New Federal Funding Boosts Unsheltered Homelessness Response

Homelessness Research Institute
National Alliance to End Homelessness

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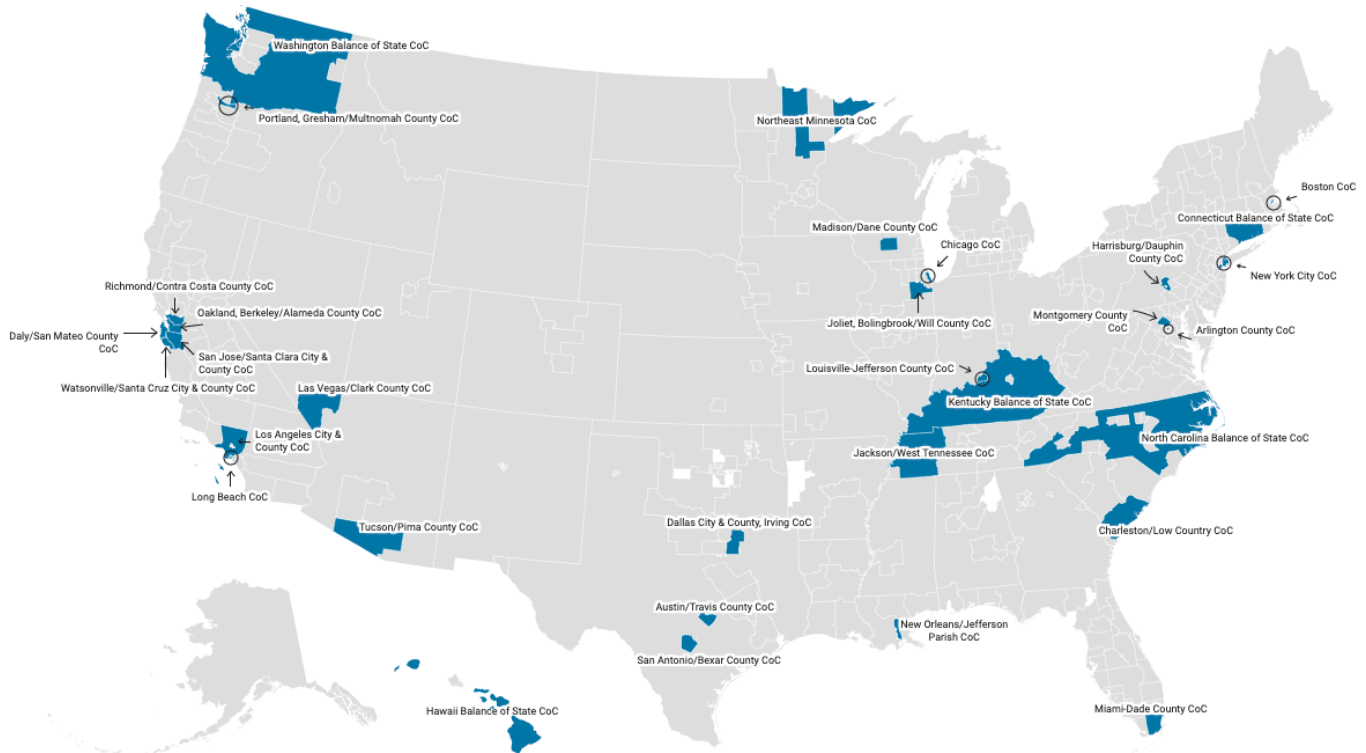
Unsheltered homelessness rose to an **estimated 256,610 people** on one night in January 2023, up 9.7 percent from the prior year. This continued a trend of increases that began in 2016 and has occurred every year since. Unsheltered homelessness impacts places all over the country, from big cities to small towns to vast rural areas.

The rise in unsheltered homelessness begs increased attention with short- and long-term solutions. The federal government has signaled deepening focus on the issue through its **strategic plan** and **recent investments**.

In spring 2023, the U.S. Department of Housing and Urban Development (HUD) announced $420 million in awards to address unsheltered homelessness in 32 communities. The first federal investment of its kind, these awards were part of **the Continuum of Care Special Notice of Funding Opportunity to Address Unsheltered and Rural Homelessness**. HUD selected the 32 communities receiving unsheltered-specific funding through a competitive process that asked Continuums of Care (CoCs, or local homelessness response coordinating bodies) to identify what they needed to reduce unsheltered homelessness in their communities and to submit projects that respond to those needs.

Service providers within those CoCs will use funds for a variety of HUD-defined activities, from staff salaries to rent subsidies, in service of a community-wide coordinated plan to serve individuals and families with high service needs. Grants will be implemented over the next three years.

KEY TAKEAWAYS

The aim of this report is twofold.

First, the report highlights key trends in how these 32 localities decided to use HUD's supplemental funding. Planned investments aligned with one or more of the following aims:

> *Expand street outreach to engage more people living unsheltered (pg. 4)*

> *Speed up transitions from unsheltered homelessness to housing (pg. 7)*

> *Invest in permanent housing to increase available and accessible housing options (pg. 8)*

> *Enhance services to support stable housing (pg. 9)*

Second, the report describes how communities that received funding anticipate benefits of these new programs and the impact of long-lasting system changes from the application process. This can inform policymakers of current and potential future impacts of these expenditures. Emerging implications from the application process include:

> *Improving homelessness response system collaboration and action on unsheltered homelessness, including cross-system work and partnerships with people with lived experience (pg. 11)*

> *Prompting consideration of policy changes, such as encampment response or prioritization for housing (pg. 13)*

> *Boosting CoC capacity improved core system functions and morale, and increased the scope of new projects and providers (pg. 14)*

These 32 communities demonstrate that, when given the opportunity and the resources, homelessness response systems can develop smart strategies likely to produce positive results. While these impacts are expected to be wide-ranging, and in some communities transformational, it is important to note that this funding is insufficient to end unsheltered homelessness in these places. The Alliance will continue to track grant implementation and report on the impact of these investments.

