **Case Management.** Information about clients gathered throughout the process of providing program services. At the client level, information can be used to determine client needs, program use, and program outcomes. Collectively, these data may be used to modify program design and to provide a compelling case to boards, funders, and other stakeholders about program and system effectiveness. (Data elements: needs assessment, history, program participation, and service plan goals).

¹⁴ Report to Congress: Fifth Progress Report on HUD's Strategy for Improving Data Collection, Reporting and Analysis, March 2006. <http://www.hud.gov/offices/cpd/homeless/library/2006reporttocongress.pdf>

- **Service Tracking.** Information about services delivered to a client by a provider. This service allows a provider the ability to plan, schedule, and follow up on the delivery of services. Tracking services and comparing that information with the case management component can generate service utilization patterns, provide an understanding of the percentage of clients who use multiple services, and assess service needs and gaps in delivery. (Data elements: services received, destination, and reason for leaving).
- **Information and Referral.** Requires the development and maintenance of an electronic database of available resources in a particular area, including shelter, food pantries, health services, and education programs. Resource directories are most effective when available on a website or in a real-time format so that users can always access the most current information. When linked with intake or case management, this component can be used to match client needs with available community services.
- **Benefits Eligibility.** Provides clients with immediate information and access to important income, housing, and supportive service resources. This component can be paired with the information and referral component to find services and maximize benefits to address client needs. Some tools even include an application and the means to submit it.
- **Report Generation Tool.** Generates reports at the individual client, program, agency and community levels. Some HMIS reporting components come programmed with standard homeless funding reports, such as the HUD APR.

Privacy and Security Issues

Given the personal nature of the information shared by clients during the case management process, continuums must establish privacy protection policies as part of the design of an HMIS. These safeguards are necessary to protect the confidentiality and, in cases of domestic violence, the safety of clients who agree to have their personal information stored in the HMIS. While most agencies are already familiar with client confidentiality protocols related to case management, these protocols need to be supplemented with HMIS provisions that include parameters for inputting, revising, aggregating, and sharing client information.

HMIS Privacy Concerns

Web-based systems are created to optimize accessibility and technology; however, there are increased security risks inherent in these systems:

- Web-based servers entail greater risk than the use of paper-generated or decentralized electronic record keeping systems.
- Most shelters report a high level of staff turnover, contributing to the likelihood of inadequate training and ineffective enforcement of security policies and standards.
- Most security breaches are by people who are authorized to use the system.

Always secure an HMIS with limitations on how the information can be accessed, shared, modified, or used. Data should only be publicly released in anonymous aggregate formats. Additionally, to protect the privacy of the individuals whose information is stored in the system,

data should not be publicly released if characteristics of an individual can be inferred due to small sample sizes. There are statistical methods to determine appropriate data suppression policies.

Privacy policies can be implemented through written policies that prescribe how staff may use client information and through limitations programmed into a system so that an HMIS conforms to established policies. For those issues that are too critical to rely on individual behavior, HMIS programmatic solutions should be used. A community's privacy policy should include the basic elements described below:

- **Informed Consent.** Informed consent is the first component of a sound privacy protection policy. Individuals should understand exactly what they are consenting to, including the specific content of the information that will be shared. For clients to consent, they must be informed about the system – the purpose of HMIS, the security mechanisms and privacy measures in place, and benefits for clients. While this should be done orally, it is also appropriate to provide a written description that the client may keep to review. After the HMIS has been explained, the case management staff should request oral consent from a client to enter the information into the HMIS.
- **Written Consent.** To release client identifiable information to other organizations, providers must obtain written client consent. The written consent should document the information being shared and with whom it is being shared and must explain a client's right to protect and limit its use. When developing a written consent form, communities must ensure that they comply with federal, state, and local privacy laws.
- **Interagency Data Sharing.** Communities should formulate procedures regarding information sharing. These procedures should include written client consent forms, written interagency data sharing agreements, and appropriate data security elements. Individual agreements between agencies should include specific sections of HMIS data that will be shared and the commitment to abide by the defined privacy controls.

For more information on HMIS, see <http://hmis.info>.

ESTABLISHING A COMMON VISION AND SYSTEM-WIDE PERFORMANCE GOALS

Establishing a common vision and system-wide performance goals creates a common sense of purpose and leads to an action-oriented continuum. This common vision may be articulated through a mission statement and/or guiding principles that help focus a group's planning efforts. To accomplish this, a continuum must develop a common understanding of the CoC and why it is important, agreement on the extent of the homeless problem in its community, and a shared vision on how to address its problems. A continuum will need to revise its goals periodically based on changing needs and resources in its community.

While a continuum should tailor its goals to address the specific needs of its community, HUD has established the following four basic goals that should apply to all continuums:

- Identify and develop partnerships with a wide range of public, private, and nonprofit entities and create a continuum structure and decision-making processes that are inclusive of all these parties.

- Create, maintain, and build upon a community-wide inventory of housing and services for homeless families and individuals; identify the full spectrum of needs; and coordinate efforts to fill gaps between the current inventory and existing needs.
- Institute a continuum-wide strategy to achieve the continuum's goals, especially to end chronic homelessness.
- Work toward the HUD/national performance objectives, reporting on progress toward continuum goals, and coordinating homeless assistance with mainstream health, social services, and employment programs.

HUD National Objectives

HUD's objective is to end chronic homelessness and to move homeless families and individuals to permanent housing. This objective has a number of measurable indicators that directly relate to CoC homeless assistance programs. A community must establish specific goals and objectives for addressing homelessness that allow them to meet or exceed HUD's national objectives. Measurable indicators are as follows:¹⁵

- The percentage of formerly homeless individuals who remain housed in HUD permanent supportive housing projects for at least 6 months will be at least 71.5 percent.
- The percentage of homeless persons who have moved from HUD transitional housing into permanent housing will be at least 63.5 percent.
- The employment rate of persons exiting HUD homeless assistance projects will be at least 19 percent

In addition to the national objectives, each community should set objectives based on local need and resources. The assessment of housing and services capacity in the system should be examined carefully and compared to information on need. Any objectives that are created should be based on consideration of the data at hand and a reasonable analysis of that data. Finally, the individual providers should establish performance goals that further the overall goals of the continuum, can be accomplished with their organization's resources, and are consistent with their individual missions.

