



The Federal Stimulus Bill and Homelessness Prevention and Re-Housing

The American Recovery and Reinvestment Act of 2009 recently signed by President Obama will result in a rapid infusion of funding to New York State. The \$789 billion stimulus package includes an allocation of \$1.5 billion in Emergency Shelter Grant funding for homelessness prevention and rapid-re-housing of homeless families and individuals.

This briefing paper provides a description of the funds, along with recommendations for the use and administration of these funds by federal, state and local governments.

Eligible Use of Funds

Funds will be used for homelessness prevention and rapid re-housing of homeless individuals and families. The primary goal is to prevent a spike in homelessness and avoid increased development of emergency shelter capacity. To accomplish this, eligible activities include:

- short- or medium-term rental assistance of up to six months
- housing relocation and stabilization services,
- housing search assistance,
- mediation or outreach to property owners,
- credit repair,
- security or utility deposits,
- utility payments,
- rental assistance for a final month at a location,
- moving costs assistance,
- case management, and
- other appropriate activities for homelessness prevention and rapid re-housing of persons who have become homeless.

Funds may not be used to support emergency shelters. All funds must be spent by September 30th, 2011.

Distribution of Funds

The chart below details the estimated funding to New York State and its localities, with a comparison to previous years' spending levels.

**Emergency Shelter and Prevention Grants
Allocations**

	Previous Annual	Total Estimated Stimulus
ALBANY	\$164,823	\$1,545,216
BINGHAMTON	\$103,149	\$967,022
BUFFALO	\$711,365	\$6,669,047
ERIE COUNTY	\$127,877	\$1,198,847
ISLIP TOWN	\$90,907	\$852,253
MONROE COUNTY	\$84,834	\$795,319
MOUNT VERNON	\$80,665	\$756,234
NASSAU COUNTY	\$690,151	\$6,470,166
NEW YORK CITY*	\$7,969,489	\$74,713,959
NIAGARA FALLS	\$112,133	\$1,051,247
NYS NONENTITLEMENT*	\$3,189,810	\$29,904,469
ONONDAGA COUNTY	\$95,422	\$894,581
ROCHESTER	\$425,305	\$3,987,234
ROCKLAND COUNTY	\$92,783	\$869,841
SCHENECTADY	\$113,357	\$1,062,722
SUFFOLK COUNTY	\$163,391	\$1,531,791
SYRACUSE	\$272,258	\$2,552,419
TONAWANDA TOWN	\$83,058	\$778,669
TROY	\$91,023	\$853,341
UTICA	\$128,823	\$1,207,716
WESTCHESTER COUNTY	\$252,466	\$2,366,869
YONKERS	\$165,766	\$1,554,056
TOTALS	\$15,208,855	\$142,583,016

*New York State allocation administered by OTDA; NYC allocation will be administered by Dept. of Homeless Services.

1. Recommendations to the United States Department of Housing and Urban Development

HUD has until March 19th to develop rules and guidelines for how the money can be spent. The Network recommends:

- Make the use of the funds as flexible as possible, as long as they are used for housing-based solutions.
- Local and state government should be allowed to use these funds to support current programs that are successfully preventing homelessness; maintenance of effort clauses should not be applied to state and local budgets facing deficits and programmatic cuts. At a minimum, HUD should allow for a restoration of all cuts proposed or executed in the current budget year and any cuts proposed at the time of the signing of the act.
- States should be given maximum discretion for using non-entitlement funds, so that funding can be applied in both areas that are not currently served and in areas

that have exhausted local homelessness prevention funding as a result of high demand.

- Allow these funds be distributed to local grantees expeditiously. Not-for-profits agencies that will be distributing services such as rental assistance should not be burdened with expenses that will be reimbursed at a later date. The expansion of this program and the tight credit market make this type of arrangement unfeasible. Grants should be allocated in advance and drawn down and replenished monthly.
- HUD should allow the use of Homeless Prevention funding for legal services and representation in eviction cases related to homelessness prevention activities.
- HUD should define homelessness to include individuals leaving prison or jail who need assistance finding and paying for housing and re-settling in their communities.

