RAPID RE-HOUSING
RRH

COORDINATING DIVERSE FUNDING STREAMS

National Alliance to End Homelessness

This brief examines action steps that homeless service system leaders can adopt to improve coordination by funders and the strengths and challenges associated with these strategies.

The proven effectiveness of rapid re-housing (RRH) in ending homelessness is encouraging funders and homeless service system leaders to invest more resources in the approach. Expanding the model often entails attracting new and diverse funding streams. This can create challenges as it requires RRH providers to become proficient at "braiding" funds or pulling funds from diverse funding sources with distinct restrictions on how funds can be used to support one streamlined intervention.

Managing multiple funding streams can be a complex and ongoing task that can overwhelm the administrative capacity of small RRH agencies. Homeless service system leaders report that requiring RRH agencies to navigate the requirements associated with multiple funding streams results in a duplication of effort and diverts critical time and staff resources away from other tasks associated with ending homelessness.

In an effort to improve local efficiency, some funders and homeless service system leaders have taken steps to make it easier for RRH providers to access and utilize diverse funding streams. At the local level, this is being achieved through the following.

1. **Multiple funders adopting a common vision and framework for the use of funds.** Funders can work together to blend the diverse funding streams they manage into a single funding source which can then be granted to RRH providers.
2. **A single entity managing multiple funding streams for the system and re-granting funds.** One organizational entity, such as a Unified Funding Agency (UFA), is identified and tasked with the responsibility of managing diverse funding streams which are then re-granted to local RRH providers.
3. **A single organization managing multiple funding streams and delivering services.** In this instance, one organization in the system manages diverse funding streams for RRH and RRH services for the region.

ACTION STEPS FOR IMPROVING FUNDING COORDINATION

Homeless service system leaders and technical assistance providers have identified the following key action steps community leaders can take to encourage funders to coordinate how they use their resources to support rapid re-housing (RRH).

1. **Establish a process for key stakeholders to examine coordination options.** A process should be established for diverse funding agencies, fund administrators, and direct service agencies to discuss opportunities to coordinate funds and to explore (and establish, if possible) common desired goals and outcomes as well as streamlined processes to administer RRH activities.

2. **Encourage funders to pool resources that are already dedicated to RRH within the region into a common funding stream.** In Rhode Island, for example, the Coordinated Homeless Fund pools federal and state resources into a single annual Request for Proposals (RFP) that supports the crisis response system as well as RRH and other housing interventions.

3. **Promote the use of a collaborative application process.** This encourages the greatest level of coordination when pooling multiple sources into a single consolidated fund is not possible or desirable. For example, funders or homeless service system leaders may require referrals for RRH services to come through a coordinated entry system; hold regular meetings to examine how best to coordinate services provided through separate funding streams; and/or standardize processes for determining how scarce resources, such as long-term rental subsidies, will be allocated among households receiving services through separate funds.

4. **Promote using the RFP process to improve the targeting and quality of RRH services.** Scoring incentives in RFPs can encourage the adoption of desired practices and program models. Funders can use scoring to achieve desired outcomes and align with local priorities, for example, to achieve broad scale accessibility of RRH services across a region or to target to narrow, historically underserved populations. RFPs should also clearly delineate how funders wish the resources to be used. Funders can specify several requirements in their RFPs, including outcomes that will help improve the overall performance of the local Continuum of Care to end homelessness. Funders may require grantees to:
   - Use resources to assist only households experiencing literal homelessness.
   - Eliminate eligibility requirements that make it difficult for households with significant challenges to access services.
   - Minimize the amount of time people wait before receiving RRH services.

5. **Adopt a mechanism for funders to regularly monitor and evaluate performance.** An ongoing process can be established to assess program and system-level outcomes sought by funders prior to each funding award cycle. This allows for adjustments and instituting new practices to improve performance. This might include requiring or incentivizing grantees to attend trainings or adopt new practice strategies. It may also mean redesigning subsequent RFPs to drive programs to meet performance goals. Some communities have been using performance-based contracting to connect some percentage of provider payments to the achievement of specified goals and outcome measures.

