

**COMMUNITY PLANNING AND DEVELOPMENT
HOMELESS ASSISTANCE GRANTS
2011 Summary Statement and Initiatives
(Dollars in Thousands)**

HOMELESS ASSISTANCE GRANTS	<u>Enacted/ Request</u>	<u>Carryover</u>	<u>Supplemental/ Rescission</u>	<u>Total Resources</u>	<u>Obligations</u>	<u>Outlays</u>
2009 Appropriation	\$1,677,000	\$1,788,904 ^a	\$1,500,000 ^b	\$4,965,904 ^c	\$2,871,964 ^c	\$1,483,193
2010 Appropriation/Request	1,865,000 ^d	2,086,065	...	3,951,065	1,589,000	1,872,000
2011 Request	<u>2,055,000^e</u>	<u>2,362,065</u>	<u>...</u>	<u>4,417,065</u>	<u>1,737,000</u>	<u>2,173,000</u>
Program Improvements/Offsets	+190,000	+276,000	...	+466,000	+148,000	+301,000

a/ Includes \$95.121 million of funds recaptured in fiscal year 2009 and excludes \$688 thousand in expired funds.

b/ Per the American Recovery and Reinvestment Act (Recovery Act), P.L. 111-5.

c/ Includes \$2.675 million of funds transferred to the Working Capital Fund and \$7.5 million in the Recovery Act funds transferred to Administration Operations and Management, Personnel Compensation and Benefits, and the Working Capital Fund.

d/ Includes up to \$12.65 million that may be transferred to the Transformation Initiative.

e/ Includes up to \$20.55 million that may be transferred to the Transformation Initiative.

Summary Statement

The fiscal year 2011 Budget proposes \$2.055 billion for Homeless Assistance Grants (HAG), which is \$190 million more than the fiscal year 2010 appropriated amount and \$378 million more than fiscal year 2009. Approximately \$541 million of the total funding will be used for what are currently Shelter Plus Care (S+C) renewals – which will be incorporated in to the new Continuum of Care (CoC) program in 2011 as established under new homeless legislation enacted in 2009.

The fiscal year 2011 Budget request reflects the Administration’s priority to confront homelessness, the strong overall results that have been achieved under this program, and new priorities as enacted in the Homeless Emergency Assistance and Rapid Transition to Housing (HEARTH) Act. Additional detail on the implementation of the HEARTH Act in fiscal year 2011 is provided below. In addition to increasing the number of transitional and permanent beds funded through the CoC competition, the number of homeless individuals who remain housed in HUD permanent projects for at least 6 months has increased from 71 percent to 75.1 percent since fiscal year 2005. These critical resources can also be used to serve homeless veterans and their families, which currently make up approximately 15 percent of the sheltered homeless population in addition to unsheltered homeless veterans.

In addition to the HAG request, HUD is proposing a new \$85 million demonstration initiative to provide voucher assistance to families and individuals who are homeless or at risk of homelessness in partnership with the Department of Health and Human Services and the Department of Education. See the Tenant-Based Rental Assistance Justification for details on this new initiative.

Homeless Assistance Grants

Fiscal year 2011 includes three major and complementary initiatives in HUD's Office of Special Needs Assistance programs:

- 1) Implementation of the HEARTH Act legislation and regulations;
- 2) Use of the e-snaps electronic grants management system in conjunction with new competitive and reporting requirements;
- 3) The 2011 competition itself which will incorporate the new Rural Housing Stability program and an emphasis on reducing homelessness for veterans which will be carried out in partnership with the Department of Veterans Affairs (VA).

HUD's focus on homeless veterans will be carried out by incentivizing housing and services for this population through the CoC competition, conducting outreach to new and existing homeless programs, closely tracking the implementation and use of HUD VASH vouchers, and partnering with the VA to design appropriate interventions and outreach for homeless veterans who are eligible for HUD or VA programs and data collection.

HUD anticipates that the combination of the new competition—which allows for consolidated applications at the CoC level and that streamlines the three former competitive programs into one program—and the use of e-snaps as a full grants management and reporting tool will significantly streamline the competitive process and funding announcements. Prior to the passage of HEARTH, HUD took administrative steps to increase efficiency. In 2008, HUD implemented a new electronic grants management system called e-snaps that minimizes the amount of time needed for HUD to review projects and automates other funding activities. This efficient web-based approach reduced HUD's review time for applications nearly in half in 2008 and allowed for an announcement of over 6,300 renewal projects less than 30 days after the close of the 2009 competition. Modifications to e-snaps to make it compliant with HEARTH and to complete grants management modules are key to streamlining the competitive programs so that HUD can meet aggressive time frames for the release of the Notice of Funding Availability (NOFA) and for award announcement required under HEARTH.

Certain steps have been undertaken in order to make the current grant efforts more targeted and effective. These include: (1) bonus funds awarded in the NOFA to communities proposing new permanent housing projects; (2) additional rating points in the annual competition to communities that have developed a local strategy to focus on those most difficult to serve; (3) additional rating points in the annual competition for communities that have actively enrolled homeless persons in mainstream supportive service and income support programs (e.g., Medicaid, Food Stamps, Temporary Assistance for Needy Families, Social Security Income) so that HUD's dollars can be more efficiently focused on housing; and, (4) a performance section linking national performance measurement requirements to local project operations. These steps help ensure that scarce Federal resources are allocated to programs that continue to demonstrate results, thus integrating performance with continued funding. These efforts are aligned with HEARTH, which requires that HUD consider additional performance criteria in scoring applications. HEARTH also calls for identifying and rewarding ten high performing communities for the progress made in ending homelessness for individuals and families in their communities.