Communities may use outside facilitation when conducting strategic planning. Analysis of the data is often difficult, and agency priorities and politics can color the discussion. For example, in some communities, shelter beds might be full and shelters turn people away every night. This information needs to be analyzed before the community concludes that more shelter beds must be built. It may be that the community's shelters are allowing people to stay longer than a week or a month because there is no housing to go to upon leaving the shelter. This is a humanitarian decision by shelter providers that keeps people from sleeping in the streets.

¹⁵ Indicators referenced are from the July 10, 2008 McKinney-Vento NOFA. For information on indicators for prior or subsequent years, view the applicable NOFA on the *CoC Grant Application Materials* page of the Homelessness Resource Exchange (<http://hudhre.info/index.cfm?do=viewCoCGrantMaterials>).

However, it does not indicate a need for more shelter beds, but a need for more transitional and permanent housing. The numbers need interpretation in light of the specific circumstances in each community.

ASSESSING PERFORMANCE

A continuum should monitor and measure performance of the providers within its system and how the system performs as a whole. It is also the responsibility of the CoC leadership to act on performance information, rewarding effective performance and excluding poorly-performing projects from the application for funding. When assessing an existing CoC process, it is useful to have a vision of an ideal system for meeting the needs of people who are homeless. This vision should encompass the quantity, quality, and type of housing and supportive services that are needed by clients. Continuums should regularly evaluate their planning process and service delivery and determine whether it moves the existing homeless system towards this vision.

Assessment Framework

Communities should consider the following issues when assessing performance: progress towards goals and objectives, including national objectives; a critical review of provider performance based on client level outcomes, and; a critical review of provider performance as a member of the system of care.

Communities should ask the following questions when assessing performance:

1. Is the CoC system meeting its goals and objectives? Continuums need to examine their stated objectives and specify numerically, from year to year, what objectives have been accomplished.
2. Are the providers within the CoC meeting their goals and objectives? Providers need to examine their stated objectives and specify numerically, from year to year, what objectives have been accomplished.
3. What are the outcomes for people using the homeless service system? At a minimum, continuums should provide data on the percentage of clients in renewal projects who gained access to mainstream services, especially employment. Continuums should also indicate which policies they have implemented to help eligible clients secure mainstream benefits.
4. Are the providers within this CoC working together to provide a seamless system of care for people who are homeless? Continuums need to determine how effectively individuals and families who are homeless are moving through the homeless service system and into stable, permanent housing.

A genuine system inventory looks at the degree to which the system is working efficiently to address homelessness. The need to provide specialized services for different sub-populations means that some services or programs are appropriate for some groups of clients but not others. Even when appropriate services are being provided by a community's continuum, most people entering the system need help identifying and accessing them. Good coordination among providers is necessary both when homeless people enter the system initially and when they are moving through the system from emergency to transitional and then permanent housing. Whether a community has a single point of entry or multiple points of entry into the

homeless system, the need to streamline the information and referral process applies. If a community is going to address homelessness in a meaningful way, attention to these matters is essential. When a community creates performance measures for providers, requirements for measurable service coordination should be included.

An effective planning process is critical to ensuring that a continuum meets its performance goals. So, as part of its assessment, a continuum should also review its approach to the planning process:

- **Are people directly affected by homelessness given a voice in the process?** Providing mechanisms for incorporating the voices of those directly affected by policies is imperative to the CoC process and the successful delivery of homeless services. Experiences of people who have been, or are, homeless are essential to learn what works, what does not work, and what is missing in the homeless services system.
- **Is the process for conducting the Housing and Services Needs sound and accurate?** The Housing and Services Needs is a key component in the CoC process since it is the basis for determining which unmet needs are the highest priority for the community and therefore should be addressed first. Given its importance, providers should make certain that the process results in a sound and accurate analysis. Providers also should ensure that this analysis encompasses the needs of all people who are homeless and not only the needs of those people who receive services from the most dominant provider.
- **Is the decision making process fair, clearly defined, and organized?** Countless decisions have to be made throughout the CoC process. No matter how well a continuum plans for its decision-making process, problems will naturally arise. Many of the decisions – particularly those regarding funding and priorities – are difficult. It is also difficult to make decisions that may have a perceived negative impact on an agency or project. The best way to avoid tension is to plan ahead. Laying out a fair process in advance, before difficult decisions have to be made, will take the pressure off when the group is actually making decisions.

Assessment Tools

It is the lead entity or planning committee's responsibility to set up a system to monitor and measure provider performance and system performance. The process needs to be developed as part of a collaborative process, published, and strictly followed. For example, even if a flaw is discovered in a performance measure, it cannot be changed in the middle of the performance measurement process. The flaw can be noted in reports, but the process should be implemented as agreed to at the beginning of the year.

The development of assessment tools up front is crucial to the perception of fairness. Providers must know ahead of time how they will be measured and must have a way to provide input to the process. The process, however, should be run by a neutral party in order to ensure that providers are held accountable.

At a minimum, performance review includes review of provider Annual Progress Reports (APRs). However, to conduct a thorough assessment, multiple methods should be used to assess provider and system performance. Some assessment tools might include structured interviews and on-site reviews of programs. Interviewing people who are currently using or have

formerly used CoC services can provide information about services received, client satisfaction, and outcomes. On-site reviews of programs can be conducted by teams consisting of lead entity representatives, homeless or formerly homeless persons, advocates, and case managers. The teams need training and support, and the lead entity must ensure objectivity in the process.

Part of the purpose in assessing performance is to hold providers accountable for helping to meet community and national objectives. Projects that are eligible for renewal have an obligation to serve the correct population, cooperate with other providers and with the lead entity on system performance, and when necessary, adapt their common practices to serve people experiencing homelessness.

Assessments also provide information that is invaluable for a continuum's strategic planning. Continuums need to base their strategic planning decisions on both quantitative and qualitative data regarding client needs, system and provider capacity, and overall performance.

