
Chapter 4:

RENTAL HOUSING PROGRAMS FOR THE LOWEST INCOME HOUSEHOLDS

Homeless Assistance: McKinney-Vento Homeless Assistance Programs

By Mindy Mitchell, Program and Policy Analyst, 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 399,439 people experiencing homelessness, plus 499,620 formerly homeless people now in permanent housing.

Population targeted: People experiencing or at risk of homelessness.

FY17 funding: \$2.383 billion

Also see: Continuum of Care Planning, Federal Surplus Property to Address Homelessness

The McKinney-Vento homeless assistance programs are 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 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, homelessness prevention programs, and emergency shelters for people experiencing homelessness. 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.

CoC program. Prior to the HEARTH act, there were three competitive CoC 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 people experiencing homelessness with disabilities.
3. The Moderate Rehabilitation/Single Room Occupancy (SRO) program, which funded operating assistance in SRO buildings.

A unique feature of HUD's CoC program is the application process. Applicants in a community, including local governments, nonprofit providers, advocates, people experiencing homelessness and other stakeholders organize into a CoC 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 by the community in the application. The HEARTH Act combines the three legacy programs into a single CoC 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 CoC 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 rapid re-housing project for families and individuals experiencing homelessness and new permanent supportive housing for those experiencing chronic homelessness.
- 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 CoC 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 children experiencing homelessness 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 people experiencing homelessness.
- 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, \$2.25 billion for FY 16, and \$2.383 billion for FY17. For FY18, the Senate bill would provide \$2.456 billion, and the House bill would provide \$2.383 billion.

FORECAST FOR 2018

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

HUD's implementation of the HEARTH Act will continue to increasingly reward communities that do the best job of using their funding efficiently to re-house as many people experiencing homelessness as possible and to effectively support them to not return to homelessness. 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 CoC process and to 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 homeless assistance programs to allow more progress toward reducing the number of people experiencing homelessness. Specifically, advocates should communicate the following points:

- HUD’s McKinney-Vento Homeless Assistance Grants work, and have helped drive reductions in homelessness across the country. These grants support critical housing and service supports to thousands of the most vulnerable, hard-working Americans. Without these grants and the support of Congress to date, much of our country’s progress on homelessness would not have been possible.
- Continued federal funding is critical to your community’s effort to end homelessness, and the FY18 funding proposed in the House and Senate bills is simply not enough to keep up with the rising need around the country that is driven by increasing rents.
- Congress needs to first raise the “sequestration” spending caps so that they can adequately fund HUD’s McKinney-Vento Homeless Assistance Grants and other programs supporting people with housing needs. Then they should help their communities’ efforts to end homelessness by supporting an increase of \$217 million to \$2.6 billion to HUD’s McKinney-Vento programs in the FY18 appropriations.

FOR MORE INFORMATION

National Alliance to End Homelessness, 202-638-1526, www.endhomelessness.org

Corporation for Supportive Housing, 212-986-2966, www.csh.org