Specific streamlining efforts for fiscal year 2011:

- Implement the new HEARTH Act legislation, which will improve the way in which the competition is processed at HUD and that will provide additional resources for grantees to innovate at the local level.
- HUD will continue to process traditional renewal applications separately from new programs, while preserving oversight and policy functions of the CoC by: (1) continuing to have the CoC certify that renewals are needed in the community; and (2) focusing policy and planning efforts on new projects and community-level strategic planning, including how the Homelessness Prevention and Rapid Re-Housing Program (HPRP) is being used and how it can

Homeless Assistance Grants

be transitioned and scaled from the temporary funding provided under the Recovery Act and incorporated in the programs funded by the CoC and Emergency Solutions Grant (ESG). This strategy will serve to:

- Alleviate pressure both within HUD and among grantees related to staffing and technology resources needed to carry out the requirements of the HPRP program in addition to new competitive requirements for 2011 and beyond; and
- Allow communities to continue important prevention and rapid re-housing programs that were started under HPRP at an appropriate scale based on need in 2011 and 2012.

American Recovery and Reinvestment Act (Recovery Act)

In fiscal year 2009, Congress appropriated \$1.5 billion in the Recovery Act funds to the Homelessness Prevention Fund for HPRP, of which \$7.5 million was transferred to Administration, Operations and Management, Personnel Compensation and Benefits, and the Working Capital Fund. All the Recovery Act program funds appropriated to the Homelessness Prevention Fund were obligated by October 2009 to a total of 535 grantees. As of December 31, 2009, \$46.9 million of these funds had been outlaid. These funds will continue to provide short-term and medium-term rental assistance, relocation, and stabilization services to prevent homelessness and rapidly re-house persons who have become homeless.

High Priority Performance Goal: Veteran's Homelessness

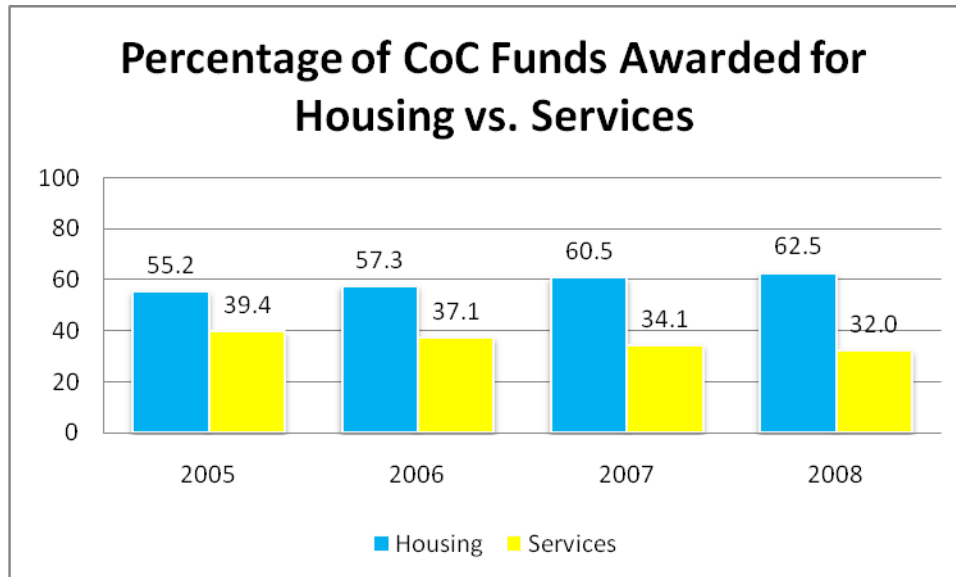
The HAG program supports the High Priority Performance Goal shared with VA to jointly reduce homelessness among veterans. The efforts will reduce the number of homeless veterans to 59,000 in fiscal year 2012; and without intervention, this population would have numbered an estimated 194,000. HAG programs currently serve approximately 6,000 homeless veterans per year, and HPRP will also serve veterans and their families.

At HUD, the Office of Special Needs Assistance Programs (SNAPS) in Community Planning and Development (CPD) will be the lead for data collection, evaluation and reporting related to the stated goal the Office of Public and Indian Housing (PIH) is also critical to the success of the goal. HUD partners with the VA on VASH. PIH operates the voucher portion of the HUD VASH program, which represents a large proportion of the new housing resources available to veterans and their families (approximately 30,000 vouchers funded in 2008, 2009 and 2010). While HUD provides the housing resources, VA manages the intake and eligibility screening process and provides an array of integral services. The VA has an array of programs to reduce homelessness and will be an integral partner in relation to this goal.

Homeless Enacted Reform Legislation

In 2009, Congress passed and the President signed the HEARTH Act (which amended the McKinney-Vento Homeless Assistance Act) into law. Fiscal year 2011 is significant in that it is the first fiscal year in which the HEARTH Act is in effect. In 2011, HUD will operate a consolidated CoC program in addition to the ESG program and a new Rural Housing Stability Program. In addition to many programmatic changes, the HEARTH Act changed the allocations for HUD's homeless grants. Specifically, the ESG program, as authorized by HEARTH, is allocated as a percentage of the overall HAG appropriation. A set-aside for the rural program is 5 percent of the funds for the CoC competition and the remaining funds are allocated through the CoC competition. This structure holds unless the renewal burden in the competition exceeds the funds available at which point the ESG program can be adjusted in order to meet the renewal demand. In addition to these changes, the HEARTH Act mandates several changes to specific line items at the CoC and project levels, which will significantly increase the cost of the renewal burden in 2011. For example, funding for project-level administrative expenses is increased up to 10 percent, leasing and operations grants

Homeless Assistance Grants



must be increased in relation to Fair Market Rents (FMR). Moreover, for the first time, CoC's can receive their own administrative funds capped at either 3 percent or 6 percent depending on how they choose to apply.