METHODS

Given the significance of this federal investment, the Alliance partnered with the 32 community recipients of the special unsheltered funding to learn from their experiences during the grant's three-year period. For this report, methods included analysis of all 32 recipient funding applications and award data and interviews with Continuum of Care staff from three quarters of the recipient communities. These 24 communities represented a diversity of settings including geography type, location, unsheltered homeless population size, and funding allocation choices.

The Alliance is grateful for the time and expertise they shared in contribution to this report and for future work.

At the time of the interviews (fall and winter 2023), communities were in various stages of implementation. Some had already begun implementing their projects, while others were still in a planning phase. Consequently, this report primarily forecasts future work communities plan to implement with this funding over the course of their three-year grants, unless directly specified.
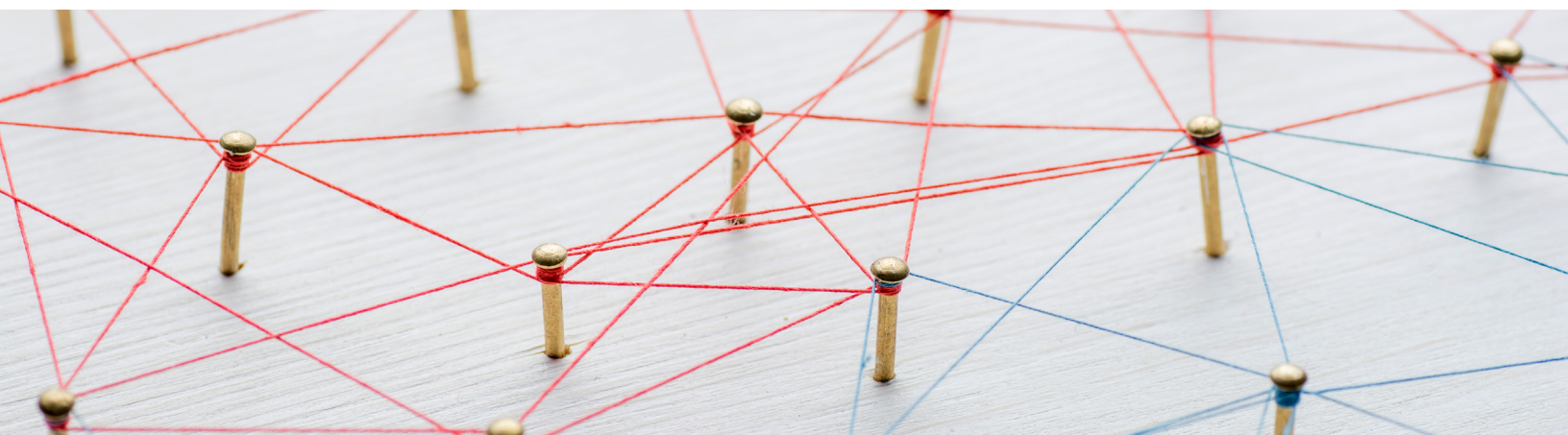
THE ALLIANCE WOULD LIKE TO THANK THE FOLLOWING COMMUNITIES FOR THEIR PARTICIPATION IN THE INTERVIEW PROCESS:

Tucson/Pima County CoC, AZ	Northeast Minnesota CoC, MN
Daly City/San Mateo County CoC, CA	North Carolina Balance of State CoC, NC
Los Angeles City & County CoC, CA	Las Vegas/Clark County CoC, NV
Richmond/Contra Costa County CoC, CA	New York City CoC, NY
San Jose/Santa Clara City & County CoC, CA	Portland, Gresham/Multnomah County CoC, OR
Watsonville/Santa Cruz City & County CoC, CA	Harrisburg/Dauphin County CoC, PA
Connecticut Balance of State CoC, CT	Charleston/Low Country CoC, SC
Miami-Dade County CoC, FL	Jackson/West Tennessee CoC, TN
Chicago CoC, IL	Austin/Travis County CoC, TX
Kentucky Balance of State CoC, KY	San Antonio/Bexar County CoC, TX
Louisville-Jefferson County CoC, KY	Arlington County CoC, VA
Boston CoC, MA	Madison/Dane County CoC, WI

Across communities, most funding (69 percent) will be used for housing. This includes rental assistance and salaries for staff to provide case management and other services, such as mental and behavioral health supports. About one-third (29 percent) will be used to engage and support people who are currently unsheltered to obtain housing. The remainder will be spent on administrative costs, including for data systems. These project types generally mirror what is already allowable through HUD CoC Program funding. (See Appendix for each community's funding breakdown.)