6. **When possible, encourage funders to use a multi-year award cycle and align the timing of awards across funding streams.** A multi-year process reduces the administrative burden on both providers and administrators. Aligning award cycles helps avoid disincentives to take higher need households at the end of the grant term. Where resources for RRH are allocated to a community on an annual basis (such as CoC and many state and local resources), executing one-year contracts with options for a defined number of renewals contingent on receipt of these funds and satisfactory performance can reduce some of the effort required with annual RFP processes.

EXAMINING MODELS OF COORDINATION

Below are strengths and challenges associated with the three strategies designed to improve the coordination of funds to support rapid re-housing (RRH).

MULTIPLE FUNDERS ADOPT A COMMON VISION/FRAMEWORK FOR USE OF FUNDS

The simplest approach for homeless service providers is when funders come together to pool resources and create one single funding source. This may involve multiple foundations or a mixture of public and pri-

vate funders that wish to pool resources and create one funding stream in an effort to magnify the impact of their giving, ensure that their investments are leveraging other dollars, and alleviate the burden on the organizations they fund.

Under this model, funders must agree upon a common community vision and plan for the use of various funding streams at their disposal. This likely requires a significant investment of time and resources to develop and maintain relationships necessary to arrive at unified plan for how the funds will be allocated and targeted locally. It also requires funders and leaders to cede authority over funds that have traditionally been under their sole purview, which may result in conflicts that must be resolved.

Among other *strengths*, this funding model:
- Incentivizes the creation of unified policies, procedures, and reporting requirements, eliminating the need for providers to navigate a maze of complex requirements, which can also reduce compliance issues.
- Reduces duplication of funding and avoids gaps in funding availability, geographic coverage, or types of services offered.
- Promotes community-wide collaboration towards a system-wide crisis response strategy and establishment of priorities for which households should get RRH resources.
- Makes it easier for homeless people to navigate services because each program has one set of eligibility requirements and enrollment processes established through improving funder coordination.
- Reduces duplication of effort across funding and recipient agencies. This includes the development of Requests for Proposals (RFP) by funders, time spent by agencies responding to multiple RFPs, and burden on multiple agencies to collect and report on a wide variety of outcome data).

> **Montgomery County, PA**. The county, which is located just outside of Philadelphia, has worked with their local community foundation to pool funds from 10 regional foundations to support a variety of activities related to homelessness, including RRH. Using a collective impact approach, the county has developed a public-private partnership called Your Way Home for engaging the private sector as a co-investor in homeless activities. Dollars raised are used to fund activities not typically covered by federal funds, such as beds and household goods, car/renters insurance, ID replacement, child care, and public transportation costs, as well as diversion from shelter. The funds also support a Landlord Promise Fund, which includes flexible dollars for landlord engagement activities, risk mitigation funds, etc.

Among other *challenges*, this model can:
- Be burdensome to funders who must devote time to create a common community vision and plan for use of funds, and develop a joint RFP and reporting mechanism. Varying contracting and procurement rules among involved entities (e.g., states, counties, cities) may make it difficult to pool resources without re-thinking and/or adjusting the designated administrators for these funds. For example, if the Continuum of Care (CoC) rental assistance is administered by the local Public Housing Authority (PHA), and local Emergency Solutions Grant (ESG) RRH funds are managed by the local general social services unit, assigning all funds to one of the agencies may be the best way to resolve some of these issues.
- Result in reduced flexibility and innovation due to one set of requirements across funding streams.

SINGLE ENTITY MANAGES MULTIPLE FUNDING STREAMS FOR SYSTEM AND RE-GRANTS FUNDS

Tasking one single entity or organization to manage the blending of funds is one model that communities rely on. In this model, the single entity blends funds from a variety of funding sources and creates a single funding source with one set of unified policies, procedures, and reporting requirements.

An example of this approach is Unified Funding Agencies (UFA) that oversee CoC funds. A UFA may braid CoC funds with other state and local resources at the community/system level to create one new funding

source. The UFA then grants those funds to frontline RRH providers, absorbing the responsibility of managing the varied funding requirements and making the funds easily accessible and usable.

Long Beach, CA. The UFA develops an RFP process that mirrors HUD performance standards for the projects in its CoC but includes additional local requirements that can push programs to meet requirements that are above and beyond HUD requirements, thus driving performance improvements.

Columbus, OH. The UFA uses performance-based contracting for all of its rapid RRH projects, evaluating the number of households served and other outcomes.