This Budget request reflects a significant increase to assist with meeting the new HEARTH requirements, but does not fully fund HEARTH as authorized. As reflected in the appropriations language proposed in the Budget, the Administration proposes a budget that reflects the spirit of HEARTH such that new funds are available through all three programs but the ESG and Rural Housing Stability programs are not funded at the levels currently specified in HEARTH.

This justification details the grants budget as two components: (1) CoC competitive grants for renewals and new projects, and (2) ESG formula grants. The competitive portion of the budget includes funding for the new rural program. As renewals have absorbed a larger share of the budget each year, it has become increasingly difficult to fund new permanent supportive housing projects through

the CoC competitive process. It is the Administration's intent to provide dedicated funding for new supportive housing units and the rural program totaling an estimated \$159.6 million, including new administrative costs for the CoC. The ESG program will be funded at \$200 million, less than 20 percent of the authorized level as specified for ESG in HEARTH. However, the amount requested for ESG reflects a significant increase of \$40 million from \$160 million in fiscal year 2010. HUD proposes a total budget of \$2.055 billion, which includes new funding for all three programs authorized by HEARTH.

In December 2009, HUD announced renewal funding to support nearly 190 thousand transitional and permanent housing beds. Funding for new projects will be announced in early 2010. Although the investment by HUD in housing individuals and families who are homeless is significant, the problem remains a large one. The last Annual Homeless Assessment Report (AHAR) to Congress reported that nearly 1.6 million people are served by emergency shelter and transitional housing programs over the course of a year and nearly 672,000 persons are homeless on a given night. In order to have more current information available to policy-makers than the AHAR can provide, HUD has undertaken a project called "Homelessness Pulse" in which a sample of jurisdictions across the country are providing data on homelessness on a quarterly basis. Therefore, HUD can more closely track trends in homelessness and develop appropriate policy responses. As indicated by the data on homelessness, the need exceeds HUD's current portfolio of beds, although the \$1.5 billion Homelessness Prevention Fund included as part of the Recovery Act is assisting in developing capacity at the local level for prevention of homelessness and to rapidly re-house those who experience homelessness. The AHAR also documented progress made by communities in reducing the number of chronically homeless persons, due largely to HUD's policy emphasis on this population and the dedicated resources made available for programs to serve chronically homeless persons.

Any solution to homelessness must emphasize housing. In the 2008 competition, 62.5 percent of the funds were used for Housing/Operations, 32.0 percent for services, 2.4 percent for Homeless Management Information Systems (HMIS), and 3.1 percent for administrative costs.

Homeless Assistance Grants

HUD's Homeless Assistance Grants program provides Federal support to reduce homelessness, including for those who are most difficult to serve. Homeless assistance funds are distributed through a unique competitive process—the CoC—in which Federal funding is driven by local decision-making processes. The CoC system—which is included in the HEARTH Act - is a community-based process that provides a coordinated housing and service delivery system that enables communities to plan for and provide a comprehensive response to homeless individuals and families. Communities have worked to establish more cost-effective continuums that identify and fill the gaps in housing and services that are needed to move homeless families and individuals into permanent housing. The CoC system attempts to serve the specific needs of all homeless sub-populations within a particular community. It is an inclusive process that is coordinated with non-profit organizations, State and local government agencies, service providers, private foundations, faith-based organizations, law enforcement, local businesses, and homeless or formerly homeless persons. This planning model is based on the understanding that homelessness is not merely a lack of shelter, but involves a variety of unmet needs—physical, economic, and social.

The success the Department has had in focusing its resources on achieving performance is reflected in the 2005 formal program assessment by the Office of Management and Budget in which HUD's Homeless Assistance Grants program received the highest rating.

Transformation Initiative

The Transformation Initiative allows the Secretary the necessary flexibility to undertake an integrated and balanced effort to improve program performance and test innovative ideas. Up to 1 percent of the funds appropriated for the Homeless Assistance Grants account may be transferred to the Transformation Initiative account to undertake research, demonstrations, technical assistance, and technology improvements. Examples of projects that could be undertaken with the Transformation Initiative with respect to the HAG account include:

- Finalize the development of e-snaps as a full grants management tool for both grantee and HUD use, and ensure its compliance with new legal and regulatory requirements. In the long run, the use of a grants management tool allows for the updating of information rather than the creation of new data sets and documents each year. This is also the administrative mechanism that will cut down on unnecessary processing time for the over 7,000 grants currently funded under the HAG account.
- Develop and implement intensive technical assistance resources that take advantage of technology to assist communities in the transition to new legislation and regulations based on HEARTH.

More details on the Transformation Initiative is in the justification for the Transformation Initiative account.

Performance Measurements and Program Evaluations for the HAG program. HUD is committed to help prevent and end homelessness. The Department works with communities nationwide to measure the size and nature of the problem. This national effort informs HUD and communities on how to best use limited resources to make a measurable impact. The Department's new strategic plan reflects this commitment to prevent and end homelessness. HUD had a number of specific outcome-based performance measures, including housing stability and employment to help ensure that once clients are assisted by HAG that they do not fall back into homelessness. Communities report on their performance as part of the national competition for HAG funding; performance is the most significant scoring factor in the competition. Performance is also included in HEARTH as part of required criteria for rating and ranking competitive proposals.