CHAPTER 4: DEVELOPING THE ANNUAL FUNDING REQUEST

INTRODUCTION

This chapter focuses on the Continuum of Care (CoC) annual request for funding from HUD. Key elements covered in this chapter include assessing need and system capacity, performance information, and the project selection and ranking process. The application process should be structured in such a way that the community can achieve its goals and HUD's goals for CoC system:

- **Planning Process.** The best way to ensure a competitive CoC application is to have in place a meaningful planning process. The goal is to have requests for funding match genuine need in the community. In order to make that happen, the community needs accurate data about the numbers of homeless people, their housing and service needs, the current capacity of the CoC system, and current and potential capacity in the mainstream housing and services systems. The best use of the CoC annual funding opportunity is to match the available resources to gaps in the service delivery system.
- **Data.** Typically, communities collect data during a routine point-in-time count of homeless people and assessment of their housing and service needs. Also, many communities have a functioning Homelessness Management Information System (HMIS), which offers a community-wide perspective on who is being served, by whom, for how long, what is the referral pattern, and what is the outcome for the individual. The process of data collection and management will be discussed in detail later in this chapter.
- **Projects.** The process of selecting and ranking projects must be objective and defensible. Basing decisions on solid data is one good way to demonstrate a rational decision-making process. Increasingly, communities are held accountable for the performance of service providers in the CoC system. Therefore, communities must have a way to assess provider performance and should consider provider performance when making selection and ranking decisions – their performance as a service provider, their performance as a part of the CoC system, and their performance complying with HUD standards - when selecting and ranking project proposals.
- **CoC Management.** Finally, as explained in the previous chapter, the continuum planning process does not end when the annual application is submitted. A functioning CoC system includes on-going coordination within the provider network, planning and facilitation of meetings, project planning, administration of (and regular reporting from) the HMIS, implementation of the long-term strategic plan, and coordination with other planning processes.

OVERVIEW OF THE APPLICATION

Building a Competitive Application

The process of developing a competitive application is time consuming and labor intensive. The lead entity must coordinate a diverse group of stakeholders and manage a number of complicated processes, including assessing need for housing and services, assessing the size and scope of the problem, and assessing performance in meeting community and national goals.

Communities have become more organized and sophisticated about the CoC planning process. This is good because the quality and quantity of services and housing offered to homeless persons is increasing. However, one effect has been to make the process itself highly competitive. Most communities find themselves in situations where the difference of just a few points in the scoring could make the difference in bringing valuable resources to a community.

A community's CoC application for funding can score a maximum of 100 points in HUD's scoring and review process. Points are awarded based on the quality and comprehensiveness of the continuum planning process, the continuum's performance and the performance of existing McKinney-Vento projects in the continuum.

Each year, HUD establishes minimum threshold criteria for applications. Prior to 2008, communities had to score at least 65 points to receive funding to renew existing projects.¹⁶ Continuums that score at or above HUD's national funding line will receive grant awards for new projects as well as for renewal projects. Communities that score between the minimum threshold and the national funding line are eligible for renewal funding, but may not get new projects funded.

CoC Application – Exhibit One

The CoC application is divided into two parts – Exhibit 1 covers the community's CoC planning process and Exhibit 2 covers all the SHP, S+C, and SRO projects being submitted. Communities can earn a maximum of 100 points for Exhibit I, determined by the quality of the community's response in the following areas:

¹⁶ Renewal programs refer to programs proposed to receive continuation funds. To qualify as a renewal project, the program must have been previously funded through the Continuum of Care process, must be at the end of its term of award within the coming calendar year (with no break in funding), and must be in general compliance with HUD program management standards.

Part I: CoC Housing, Services, and Structure (14 of 100 points)¹⁷

The primary purpose of this part is to explain how the continuum functions (its governance structure, member organizations, decision-making processes, etc.). Points are awarded based on the extent to which a CoC's application demonstrates the following:

- The existence of a coordinated, inclusive, outcome-oriented community process, including organizational structure(s) and decision-making processes for developing and implementing a CoC strategy
- An inclusive process that involves a wide range of stakeholders, including nonprofit organizations, state and local governmental agencies, public housing agencies, housing developers and service providers, health and mental health representatives, homeless or formerly homeless persons, etc.
- A fair and impartial project review and selection process
- A well-defined and comprehensive strategy that addresses the five fundamental components of a CoC system and is designed to serve all homeless subpopulations in the community
- That the continuum conducted a community-wide inventory of housing and services for homeless families and individuals; identified the full spectrum of needs of homeless families and individuals; and coordinated efforts to fill gaps between the current inventory and existing needs

Part II: Homeless Needs and Data Collection (24 of 100 points)

Data gathered for this part helps to ensure that requests for funding match genuine need in the community. Points are awarded based on the extent to which a CoC's application demonstrates an understanding of the number of homeless individuals and families within the CoC and their needs, and the continuum's progress in the planning, implementation, and operation of an HMIS system. This part includes the following:

- Services Inventory Chart: Continuums must list provider organizations and the specific prevention, outreach, and supportive services that they provide.
- Housing Inventory Charts: Continuums must calculate current inventory, new inventory, inventory under development, and unmet need for emergency shelter, transitional housing, and permanent housing. Information on data collection sources and methods should also be included.

¹⁷ The point values listed in this section are based on the 2008 NOFA. For previous or subsequent years, refer to the applicable NOFA on the *CoC Grant Application Materials* page of the Homelessness Resource Exchange (<http://hudhre.info/index.cfm?do=viewCoCGrantMaterials>).

- Homeless Population and Subpopulations: Continuums must conduct statistically reliable, unduplicated, point-in-time counts or estimates of sheltered and unsheltered persons who are homeless. Information on data collection sources and methods should also be included.

Part III: CoC Strategic Planning (16 of 100 points)

This section focuses on a continuum's long-term strategic planning efforts. HUD expects all continuums to meet or exceed the ten-year plan national objectives for ending chronic homelessness and moving families and individuals to permanent housing. A continuum's application should include specific action steps and measurable achievements for attaining each of HUD's five national objectives. The application should also describe a continuum's discharge planning policy with foster care, health care, mental health, and corrections institutions. The policy should include specific guidelines established to prevent the discharge of persons into homelessness. Continuums should indicate if and how they coordinate with other strategic planning groups related to housing and homelessness (e.g., Consolidated Plan, Public Housing Agency Plan). Finally, continuums should include their funding priorities (which should be consistent with identified unmet needs and plan objectives) and should explain how the funds requested will be used to leverage additional resources.

