



STATE OF WASHINGTON
DEPARTMENT OF COMMERCE

1011 Plum Street SE • PO Box 42525 • Olympia, Washington 98504-2525 • (360) 725-4000
www.commerce.wa.gov

September 6, 2016

TO: Consolidated Homeless Grant (CHG) Grantees
Emergency Solutions Grant (ESG) Grantees

FROM: Tedd Kelleher, Senior Managing Director, Housing Assistance Unit

SUBJECT: DRAFT Proposed changes to homeless systems

Commerce is seeking comments on proposed changes to the contract terms governing the use of state managed homeless housing funding. In addition to our proposal, we want to know your ideas on how to further improve the system to reduce homelessness. Unsheltered homelessness rose 19 percent in the last year and we must intensely focus our combined efforts to curb and reduce this trend. Your suggestions are important, so do not hesitate to recommend large changes in how the state does business.

Please send your comments to me at tedd.kelleher@commerce.wa.gov or call me at (360) 725-2930 by September 30, 2016.

Beginning in January 2017

1. Contracting for 2017-2019

Commerce will release a combined ESG/CHG funding application to all current county/local governments and all non-CHG funded county governments in January 2017.

If a county opts-out of the application, Commerce will release a competitive application to all eligible service providers to compete for the Lead Grantee contract.

Beginning in July 2017

2. Increase prioritization of unsheltered homeless households system-wide

Current requirement: By December 2016, all CHG grantees must prioritize housingⁱ unsheltered households and at least 35 percent of the people housed must have been unshelteredⁱⁱ at some point in the two years prior to entering a housing program, OR show a 5 percentage-point increase above the baseline. The baseline was released in January 2016, and the first data analysis will be December 2016. Counties achieving functional zero homelessness for at least two subpopulations are exempt from this requirement.

Proposal: The proposed change maintains the basic structure of the existing requirement to focus on unsheltered people, but the 35 percent target is replaced with an increasing emphasis on serving unsheltered people until functional zero unsheltered homelessness is achieved for at least two locally determined priority populations. The intention is to refine and increase this requirement in subsequent contracts based on what is learned, with the end goal of ending unsheltered homelessness for all populations.

Compliance with this proposed requirement could be achieved by either:

- A. Counties achieve functional zeroⁱⁱⁱ unsheltered homelessness by June 2018 for at least two subpopulations.^{iv}

To achieve functional zero, the homeless system must include outreach to identify unsheltered homeless households, engage them, and actively connect them to temporary and permanent housing solutions via coordinated entry.

Example: In a single month, 4 veterans are identified as living unsheltered. During the same month, 1 veteran is enrolled in an emergency shelter, and 3 veterans are housed using rapid rehousing. The number of those placed in temporary or permanent housing is equal to or greater than the number of those identified as unsheltered.

OR

- B. Counties increase from baseline percent served unsheltered homeless households in temporary or permanent housing programs by 10 percentage points by June 2018.

Example: In 2016, County A enters 1,000 people into housing, 350 of which had a history of living unsheltered (35 percent). To meet the proposed requirement, if County A entered 1,000 people into housing from July 2017 to June 2018, at least 450 would need to have a history of living unsheltered (+10 percentage points).

Reason for proposal: Available research shows that even the best screening tools do not precisely predict which unstably housed households eventually become homeless.^v

In addition, many people that ultimately become unsheltered never seek or are offered homelessness prevention before becoming homeless, meaning that homelessness prevention cannot prevent their homelessness.^{vi}

The most direct and proven way to reduce the homeless count is to house unsheltered people, therefore, the first priority for limited homeless housing funding should be housing unsheltered people. This proposal allows counties to implement innovative strategies that include large investments in prevention if those strategies result in functional zero unsheltered homelessness for at least two subpopulations.

3. Increase rapid access to housing assistance system wide

Proposal: Initial housing intake processes for unsheltered people cannot require identification, social security cards, birth certificates, proof of income or other documentation barriers that may cause someone not to pursue assistance. If these documents are required by another funder (they are not required by CHG or ESG), the provider must provide direct assistance obtaining the documentation and provide housing assistance to the person while the documentation is being obtained. This practice is consistent with national priorities and strategies to ensure immediate access to housing.^{vii}

4. Align program housing requirements with typical residential leases

Current requirement: In the 2016-2017 CHG guidelines, Section 6.1 Progressive Engagement states, “Supportive services^{viii} should be voluntary and build on the strengths and resources of each household, respecting their autonomy.”

Proposal: Revise the 2017-2018 CHG and ESG guidelines to state that “supportive services must be voluntary.” Grantees/subgrantees cannot make access to housing contingent on 1) conditions not typically found in residential leases or 2) conditions not directly tied to resident and staff safety.

Reason for proposal: Research has demonstrated that promoting housing stability, particularly among people who have been homeless for long periods of time and have serious behavioral health problems is effective in addressing homelessness.^{ix} Research has also shown that making tenancy contingent on participation in services does not result in improved behavioral health.^x

5. Increase percent of people exiting homelessness to stable housing

Current requirement: Although HEARTH measures are provided to counties and projects via the Homeless Management Information System (HMIS) reports, there are no HEARTH performance measure requirements for the ESG/CHG grantees.

