

# 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 year-round capacity to provide beds for 426,000 homeless people, plus 404,000 formerly homeless people now in permanent housing.

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

**FY16 funding:** \$2.25 billion

**Also see:** *Continuum of Care Planning, Federal Surplus Property to Address 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 (HEARTH) Act, 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. In May 2009, Congress passed the HEARTH Act, which was intended to consolidate separate homelessness programs at HUD, and to make the system of homeless assistance more performance-based. Since then, 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) program.

**ESG program.** The Emergency Solutions Grant program is a formula grant to states and to larger cities and counties, to fund rapid re-housing and homelessness prevention programs, and emergency shelters for homeless people. 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. In recent years, the total amount for ESG is specified by Congress in the appropriations act.

**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 Continuum of Care program 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, 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, \$2.105 billion for FY14, \$2.135 billion for FY15, and \$2.25 billion for FY 16. For FY17, the Senate bill would provide \$2.33 billion, and the House bill would provide \$2.487 billion.

## FORECAST FOR 2017

In recent years, HUD's homeless assistance programs helped communities reduce homelessness. Given continued weakness in the economy and skyrocketing rents in many communities, strong funding for the HUD homelessness programs is necessary to avoid increases in homelessness and instead to get more people off the streets and into 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.

An important outstanding question is the new Administration's interest in having an impact on homelessness.

## TIPS FOR LOCAL SUCCESS

The best way to maximize the impact of McKinney-Vento funding in a community is to participate in the local Continuum of Care process, and work to use resources for the most effective programs.

## WHAT TO SAY TO LEGISLATORS

Advocates should ask their Members of Congress to support increases in HUD's homelessness programs to allow more progress toward reducing the number of people experiencing homelessness. Specifically, advocates should communicate the following points:

- Many thousands of hard-working American

families, veterans, and people with disabilities are being left homeless by the continuing weakness in the job market and increasing rents. 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 adequately funded.

- HUD's McKinney-Vento programs are targeted to people who are in serious danger due to lack of housing. These programs have been supported in a bipartisan manner since their inception.
- HUD's McKinney-Vento programs work. They helped reduce homelessness by 28% between 2005 and 2016, despite a still-recovering 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)