Part IV: CoC Performance (28 of 100 points)

In this section of the application, continuums must present quantitative measures that show their progress in reducing homelessness, including chronic homelessness. Performance is measured by demonstrating the following:

- Achievements: Continuums need to specify numerically what objectives they have accomplished from their previous year's application. These objectives should include, at minimum, HUD's five national objectives.
- Progress on Eliminating Chronic Homelessness: Continuums must indicate their progress towards increasing the number of permanent housing beds for chronically homeless persons as well as reducing the number of chronically homeless persons within their community.
- Housing Performance: This part examines how effectively individuals and families who are homeless are moving through the homeless service system and into stable, permanent housing (as reported in the grantee's most recent Annual Progress Report).
- Mainstream Programs and Employment Project Performance: Continuums are assessed based on the extent to which participants successfully become employed and access mainstream programs. These measures emphasize HUD's determination to assess grantees' performance in the prior program year and to determine if they are meeting the overall goal of the homeless assistance grants under which they are funded.

In addition to these key categories, performance is measured based on other Departmental priorities, such as the following: strong grant administration procedures (i.e., the grantee should not have unexecuted grants older than one year); the extent to which the continuum has policies and practices in place to hire low-income employees and subcontractors under Section 3 of the

Housing and Urban Development Act of 1968; and that projects within the CoC incorporate energy-efficiency measures in their design, construction, rehabilitation, and/or operation.

Part V: Emphasis on Housing Activities (18 of 100 points)

Housing emphasis is determined by the degree to which a community requests funding for housing activities (transitional, permanent, and safe havens) as opposed to supportive service activities. Points are awarded on a sliding scale, with continuums with the highest percentage of approvable housing activities receiving the highest points. Funding categories that contribute to the housing activities score are rental assistance, construction, acquisition, rehabilitation, leasing, and operations. Eligible activities that count against the housing emphasis score include supportive services within the Supportive Housing Program. HMIS costs and administrative costs are neutral in this calculation. The only way that communities can influence their score in this area is to increase funding requests for housing activities and decrease funding requests for services.

ASSESSING NEEDS: COLLECTING NEEDS DATA

It is not possible to address homelessness in a community without an understanding of how many people need assistance, and the types of services, housing and supports needed to end homelessness for those households. A key function of the CoC application process is the development of a methodologically sound and defensible method of assessing the number and types of homeless people in a community. Consistent definitions and classification of sub-populations across providers improves understanding among providers and adds legitimacy to the data collected. For a complete discussion of assessing unmet need, see the guidebook entitled *Calculating Unmet Need for Homeless Families and Individuals* on the Homelessness Resource Exchange at <http://hudhre.info>.

Assessments are generally made by counting or interviewing people in shelters and transitional housing and/or conducting a public places count. A public places count helps capture people who are in non-service locations or who may not use services at all. A crucial distinction that must be made in any assessment is the number of sheltered versus unsheltered people who are homeless. According to HUD, a sheltered person is someone who resides in an emergency shelter or in transitional housing or supportive housing for homeless persons who originally came from the streets or emergency shelters. People who are sheltered homeless can be counted and their needs assessed with the cooperation of service providers. People who are unsheltered homeless, or those who are living in a place not meant for human habitation, are more difficult to find and assess, and may have fundamentally different issues and needs than individuals who have sought assistance.

Point-in-Time Count

At a minimum, each community must create and carry out a method to count the number of people who are homeless and determine what types of homeless people are in the community (e.g., single individuals, people who are chronically homeless, people with mental illness, substance abuse, or both, people who are veterans, victims of domestic violence, and youth).

The point-in-time count may be supplemented or supported by data from providers that provides a historical perspective on who is being served and what their needs are. In addition, HMIS data can be used to place the point-in-time results in context. That is, HMIS data showing people who are in services during the point-in-time count can be used to check the point-in-time

count results. If the HMIS shows that the community has 120 people in service on January 24th, but the point-in-time count only shows 90 people on that day, there is a problem with one of these data sources. For more information on HMIS, please refer to <http://hmis.info>.

Counting and assessing need for unsheltered persons requires a different process. While shelter providers may be involved, the primary people working to count and assess unsheltered homeless people are outreach workers from multiple programs that may include law enforcement, volunteers from service providers and the local planning group, and students and faculty from colleges and universities. A typical approach includes the development of teams that receive training on how to conduct face-to-face counts. The count is usually confined to a few hours, such as 9:00 – 11:00 pm, to maximize the number of people who are “at home” in encampments or other settings and to minimize the disruption to people’s lives. The unsheltered count should be conducted on the same day that providers conduct the sheltered count in order to minimize duplicative counts.

Before interviewing an unsheltered group, a preliminary mapping of locations where unsheltered homeless people are known to congregate is typically completed. The minimum a community must do in order to get a picture of the number of unsheltered homeless people is count individuals in known congregating places. A better approach is to divide the area to be covered into sectors or use census tracts and systematically search each area, looking for homeless people. This process, while providing a more comprehensive picture of unsheltered homeless people, is labor intensive and complicated. A compromise is to use the sectors or census tract method for “downtown” or more urban areas, in combination with targeting known congregating areas.

Extrapolation

Some communities simply estimate their homeless population using statistical extrapolation techniques. This allows a community to estimate the number of people who are homeless in the community based on the number of sheltered and unsheltered persons observed and/or interviewed. Extrapolation procedures are used to obtain estimates of the number of people using homeless services in a jurisdiction when some of the providers have not yet started participating in the local HMIS. Extrapolation is needed to ensure that the number of people using homeless services is not underestimated because some providers did not provide information on the number of people they served. For example, if 50 percent of the Emergency Shelter beds in a jurisdiction are covered by HMIS, a simple extrapolation procedure would be to double the count of homeless persons from the beds that are covered by HMIS to arrive at an estimate of the total number of Emergency Shelter users in the jurisdiction.

It is essential that counting and estimating are done in ways that ensure the best quality data possible. This means that staff should be trained, materials should be prepared using the best methodology possible, and the process should be actively coordinated and monitored by the lead entity or designated committee. The HUD publication *A Guide to Counting Unsheltered Homeless People* is an excellent guide to both the point-in-time count and extrapolation methods. It provides an overview of conducting counts as well as sample tally sheets and surveys for data collection in public places. It also offers interview guides that can be used when counting people who are enrolled in services. HUD is very clear that it does not want communities to use extrapolation or other estimation techniques unless they are statistically sound. The HUD guide also provides guidance on how to conduct a count of unsheltered homeless people in a sample of locations and extrapolate that data in a way that is statistically valid and acceptable to HUD. The HUD guide may be found at <http://hudhre.info>.