Proposal: The change requires that county homeless systems meet the HEARTH benchmark that 80 percent of exits from homelessness are to stable housing or that the system shows a 10 percent increase over a two year period. Commerce will use the same query that the Continuum of Care uses for reporting to HUD, the HEARTH System Performance Report.

Reason for proposal: This basic measure of project performance will support the movement toward further improvements in system efficiency.

6. Expand coordinated entry for all local and state homeless recording fees

Current requirement: All ESG/CHG funded programs must participate in their local coordinated entry system.

Proposal: Lead grantee homeless housing programs funded with ESG, CHG, or local recording fees must participate in coordinated entry. Lead grantees must require that sub grantee programs funded with ESG, CHG, or local recording fees must participate in coordinated entry.

Reason for proposal: Well-designed coordinated entry ensures a consistent and fair use of limited resources as determined by community prioritization and simplifies client entry by eliminating multiple inconsistent screening processes. Homeless recording fee funded housing programs outside of coordinated entry fragments the system.

7. Expand participation in the Homeless Management Information System (HMIS)

Current requirement: All ESG/CHG funded programs must enter client data in HMIS. In addition, local government lead grantees must require sub grantees to enter client data in HMIS.

Proposal: Lead grantees must enter data into HMIS for all homeless housing programs regardless of fund source, and lead grantees must require their sub grantees to also enter data into HMIS for all sub grantee homeless housing programs regardless of funding source.

Reason for proposal: In some cases local homeless programs funded exclusively by locally-controlled homeless recording fees are not entering data on those served into the HMIS. Expanding HMIS coverage improves overall performance measurement, and provides additional transparency regarding the use of homeless recording fee funds.

8. Increase Homeless Management Information System (HMIS) data quality threshold

Current requirement: Currently ESG/CHG grantees must include an HMIS report with the reimbursement request.

Proposal: A new threshold of additional data quality measures will be required on the HMIS report for reimbursement.

Reason for proposal: The current data requirement ensures a basic threshold of data quality, but does not capture all of the aspects needed to further improve system performance measurement.

Beginning in July 2018

9. All populations must be served using a coordinated entry system

Coordinated entry systems must serve all homeless populations, or counties must have in place an equivalent alternative for specific populations to access housing and services.

10. County homeless systems must have at least one low-barrier housing option for unsheltered households

Every county homeless system must have a low-barrier housing option for all individuals and families who are unsheltered to access housing year round.

Starting now, work towards creating a system that operationalizes the value that all people deserve housing.

Homelessness is effectively ended for veterans in communities throughout the United States, under [criteria](#) developed by the United States Interagency Council on Homelessness. The following system criteria are adapted from that success, and serve as a guide to creating a system that when scaled appropriately would be capable of ending homelessness for all populations.

All people experiencing homelessness are identified through coordinated outreach and by looking at multiple data sources to ensure everyone experiencing homelessness is quickly engaged.

Low-barrier housing is immediately offered to people experiencing unsheltered homelessness. Access to housing for unsheltered people is not contingent on housing readiness, sobriety, minimum income requirements, criminal records, or other conditions.

Service-intensive temporary housing is only used in limited circumstances. Service-intensive temporary housing is only provided to people who have indicated a preference for service-intensive temporary housing prior to moving to a permanent housing destination.

The primary intervention is rapidly assisting people to move to permanent housing destinations without barriers to entry. Qualifying destinations do not have time limits and include: rentals with or without subsidies, staying with family or friends, and permanent housing with supportive services.

i Enrolled in temporary or permanent housing project type which includes: Emergency Shelter, Transitional Housing, and any Permanent Housing project type

ii Any household that was unsheltered in the last two years is included, as measured in HMIS by Prior Living Situation (people living outside or in places not meant for human habitation) and Housing Status Category 4 - Fleeing Domestic Violence.

iii Functional zero unsheltered is defined as the number of unsheltered homeless households moving into temporary or permanent housing being **equal to or greater than** the number of current and newly identified unsheltered homeless households.

iv Subpopulations include: Populations are: families with minor children, veterans, and unaccompanied youth, chronically homeless and single adults.

v https://folio.iupui.edu/bitstream/handle/10244/718/Homelessness_June07.pdf?sequence=2

vi https://web.archive.org/web/20151207004138/http://usich.gov/usich_resources/solutions/explore/homelessness_prevention
<http://psicopolis.com/prometeus/homelprev.pdf>

vii [Opening Doors: Federal Strategic Plan to Prevent and End Homelessness; HUD Continuum of Care Program Competition 2016 Notice of Funding Availability](#)

viii Supportive services are helping or educational resources that include support groups, mental health services, alcohol and substance abuse services, life skills or independent living skills services, vocational services and social activities.

ix https://www.researchgate.net/profile/Sam_Tsemberis/publication/12578092_Pathways_to_housing_Supported_housing_for_street-dwelling_homeless_individuals_with_psychiatric_disabilities/links/553a5ca90cf29b5ee4b6278e.pdf

x <http://www.ncbi.nlm.nih.gov/pmc/articles/PMC1448313/>