State of Connecticut. Connecticut uses a "hybrid" model. A single entity administers most of the state and CoC-funded RRH rental assistance funds. Housing stabilization services and case management are provided by a variety of nonprofit provider organization(s) throughout the state that serve designated catchment areas.

Fund administrators may elect to provide lump sum awards to individual RRH providers based on a response to a RFP issued on a periodic basis (e.g., annual grants). Alternatively, a community may choose to have the fund administrator maintain ongoing control of the funding pool, allowing resources to be drawn down by RRH providers as needed. When using this model, parameters for deciding how and when to make awards can be governed by a Memorandum of Understanding (MOU) between the fund administrator and participating agencies. As an example, a UFA may manage all of the funds used to provide financial assistance to help people move quickly into housing. When providers place individuals or families in housing, the administrator releases funds to cover those expenses in response to individual requests.

Homeless service system leaders acknowledge distinct **strengths** of using this approach to manage varied RRH funding streams. The model can:
- Leverage administrative capacity at a single agency and achieve economies of scale by not duplicating infrastructure across agencies.
- Standardize expectations for outcomes and centralize quality assurance to ensure consistency across service providers in the region.
- Reduce compliance issues and funding recapture risks if the administrative agency is well positioned to monitor compliance and use of funds.
- Reduce administrative burden for frontline RRH providers.
- Ensure that funds are available consistently over time and avoid gaps when different funding streams expire and between funding awards.
- Facilitate culturally competent services to diverse client populations by enabling smaller agencies with less administrative capacity to access the funds.
- Ensure resources are accessible throughout the covered geography by granting funds to geographically diverse providers.

There are also **challenges** to adopting this approach. The model can:
- Reduce program level flexibility and innovation by unifying requirements across funding streams.
- Place a significant administrative burden on a single agency which may not be able to fully recoup administrative costs.
- Place a significant burden on the administrator to ensure that all funder requirements have been met by all the different agencies that received funds.

SINGLE ORGANIZATION MANAGES MULTIPLE FUNDING STREAMS AND DELIVERS RAPID RE-HOUSING FOR REGION

Another model of funding coordination is to have one single regional entity receive multiple funding streams at an organizational level and be the sole provider of RRH in the community. An example of an organization fulfilling this role is The Road Home in Salt Lake City. In this community, programs serving people experiencing homelessness refer them to The Road Home for RRH services. The Road Home man-

ages all of the tasks associated with delivering RRH and meeting funding requirements while the referring agencies continue to provide other non-housing related services to their clients (e.g. domestic violence services).

According to homeless service system leaders and technical assistance providers, the ***strengths*** of this approach include the following.

- A single RRH provider has a bird's eye view of all of the available funding sources and all households requiring RRH services within the region, enabling efficient and strategic matching of households to the best available funding source.
- The model leverages administrative capacity at a single agency and achieves economies of scale by not duplicating infrastructure across agencies.
- When the fund administrator is also a RRH direct service provider, on-the-ground experience can inform decisions about how best to structure, disburse, and monitor funds.
- The model reduces compliance issues and fund recapture risk if the provider is able to ensure compliance with funding requirements.

The ***challenges*** associated with this approach include the following.

- Places a significant administrative burden on a single agency that may not be able to fully recoup administrative costs.
- May encourage a tendency among providers to view the single provider as solely responsible for securing funding as opposed to encouraging a community-wide effort to expand RRH resources.
- May reduce the incentive to unify policies, procedures, and reporting requirements among funding streams leaving the single provider to navigate a maze of complex requirements.
- May limit geographic and/or cultural diversity of services offered as it relies on a single provider.

CONCLUSION

Ending homelessness requires significant new investment in rapid re-housing (RRH). Getting to the scale needed requires homeless system leaders to embrace all of the above strategies to expand RRH:

- Improving use of dedicated homeless assistance resources.
- Identifying and leveraging the use of mainstream resources.
- Securing new dedicated funding.

An effective communication and leadership strategy is also needed to educate community members and providers about rapid RRH and explore how implementation can be improved. This will likely represent a significant investment of time, but will ultimately be rewarded in the improved performance of the community's homeless service system and improved outcomes for individuals and families experiencing homelessness.

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