HUD requires funding to be used in conjunction with a homeless management information system (HMIS) to track and demonstrate that funds are having an impact and being used efficiently.

- As existing HMIS systems currently do not capture prevention activities, funds must be made available to upgrade systems for this capability.
- HUD should mandate that HMIS systems providers make uniform changes to allow for the capture of this data.
- In addition, HUD should allow funds to be used to purchase HMIS software in locations that do not yet have this capacity.

Standards for required data should also be set now, so that consistent tracking of progress and outcomes is possible at local, state and federal levels. The goal should be to achieve measurable results quickly and efficiently and to facilitate mid-course corrections to maximize the program's success.

2. Recommendations to New York State Office of Temporary and Disability Assistance

The State OTDA will receive approximately \$25 million in ESG funds for Homelessness Prevention. To use these funds as strategically as possible, OTDA can do the following:

- Use the Homelessness Prevention funding to restore proposed cuts to the five State-contracted Homelessness Prevention Programs. (\$5 million)
- Restore proposed cuts to the Homeless Intervention Program contracts. The current executive budget cuts HIP by 25%. (\$1 million)
- Restore and expand aftercare services in the HIP/SHIP contracts. These services were recently defunded by the state in New York City as a result of the mid-year budget cuts. These are fundable services for individuals and families who leave shelters. Aftercare services in HIP/SHIP should be added to current contracts around the state. (up to \$5 million)

- Restore proposed cuts to effective homelessness prevention programs funded through member items. (under \$1 million)
- Fund rapid re-housing proposals from Continuums of Care that were not awarded in the last competition, announced February 12th, 2009. There are over \$8 million in rapid re-housing proposals across the state. HUD only funded a few programs nationally as pilot projects. Rapid re-housing is considered a best practice model and is in fact the model for the Homeless Prevention Fund. (\$8 million)
- Use funding to provide for initial housing placement services and case management in new supportive housing programs that provide permanent housing for the homeless. This would cover pre-opening and an additional six months of services after opening. An example would be supportive housing units in the SRO Support Services funding development pipeline. Additionally, supportive housing programs funded through housing initiatives in the Economic Recovery Act of 2009, the “shovel-ready” projects, should have access to this service funding as they come on line. However, it must be clearly understood that these programs will require permanent funding from another state source after the six months expire. (up to \$3 million)
- Not-for-profits agencies that will be distributing services such as rental assistance should not be burdened with expenses that will be reimbursed at a later date. The expansion of this program and the tight credit market make this type of arrangement unfeasible. Grants should be allocated in advance and drawn down and replenished monthly
- Use funding to provide comprehensive re-settlement services for individuals leaving prison to marginal or non-existent housing accommodations.

In addition, OTDA should form a small working group of government administrators, providers and advocates to ensure funding is used effectively. Such a group can work together to ensure that procurement processes are streamlined, and that funding is distributed quickly, and results are measured and evaluated concurrently.

New York City Recommendations

New York City Department of Homeless Services will receive approximately \$75 million in Homelessness Prevention funds. These can be targeted to restore proposed cuts and new initiatives:

- Fully fund Homebase, Homebase aftercare services, and Rehousing Employment and Assistance Program (REAP), as well as all other homelessness prevention programs at risk for budget cuts.
- Address procurement problems in the city in order to ensure new money can be spent quickly and efficiently. Streamline the contract process through the

Comptroller and MOCS so that funding is distributed more quickly than the typical 8-10 months to RFP and commence new contracts.

- Directly fund street outreach providers to use the new funding in a flexible manner, allowing for rehousing and to pay for temporary housing while homeless individuals await permanent placements.
- If deemed an eligible use, funding can be used to allow supportive housing providers to provide six months of transitional services to tenants moving to more independent settings through the Moving On initiative.
- Fund short-term rental assistance and resettlement activities for individuals leaving jail for shelters or other marginal housing accommodations.
- Create a working group of government administrators, providers and advocates to monitor program implementation and data gathering.

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