Face-to-Face Interviews

Face-to-face interviews can allow communities to collect more comprehensive information regarding the needs for specific types of services. By conducting structured interviews with some or all of the sheltered and unsheltered individuals counted by the service providers and outreach workers, communities can obtain information about the service and disability history of the people being interviewed. It is possible to request an interview from each person counted. However, if the community has a large homeless population, this method may be impractical. Alternatively, data collection might entail interviewing a random sample of people counted, usually planning to request an interview from every 5th or 10th person counted.

ASSESSING SYSTEM CAPACITY

Beyond an understanding of the number of homeless people and their needs, a successful and efficient CoC system must have an understanding of the capacity and adequacy of the system itself. This includes quantifiable data, such as the number of beds dedicated to people experiencing homelessness, as well as qualitative data, such as ease of access and how well people move among providers.

Housing Inventory

At a minimum, the lead entity and planning group must know the number of beds available and dedicated to people experiencing homelessness. These beds include emergency shelters, transitional housing, and permanent supportive housing. In addition, the adequacy of the types and availability of services for homeless people should be assessed.

The housing and shelter beds that are available in the CoC planning system must be counted and reported during the application process. Many communities separate the housing inventory from the point-in-time count, to avoid confusion for providers. A separate process eliminates the possible confusion between counting the number of people in service on a given night and the number of beds that are available. Community experience suggests that it is better to ask these questions separately.

In the housing inventory, it is important to count only those beds that are dedicated to persons experiencing homelessness. While this is easy to do for an emergency shelter, it may be less clear for transitional and permanent supportive housing. The lines oftentimes get blurred between permanent supportive housing developed for homeless and formerly homeless people, permanent supportive housing developed for disabled generally (Section 811 and 202 programs), and even subsidized and public housing units. When one or two people who are homeless are placed in housing units that are not targeted to homeless persons, counting all of those units would lead the community to overestimate its capacity to house homeless individuals and families.

Quality control is essential in the housing and services inventory. While using the HMIS is one way of confirming inventory, lead entities and planning committees can use other methods as well. For example, to improve the quality of the data obtained from providers, a continuum's data committee should provide them with clear instructions and host a training session on data collection. Members of the community's data committee can offer one-on-one assistance to providers struggling with the activity. The data submitted by providers should be compiled and returned to providers for a final check. Comparing this year's data to previous year's data can help providers catch errors or offer an opportunity to explain changes.

Services Inventory

Providers participating in the services inventory are asked to report service components being provided within the CoC in the categories of outreach, prevention, and supportive services. As with housing and shelter, providers should distinguish between services that are dedicated to people who are experiencing homelessness and those that are simply made available to them. In many cases, a service provider has services that people are generally eligible for, but they are not reserved for people who are experiencing homelessness. If all those services are reported as part of a continuum's inventory, it provides an inflated picture of the resources at work to address homelessness in a community. Additionally, continuums need to be careful not to double count service slots that are available to multiple sub-populations, such as someone with severe mental illness or someone with a substance abuse problem.

SETTING FUNDING PRIORITIES

Continuums should use the data gathered in the Housing and Services Needs to prioritize their needs in programs and services. The process of selecting and ranking projects must be objective, transparent, impartial, and fair. There are two distinct tasks in this part of the process: selecting projects for inclusion in the community's application and ranking those projects in order of priority.

Projects should be eligible for inclusion in the HUD application only if the activity matches needs identified by community data. For example, if the housing inventory and needs information shows that a community needs 100 beds of transitional housing and already has 110 beds in that category, then the community should not propose a new transitional housing project. Currently-funded projects should be selected for inclusion only if they meet performance criteria set by HUD and by the community.

The selection process should be determined in advance, and should involve a formal process of identifying needs for specific types of beds, housing and services in the community. The lead entity or planning committee should identify highest needs in the community and let providers know that projects can be proposed in those areas. Some communities create a formal proposal solicitation process, with published criteria and an impartial review committee. In this process, projects can be scored based on objective criteria. The selection of projects for submission to HUD must provide equal access to all providers in the community. The solicitation of project proposals can use a number of methods, including newspaper advertisements, letters, emails, and announcements at planning committee and community meetings. How a community requests and selects proposals is part of the HUD rating criteria for the annual McKinney-Vento competition. Communities may wish to review the criteria of the NOFA when designing or modifying their local process.

Once projects are selected for inclusion, the community must prioritize the projects. The prioritization is crucial to funding because HUD selects projects for funding based on the community's ranking. Both the selection and ranking process must be linked to data-based needs identified by the community. For both activities, there should be a written procedure for how the process will occur and written, pre-published criteria for how proposals will be scored and ranked. People involved in selecting and ranking proposals should have no connection to providers who have submitted proposals.

TARGETING FUNDS TO HIGH-PRIORITY ACTIVITIES

Local communities are responsible for prioritizing projects in their CoC applications based on their assessment of local needs and capacity. However, HUD's goal of reducing chronic homelessness and the statutory mandate to create new permanent housing may lead HUD to change, in some cases, project priorities identified locally.

Chronic Homelessness

Research on homelessness has revealed information about a small group of individuals with disabilities such as mental illness or substance abuse, who experience chronic homelessness. Data show that, in the communities studied, people who have long-term episodes of homelessness or who have multiple episodes of homelessness seem to use resources in a disproportionate way. That is, the 10-20 percent of the homeless population that meets the definition of chronic homelessness uses more than half of the resources in the CoC systems studied. Because of these disproportionate costs to the homeless service system, HUD is committed to the objective of ending chronic homelessness in 10 years as part of its overall goal of effectively addressing the challenge of homelessness. As part of this effort, HUD has encouraged communities to develop performance-based 10-year strategies for ending chronic homelessness with specific action steps and measurable achievements. To help meet this objective, HUD has implemented a requirement that at least 10 percent of all Homeless Assistance appropriations nationally is awarded to housing projects that predominantly serve people who meet the definition of chronic homelessness.