The use of familiar interventions, like permanent supportive housing and Rapid Re-Housing, are only part of the story. Most communities (81 percent) decided to mix and match interventions, selecting a suite of program options to support the homelessness response system from initial engagement to permanent housing placement, complementing existing infrastructure. A smaller subset of communities (19 percent) chose to put the full funding toward one housing project, due to the size of their award or the needs in their area.
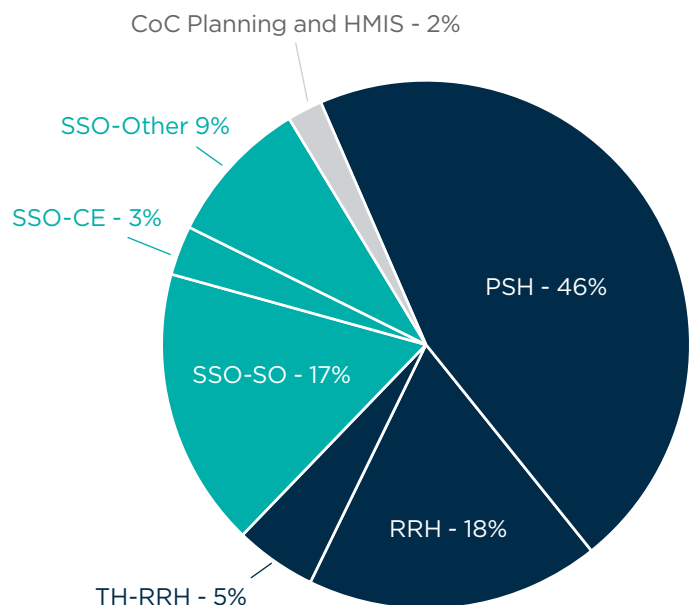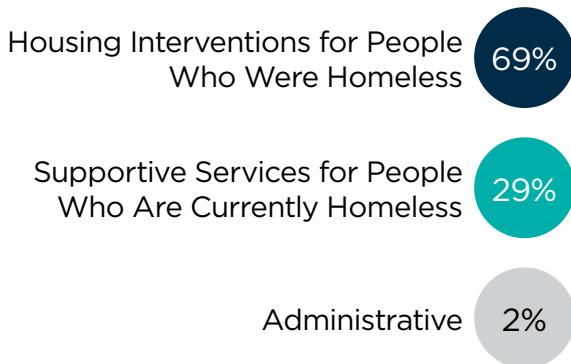
A significant portion of the funded interventions are scaled-up versions of what communities have already been doing to provide housing and services to their unsheltered neighbors. But a slight majority of interviewed communities chose to pilot at least one new innovative program as well.

Although diverse, the investments can be grouped into four categories, each designed to address a specific barrier to reducing unsheltered homelessness.

EXPAND STREET OUTREACH TO ENGAGE MORE PEOPLE LIVING UNSHELTERED

Street outreach may be someone's first interaction with the homelessness response system. It is a vital front door to the system in dense cities, with high proportions of people enduring unsheltered homelessness, and in sparse rural areas, where shelters might be far away or otherwise inaccessible. HUD's largest expenditure on homeless assistance, the CoC Program, provides funding primarily for housing programs. HUD allowed communities to apply for funding for street outreach and other services for people who are currently unhoused through this initiative under two project types: Supportive Services Only — Street Outreach (SSO-SO) and Supportive Services Only — Other (SSO-Other). Three quarters of funded communities took this opportunity to invest in these services.

HOUSING ACCOUNTS FOR 69% OF ALL FUNDING

Housing Interventions for People Who Were Homeless — **69%**

Supportive Services for People Who Are Currently Homeless — **29%**

Administrative — **2%**

CoC Planning and HMIS - 2%
SSO-Other 9%
SSO-CE - 3%
SSO-SO - 17%
PSH - 46%
RRH - 18%
TH-RRH - 5%

START AND SCALE UP STREET OUTREACH TO REACH EVERYONE THROUGHOUT A JURISDICTION

Federal funding for street outreach has largely been limited to special populations: veterans, young adults, and people with serious mental illness. For at least six communities, this was their first opportunity to fund street outreach for all populations and cover the full area more comprehensively. This ability is crucial: both to understand the scope of the need and to be able to engage people who might otherwise be left out.

In rural areas, staff reported how unsheltered homelessness might not have been perceived as an issue by the public, but became evident when funding for outreach helped to engage more people. The Kentucky Balance of State CoC, for example, reported a 4,550 percent increase in engagement with unsheltered people between 2018 and 2022 after they started system-wide outreach with CARES Act funding during the pandemic — an increase believed to be due to their new capacity, not new incidences of homelessness. With this funding, the Kentucky Balance of State CoC will further these investments in street outreach, and the North Carolina Balance of State CoC will have outreach to all 79 of its counties for the first time.

STANDARDIZE AND COORDINATE OUTREACH ACROSS THE COC

Outreach to people experiencing homelessness is often conducted by more than one service provider in a jurisdiction and is not always centrally managed. Because this grant opened the opportunity for outreach funding to go through the CoC, CoC lead organizations are now in a better position to manage outreach. The CoC can institute — and require — mechanisms of coordination between multiple organizations to ensure outreach is efficient and thorough throughout their region.

The Chicago CoC, for example, is funding seven new street outreach projects, each responsible for a designated area of the city. They will participate in regular cross-provider meetings along with teams funded through other sources. This coordination is intended to reduce duplication of effort and ensure people are being followed up with appropriately, even if they move into a different area. It will improve the system's

ability to respond to community needs, individual crises, and weather emergencies.

In the Madison/Dane County CoC, a new part-time staff person will now manage both the list of people who are currently experiencing unsheltered homelessness and the case conferencing process to keep all providers up-to-date and accountable to housing goals. And, a new phone line will enable community members to connect directly with a street outreach team. With these changes, people can proactively access this resource — both for themselves, and on behalf of their unhoused neighbors.

BUILD OUT EXPERTISE ON STREET OUTREACH TEAMS

Communities sought to increase staff capacity to strengthen engagement with street outreach by people experiencing homelessness, and improve the ability of street outreach teams to deliver results.

Hiring people with lived experience: People who have experienced homelessness themselves are invaluable to this work, on both a micro level through interpersonal connections to clients, and a macro level through insights into how to improve programs. At least four CoCs will hire new peer workers. In fact, in the Miami-Dade County CoC, all funded street outreach teams incorporate lived expertise, and one of the organizations selected for funding is led and staffed by people with lived experience.

