

# Homeless Assistance: McKinney-Vento Homeless Assistance Programs

*By Steve Berg, Vice President for Programs and Policy, National Alliance to End Homelessness*

**Administering agency:** HUD's Office of Special Needs Assistance Programs within the Office of Community Planning and Development (CPD)

**Year program started:** 1987

**Number of persons/households served:** Total capacity to provide beds for 446,000 homeless people, plus 284,000 formerly homeless people now in permanent housing.

**Population targeted:** Homeless people and people threatened with homelessness

**FY14 funding:** \$2.105 billion

**See also:** *Continuum of Care Planning, Ten-Year Plans to End Homelessness, Federal Surplus Property to Address Homelessness, Interagency Council on Homelessness*

The McKinney-Vento homeless assistance programs refer to a set of federal programs created by the McKinney-Vento Homeless Assistance Act. This article refers to the two programs administered by HUD: the Emergency Solutions Grants (ESG), and the Continuum of Care (CoC). In 2009, Congress passed the Homeless Emergency Assistance and Rapid Transition to Housing Act (HEARTH), which significantly improves HUD's McKinney-Vento homeless assistance programs.

## HISTORY AND PURPOSE

Congress enacted the Stewart B. McKinney Homeless Assistance Act in 1987 in response to the homelessness crisis that had emerged in the 1980s. In 2000, the act was renamed the McKinney-Vento Homeless Assistance Act. For many years these programs received no comprehensive overhaul, despite advancing understanding of homelessness, its causes, and its solutions. Then Congress passed the HEARTH Act in May 2009, intended to consolidate separate homelessness programs at HUD, and to make the system of homeless assistance more performance-based. HUD has issued a series of implementing regulations.

## PROGRAM SUMMARY

HUD's McKinney-Vento programs provide outreach, shelter, transitional housing, supportive services, short- and medium-term rent subsidies, and permanent housing for people experiencing homelessness, and in some cases for people at risk of homelessness. Funding is distributed by formula to jurisdictions for the Emergency Solutions Grants (ESG) program, and competitively for the Continuum of Care (CoC) process.

**ESG program.** Prior to implementation of the HEARTH Act, approximately 10% of all HUD homeless assistance funds were allocated for the ESG program, then called the Emergency Shelter Grant program. It provided resources for renovation and operation of emergency shelters and related services. ESG is granted by formula to city, county, and state governments. The HEARTH Act renames and expands the program, but retains the formula structure.

Under HEARTH, the program is called the Emergency Solutions Grant program. The amount of funding provided for ESG is set at 20% of HUD's homeless assistance grants, although if overall funding levels are insufficient to meet that allocation and fund all existing CoC grants (which has been the case each year since HEARTH was enacted), then HUD is allowed to allocate less to ESG. Emergency shelter and related services continue to be eligible activities. Under HEARTH, new homelessness prevention and re-housing activities are added. Prevention and re-housing activities include short- or medium-term rental assistance, utility assistance, housing search assistance, and other activities that are effective at preventing homelessness or helping people move into stable housing. People are eligible for prevention or re-housing assistance if they are homeless or at risk of homelessness. Being at risk of homelessness means an individual or family has income

below 30% of area median income and are losing their housing, doubled up, living in motels, or living in other precarious housing situations.

**Continuum of Care program.** Prior to the HEARTH act, there were three competitive programs, and grants under these “legacy” programs still exist:

- (1) The Supportive Housing program, which funded transitional housing, permanent supportive housing, and supportive services.
- (2) The Shelter Plus Care program, which funded rental assistance in permanent supportive housing for homeless people with disabilities.
- (3) The Moderate Rehabilitation/Single Room Occupancy (SRO) program, which funded operating assistance in SRO buildings.

A unique feature of HUD’s competitive homeless assistance programs, which continues under the HEARTH Act, is the application process. Applicants in a community, including local governments, nonprofit providers, advocates, homeless people and other stakeholders organize into a Continuum of Care and submit a joint application to HUD for all of their project requests. The entire application is scored, and specific projects are funded in the order that they are prioritized in the application. The HEARTH Act combines the three legacy programs into a single Continuum of Care program that includes all of the same eligible activities as the previous programs.