The annual HUD application asks communities to demonstrate the progress they have made toward ending chronic homelessness and in creating permanent supportive housing beds for chronically homeless persons. Specific goals and objectives to increase the number of permanent supportive housing beds dedicated for chronically homeless persons must be included in the annual application; the applicant must also report progress made based on the goals and objectives from the previous year's application. In addition, the community must report annually in the application the extent to which the number of chronically homeless persons has been reduced.

In every community, there is a group of people who may be experiencing disabling conditions and chronic homelessness, and who have refused to enter the system. The first part of the community's efforts to reach these individuals is to identify them. One method is to use HMIS to identify and count people who have the longevity or the multiple episodes of service. Another method is to survey service providers, asking for information about people who are well known to the system. In addition, outreach workers and case managers within a continuum may be able to identify a number of people meeting the definition who may not have provided sufficient information to be entered into HMIS.

Almost by definition, people experiencing chronic homelessness are people who have been failed by the existing service delivery system. Research tells us that many of the people in this group have been enrolled in mainstream programs, but have not had their needs met by those programs. Often, people meeting the definition of chronic homelessness do not fit neatly into the eligibility criteria for workforce development, mental health, public health and substance abuse services. Often, they have more than one disabling condition and are shuffled between service providers. People with the co-occurring disorders of mental illness and substance abuse may have experienced rejection on both sides. Passive barriers requiring sobriety before psychiatric medications can be prescribed or requiring behavioral stability before acceptance

into substance abuse services have prevented effective treatment. If the community is going to address chronic homelessness in a meaningful way, services, supports and housing need to be offered and delivered in ways that can meet their specific needs.

People who meet the definition of chronic homelessness may respond to a low demand approach, such as the HUD-funded Safe Haven programs. A Safe Haven, as described in Chapter 2, is designed as a low-demand, long term shelter for people with mental illness who are experiencing homelessness. Low demand is typically defined as freedom to leave the property and return at odd hours, few or no demands for attendance at “classes” or programmed activities, an incremental approach to medication compliance and a respectful, non-threatening atmosphere. These programs have been successful across the country for people with mental illness and co-occurring disorders.

Another approach is the use of housing as an engagement strategy for people meeting the definition of chronic homelessness. When people in this group have been asked what they need and want, a common answer is “a place to live.” In the Housing First approach, a housing unit is offered without any further demonstration of readiness by the person, and services and supports are provided to the person from that point forward.

Communities also have the opportunity to propose a project under the Samaritan Initiative. This opportunity allows communities to propose NEW permanent housing projects that exclusively serve people who meet the definition of chronic homelessness. The community can request extra funding for such projects representing up to 15 percent above their initial pro rata need share. This has been a powerful incentive for local planners. Additional information on calculating the Samaritan Initiative amount is provided later in this chapter.

HOW HUD ASSESSES NEED

HUD assesses the need for homelessness assistance funding for communities (cities and counties) and publishes those amounts on the CoC Grant Application Materials page of the Homelessness Resource Exchange (<http://hudhre.info/index.cfm?do=viewCoCGrantMaterials>). The ultimate determination of amounts for which CoCs are eligible includes consideration of the following:

- **Preliminary Pro Rata Need Amount (PPRN):** HUD’s calculation of a community’s need for homelessness assistance dollars based on nationally available data
- **Hold Harmless Pro Rata Need Amount (HHN):** the amount of funds a CoC is eligible to receive where the annual renewal amount (ARA) of all expiring supportive housing program grants exceeds the community’s PPRN
- **Final Pro Rata Need Amount (FPRN):** the higher amount of the PPRN or the HHN
- **Samaritan Award Bonus:** for communities that may be eligible

Preliminary Pro Rata Need Amount (PPRN)

HUD calculates a community’s preliminary pro rata need amount (PPRN) by considering such factors as poverty, housing overcrowding, population, age of housing, and growth lag. The formula used to calculate a community’s need for homeless assistance funds, referred to as the

preliminary pro rata need (PPRN), is based on the formula used to calculate Emergency Shelter Grant funds.

Hold Harmless Renewal Amount (HHN)

In many communities, providers have been successful in obtaining funding for projects that are ongoing. These include the Supportive Housing (SHP) and Shelter Plus Care (S+C) projects. Each of these projects was initially funded for up to three years for SHP and five years for S+C, and the projects are eligible for renewal in the application year preceding their final funding date. For example, projects eligible for renewal in the 2009 application cycle would end between January 1, 2010 and December 31, 2010.

For many communities, project renewals have consumed the community's pro rata need share. Even when renewals are limited to a one year renewal amount, the sheer number of eligible renewals equals or exceeds all the funds available for that community. This is referred to in the field as "renewal burden." HUD has implemented the following policies to alleviate renewal burden:

- HUD has removed Shelter Plus Care renewals from a community's pro rata need amount calculation.¹⁸
- HUD adjusts the community's pro rata need amount to include one year renewals for all eligible projects, even if the renewal amount exceeds the formula pro rata need. This is known as the hold harmless provision.

Beginning in 2005, HUD offered communities the opportunity to use the hold harmless provision as a tool in adjusting their Continuum systems to support more permanent housing. Communities have the option of substituting a new permanent housing project, referred to as a Reallocation Project, in place of an eligible renewal project, with no reduction in the total pro rata need amount. For example, HUD has calculated a community's hold harmless pro rata need amount to be \$1,000,000. This community also has a poorly performing transitional housing project funded at \$275,000. This community may propose to substitute a permanent housing project for the poorly performing transitional housing project. In this example, there is no change to the hold harmless pro rata need share. A Reallocation Project is funded if all of the following apply:

- Reallocation Project is for permanent supportive housing
- Reallocation Project meets all of HUD's threshold requirements
- Continuum's score in competition equals or exceeds minimum amount set by HUD
- Reallocation Project is not the Samaritan bonus project

¹⁸ As of 2008, S+C renewals did not count against pro rata need because the HUD Appropriations Act allows renewal of S+C rental subsidies to be paid for with Section 8 program funds rather than with McKinney-Vento funds.

Final Pro Rata Need Amount (FPRN)

The final pro rata need amount is the higher of the PPRN and the HHN.

