

The New Emergency Solutions Grant

Using the Lessons of HPRP and Other Initiatives to Inform Emergency Solutions Grant Implementation

The U.S. Department of Housing and Urban Development (HUD) recently announced new regulations for the Emergency Solutions Grant (ESG) program, which replaces the Emergency Shelter Grant. The new regulations add rapid re-housing and more robust prevention to the traditional shelter and prevention activities that were part of the Emergency Shelter Grant. In essence, the new ESG program is a combination of the Emergency Shelter Grants program and the Homelessness Prevention and Rapid Re-housing Program (HPRP). The changes come as a result of the enactment of the Homeless Emergency Assistance and Rapid Transition to Housing (HEARTH) Act.ⁱ

The new ESG program offers a great opportunity to improve homeless assistance—continuing some of the successful initiatives funded by HPRP and also developing community-wide rapid re-housing strategies. At the same time, the new ESG program comes at a time of great fiscal challenges for federal, state, and local governments. To have a meaningful impact on homelessness, the new ESG program will have to be implemented carefully.

The Alliance has been investigating how HPRP and other initiatives were implemented in numerous communities.ⁱⁱ This brief distills those findings into six recommendations for implementing the new ESG program:

- Small amounts of assistance can be extremely effective. It is better to stretch resources by providing smaller amounts of assistance to more people.
- Rapid re-housing and homelessness prevention work for people with many barriers to housing stability. Concerns about tenants being able to sustain their housing should be addressed through program design rather than by screening people out of assistance.
- The evidence for the effectiveness of rapid re-housing is strong and therefore rapid re-housing should be prioritized.
- Targeting prevention to people who are most likely to become homeless is critically important and extremely challenging, and it requires a focused effort.
- Successful prevention and rapid re-housing assistance programs rely on a community-wide performance and outcome measurement process.
- Ending homelessness requires a robust, community-wide system of rapid re-housing, and the new ESG funding should be combined with other resources to create that system.

Small amounts of assistance can be extremely effective. It is better to stretch resources by providing smaller amounts of assistance to more people.

One of the concerns about short and medium-term rental assistance provided through HPRP was that it would not allow enough time for people to resolve the causes of their homelessness and increase their incomes to the degree needed to achieve housing stability.

Despite this concern, most of the people served with HPRP assistance were served for a brief period of time. Nationally, 77 percent of people served with rapid re-housing and 70 percent of people served by prevention assistance received assistance for fewer than 90 days.ⁱⁱⁱ

The Average amount of assistance provided through HPRP across the country was approximately \$1,000 per person.

For the HPRP program, 77 percent of households served with rapid re-housing and 70 percent served with prevention assistance were served for fewer than 90 days.

Despite the brief time period and small amount of assistance, the overwhelming majority of people who were served with HPRP assistance—90 percent for rapid re-housing and 95 percent for prevention—obtained permanent housing, and the rate of access to permanent housing was nearly identical for people who received fewer than 90 days of assistance and those who received more.

There is less data available on the longer term stability of these households. The Alliance has investigated several communities that provide short-term rapid re-housing assistance and found that very few households are returning to homelessness. For example, only three percent of Alameda County’s HPRP-assisted households are homeless within 12 months of receiving assistance.^{iv} Rates are similarly low for rapid re-housing initiatives in Salt Lake City, UT,^v Memphis, TN,^{vi} Hennepin County, MN,^{vii} Columbus, OH,^{viii} and Lancaster, PA.^{ix} In Michigan, 94 percent of people receiving rapid re-housing assistance did not become homeless again.^x

An important result of the decision to provide shorter term assistance is that more households can be served. This will be especially important with the new ESG program, because there will be far less funding available than was provided through HPRP.

Rapid re-housing and homelessness prevention work for people with many barriers to housing stability. Concerns about tenants being able to sustain their housing should be addressed through program design rather than by screening people out of assistance.

Numerous communities have used screening processes or tools to identify who is most appropriately served with prevention and rapid re-housing assistance. Many programs screen out people who are deemed to be too high a risk, either because they lack prospects for achieving enough income to support housing, or because they have too many other barriers such as repeated evictions, criminal background, or substance use disorders. This screening was in some ways encouraged by HUD’s HPRP guidance, which discussed sustainability (whether the household could maintain its housing after HPRP assistance ends) as a consideration for providing HPRP assistance.

However, little evidence supports the use of these factors to screen people out of assistance, and mounting evidence points to the opposite conclusion—even people with numerous barriers can successfully be re-housed and can maintain their housing. HUD did not include similar sustainability language in the interim ESG regulation.