The success of this effort to measure and reduce homelessness has been documented in the July 2009 Annual Homeless Assessment Report (AHAR). The AHAR provides key information for national, State and local policymakers, including the number of homeless persons by community, the trends for various subpopulations including homeless families, veterans, and victims of domestic violence, and the bed inventory by community and nationally. The Congress has

Homeless Assistance Grants

consistently provided funding for the AHAR as well as for program evaluations. HUD is currently evaluating or planning the evaluation of various relevant policy topics, including: effective interventions for homeless families, the cost of different program models for homeless families and for singles, an evaluation of the effectiveness of rapid re-housing for families, a study of housing models for youth aging out of foster care, and a demonstration evaluation on homeless prevention approaches for veterans. HUD will share the lessons learned from these evaluations with its stakeholders through HUD's homeless web portal, the Homelessness Resource Exchange, at www.hudhre.info.

Homeless Assistance Grants

**COMMUNITY PLANNING AND DEVELOPMENT
HOMELESS ASSISTANCE GRANTS
Summary of Resources by Program
(Dollars in Thousands)**

<u>Budget Activity</u>	<u>2009 Budget Authority</u>	<u>2008 Carryover Into 2009</u>	<u>2009 Total Resources</u>	<u>2009 Obligations</u>	<u>2010 Budget Authority/ Request</u>	<u>2009 Carryover Into 2010</u>	<u>2010 Total Resources</u>	<u>2011 Request</u>
Grants	\$1,652,575	\$1,753,866	\$3,406,441	\$1,365,561	\$1,846,350	\$2,032,892	\$3,879,242	...
Competitive Grants (CoC & Rural Housing Stability) .....	...	...	...	...	...	...	...	\$1,828,450
Emergency Solutions Grants Formula (ESG) .	...	...	...	...	...	...	...	200,000
Transformation Initiative .....	...	...	...	...	12,650	...	12,650	20,550
Technical Assistance ..	6,500	7,238	13,738	7,034	...	6,817	6,817	...
National Homeless Data Analysis Project	1,500	2,800	4,300	2,800	6,000	1,500	7,500	6,000
Working Capital Fund ..	2,675	...	2,675	2,675	...	...	...	...
Homeless Research	3,000	...	3,000	...	...	3,000	3,000	...
Nation's Veterans Demonstration	10,750	...	10,750	...	...	10,750	10,750	...
Rapid Re-housing Demonstration Project	...	25,000	25,000	1,085	...	23,915	23,915	...
Homelessness Prevention and Rapid Re-Housing .	<u>1,500,000</u>	...	<u>1,500,000</u>	<u>1,492,809</u>	...	<u>7,191</u>	<u>7,191</u>	...
Total	3,177,000	1,788,904	4,965,904	2,871,964	1,865,000	2,086,065	3,951,065	2,055,000
FTE	<u>2009 Actual</u>	<u>2010 Estimate</u>	<u>2011 Estimate</u>					
Headquarters	47	47	50					
Field	<u>233</u>	<u>237</u>	<u>239</u>					
Total	280	284	289					

Homeless Assistance Grants

**COMMUNITY PLANNING AND DEVELOPMENT
HOMELESS ASSISTANCE GRANTS
Program Offsets
(Dollars in Thousands)**

Competitive Grants (CoC & Rural Housing Stability)	<u>Amount</u>
2009 Appropriation .....	...
2010 Appropriation/Request .....	...
2011 Request	<u>\$1,828,450</u>
Program Improvements/Offsets	+1,828,450

Proposed Actions

The following tables summarize the funding requested and the awards made as part of the fiscal year 2008 NOFA, excluding funds distributed by formula under the ESG program. Funding includes appropriated amounts and recaptures. The fiscal year 2008 NOFA is the most recently completed cycle, and awards were made in fiscal year 2009. Awards from the fiscal year 2009 appropriation and NOFA will be completed during fiscal year 2010 (renewals were announced in December 2009). The lag between appropriation and award is due to both the large number of projects and applicants and the complexities of the HAG program. Both of these points are addressed in the HEARTH Act.

FY 2008 Funding Requests*
(Dollars in Millions)

Program	Total Projects Requested	Total Amount Requested	New Applicants	Requested Amount	Renewal Applicants	Requested Amount
SHP	5,748	\$1,182.9	774	\$289.6	4,974	\$893.3
S+C	1,088	434.6	210	109.6	878	325.0
SRO	7	2.8	7	2.8	0	0.0
Total	6,843	\$1,620.3	991	\$402.0	5,852	\$1,218.3

FY 2008 Funding Awards*
(Dollars in Millions)

Program	Total Projects Funded	Total Amount Funded	New Applicants	Awarded Amount	Renewal Applicants	Awarded Amount
SHP	5,316	\$1,008.0	365	\$120.4	4,951	\$887.6
S+C**	1,015	\$405.9	141	74.7	874	331.2
SRO	5	\$2.4	5	2.4	0	0.0
Total	6,336	\$1,416.3	511	\$197.5	5,825	\$1,218.8

* This includes the one-time Rapid Re-Housing Demonstration Program for Families.

** By law, the award for S+C is based on FMR's at the time of award. The awarded amount is higher than the requested amount because the FMR update that is included at the time of award represents a \$10-14 million increase annually.

