MASSACHUSETTS CONTINUUMS OF CARE (COC) POLICY BRIEF

Ending homelessness, improving efficiency:
Simple fixes to the HUD CoC program

What is the CoC Program?

As the primary federal resource to end homelessness, the U.S. Department of Housing and Urban Development (HUD) Continuum of Care (CoC) program competitively funds CoCs to impact homelessness at the local level. Last year alone, HUD awarded almost $2 billion for housing and services for individuals and families experiencing homelessness including those who were chronically homeless, disabled, veterans, and unaccompanied youth. In Massachusetts, these funds translated into 4,578 units of permanent housing and other supports. Local CoCs coordinate homeless service systems at either regional or municipal levels in order to reduce homelessness with high performance projects that qualify for HUD's CoC funds. CoCs apply for funds on behalf of community programs. Congress' adoption of the 2009 HEARTH Act intended to streamline the CoC program, improve community planning, and measure performance. In part it did. But, it also substantially increased the administrative burden, which significantly undermines the ability of CoCs to effectively plan and efficiently end homelessness as Congress intended.

Massachusetts Snapshot

16
Number of MA CoCs

$68 million
Annual HUD CoC funding in MA

4,578
Units of permanent supportive housing funded by CoC for individuals and families formerly experiencing homelessness

As a result, a massive high-stakes HUD competition for CoC dollars dominates local homeless planning for three-to-four months each year, even though 80-90% of funds renew existing programs. New layers of governance bureaucracy must be added locally and must respond to ever-changing regulations. Onerous data reporting requirements eat up staff time and often go beyond data software capabilities. Community time, energy and resources are being consumed by this administrative burden and diverted from the important work of ending homelessness.

What specific issues create this administrative burden?

HUD CoC NOFA Application – "NOFA" dominates CoC time and puts many housing units at constant risk…

- Average 1,000 hours to complete the application for *each* CoC, diverting staff at local government and service organizations away from core business of addressing homelessness
- 60 days to submit application and 60 days of prep is four months a year consumed by NOFA
- Significant HUD policy directives and changes issued within rushed 60-day process
- Unpredictable schedule year-to-year
- Competing HUD deadlines often simultaneous with the NOFA
- Confusing application, countless details, data requests often not correlated to CoC performance, on rushed schedule consumes time and undermines good planning (Multiple instructional guides, 100+page required submission, 10-15 repetitive attachments)

HEARTH ACT Compliance: CoCs burdened with a new layer of bureaucracy…

- HEARTH Act requires governance charter, planning board, significant project monitoring, adding new layer of local bureaucracy and many costs not covered by HUD
- Data requirements keep growing, while funding stays level. Data systems are ill-equipped to meet HUD demands, including:
  - HMIS data collection and management
  - Point in Time count (PIT)
  - Housing Inventory Chart (HIC)
  - Annual Homeless Assessment Report (AHAR)
  - Annual Performance Reports (APRs)

Project Operations: Homeless providers forced to carry costs due to HUD challenges…

- Uncertain renewal funding, complex project "tiering" imposed on all CoCs, even those aligned with HUD priorities, puts many projects at-risk of closing *on a yearly basis*
- Continually delayed awards leaves providers covering operating costs for months at a time
- Inefficient annual re-application and re-contracting drives up administrative costs
- Admin of 5-7% and small data grants relative to mandated reporting don't cover costs. Homeless providers must raise other funds to cover HUD admin burden that could be reduced and streamlined

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What solutions do we recommend?

1

Switch to multi-year application and simplified annual updates, like the Consolidated Plan. A multi-year funding cycle would:

- Focus communities on homeless planning rather than annual applications.
- Reduce administrative burden and ensure financial stability for projects. About 90% of funds go to renewals. Why reapply every year?
- Balance HUD's need to shift dollars to emerging trends with local need for financial stability. Allow communities to reallocate funds annually if appropriate, without requiring full application for all CoCs.

2

Reward higher performers and target poor performing CoCs with technical assistance and project changes.

- Ensure five-year renewal grants to CoCs with above average scores in recent rounds. No more complex annual competition in order to renew existing strong projects. Focus HUD changes on struggling CoCs.

3

Support better planning with multi-year planning grants.

- Allow communities to build capacity to plan for homeless systems change with multi-year funding certainty.
- Promote better strategic thinking and longer-term reforms that will yield better outcomes at reducing homelessness, a process that requires more than one-year grants to implement.

4

Set a consistent schedule for HUD NOFA, separate from other HUD required deadlines.

- Provide communities with the consistent schedule they need to undertake major tasks, plan and prepare quality responses, and implement system reforms.

5

Simplify data reporting to measure CoC performance and homeless trends.

- Reduce data reporting requirements to provide CoCs and HUD with robust data for planning, but calibrating those expectations with available HUD funding and realistic data system capabilities and staffing.

6

Listen and learn from local communities as partners in ending homelessness.

- Encourage HUD policy makers who lead CoC change to conduct focus groups with CoCs in communities across the country to listen and learn about the challenges, benefits, and possible improvements to this vital program.
- Enhance homeless public policy and stronger local programs as a result of engaging local communities.

There are 16 Continuums of Care (CoCs) in the Commonwealth of Massachusetts, and they coordinate efforts through a statewide CoC network. This *Massachusetts Continuums of Care (CoC) Policy Brief* is a collaboratively written and endorsed set of recommendations by that network to improve the administration of the CoC program and the competitive funding process.

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