A more promising approach lies in the use of program design to address concerns about sustainability. In this approach, prevention and rapid re-housing programs target people who are homeless or at highest risk of becoming homeless. At first, a basic level of assistance is provided. In the case of a rapid re-housing program, this basic level could include housing search assistance, three months of rental assistance and some case management. For most people, this assistance will successfully lead to stable housing. For some though, it will not, and for these cases, the program sets aside additional resources, including longer term subsidies and intensive case management. Salt Lake City, UT uses a variation of this approach (see box). In this way, more intensive services are targeted only to those families for whom less intensive assistance is tried and does not lead to housing stability.

- Salt Lake City uses a progressive engagement approach to rapidly re-housing families. All families who become homeless are screened for rapid re-housing. Approximately 20 percent of families exit shelter without any assistance. The other 80 percent receive rapid re-housing.
- Initial assistance includes security deposit, 2-3 months of rental assistance and case management. At the end of 2-3 months, assistance is provided only as needed on a month-to-month basis.
- Of the families who receive rapid re-housing services, 68 percent receive up to 9 months and then stop receiving assistance, 17 percent receive additional rental assistance (up to 2 years) and more in-depth management, and 15 percent receive permanent supportive housing with wrap-around services.

- Examples of communities that used rapid re-housing strategies to broadly reduce homelessness include the following:
- Columbus, OH
 - Hennepin County, MN
 - Fairfax-Falls Church, VA
 - Alameda County, CA
 - Chicago, IL
 - Norfolk, VA
 - Westchester, NY

Rapid re-housing is extremely effective at reducing homelessness, and should be prioritized.

Nationally, most HPRP spending was focused on prevention rather than rapid re-housing. While there is a strong case for both types of assistance, the evidence is stronger for rapid re-housing. The impact of prevention is more difficult to measure because of the difficulty knowing whether a person who receives prevention assistance would have been homeless otherwise. The impact of rapid re-housing on the other hand can be more directly measured. For example, numerous communities have created rapid re-housing initiatives that have led to significant reductions in homelessness (see box).^{xi} Because of its success, the federal government and other funders are increasingly channeling funding to rapid re-housing strategies. For example, rapid re-housing was one of two strategies identified as “Proven Strategies” in the HEARTH Act.

Targeting prevention to people who are most likely to become homeless is critically important and extremely challenging, and it requires a focused effort.

The biggest challenge to creating a successful homelessness prevention initiative is identifying who is most likely to become homeless without assistance. In guidance about HPRP implementation, HUD indicated that prevention should assist people who would be homeless “but-for” the assistance. While the implementation of a “but-for” policy seems straightforward, it has proved immensely challenging, and research into the question is ongoing. While there is not yet much evidence to indicate precisely how to target prevention assistance, there are a few emerging strategies. They boil down to two general approaches, targeting people with more barriers to housing and targeting people closer to becoming homeless.^{xii}

One strategy for targeting people for prevention assistance is comparing the characteristics of people who are currently homeless in the community to those who receive prevention assistance (see box at the right). An effective prevention targeting approach should serve people with characteristics similar to those who actually become homeless in the community.

Another approach to prevention targeting, known as homelessness diversion, is to structure assistance so that it serves people as they are about to enter shelter.^{xiii} Although it makes resolving a housing crisis challenging, this approach has the virtue of ensuring that most people served would be homeless without assistance.

In Hennepin County, MN, local officials used administrative data to compare the characteristics of families who received prevention assistance with the characteristics of families who became homeless. The idea was to see if families served with prevention had the same characteristics as those that became homeless, and were therefore the ones most likely to have become homeless themselves, if not for the prevention assistance.

<http://www.endhomelessness.org/content/article/detail/3642>

In general, people who are likely to become homeless have extremely low incomes, commonly half the poverty level, or have no income at all. They may also have criminal histories, behavioral health issues, and poor employment histories. Risk factors that make finding and maintaining housing more challenging should be used to screen people into assistance rather than screening them out.

Successful prevention and rapid re-housing assistance programs rely on a community-wide performance and outcome measurement process.

One of the key reasons that rapid re-housing is effective is its focus on the outcome of exiting homelessness and maintaining housing stability. Not surprisingly, successful rapid re-housing initiatives focus more on the achievement of outcomes than on adhering to a specific set of activities. Key outcome measures include the length of time that a person is homeless before returning to housing and average cost per household.

Performance measures should be used at both the program level and system level. Program-level outcome measures track the performance of individual prevention or rapid re-housing projects. System-level measures track the impact of those projects on the overall homeless population in a community. The box at the right has examples of program- and system-level measures for prevention and rapid re-housing programs.

Using these measures to improve performance is also a key factor for improving the impact of prevention and rapid re-housing. To the extent possible, it is helpful to use outcome measures to incentivize better performance, for example by using performance-based contracts to provide financial incentives for better performance. Performance can also be utilized to make decisions about funding and to guide the use of technical assistance.