Homeless Assistance Grants

The Department is providing, as part of the 2011 Budget justifications, projected costs for renewing projects formerly funded through the S+C and the Supportive Housing Program—Permanent Housing for Persons with Disabilities (SHP-PH) component (now the CoC and/or rural permanent housing components). As required, projections are provided for 5 years beginning with 2010.

<u>Fiscal Year</u>	<u>Estimated Renewal Need</u>
2010	\$1,355 - \$1,496 million*
2011	\$1,504 - \$1,676 million
2012	\$1,663 - \$1,835 million
2013	\$1,878 - \$2,030 million
2014	\$1,329 - \$1,449 million

* Fiscal year 2010 renewal estimates are based on the S+C and SHP programs. Estimates in 2011 and beyond are based on the new CoC enacted under HEARTH.

Renewals

The estimates for 1-year renewal needs are based primarily on three factors: (a) the amount of renewals from the prior year which will be expected to renew again (this covers all on-going, accumulating renewals from prior years); (b) the amount of new awards made 1 to 5 years prior to the year for which renewal demand is being estimated, which will now be renewed for the first time; and, (c) the average rate of increase in renewal demand (with FMR updates factored in) for the previous 5-year period. Based on HUD's experience, not all rental assistance grants eligible to seek renewal actually do so in any given year. Therefore, the renewal estimates from known factors (a) and (b) above are contained within a range to accommodate the unknown percentage of projects that should renew in a given year but do not.

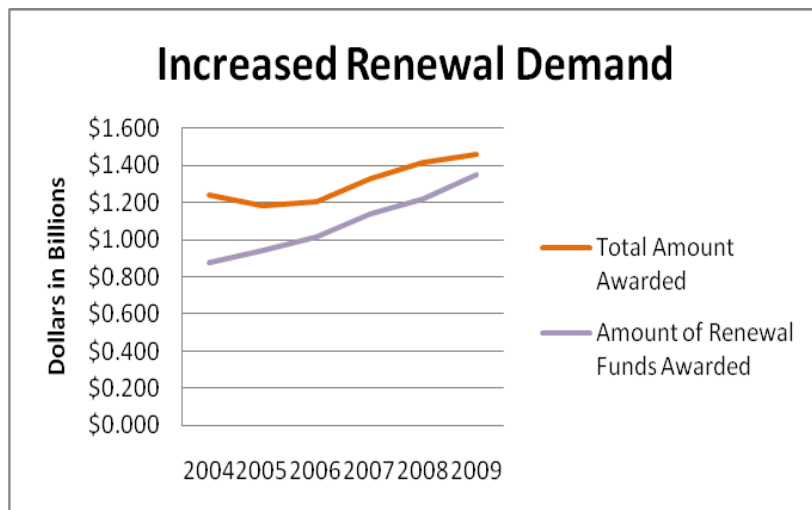
While estimating future renewal costs for rental assistance (previously funded under S+C) is difficult, projecting the cost of renewals programs originally funded under SHP is even more challenging for the following reasons:

- The law allows for varying grant terms--1, 2, or 3 years are used. As such, some grantees will request to renew a SHP-PH project for 1 year, whereas other grantees will opt for a 2- or 3-year grant period. With over 450 communities receiving HUD McKinney competitive funds and well over 6,000 currently operating projects, HUD cannot predict with great certainty how much funding will be requested for each grant term in order to estimate future renewal demand. However, for purposes of this requirement, HUD assumes that from 2010 through 2011, a significant share of SHP-PH funds will be for 1-year terms.
- New SHP-PH project funding from 2010 through 2011 will also be requested to meet the 30 percent requirement for permanent housing. Many new projects develop housing through acquiring, rehabilitating, and newly constructing facilities. Their progress often varies, depending on Not-In-My-Backyard (NIMBY) concerns, financing, etc. As the SHP grant term does not begin until the facility is finished and clients begin to be served; any delays

Homeless Assistance Grants

can directly impact when a new grant will need to be renewed. Moreover, grantees often, but not always, renew projects for a shorter term than the original grant to comply with a local planning process, further complicating the ability to accurately estimate renewal demand.

- HUD’s non-permanent housing components include transitional housing, safe havens, supportive services, and homeless management information systems. As mentioned earlier with the permanent housing projects, the law allows for varying SHP grant terms—1, 2, or 3 years are used. As such, some grantees will request to renew an SHP project for 1 year, whereas other grantees will opt for a 2- or 3-year grant period. With over 450 communities receiving HUD McKinney competitive funds and well over 6,000 currently operating projects, HUD cannot predict with great certainty how much funding will be requested for each grant term in order to estimate future renewal demand. However, for purposes of this requirement, HUD assumes that from 2009 to 2013, a significant share of SHP funds will be for 1-year terms. The flexibility of the SHP allows for numerous eligible activities, some of which are renewable (e.g., operating costs) and some of which are not (e.g., acquisition). HUD cannot know in advance to what extent new SHP projects will be funded for non-renewable activities in order to accurately reflect the actual amount of the grant that is renewable.



The new CoC program includes numerous eligible activities, some of which are renewable (e.g., operating costs) and some of which are not (e.g., acquisition). HUD cannot know in advance to what extent new SHP-PH projects will be funded for non-renewable activities in order to accurately reflect the actual amount of the grant that is renewable.

In addition to CoC renewals, HUD has funded projects under special programs that will be added to the renewal burden in the coming years:

- In fiscal year 2008, a \$50 million special appropriation to provide Louisiana with a new 1,000 unit SPC program was funded. This project—the largest single grant in the history of the HAG programs—will be renewable, possibly in fiscal year 2014. It will substantially increase renewal demand (by at least \$10 million) the year that it is renewed.