Expanding access to healthcare providers while unsheltered: Some communities responded to increased medical vulnerabilities they observed among people outside — such as mental health and substance use disorders — by looking to strengthen health-focused outreach. A team in New York City will expand a harm reduction pilot and another project will coordinate care between health care and homelessness providers. The Las Vegas/Clark County CoC is adding medical capacity through three new providers, and the Tucson/Pima County CoC will include a nurse practitioner as part of their newly funded multi-disciplinary outreach team. A San Antonio/Bexar County CoC team will be able to refer clients to skilled nursing if need be.

Incorporating personnel focused on housing and benefits: Street outreach can encompass varying activities, from handing out basic supplies to ongoing case management. Several communities are taking steps to ensure that outreach is housing-focused — which means outreach staff consistently work with the same individuals towards obtaining housing by accessing rental subsidies, reunifying with family, or through some other means. Louisville-Jefferson County, Miami-Dade County, and Charleston/Low Country CoCs are funding housing navigators to accompany outreach teams for this purpose. San Antonio/Bexar County CoC is funding three outreach projects that each contain one employee focused on benefits access (through SOAR, or SSI/SSDI Outreach Access, and Recovery) and one employee focused on housing navigation. In other CoCs, like Daly City/San Mateo County and Chicago, housing navigation functions are embedded within standard outreach roles.

RESPOND TO ENCAMPMENTS WITH HOUSING AND SUPPORT

The Tucson/Pima County CoC is scaling up an existing encampment response team that works with residents to prevent displacement when an encampment is about to be closed by linking them to temporary and permanent housing. A provider in the Las Vegas/Clark County CoC will continue to conduct pop-up services at encampments, during which a variety of services are brought on-site one to two days each week to meet needs outreach is not equipped to handle during regular engagements. Los Angeles City & County CoC is hiring housing navigators to work in encampments about to be closed. While only a handful of communities funded projects focused solely on encampments, several more discussed street outreach efforts that will intersect with encampment response.

SPEED UP TRANSITIONS FROM UNSHELTERED HOMELESSNESS TO HOUSING

Because the need for housing far outstrips the availability of options, only a fraction of people experiencing unsheltered homelessness are ultimately matched to programs that offer rental assistance and supportive services, if needed. Even those who are referred to a program may face significant delays obtaining housing due to eligibility and documentation requirements, and difficulties finding a suitable unit that will participate in a rental assistance program (if applicable). Communities who have received this special funding are investing in strategies to make this transition easier and better respond to people's needs along the way. In HUD funding, these often take the form of Supportive Services Only — Coordinated Entry (SSO-CE) or Supportive Services Only — Other (SSO-Other) project types.

EXPAND THE REACH AND ACCESSIBILITY OF COORDINATED ENTRY (CE)

At least four communities sought funding to bolster their Coordinated Entry (CE) system. The Connecticut Balance of State and Las Vegas/Clark County CoCs added staff at physical locations or "hubs" where people can walk in and seek services. The Los Angeles City & County CoC originally planned to hire a CE coordinator for each service region (although funding constraints may limit this for now). The Harrisburg/Dauphin County CoC documented that, after receiving funding for CE services for the first time through a pandemic-era program, their housing lease-up rate increased — and this new funding enabled their commitment to continue these services.

HIRE STAFF TO REMOVE BARRIERS IN PROGRAM TAKE UP

Several communities are funding designated staff (called "rehousing teams" in the North Carolina Balance of State CoC) to work with people throughout their housing journey. The Miami-Dade County CoC maintains continuity of care — a single person serves as both an outreach worker and a case worker for a client as they transition between sleeping outside and staying in a shelter. In the Daly City/San Mateo County CoC, new staff will be brought on to work with people who are unsheltered and matched with a housing voucher, but don't have an outreach case worker. In the New York City CoC, these staff will focus on reducing the administrative burden on both people experiencing unsheltered homelessness and the housing programs waiting to serve them by assisting with paperwork. In Los Angeles City & County CoC, these staff are focused on navigating the private rental market, including unit acquisition and housing search.

A key component to these teams is ensuring the staff-to-client ratio is low enough so that staff have sufficient time to work with people. The San Jose/Santa Clara City & County CoC is using this funding to double the staff on their "client engagement team." While the time from housing referral to documentation completion typically took two to three months, after this team started, the time dropped to 14 days for people who worked with them. Expanded staff capacity will speed up housing transitions for more people. A rural CoC noticed a similar transformation in their system after they added staff in this area during the pandemic and will be investing in additional housing navigators as well.

INTENTIONALLY PAIR INVESTMENTS IN STREET OUTREACH AND ENGAGEMENT STRATEGIES WITH HOUSING OPTIONS

In discussing how they prioritized different project types, at least four communities shared in interviews their choice to fund both outreach and housing. In total, 24 communities (75 percent of total communities funded) are funding one or more supportive services project, along with one or more housing project. As a CoC lead staff member in the Connecticut Balance of State CoC said:

> "We applied for each piece we knew we needed to make outreach useful. If you put everything into outreach, and you engage more people, but you don't have anything to offer them, that's not great. But if we put it all in PSH, there won't be staff to refer people to move in. We were strategic in thinking about shoring up the whole system."

Similarly, a rural CoC asked providers who were interested in these funds to apply for both an outreach and a housing project or work with another local provider to fill the other role.

INVEST IN PERMANENT HOUSING TO INCREASE AVAILABLE AND ACCESSIBLE HOUSING OPTIONS

All 24 interviewed communities identified the lack of affordable housing and supportive housing programs as a primary barrier to reducing unsheltered homelessness. Acknowledging this reality, communities predominantly invested in housing interventions. A significant portion of the funding ($192 million, nearly half of all awarded funds) is being dedicated to permanent supportive housing (PSH). A plurality of communities chose to fund other housing interventions, including Rapid Re-Housing (RRH) and Joint Transitional Housing/Permanent Housing-Rapid Re-Housing (TH/PH-RRH), alongside PSH.