Sample Rapid Re-Housing Program Outcomes

- Percent placed in permanent housing in less than 30 days
- Percent housed for at least 6 months
- Percent housed for at least 12 months

Sample Prevention Program Outcomes

- Percent diverted from shelter due to prevention assistance

Sample System-Wide Performance Outcomes

- Decline in the incidence of homelessness
- Reduction in the length of time that people spend homeless or in temporary housing
- Prevention of first time homelessness
- Elimination of or reduction in repeat occurrences of homelessness

Sample outcomes are from [What Gets Measured, Gets Done: A Toolkit on Performance Measurement for Ending Homelessness](#). National Alliance to End Homelessness.

Ending homelessness requires a robust, community-wide system of rapid re-housing, and the new ESG funding should be combined with other resources to create that system.

A successful homelessness assistance effort requires a community-wide system of rapid re-housing that ideally rapidly re-houses most people who become homeless. Unfortunately, there is no single funding resource that is big enough or flexible enough to fund all of the potential activities of such a rapid re-housing system. The new ESG program has much less funding than HPRP. HPRP provided \$1.5 billion over a 3 year period, while the new ESG provides approximately \$90 million for prevention and rapid re-housing this year plus whatever grantees decide to reallocate from traditional shelter activities to prevention and rapid re-housing.

A rapid re-housing system has to be built by blending together many funding sources. Rather than viewing the new ESG as an isolated program, communities should develop a comprehensive rapid re-housing strategy and utilize new ESG funding to support that system.

There are many possible resources that could be used in conjunction with ESG. In numerous communities, resources from the Temporary Assistance for Needy Families (TANF) program were used for rental assistance, and that remains a promising resource for supplementing prevention and rapid re-housing initiatives.^{xiv} Continuum of Care resources can be repurposed to provide rapid re-housing.^{xv} Collaborating with other funding sources can also help make a rapid re-housing initiative more comprehensive. Many communities integrate various service providers into their rapid re-housing initiatives. For example, communities have created collaborations with employment programs, domestic violence services, and child welfare services.

ⁱ For more on the HEARTH Act, visit: <http://www.endhomelessness.org/content/general/detail/2098>.

ⁱⁱ For more information about prevention and rapid re-housing, visit:
http://www.endhomelessness.org/section/solutions/prevention_and_rapid_re_housing.

ⁱⁱⁱ *The 2010 Annual Homeless Assessment Report to Congress*. U.S. Department of Housing and Urban Development.

^{iv} *Measuring Success: 2010 Progress Report on Ending Homelessness in Alameda County*
<http://www.everyonehome.org/media/measuring-success2010.pdf>.

^v Presentation at National Alliance to End Homelessness Conference, July 2011:
<http://www.endhomelessness.org/content/article/detail/4106>.

^{vi} Community Spotlight: Memphis Tennessee:
http://hudhre.info/documents/HPRPPrevention_Memphis_Handout.pdf.

^{vii} Community Spotlight: Rapid Re-Housing Rapid Exit Program in Hennepin County, MN:
<http://hudhre.info/documents/HennepinCounty.pdf>.

^{viii} FY2012 First Quarter Indicator Report. Community Shelter Board, Columbus, Ohio:
http://www.csb.org/files/docs/Publications/2011/FY2012%20Q1_Programs%20Indicator%20Report.pdf.

^{ix} Presentation at National Alliance to End Homelessness Conference:
<http://www.slideshare.net/naehomelessness/47-kay-moshier-mc-divitt>.

^x Donovan, Shaun. *Ending Homelessness in Our Time: Why Smart Government Is Key*. The Public Manager:
<http://thepublicmanager.org/cs/blogs/featured/archive/2011/12/13/ending-homelessness-in-our-time-why-smart-government-is-key.aspx>.

^{xi} For examples, see the Local Progress section of the National Alliance to End Homelessness website:
http://www.endhomelessness.org/section/solutions/local_progress.

^{xii} For more information about targeting prevention assistance, see: *Prevention Targeting 101*. National Alliance to End Homelessness: <http://www.endhomelessness.org/content/article/detail/4335>.

^{xiii} See *Closing the Front Door: Creating a Successful Diversion Program for Homeless Families*, available here:
<http://www.endhomelessness.org/content/article/detail/4155>.

^{xiv} For examples, see: <http://www.endhomelessness.org/content/article/detail/2692>.

^{xv} For more information, see the webinar, *HUD CoC Competition: Why Communities Should Be Thinking About Reallocation*:
http://www.usich.gov/usich_resources/videos_and_webinars/hud_coc_competition_why_communities_should_be_thinking_about_reallocation/.