In fiscal year 2008, Congress directed HUD to implement a Rapid Re-Housing Demonstration Program for Homeless Families (RRH), and made RRH programs renewable under the SHP. The amount of funding available for RRH programs (not including program evaluation) in fiscal year 2008 was \$23.75 million, which HUD will award as 3-year transitional housing grants. It is expected that these programs will begin to renew through the CoC competition in fiscal year 2011.

Homeless Assistance Grants

**COMMUNITY PLANNING AND DEVELOPMENT
HOMELESS ASSISTANCE GRANTS
Program Offsets
(Dollars in Thousands)**

Emergency Solutions Grants Formula (ESG)	<u>Amount</u>
2009 Appropriation .....	...
2010 Appropriation/Request .....	...
2011 Request	<u>\$200,000</u>
Program Improvements/Offsets	+200,000

Proposed Actions

The ESG program (formerly the Emergency Shelter Grants program) is the portion of the HAG account that was allocated by formula to approximately 360 State and local government entities annually. While the HEARTH Act authorizes ESG to be calculated as 20 percent of the total HAG appropriation, the Budget proposed \$200 million for ESG, a \$40 million increase from the \$160 million level enacted in fiscal year 2010. ESG funds are used for a variety of purposes related to emergency shelter operations, transitional housing, and essential services, and may now be used to fund prevention and rapid re-housing programs started under HPRP. In fiscal year 2011, the Administration intends to implement reporting mechanisms for the ESG program to better mirror the metrics of the competitive programs so that outcomes and results can be more clearly demonstrated.

Homeless Assistance Grants

**COMMUNITY PLANNING AND DEVELOPMENT
HOMELESS ASSISTANCE GRANTS
Program Offsets
(Dollars in Thousands)**

Grants	<u>Amount</u>
2009 Appropriation	\$1,652,575
2010 Appropriation/Request	1,846,350
2011 Request	<u>...</u>
Program Improvements/Offsets	-1,846,350

Proposed Actions

The Grants line item in past justifications included all competitive programs (new and renewal) in addition to the formula allocation for ESG. In fiscal year 2011, these components of the Grants line item have been broken out in more detail in order to improve transparency and clearly communicate the intent of the Administration for the homeless assistance programs.

**COMMUNITY PLANNING AND DEVELOPMENT
HOMELESS ASSISTANCE GRANTS
Program Offsets
(Dollars in Thousands)**

Transformation Initiative	<u>Amount</u>
2009 Appropriation .....	...
2010 Appropriation/Request	\$12,650
2011 Request	<u>20,550</u>
Program Improvements/Offsets	+7,900

Proposed Actions

The Transformation Initiative allows the Secretary the necessary flexibility to undertake an integrated and balanced effort to improve program performance and test innovative ideas. Up to 1 percent of the funds appropriated for the Homeless Assistance Grants account may be transferred to the Transformation Initiative account to undertake research, demonstrations, technical assistance, and technology improvements. Examples of projects that could be undertaken with Transformation Initiative funding in respect to the Homeless Assistance Grants account include:

- Continue the development of e-snaps as a full grants management tool for both grantee and HUD use. In the long run, the use of a grants management tool allows for the updating of information rather than the creation of new data sets and documents each year. This is also the administrative mechanism that will cut down on unnecessary processing time for the over 6,300 grants currently funded under the HAG account.
- Develop and roll-out technical assistance resources that take advantage of technology and that assist communities to more effectively operate new and existing programs funded either through the competition or the HPF.

As previously stated, fiscal year 2011 will be unique due to the implementation of new program regulations and a new competitive structure as required by the HEARTH Act. Technical Assistance (TA) resources will be focused on providing in-depth assistance to communities to ensure that they are compliant with the new program while maintaining program and planning continuity. Delivery of TA may include two conferences that educate participants on the new regulations and the data collection requirements, training materials, templates for community use and – most importantly – on-site TA provided by experienced practitioners to assist communities with local and specific barriers they may be experiencing in the implementation of new program regulations and intervention models. TA funds may also be used to address local issues such as capital financing for initial acquisition and rehabilitation, to assist communities with their use of the HMIS, and to assess and evaluate the effectiveness of grantees’ program performance.

Included in TA is data analysis funding, which supports several key information systems that are critical for measuring and meeting HUD’s Strategic Objectives related to homelessness. The funding is used to develop important training materials and provide a help desk for e-snaps, as well as to provide other support for the grants management system including analysis of data submitted through the annual competition. The data analysis funds also include maintaining prior year systems for essential program management, evaluation and reporting purposes. At the direction of Congress, these funds have been used to provide assistance

Homeless Assistance Grants

to communities nationwide in implementing HMIS for the collection of accurate information on homelessness at the local and national levels. Finally, at the direction of Congress, these funds have been used to conduct program assessments and evaluation research.

Homeless Assistance Grants

**COMMUNITY PLANNING AND DEVELOPMENT
HOMELESS ASSISTANCE GRANTS
Program Offsets
(Dollars in Thousands)**

Technical Assistance	<u>Amount</u>
2009 Appropriation	\$6,500
2010 Appropriation/Request .....	...
2011 Request	<u>...</u>
Program Improvements/Offsets .....	...

Proposed Actions

The Department has consolidated technical assistance funds in its Transformation Initiative. Therefore, no funds are being requested under this line item.

