

MEMORANDUM

TO: Maria Belliveau, Legislative Associate Fiscal Officer
FROM: Sean Brown, Economic Services Deputy Commissioner
DATE: January 7, 2020
RE: Lund Independence Place

The Economic Services Division has had a contractual relationship for approximately 20 years with Lund to provide transitional housing for women. The building known as Independence Place (previously McAuley Square) has seven small efficiency apartments and a communal space for mothers and children. Originally, Independence Place served a target population of low-income, single women ages 16-21 with a child under the age of 5. Independence Place allowed very young mothers to live independently with their children when they would not have otherwise been able to rent an apartment in their community. Due to a large decline in teen pregnancy rates in Vermont, the average age of women served by Independence Place is now 28 years old, effectively rendering the original intent obsolete.

Independence Place is transitional housing with limitations including being project-based at a single site in Burlington, stay is time-limited, and it has very specific and restrictive eligibility criteria that excludes fathers, partners, and children over six. Additionally, the cost of the program is quite high at \$356,196 per year. In State Fiscal Years 2017-2019, 15 out of 20 women (75%) that resided at Independence Place had transitioned from Lund's residential program. The average length of stay in their residential program prior to transition to Independence Place was 13 months; the cost for a woman to stay at their residential program is currently \$10,597 per month. Once transitioned to Independence Place, the average length of stay is 16 months at a cost of \$4,240 per month, per tenant.

Economic Services currently provides Lund \$264,120 per year to operate Independence Place via a grant agreement. The costs outlined in the grant include \$240,000 for 5 positions: 4 Residential Counselors that provide 24/7 coverage, and a Coordinator. The five positions support a maximum of seven tenants and their children. The remaining \$24,000 is used for operating costs and the communal space within the building. The grant does not fund ongoing counseling, job training, life skills counseling, parenting education, or financial literacy and therefore those services will remain intact for residential and community clients of Lund. Similar services are available to all families participating in Vermont's Reach Up program.

Research in the last 10 years has found that transitional housing models are not the most effective or healthy way to provide housing for families. Multiple transitions are particularly detrimental to young children in these families. Additionally, families are more likely to experience upward economic mobility when integrated into dispersed housing sites. Due to well-documented research¹, there has been an effort in housing services to

¹ US Housing and Urban Development (HUD) Family Options Study, https://www.huduser.gov/portal/family_options_study.html

move away from outdated transitional housing models and toward a long-term supportive housing approach which is thought to be a better practice for families. In line with this shift, it was proposed that funding currently used to support the communal space and 24/7 residential staff at Independence Place be moved to expand Vermont's Family Supportive Housing (FSH) program.

Family Supportive Housing (FSH) is administered by DCF's Office of Economic Opportunity. FSH helps families move into permanent affordable housing with intensive home-based case management and service coordination to help them keep their housing. The FSH program operates at multiple sites across the state and allows entire families to remain together and in their home communities. FSH Service Coordinators serve 12-15 families at a time, at an average annual service cost of \$5,600/family. The program's goal is to reduce the incidence and duration of homelessness through family supports as they transition to and sustain permanent housing over time. Service coordination and case management services focuses on the root causes of a family's homelessness; promotes resiliency for parents and their children; and helps households build financial capability. FSH Service Coordinators support enrolled families for a duration of time that is appropriate for each family having the flexibility to continue necessary supports as appropriate, while the families maintain the same, stable housing arrangement.

FSH is a nationally recognized, evidenced-based practice for promoting housing stability for families with complex, high needs. Families served in Vermont's FSH program have a similar profile to those served in Lund's Independence Place – they have young children, DCF involvement, live with a disability (including substance use), and need housing. Vermont's FSH implementation provides high quality, trauma-informed service coordination paired with affordable permanent housing.

Since its inception in 2014, FSH has grown from 3 AHS Districts with the capacity to serve 90 families, to 7 current sites serving up to 147 families at any given time. In State Fiscal Year 2019, the FSH program served a total of 210 families. Reallocating the \$264,120 from Independence Place to FSH would support the expansion of this high quality, evidence-based program to 3 new sites and add new capacity to assist 110 additional families.

Economic Services has provided notice to Lund that it will end its Independence Place agreement effective June 30, 2020. A meeting to begin transition planning for the program and the families currently at Independence Place is scheduled to occur the week of January 13th to ensure all Independence Place families are transitioned to permanent housing and connected and engaged with the Family Supportive Housing program.