Housing program dollars can generally be used for rental assistance or to pay staff for services. HUD prioritized communities for funding that leveraged significant outside resources to make these grants go farther. Localities with strong partnerships with housing authorities often relied on those vouchers and used this funding to pay for staffing, whereas localities with strong healthcare partnerships — such as strong infrastructure to bill Medicaid for services — often prioritized using this funding for rental assistance.

ADDRESS THE NEED FOR LONG-TERM HOUSING PLUS SUPPORTIVE SERVICES

Many interviewees articulated PSH as the priority over RRH due to the acuity, or long-term needs, of people who have experienced unsheltered homelessness. A few communities allocated funding for operating subsidies at site-based PSH projects intended to serve people with higher service needs, like a housing development in Louisville where burners will turn off automatically if a stove is left on for a certain length of time.

Others chose investments in PSH based on what housing units would become available the quickest. Options included rental subsidies for scattered-site units in the private market or paying the operating expenses for housing developments that happened to be at an opportune moment in the development pipeline. The Portland, Gresham/Multnomah County CoC found an additional way to increase flexibility in PSH by applying for funding for both families and individuals within the same program. This would pre-empt any administrative challenges faced by people whose household status changes while enrolled in the program.

LOWER BARRIERS TO INITIAL HOUSING MOVE-IN

One community prioritized RRH over PSH because of feedback they received around the importance of getting people inside as quickly as possible — and that RRH could serve as a bridge to PSH if necessary. In New York City, one RRH project will allow people to remain in the same unit while the subsidy supporting their rent transitions from a temporary source to a permanent one. The Harrisburg/Dauphin County CoC is extending the length of time people can stay in RRH to better serve people who will not need permanent rental assistance or services but could use additional time to become housing secure.

Another strategy to circumvent documentation requirements and the need to navigate the private rental market is for providers to use master-leasing. In master-leasing, a provider assumes responsibility for the unit as the lessee and can then sub-lease to tenants. In at least two CoCs, Richmond/Contra Costa County and Miami-Dade County, providers plan to use funds to master-lease units. Additionally, the Chicago CoC is using these funds to continue supporting Accelerated Moving Events, which condense several components of the housing identification and lease-up process into one day of activities.

ENHANCE SERVICES TO SUPPORT STABLE HOUSING

Fidelity to Housing First, a proven approach to ending homelessness that prioritizes housing as the solution, also requires access to supportive services and appropriate case management ratios so that people receive the care they want and need. Insufficient services can lead to poorer experiences and outcomes in housing. Due to resource constraints, this is sometimes the reality: as one person in a major city CoC said, "When folks here are able to access housing, their stability is dependent on services we don't have."

Through this funding opportunity, communities took steps to better understand the needs of people in their system and how they might better support them through increased service availability and intensity. Investments include more services dollars for PSH programs, new bridge housing (TH/PH-RRH), and administrative expenses (CoC planning dollars spent on community engagement and data analysis). CoCs also secured financial and services commitments from healthcare partners.

UNDERSTAND WHO IS EXPERIENCING UNSHELTERED HOMELESSNESS IN THE AREA AND WHAT THEIR UNIQUE NEEDS MIGHT BE

The application process asked communities to identify populations with "severe service needs" and those who may not be served well by what the current system has to offer. This type of analysis helps systems understand what additional services people could benefit from, and what new partnerships communities need to provide those services.

For example, at least four communities identified people with higher medical needs or who had trouble maintaining activities of daily living. Three communities mentioned rising numbers of older adults experiencing unsheltered homelessness, and three named survivors of domestic violence. One rural community said that due to their prior lack of street outreach, they did not know enough about their unsheltered population to determine what specific services they might need — and that this funding could help them get a clearer picture.

ADD A BRIDGE OPTION DURING TRANSITION TO PERMANENT HOUSING

Most people can and do successfully move from unsheltered homelessness directly into housing. Other paths to housing exist, too. People with lived experience in Chicago articulated a need for stabilization housing where people can go if they would like to receive additional trauma-informed support services in a low-barrier setting before seeking permanent housing. This feedback resulted in a new TH/PH-RRH project, a combination of short-term transitional housing with longer-term focused housing supports, as an optional step along the way to permanent housing in the city. Arlington County CoC chose to fund a TH/PH-RRH project after seeing peoples' success in non-congregate shelter during the COVID-19 pandemic. Other places saw this project type as a way to meet the needs of certain populations, including young people in Harrisburg/Dauphin County and San Antonio/Bexar County and families in Boston who would otherwise stay in the emergency room as a form of shelter.

In addition to TH/PH-RRH projects, communities are finding other ways to support clients during the transition. In Tucson/Pima County CoC, this looks like multi-disciplinary outreach teams coordinating strongly with permanent supportive housing (PSH) providers to "safely get them into this new environment and start building community."

ENSURE SUFFICIENT STAFFING

Insufficient staffing contributes to poorer experiences and outcomes in housing — particularly among people with the greatest service needs. Communities investing in supportive services through housing projects sought to expand the number of people in their homeless services workforce. Other than direct investments, another way CoCs ensured sufficient staffing support was through intensive reviews with providers who applied for the funding. At least nine CoCs reported working with providers to refine their funding applications to guarantee that their housing programs were low barrier, had appropriate partnerships with outside agencies to meet mental health and substance use care needs, and were adequately staffed. Some communities included feedback from people with lived experience in this review process as well.

> *"We developed robust budgets to make sure we could do what we envisioned." — staff at Miami-Dade County CoC*

In one community, this looks like caseloads of 1:15 for families and 1:20 for individuals. Another uses 1:25 as the standard on a provider-level, with flexibility for individual staff to go higher or lower depending on the acuity of their clients. A third community sought caseloads as low as 1:12 for housing projects funded under this opportunity to enable "deep stabilization services."