Homeless Assistance Grants

**COMMUNITY PLANNING AND DEVELOPMENT
HOMELESS ASSISTANCE GRANTS
Program Offsets
(Dollars in Thousands)**

National Homeless Data Analysis Project	<u>Amount</u>
2009 Appropriation	\$1,500
2010 Appropriation/Request	6,000
2011 Request	<u>6,000</u>
Program Improvements/Offsets .....	...

Proposed Actions

The 2011 Budget requests \$6 million for the National Homeless Data Analysis Project. At the direction of Congress, these funds have been used to provide assistance to communities nationwide in implementing HMIS for the collection of accurate information on homelessness at the local and national levels. Additionally, at the direction of Congress, these funds have been used to conduct program assessments and evaluation research.

Homeless Assistance Grants

**COMMUNITY PLANNING AND DEVELOPMENT
HOMELESS ASSISTANCE GRANTS
Program Offsets
(Dollars in Thousands)**

working capital fund	<u>Amount</u>
2009 Appropriation	\$2,675
2010 Appropriation/Request .....	...
2011 Request	<u>...</u>
Program Improvements/Offsets .....	...

Proposed Actions

The Department has consolidated Working Capital Fund transfers in its Transformation Initiative. Therefore, no funds are being requested under this line item.

Homeless Assistance Grants

**COMMUNITY PLANNING AND DEVELOPMENT
HOMELESS ASSISTANCE GRANTS
Program Offsets
(Dollars in Thousands)**

Nation's Veterans Demonstration	<u>Amount</u>
2009 Appropriation	\$10,750
2010 Appropriation/Request .....	...
2011 Request	<u>...</u>
Program Improvements/Offsets .....	...

Proposed Actions

No funds are being requested in fiscal year 2011 for this one-time demonstration project that was funded in fiscal year 2009. The Veterans Demonstration Program will be launched in fiscal year 2010, and will focus on interventions to prevent homelessness among veterans in communities with a large number of veterans, with a special emphasis on veterans returning from current conflicts in Iraq and Afghanistan. The demonstration program will be operated in partnership with VA and the Department of Labor. HUD also continues to work with VA to develop effective policy to address the issue of Veterans' homelessness and remains committed to continuing to provide assistance to homeless veterans through the HUD VASH program.

Homeless Assistance Grants

**COMMUNITY PLANNING AND DEVELOPMENT
HOMELESS ASSISTANCE GRANTS
Program Offsets
(Dollars in Thousands)**

Homelessness Prevention and Rapid Re-Housing	<u>Amount</u>
2009 Appropriation	\$1,500,000
2010 Appropriation/Request .....	...
2011 Request	<u>...</u>
Program Improvements/Offsets .....	...

Proposed Actions

No funds are being requested in fiscal year 2011 for this one-time program that was funded in fiscal year 2009 as part of the Recovery Act. These funds were appropriated under the Homelessness Prevention Fund and were obligated by October 2009. As of December 31, 2009, \$46.9 million of the funds had been outlaid. The program will continue to provide short-term and medium-term rental assistance, relocation, and stabilization services to prevent homelessness and rapidly re-house persons who have become homeless.

Homeless Assistance Grants

**COMMUNITY PLANNING AND DEVELOPMENT
HOMELESS ASSISTANCE GRANTS
Program Offsets
(Dollars in Thousands)**

Homeless Research	<u>Amount</u>
2009 Appropriation	\$3,000
2010 Appropriation/Request .....	...
2011 Request	<u>...</u>
Program Improvements/Offsets .....	...

Proposed Actions

No funds are being requested in fiscal year 2011 for this one-time program that was fully funded in fiscal year 2009. Homeless Research funds were appropriated to conduct research on homeless issues, including homeless prevention and youth homelessness. HUD now undertakes research, demonstrations, and technical assistance under the Transformation Initiative.

Homeless Assistance Grants

**COMMUNITY PLANNING AND DEVELOPMENT
HOMELESS ASSISTANCE GRANTS
Program Offsets
(Dollars in Thousands)**

Rapid Re-housing Demonstration Project	<u>Amount</u>
2009 Appropriation
2010 Appropriation/Request
2011 Request	<u>...</u>
Program Improvements/Offsets

Proposed Actions

No funds are being requested in fiscal year 2011 for this one-time demonstration project that was funded in fiscal year 2008. In the fiscal year 2008 CoC competition, announced in fiscal year 2009, HUD awarded 23 grants to geographically diverse communities to implement the Rapid Re-Housing for Families Demonstration project. HUD has held a start-up meeting for grantees and anticipates both program operations and evaluation activities—being conducted in conjunction with the Office of Policy Development and Research (PD&R)—to begin in early 2010. HUD anticipates obligating funds that remain available for this program in fiscal year 2010 and will continue to support additional rapid re-housing efforts under the Homelessness Prevention Fund appropriated through the Recovery Act.

Homeless Assistance Grants

COMMUNITY PLANNING AND DEVELOPMENT HOMELESS ASSISTANCE GRANTS Justification of Proposed Changes in Appropriations Language

The 2011 President's Budget includes proposed changes in appropriations language listed and explained below. New language is italicized and underlined, and language proposed for deletion is bracketed.

