

REALLOCATING PERMANENT SUPPORTIVE HOUSING

After years of emphasis on reallocating low performing transitional housing programs, many communities are finding their Continuum of Care (CoC) portfolios are almost entirely composed of permanent housing projects. CoCs should evaluate permanent supportive housing (PSH) projects and consider reallocation when it would improve the communities' ability to end chronic homelessness.

CoCs that do not have the ability or capacity to evaluate all of the suggested considerations below should choose a few questions to consider as part of the 2016 process, with the goal of evaluating these questions more in-depth in future funding competitions.

How do you determine whether PSH should be reallocated?

In the 2016 NOFA, CoCs may reduce or eliminate funds from eligible renewal projects, including first-time renewal projects formerly funded under the Shelter Plus Care Program (S+C). CoCs can reallocate funds from one or more projects to create one or more new projects. CoCs should consider reallocating low performing projects, inefficient projects, and projects that no longer meet a community need.

Here are three key questions to consider when evaluating permanent supportive housing projects:

1. Does the permanent supportive housing project perform well?

Continually monitor project performance and work with projects to develop capacity or determine others who could provide high quality supportive housing.

Data or Information Needed

- Total number of households served in the year
- Number of households exited to any destination
- Number of households who exited to permanent housing destinations
- Number of households remaining in the project longer than 12 months¹
- Written project policy of prioritizing chronically homeless households
- Organizational policies and procedures
- Percentage of clients served in the past year who were chronically homeless
- HMIS data quality
- Consumer feedback

Things to Consider

- Did the project meet HUD's performance goal of 80 percent of households retaining housing or exiting to permanent housing?
- If the CoC set a higher performance goal, did the project also meet the CoC's performance goal?
- How did the project compare relative to other PSH projects in the CoC?
- Are the high or low performers serving chronically homeless households?
- Has the project shown improvements or have plans in place to make improvements?
- Are consumers satisfied with the housing and services?
- Does the project embrace a Housing First philosophy, and is this reflected in their policies and procedures?
- How is the project's data quality?

¹ In the 2016 NOFA, points are available for CoCs that can demonstrate that 80 percent of people in CoC funded PSH remained for at least 12 months.

2. Is it cost effective?

Permanent housing resources are scarce. Measure cost effectiveness to determine if projects are maximizing their resources.

Data or Information Needed

- Total annual program budget (all funding sources)
- Total number of households served in a year
- Utilization Rates from Housing Inventory Chart
- Number of households who exited to permanent housing destinations
- Number of households remaining in the project longer than 12 months
- Written project policy of prioritizing chronically homeless households
- Percentage of clients served in the past year who were chronically homeless

Things to Consider

- What is the cost per household served?
- Are project costs high or low compared to other PSH projects in the CoC?
- Are high costs projects also serving chronically homeless households?
- Is the project operating at full capacity?
- What is the cost per positive outcome (exit to or retention of permanent housing)?

3. Does it continue to meet a community need?

CoC projects should reflect the needs of the community for permanent housing and be used strategically to end chronic homelessness.

Data or Information Needed

- Percentage of beds dedicated or prioritized for a specific population
- Percentage of beds serving households experiencing chronic homelessness as reported on the HIC
- PIT counts of chronically homeless individuals and families over time
- CoC gaps analysis
- Participation in coordinated entry
- Written project policy of prioritizing chronically homeless households
- Percentage of clients served in the past year who were chronically homeless

Things to Consider

- Does the project's target population match the need in your community?
- Has chronic homelessness gone up or down in your community?
- Is the project serving the intended target population?
- Is the project serving chronically homeless households?
- Is the project accepting referrals from coordinated entry?

What should CoCs reallocate funding to?

CoCs should consider data on community need and HUD's policy priorities when determining to what to reallocate. Reallocating from PSH to another PSH project should be the first consideration. CoCs with a need for more PSH should consider reallocating to a high performing PSH provider who can take over operations without displacing clients. If the PSH project does not currently serve a community need, CoCs should consider reallocating to PSH for another population. If, through move-on strategies and better targeting, the CoC has enough PSH to end chronic homelessness they may want to reallocate to rapid re-housing, HMIS, or SSO for coordinated entry.

If CoCs do find they have PSH that is low performing, inefficient, or no longer meets a community need, the following chart outlines to what CoCs should consider reallocating.

	Reallocate from PSH to high performing PSH provider	Reallocate from PSH serving one population to PSH serving a higher priority population	Reallocate from PSH to rapid re-housing, HMIS, or SSO for coordinated entry
Low performing	x	x	
Not cost effective	x		
Does not meet need		x	x