INCREASE HEALTHCARE ACCESS THROUGH HOUSING

At least two CoCs sought to bring medical experts on-site to PSH developments, including a public health nurse and occupational therapist in a Santa Clara County project. The Portland, Gresham/Multnomah County CoC called specifically for PSH projects that would incorporate strong ties to recovery and behavioral health services for people who might want to access them. In part spurred on by the application process for this supplemental funding, the Austin/Travis County CoC created a PSH Healthcare Collaborative made up of five local healthcare providers to improve medical outcomes of people living in site based PSH.

With each new person who connects to an outreach worker or moves into their new home, communities will see the effect of this federal funding over the course of their three-year grants. Beyond the newly funded projects, all interviewed communities described long-lasting impacts from participating in this competition and receiving an award. Other CoCs can glean insights from the community engagement processes they undertook, system changes they considered, and new partners they sought out. Policymakers can understand the value of new solutions-oriented spending — with the acknowledgement that this investment, although significant, is not nearly sufficient to end the crisis of unsheltered homelessness in these communities.

IMPROVING HOMELESSNESS RESPONSE SYSTEM COLLABORATION AND ACTION ON UNSHELTERED HOMELESSNESS

CoCs undertook extensive community-driven processes to determine what they would fund. In their application to HUD, CoCs had to demonstrate that they analyzed local homelessness data; engaged community members, including people with lived experience of homelessness; created a comprehensive service strategy for people experiencing unsheltered homelessness in their area; and committed to partnerships with housing and healthcare sectors, among other priorities. Many CoC staff discussed in interviews the long-lasting impacts of this process.

ENGAGING PEOPLE WITH LIVED EXPERIENCES OF HOMELESSNESS MORE DEEPLY AND AUTHENTICALLY

Consulting people with lived experience is becoming more common in the field, but ensuring leadership roles for people with lived experience is less so. Across communities, people with lived experience contributed significantly to the application. They pushed their CoC to apply for the funding, identified gaps in the local homelessness response system, designed new programs, articulated funding priorities, gave feedback on provider applications, and wrote and reviewed the funding application. This time, listening to people with lived experience was not a one-time input session — but rather a serious, ongoing commitment throughout the planning process. As a Chicago CoC lead staffer observed, "One of the best ideas we funded came from people with lived experience who participated in this process."

For at least six recipients, this funding opportunity nudged them to create a Consumer Advisory Board — a committee of people with lived experience of homelessness to advise the CoC — for the first time. In each of these communities, these groups still exist and the CoC has continued to deepen their engagement with them — reviewing new program standards, talking to elected officials, and designing customer satisfaction surveys.

> *"Our community has taken the opportunity to listen to folks with lived experience and do right by them… that's the most innovative part. Increasing focus on equity over the past years has changed how our community designed our process and chose to fund projects, and the way they're implementing them." — CoC Lead Staff in Tucson/Pima County CoC*

Some of the new federal funding will flow to them too, for example, to Lived Experience Consultants in Las Vegas/Clark County CoC to continue participating in system planning and governance, and to new staff positions at providers in New York City CoC.

STRENGTHENING STRATEGIES AND RELATIONSHIPS FOCUSED ON UNSHELTERED HOMELESSNESS

Nearly all localities undertook a process of extensive community engagement to guide the development of their application. CoC staff found these outreach efforts — through public meetings, surveys, and other forums — to be very beneficial both in soliciting new ideas and in generating buy-in for agreed-upon strategies. The result, a comprehensive plan describing the community's approach to serve people with high needs and a suite of projects recommended for funding, had usefulness beyond being a component of the application. One CoC staff person referred to it as "our guidance," noting it spelled out best practices and program standards all providers should attain. Another CoC planned to use it as a blueprint for future funding efforts.

The community engagement efforts also brought new people into homeless response system planning. One person in Northeast Minnesota CoC went so far as to say, "Whether we were awarded or not, it made a huge impact across the system — it changed the way we work with people."

CoCs capitalized on the opportunity to institute new mechanisms of coordination and accountability around the work to address unsheltered homelessness. The Chicago CoC, for example, required all funded providers to sign a Memorandum of Understanding defining clear expectations around coordination and shared goals of this initiative. Additionally, recipient communities will receive technical assistance from HUD to support their efforts.

INCENTIVIZING DEEPER CROSS-SYSTEM WORK

HUD required applicants to secure financial commitments from healthcare and housing partners to expand the reach of any new programs. These sectors are inextricably linked to both causes and solutions related to homelessness, and consequently, everyone benefits from working more closely together. In particular, HUD incentivized partnerships with Public Housing Agencies by prioritizing **new voucher funding** for recipient communities and issuing over 2,600 vouchers across these 32 jurisdictions. Some communities additionally secured state or local funding or other sources for housing.

Healthcare partnerships tended to be newer to communities. Even those that had existing partnerships found that this pushed them to expand those efforts. As one staff person of the Austin/Travis County CoC said, "It's not that we hadn't talked or worked with these partners before, but we were trying to really integrate them to work collaboratively to support PSH for the first time." These commitments varied by community. Some received a cash match, meaning the health partner would pay for housing and/or services for people served through these projects. More often, these commitments took the form of a guarantee to serve clients with behavioral health, substance use, and other services, or embedding medical staff throughout homelessness response, including on outreach teams and in PSH buildings. These partnerships are foundations for future work, such as ongoing conversations in Boston CoC to figure out how to best serve people who are frequent recipients of healthcare and homelessness services.

Homelessness response systems are grappling with some important questions including around resource prioritization and allocation. Policymakers can be informed by the work of these CoCs.