Samaritan Bonus Amount

The Samaritan Initiative is part of the federal strategy to focus attention on the housing needs of people who are chronically homeless. Communities that propose a Samaritan Initiative are eligible for a Samaritan Bonus Amount of up to 15% of the community's PPRN or \$6 million, whichever is less. By allowing communities to exceed their PPRN formula amount, the Samaritan Initiative provides communities with an incentive to place a new, permanent supportive housing project for people who are chronically homeless at the top of the community's project priority list. If a community proposes one or more eligible, new permanent housing projects exclusively serving the chronically homeless group, HUD will add up to 15% of the PPRN or \$6 million (whichever is less), to the CoC's total award.¹⁹

In the example below, if the community's renewal amount exceeded the pro rata need share, the hold harmless provision would set the community pro rata share at the level of renewals plus any Samaritan Initiative bonus amount. Unless the community decided to participate in the Samaritan Initiative, no new projects would be eligible for funding.

¹⁹ Department of Housing and Urban Development. 2008. Continuum of Care Homeless Assistance. Federal Register/Vol. 73, No. 133/Thursday, July 10,, 2008/Notices, page 39843-39844.

Calculation of Final Pro Rata Need

Example 1: HHN is less than PPRN

1. Preliminary Pro Rata Need Amount (PPRN): The Anytown CoC PPRN is \$750,000. This is the HUD formula calculation, using data on poverty, housing overcrowding, population, age of housing, and growth lag.
2. Annual Renewal Amount (ARA): The ARA is the maximum amount that a SHP grant can receive on an annual basis to fund eligible renewal activities. Eligible renewal activities include operating, supportive services, leasing, HMIS, and administrative expenses that were funded in the original grant (or original grant as amended).
3. Hold Harmless Renewal amount: The Anytown Continuum has projects applying for renewal. The ARA for those projects adds up to \$600,000. Thus, the HHN is \$600,000.
4. The Final Pro Rata Need amount is the higher of the PPRN and HHN. In this example, Anytown's CoC FPRN is \$750,000.

Example 2: HHN is greater than PPRN

1. Preliminary Pro Rata Need Amount (PPRN): The Anytown CoC PPRN is \$750,000. This is the HUD formula calculation, using data on poverty, housing overcrowding, population, age of housing, and growth lag.
2. Annual Renewal Amount (ARA): The ARA is the maximum amount that a SHP grant can receive on an annual basis to fund eligible renewal activities. Eligible renewal activities include operating, supportive services, leasing, HMIS, and administrative expenses that were funded in the original grant (or original grant as amended).
3. Hold Harmless Renewal amount: The Anytown Continuum has projects applying for renewal. The ARA for those projects adds up to \$825,000. Thus, the HHN is \$825,000.
4. The Final Pro Rata Need amount is the higher of the PPRN and HHN. In this example, Anytown's CoC FPRN is \$825,000.

Samaritan Award Bonus as applied to examples

In either of these scenarios, Anytown CoC could choose to propose a Samaritan Initiative and, if awarded, would be eligible for the Samaritan Award Bonus. The Samaritan Award Bonus is 15% of PPRN or \$6 million, whichever is less. For Anytown CoC, the Samaritan Award Bonus amount is \$112,500.

In Example 1, Anytown CoC would be eligible to receive the FPRN of \$750,000 plus the Samaritan Award Bonus of \$112,500.

The total possible award would be \$862,500.

In Example 2, Anytown CoC would be eligible to receive the FPRN of \$825,000 plus the Samaritan Award Bonus of \$112,500.

The total possible award would be \$937,500.

APPENDIX A: GLOSSARY OF KEY TERMS

Annual Renewal Amount. The maximum amount that a Supportive Housing Program (SHP) grant can receive on an annual basis when renewed. It includes funds for only those eligible activities (operating, supportive services, leasing, HMIS, and administration) that were funded in the original grant (or the original grant as amended), less the nonrenewable activities (acquisition, new construction, rehabilitation, and any administration costs related to these activities). It is used to calculate a CoC's Hold Harmless Need amount.

Continuum of Care. A collaborative funding and planning approach that helps communities plan for and provide, as necessary, a full range of emergency, transitional, and permanent housing and other service resources to address the various needs of homeless persons. HUD also refers to the group of service providers involved in the decision making processes as the "Continuum of Care."

Chronically Homeless Person. An unaccompanied homeless individual with a disabling condition who has either been continuously homeless for a year or more OR has had at least four episodes of homelessness in the past three years.

Developmental Disability. The term "developmental disability" means a severe, chronic disability of an individual 5 years of age or older that meets the following conditions: (1) Being caused by a mental or physical impairment, which is manifested before the person is age 22, and likely to continue indefinitely; (2) Resulting in substantial functional limitations in at least three of the following: self care, receptive and expressive language, learning, mobility, self-direction, capacity for independent living, and economic self-sufficiency; and (3) Reflecting the individual's need for a combination and sequence of special, interdisciplinary, or generic care, treatment, or other services that are of lifelong or extended duration and are individually planned and coordinated.

Disabling Condition. A disabling condition is defined as (1) A disability as defined in section 223 of the Social Security Act; (2) a physical, mental, or emotional impairment which is expected to be of long-continued and indefinite duration, substantially impedes an individual's ability to live independently, and of such a nature that the disability could be improved by more suitable conditions; (3) a developmental disability as defined in section 102 of the Developmental Disabilities Assistance and Bill of Rights Act; (4) the disease of acquired immunodeficiency syndrome or any conditions arising from the etiological agency for acquired immunodeficiency syndrome; or (5) a diagnosable substance abuse disorder.

Final Pro Rata Need (FPRN). The higher amount of: (1) PPRN and (2) HHN.

Hold Harmless Need (HHN). The amount of funds a CoC is eligible to receive in situations where the Annual Renewal Amount of all SHP grants expiring in that CoC during the calendar year exceeds the Preliminary Pro Rata Need for that CoC. The HHN is the amount needed to fund the expiring renewal grants for one year. To provide communities with maximum flexibility in addressing current needs, CoCs have the discretion to not fund or to reduce one or more SHP renewal project applications through the HHN Reallocation process and still receive the benefit of the HHN amount if the CoC proposes to use that amount of reduced renewal funds for new permanent supportive housing projects or a dedicated HMIS SHP project.