The entity that submits the application for funding is known as a Collaborative Applicant.

Changes made by the HEARTH Act and implementing regulations to the competitive program include the following:

- The selection criteria includes performance measures for reducing the duration of homelessness, reducing the number of people who become homeless, and reducing the number of people who re-experience homelessness after they exit.
- Incentives include creating new permanent supportive housing for individuals and families experiencing chronic homelessness, and rapid re-housing for homeless families with children.
- The match is simplified to 25% for all activities. Leasing projects will continue to have no match requirement.
- A new rural program is created that would provide rural areas with more flexibility and also increase funding to rural areas. (This program has not yet been funded by appropriations.)
- More funding is available for administrative costs. For Continuum of Care projects, up to 10% is allowed, and 3% is allowed for the Collaborative Applicant.

In addition to HUD’s homeless assistance grants, several other programs are authorized by the McKinney-Vento Act:

- The Education for Homeless Children and Youth (EHCY) program, administered by the U.S. Department of Education, provides grants to schools to aid in the identification of homeless children and provide services to help them succeed in school. EHCY also requires schools to make a number of accommodations to improve the stability of homeless children’s education.
- Title V Surplus Properties, which requires that federal surplus property be offered to nonprofit organizations for the purpose of assisting homeless people.
- The Interagency Council on Homelessness, an independent agency within the federal executive branch, coordinates the federal response to homelessness and is charged with creating a federal plan to end homelessness.

## FUNDING

The McKinney-Vento homeless assistance programs received \$1.901 billion for both FY11 and FY12, \$1.933 billion (after sequestration) for FY13, and \$2.105 billion for FY14. For FY15, the Administration proposed

a \$301 million increase to \$2.406 billion. This amount would renew existing grants under the Continuum of Care, and provide \$215 million for ESG. The Administration says that funding Homeless Assistance Grants at this level will end homelessness for veterans by 2015 and end chronic homelessness by 2016.

## **FORECAST FOR 2014**

In recent years, HUD's homeless assistance programs helped communities reduce homelessness. The economic recovery legislation passed in 2009 included an extra \$1.5 billion for homelessness prevention and rapid re-housing (HPRP), which helped the country prevent a recession-related increase in homelessness. That money, however, has run out. Given continued weakness in the economy, strong funding for the HUD homelessness programs is necessary to avoid increases in homelessness and instead to get more people off the streets and in to housing.

HUD's implementation of the HEARTH Act will increasingly reward communities that do the best job of using their funding efficiently, to re-house as many homeless people as possible. This will in turn help build even further support in Congress.

## **TIPS FOR LOCAL SUCCESS**

The best way to maximize the impact of McKinney-Vento funding in a community is to participate in the local ten-year plan to end homelessness and Continuum of Care process.

## **WHAT TO SAY TO LEGISLATORS**

Advocates should ask their Members of Congress to support the Administration's proposed funding level of \$2.406 billion to deal with continuing effects of high unemployment. Specifically, advocates should communicate the following points:

- Many thousands of hard-working American families, veterans, and people with disabilities are being left newly homeless by the continuing effects of the recession. Communities have been dealing with these effects with HPRP, but that has run out. The HEARTH act provides exactly what is needed to give homeless or near-homeless people the hand up they need, but only if it is fully funded.
- An increase in funding is needed because of the changes made by the HEARTH Act, which had strong bipartisan support, particularly the Act's increased focus on preventing homelessness and serving people living in precarious situations like doubling up.
- HUD's McKinney-Vento programs work. They helped reduce homelessness by 20% between 2005 and 2013, despite a bad economy during much of that time.

## **FOR MORE INFORMATION**

National Alliance to End Homelessness, 202-638-1526, [www.endhomelessness.org](http://www.endhomelessness.org)  
Corporation for Supportive Housing, 212-986-2966, [www.csh.org](http://www.csh.org)