PRIORITIZATION FOR HOUSING

Homelessness response systems do not have enough resources to serve everybody, so they must make choices about who should receive which kinds of services. Communities have been exploring alternative approaches to achieving this goal, due to the phasing out of an instrument commonly used to prioritize people for homeless services. The outcomes of unsheltered funding grantees may shed greater light on one approach: incorporating unsheltered status as an indicator of vulnerability in prioritization decisions.

Some communities decided to prioritize people who are currently or formerly unsheltered for housing funded through this grant. A subset did not because they worried about racially disproportionate impacts (i.e., an unsheltered population may be more white than their overall population experiencing homelessness), and/or declined to unnecessarily create new prioritization rules when many unsheltered people fit within existing criteria. For example, while one suburban CoC saw no need to prioritize unsheltered people for their new housing program, they do intend to prioritize people who have been rejected by other housing providers due to specific barriers in their background, or because they had a higher need for services than the provider could meet (criteria met by many people living unsheltered).

RECONSIDERATION OF CHRONICITY

CoC-funded PSH is required by statute to serve people with a documented disability. In an effort to ensure PSH was also prioritized for use for people with long histories of homelessness and severe service needs, HUD historically has incentivized CoCs to dedicate some or all of its PSH to people experiencing chronic homelessness (meaning they have experienced homelessness for a long period of time or through repeated episodes and also have a disability). This designation comes with additional eligibility and documentation requirements. This funding opportunity did not give preferential treatment to PSH dedicated for people experiencing chronic homelessness, and so at least eight communities chose to proceed without this requirement.

Many said they will continue to serve people who have experienced homelessness frequently or for a long period of time and that their intention was merely to remove a documentation hurdle. Only one community reported wanting to serve a different group of people: those who had cycled through criminal legal and healthcare institutions, and thus had difficulty reaching the length-of-time part of the chronic definition. It will be interesting to observe how this new approach changes (or does not change) the characteristics of people served in PSH in the communities that opted for it.

COMMUNITY POLICIES RELATED TO ENCAMPMENTS

Many communities are grappling with public concerns about encampments, with some policymakers choosing to criminalize home-lessness or implement other harmful practices. CoCs are not always involved in these decisions, but the work of these funded communities can help contribute to policy conversations that lead to better solutions. Encampment response can be considered a component of a response to unsheltered homelessness — while everyone who is residing in an encampment is unsheltered, not all unsheltered people live in encampments. The landscape of unsheltered homelessness often looks very different from community to community.

For this funding opportunity, some communities chose to allocate resources to support CoC-led encampment responses, such as through dedi-cated outreach teams or housing navigators (as described previously). Additionally, at least two communities dedicated housing slots for people served through encampment resolution efforts. For example, the RRH provider in the Jackson/West Tennessee CoC already closed a 12-person encampment over five weeks in fall 2023 by enrolling nearly everyone present in their hous-ing program. These types of housing-focused interventions and resource prioritization strate-gies are likely examples of viable alternatives to harmful policies like criminalization.

FUNDING IS NOT ENOUGH TO END UNSHELTERED HOMELESSNESS — BUT SIGNIFICANTLY EXPANDS CAPACITY

No one interviewed believed that this funding was sufficient to end unsheltered homelessness in their community. One person indicated that at their current rate of inflow into homelessness, they may only be able to stem the tide against rising homelessness with this funding instead of realizing decreases. Another cited an analysis done in their area that calculated $1.2 billion was needed to reduce unsheltered homelessness by 75 percent, noting that they received about $5 million through this grant. Overall, the additional $420 million pales in comparison to the [billions of dollars spent on housing and homeless assis-tance](#) as part of COVID-19 pandemic response.

As one person at a major city CoC put it — a sentiment shared by several others:

> *"While I'm so grateful to watch the transformation in our community's response, I'm feeling sad that we can be as coordinated as ever, and have 104 new units from these projects — and that will not even end up addressing 10% of our unsheltered homelessness number."*

Still, this funding is undeniably substantial. Two-thirds of interviewed CoC staff perceived that the funding would have a large or even trans-formational impact on their community. Those that felt the funding would have a small or middling impact tended to be in resource-rich jurisdictions, where this was one funding source among many, or in a place that received an award to fund only one new project.

Its impact will be felt in several ways.

"

TWO-THIRDS OF INTERVIEWED COC STAFF PERCEIVED THAT THIS FUNDING WOULD HAVE A LARGE OR EVEN TRANSFORMATIONAL IMPACT ON THEIR COMMUNITY.

"

BOLSTERING OVERALL COC CAPACITY

On average, this funding represented an 18 percent increase in annual CoC funding to these communities (ranging from 6 to 45 percent). CoCs typically receive funding at a level that maintains current projects, or potentially adds one per year. These new projects are eligible to be renewed through regular CoC Program funding after the three-year grant — which could lead to a more permanent increase in their system capacity. As one person in a rural CoC said,

> *"The unsheltered and rural supplemental funding nearly doubles the money that exists, simple math shows that. Without this funding, after our pandemic-era funding expired, we would see a catastrophic uptick in homelessness. People would have nowhere to go."*

One major city community observed that the number of housing units becoming newly available over the three-year grant was equal to the number of people experiencing unsheltered homelessness at last count.

" ON AVERAGE, THIS FUNDING REPRESENTED AN 18 PERCENT INCREASE IN ANNUAL COC FUNDING TO THESE COMMUNITIES (RANGING FROM 6 TO 45 PERCENT). "

INVESTING IN CORE COMPONENTS OF THE HOMELESSNESS RESPONSE SYSTEM BROADLY INCREASES ACCESS TO SERVICES.