For the emergency [shelter]solutions grants program as authorized under subtitle B of title IV of the McKinney-Vento Homeless Assistance Act, as amended; the [supportive housing]continuum of care program as authorized under subtitle C of title IV of such Act; [the section 8 moderate rehabilitation single room occupancy program as authorized under the United States Housing Act of 1937, as amended, to assist homeless individuals pursuant to section 441 of the McKinney-Vento Homeless Assistance Act;] and the [shelter plus care]rural housing stability assistance program as authorized under subtitle [F]D of title IV of such Act, [~~\$1,865,000,000~~]\$2,055,000,000, of which [~~\$1,860,000,000~~]\$2,050,000,000 shall remain available until September 30, [2012] 2013, and of which \$5,000,000 shall remain available until expended for project-based rental assistance rehabilitation [projects]with 10-year grant terms and any rental assistance amounts that are recaptured under such continuum of care program shall remain available until expended: *Provided*, [That not less than 30 percent of funds made available, excluding amounts provided for renewals under the Shelter Plus Care Program and emergency shelter grants, shall be used for permanent housing for individuals and families: *Provided further*, That all funds awarded for services shall be matched by not less than 25 percent in funding by each grantee]That up to \$200,000,000 of the funds appropriated under this heading shall be available for such emergency solutions grant programs: *Provided further*, That no less than \$1,844,000,000 of the funds appropriated under this heading shall be available for such continuum of care and rural housing stability assistance programs: *Provided further*, That up to \$6,000,000 of the funds appropriated under this heading shall be available for the national homeless data analysis project: *Provided further*, That for all match requirements applicable to funds made available under this heading for this fiscal year and prior years, a grantee may use (or could have used) as a source of match funds other funds administered by the Secretary and other Federal agencies unless there is (or was) a specific statutory prohibition on any such use of any such funds: *Provided further*, That the Secretary shall renew on an annual basis expiring contracts or amendments to contracts funded under the [shelter plus]continuum of care program if the program is determined to be needed under the applicable continuum of care and meets appropriate program requirements and financial standards, as determined by the Secretary: *Provided further*, That all awards of assistance under this heading shall be required to coordinate and integrate homeless programs with other mainstream health, social services, and employment programs for which homeless populations may be eligible, including Medicaid, State Children's Health Insurance Program, Temporary Assistance for Needy Families, Food Stamps, and services funding through the Mental Health and Substance Abuse Block Grant, Workforce Investment Act, and the Welfare-to-Work grant program: [Provided further, That up to \$6,000,000 of the funds appropriated under this heading shall be available for the national homeless data analysis project: *Provided further*, That up to \$12,650,000 of the funds made available under this heading may be transferred to and merged with the appropriation for ``Transformation Initiative':] *Provided further*, That all balances for Shelter Plus Care renewals previously funded from the Shelter Plus Care Renewal account and transferred to this account shall be available, if recaptured, for [Shelter Plus Care]continuum of care renewals in fiscal year [2010]2011. (Department of Housing and Urban Development Appropriations Act, 2010.)

Explanation of changes

Changes to program names and set-asides reflect HUD's implementation of the HEARTH Act in fiscal year 2011.

Homeless Assistance Grants

**COMMUNITY PLANNING AND DEVELOPMENT
HOMELESS ASSISTANCE GRANTS
Crosswalk of 2009 Availability
(Dollars in Thousands)**

<u>Budget Activity</u>	<u>2009 Enacted</u>	<u>Supplemental/ Rescission</u>	<u>Approved Reprogrammings</u>	<u>Transfers</u>	<u>Carryover</u>	<u>Total 2009 Resources</u>
Grants	\$1,652,575	...	...	...	\$1,753,866	\$3,406,441
Competitive Grants (CoC & Rural Housing Stability) .....	...	...	...	...	...	...
Emergency Solutions Grants Formula (ESG) .....	...	...	...	...	...	...
Transformation Initiative .....	...	...	...	...	...	...
Technical Assistance	6,500	...	...	...	7,238	13,738
National Homeless Data Analysis Project	1,500	...	...	...	2,800	4,300
Working Capital Fund	2,675	...	...	...	...	2,675
Homeless Research	3,000	...	...	...	...	3,000
Nation's Veterans Demonstration	10,750	...	...	...	...	10,750
Rapid Re-housing Demonstration Project .....	...	...	...	...	25,000	25,000
Homelessness Prevention and Rapid Re-Housing .....	...	<u>\$1,500,000^a</u>	...	...	...	<u>1,500,000</u>
Total	1,677,000	1,500,000	...	...	1,788,904	4,965,904

a/ Per the American Recovery and Reinvestment Act, P.L. 111-5.

Homeless Assistance Grants

**COMMUNITY PLANNING AND DEVELOPMENT
HOMELESS ASSISTANCE GRANTS
Crosswalk of 2010 Changes
(Dollars in Thousands)**

<u>Budget Activity</u>	<u>2010 President's Budget Request</u>	<u>Congressional Appropriations Action on 2010 Request</u>	<u>2010 Supplemental/ Rescission</u>	<u>Reprogrammings</u>	<u>Carryover</u>	<u>Total 2010 Resources</u>
Grants	\$1,793,715	\$1,846,350	...	...	\$2,032,892	\$3,879,242
Competitive Grants (CoC & Rural Housing Stability)
Emergency Solutions Grants Formula (ESG)
Transformation Initiative	12,650	...	...	...	12,650
Technical Assistance	6,817	6,817
National Homeless Data Analysis Project	6,000	...	...	1,500	7,500
Working Capital Fund
Homeless Research	3,000	3,000
Nation's Veterans Demonstration	10,750	10,750
Rapid Re-housing Demonstration Project	23,915	23,915
Homelessness Prevention and Rapid Re-Housing	<u>7,191</u>	<u>7,191</u>
Total	1,793,715	1,865,000	...	...	2,086,065	3,951,065