Hold Harmless Need Reallocation. A process whereby a CoC whose Final Pro Rata Need is based on its Hold Harmless Need amount may reallocate funds in whole or part from SHP renewal projects to create one or more new permanent housing projects and/or a new dedicated HMIS project. The Hold Harmless Need Reallocation process allows eligible CoCs to fund new permanent housing or dedicated HMIS projects by transferring all or part of funds from existing SHP grants eligible for renewal.

Homeless Management Information System (HMIS). An HMIS is a computerized data collection application designed to capture client-level information over time on the characteristics of service needs of men, women, and children experiencing homelessness, while also protecting client confidentiality. It is designed to aggregate client-level data to generate an unduplicated count of clients served within a community's system of homeless services. An HMIS may also cover a statewide or regional area, and include several CoCs.

Homeless Person. As defined by the McKinney Act (42 U.S.C 11302), a homeless person is a person sleeping in a place not meant for human habitation or in an emergency shelter; and a person in transitional housing for homeless persons who originally came from the street or an emergency shelter.

Housing Emphasis. The relationship between funds requested for housing activities (i.e., transitional and permanent) and funds requested for supportive service activities.

Preliminary Pro Rata Need (PPRN). Amount of funds a CoC could receive based upon the geography that HUD approves as belonging to that CoC. To determine the homeless assistance need of a particular jurisdiction, HUD will use nationally available data, including the following factors (as used in the Emergency Shelter Grants program): data on poverty, housing overcrowding, population, age of housing, and growth lag. Applying those factors to a particular jurisdiction provides an estimate of the relative need index for that jurisdiction compared to other jurisdictions applying for assistance under the annual CoC NOFA. Each year, HUD publishes the PPRN for each jurisdiction. A CoC's PPRN is determined by adding the published PPRN of each jurisdiction within the HUD-approved CoC.

Renewal Programs. Renewals are previously funded projects and activities that a community is proposing for continuation funding.

APPENDIX B: CONTINUUM OF CARE HOMELESS ASSISTANCE PROGRAMS – SUMMARY OF SELECTED ELEMENTS

| Elements | Supportive Housing | Shelter Plus Care | Section 8 SRO |
|---|--|---|--|
| Who can apply? | <ul style="list-style-type: none"> States Units of general local government Special purpose units of government, such as housing authorities Private non-profits Community Mental Health Centers that are public nonprofits | <ul style="list-style-type: none"> States Units of general local government Public Housing Authorities | <ul style="list-style-type: none"> Public Housing Authorities Private nonprofits |
| What type of program can be created? | <ul style="list-style-type: none"> Transitional housing Permanent supportive housing for disabled persons only Supportive services not in conjunction with housing Safe Havens Innovative Supportive Housing HMIS | <ul style="list-style-type: none"> Tenant based housing Sponsor based housing Project based housing SRO based housing | <ul style="list-style-type: none"> SRO housing |
| What activities are eligible? | <ul style="list-style-type: none"> Acquisition Rehabilitation New construction Leasing Supportive Services Operating costs | <ul style="list-style-type: none"> Rental assistance <p>Note: Housing assistance must be matched with an equal amount of services.</p> | <ul style="list-style-type: none"> Rental assistance |
| Who can be served? | Homeless individuals and families | <ul style="list-style-type: none"> Homeless disabled individuals Homeless disabled individuals and their families | Homeless individuals |

Appendix B: Continuum of Care Homeless Assistance Program –
Summary of Selected Elements

| Elements | Supportive Housing | Shelter Plus Care | Section 8 SRO |
|---|---|---|---------------|
| Groups given special consideration | Homeless persons with disabilities and homeless families with children | Homeless persons who are seriously mentally ill, have chronic problems with alcohol and/or drugs, or have AIDS and related diseases. | N/A |
| Initial term of assistance | <ul style="list-style-type: none"> • 2 or 3 years for new SHP • 1, 2, or 3 years for new HMIS | <ul style="list-style-type: none"> • 5 years for TBRA, SBRA and PBRA without rehab • 10 years for SRO and PBRA with rehab | 10 years |

APPENDIX C: EXAMPLES OF ELIGIBLE AND INELIGIBLE SHP ACTIVITIES

Supportive Services

| Eligible Supportive Services Costs | Ineligible Supportive Services Cost |
|--|---|
| Salary of case manager, counselor, therapist | Staff recruitment/training |
| Salary of case management supervisor when working with clients or with a case manager on issues regarding clients | Salary of case management supervisor when he/she is <u>not</u> working directly on participant issues |
| Desks, computers used by clients and their trainer in employment training programs | Desks/computers used by staff for intake or other daily activities |
| Food, clothing, transportation for use by clients | Telephones, fax, postage, utilities, insurance |
| Medical/dental care for clients | Office or meeting space |
| First and last month's rent, security deposits, credit checks for participants moving from transitional housing to permanent housing | |
| Clothing, tools, and similar items needed by participants for jobs or job training | |
| Beepers for outreach workers | |
| Mileage allowance for service workers to visit participants residing in scattered site housing | |
| Vehicle purchase and operation (gas, insurance, maintenance) when used for clients | |

Operations

| Eligible Operating Costs | Ineligible Operating Costs |
|--|---|
| Salaries of staff not delivering services, such as project manager, security guard | Recruitment or ongoing training of staff |
| Utilities costs: gas, heat, electric, etc. | Rent (may be eligible as real property leasing) |
| Desks, computers, telephones used by staff | Depreciation |
| Furnishings (beds, chairs, dressers, etc.) for participants | Costs associated with the organization rather than the supportive housing project (fund raising efforts, pamphlets about organizations, etc.) |
| Equipment (refrigerators, ranges, etc.) | Operating costs of a supportive-services-only facility |
| Food | Mortgage payments |

Administrative Costs

| Eligible Administrative Costs | Ineligible Administrative Costs |
|--|---|
| Preparation of Annual Progress Report | Preparation of application/technical submission |
| Audit expenses of Supportive Housing Program | Conferences, fund raising activities, and training in professional fields (such as social work or financial management) |
| Staff time spent reviewing/verifying invoices for grant funds, drawing money from LOCCS, and maintaining records of the use of those funds | Salary of organization's executive director (except to the extent he/she is involved in carrying out eligible administrative functions as shown under eligible administrative costs list) |
| HUD-approved training on managing the grant | Staff time to help participants identify housing units |
| General bookkeeping and record keeping of grant activities | Staff time to conduct annual tenant income, rent certifications, and housing inspections |