The transformative potential of unsheltered investments was particularly clear in CoCs receiving funding for street outreach and coordinated entry for the first time. Staff shared expectations of reaching previously under-served groups and having a more proactive presence in their communities, enabling them to better understand the scope of unsheltered homelessness in their area:

> *"It is unprecedented — it gives us the opportunity to address a big missing piece for us in terms of how we engage in outreach and get to the people who need services the most… To be able to do outreach in the manner we think it should be done will be transformational. We're excited, the community is excited, and it's meeting a real need. People with lived experience shaped this plan and they identified it as a need too."* — Charleston/Low Country CoC Lead Staff

Even highly resourced cities noted the outsized impacts these relatively small investments could have. As one CoC lead staff at a major city said,

> *"Our city has made a large investment in addressing unsheltered homelessness, but even with these resources, there are things we're not able to do. These new funds will allow us to fill gaps in available services, making a meaningful difference."*

Additionally, 12 communities invested in their data system, known as the Homeless Management Information System (HMIS), to increase its functionality and usefulness. As one staff member at a largely suburban CoC remarked: "Our HMIS system has been stuck at the same funding level for many years while we've gone from 3 programs to 89. We knew we needed to shore that up."

OPENING DOORS TO PROVIDERS WHO ARE NEW TO THE COC IMPROVES A SYSTEM'S ABILITY TO REACH UNDERSERVED POPULATIONS.

Opportunities to fund new service providers are rare. While CoC membership is broader than agencies that receive federal funding, direct funding fosters collaboration. This is particularly a barrier to engaging culturally-specific providers and grassroots organizations that are deeply enmeshed in the work but often lack a voice at the policymaking table. In at least two communities, these organizations received CoC funding for the first time. In total, new organizations received funding in about half of interviewed communities. Staff cited work they did to encourage new applicants and the ability to fund supportive services only projects as reasons why they were able to do this. The new opportunity also enabled existing providers to bridge into new areas of work.

> *"It really depends on what lens you're looking with. From a money perspective, with all the funding that's coming into the community, it doesn't make a huge difference. But for another way of looking at it, I would say that it is a huge difference for our Indigenous community. 91 PSH units for our Indigenous community is a major impact." — Portland, Gresham/Multnomah County CoC Lead Staff*

BOOSTING STAFF MORALE AND GARNERING MORE ATTENTION TO UNSHELTERED HOMELESSNESS RESPONSE

Even as homelessness response systems work tirelessly to house more and more people, new inflows into homelessness often obscure this progress. An infusion of federal funding and attention helps boost morale and spur momentum in this work. As a staff member in the North Carolina Balance of State CoC commented,

> *"There's excitement amongst the providers in a way I haven't seen in a long time. That's great for our system because it's a really tough environment right now — working with landlords, folks in extreme crisis, and the lack of resources available for the most vulnerable… It seems like there is real hope that this could be transformative for us, and there hasn't been a lot of hope recently."*

Building on momentum from other local and federal initiatives to address unsheltered homelessness, like **ALL INside**, news traveled to local elected officials and the general public, fostering greater interest in housing solutions. Communities are leveraging this funding opportunity to bring new attention to proven solutions and to solicit additional funding.

> *"I'm hoping that this will put a spotlight on our CoC. It has already with the award — we want to show that a small CoC in a rural area can run these programs well, and that by investing in them we can get a lot out of it. We want to be able to declare an end to homelessness." — Northeast Minnesota CoC Lead Staff*

THE IMPACT OF THESE FUNDS

In sum, the supplemental federal funding opportunity enabled work that had not been funded before, like jurisdiction-wide street outreach; projects that might not have happened otherwise, like filling funding gaps in new PSH developments; continuation of initiatives funded by pandemic-era assistance that is now over, like RRH for individuals; and piloting innovative initiatives, like rehousing teams and crisis housing. The potential impact is significant. Lessons will emerge over time as communities observe implementation of new projects and collect data on participant outcomes. The Alliance will continue partnering with communities to understand ongoing impacts of this funding and uplift policy and program insights for the field.

APPENDIX: FUNDING DISTRIBUTION BY COC

	PSH	RRH	TH-RRH	SSO	Admin

CoC	PSH	RRH	TH-RRH	SSO	Admin
Austin/Travis County CoC	100%				
Watsonville/Santa Cruz City & County CoC	100%				
Portland, Gresham/Multnomah County CoC	100%				
Boston CoC	89%		11%		
Dallas City & County, Irving	77%	23%			
Jackson/West Tennessee CoC		100%			
Arlington County CoC			100%		
New Orleans/Jefferson Parish CoC	61%	6%	30%	3%	
Montgomery County CoC	89%			8%	3%
Richmond/Contra Costa County CoC	89%			11%	
Miami-Dade County	69%		14%	14%	3%
Tucson/Pima County CoC	80%			14%	6%
Los Angeles City & County CoC	53%	24%		23%	
Chicago CoC	57%	12%	6%	21%	4%
Joliet, Bolingbrook/Will County CoC	41%	34%		25%	
North Carolina Balance of State CoC	24%	50%		26%	
Daly City/San Mateo County	70%			26%	4%
Harrisburg/Dauphin County CoC	21%	24%	25%	26%	4%
San Antonio/Bexar County CoC	10%	33%	27%	22%	8%
Oakland, Berkeley/Alameda County CoC	55%	7%		38%	
Kentucky Balance of State CoC	21%	39%		32%	8%
Long Beach CoC	28%	29%		37%	6%
Washington Balance of State CoC	27%		25%	45%	3%
San Jose/Santa Clara City & County CoC	19%	29%		49%	
Charleston/Low Country CoC	26%	21%		41%	11%
Louisville-Jefferson County CoC	20%	26%		46%	7%
New York City CoC	10%	29%		61%	
Madison/Dane County CoC		37%		60%	3%
Connecticut Balance of State	35%			64%	
Las Vegas/Clark County CoC		27%		68%	5%
Hawaii Balance of State CoC	16%			84%	
Northeast Minnesota CoC				94%	6%