

Department for Children and Families
Emergency Housing Restructure
SFY 2021 Budget Memo

In SFY 2021, DCF is proposing to end the General Assistance (GA) Temp/Emergency Housing (“motel voucher”) program administered by the Economic Services Division and shift to a 100% community-based emergency housing/shelter system supported by homeless assistance grants administered by the Office of Economic Opportunity (OEO).

Currently, emergency housing/shelter needs for Vermonters experiencing homelessness is provided through a two-part system of care:

- 1) Community-based projects run by private nonprofit organizations supported in part by public grant funding:

Community-based emergency housing/shelter is provided by a range of project-types, including year-round shelters, seasonal shelters, emergency apartments for families, host homes for youth, and motels. DCF currently supports a community-based emergency shelter system through the [Housing Opportunity Grant Program \(HOP\)](#) administered by OEO. In SFY 2019, 2,710 households received emergency housing/shelter through these programs.

- 2) Motel vouchers administered by the DCF Economic Services Division (GA temp housing):

In SFY 2019, there was an unexpected increase in the reliance on the GA motel voucher program. Unduplicated households increased by 10% and the average length of stay increased by 40% relative to the previous year. There is wide agreement that the GA motel voucher program is not an effective way to help Vermonters experiencing homelessness find a pathway to permanent, safe, stable housing. In SFY 2019, 2,503 households received emergency housing in motels through the General Assistance program.

DCF has been expanding community-based projects through GA Community Investments for several years. In SFY20, GA has 17 GA community investment projects in all 12 AHS Districts. These initiatives have shown that community-run alternatives can reduce reliance on motels while connecting clients to supportive services. These projects have been more cost effective and provided better outcomes for Vermonters. In 7 districts, 100% of the emergency housing need for victims fleeing domestic violence is met through community partners. With grant funding, these community agencies provide motel stays when that is the only safe, available shelter capacity. Motels provide flexible capacity for communities and will continue to be an important tool for meeting emergency housing needs. Motel stays supported with immediate services are more effective than a motel voucher alone or with a referral for services.

DCF’s proposal to restructure emergency housing is guided by three goals:

- 1. Provide a realistic and responsible transition away from motels to protect vulnerable Vermonters;**

In year one, it is expected that providers will still use motels as local planning is underway. Local planning helps each community understand its unique emergency housing needs/gaps and to develop projects to meet these needs.

2. Partner to support community responsibility and accountability;

While DCF would no longer be providing motel vouchers directly to clients, DCF will provide funding for community initiatives, provide training and technical assistance on program design and best practice, support community planning and resource development efforts, and provide monitoring and oversight of grant-funded projects.

3. Promote equity, quality and results through statewide standards and uniformity.

The Housing Opportunity Grant Program provides a framework to support equity and performance.

This proposal follows almost two years of exploration on how to restructure the entire General Assistance program to better serve vulnerable Vermonters. In the past several months, DCF hosted statewide and community-based conversations with partners, consumers and other stakeholders to help shape this proposal to end GA emergency housing. These conversations have shed important light on challenges such as transportation, hours of operation, capital funding needs, client choice, day shelter, appeal process, and lack of affordable housing. It has also helped identify changes to DCF's approach to the initiative and areas for future planning and improvement. In DCF's conversations, we heard from many who support this initiative – the biggest concern is adequate funding.

The Emergency Housing Initiative aligns with other ongoing efforts to reduce homelessness and promote housing stability. Restructuring emergency housing can have a long-term impact on housing stability indicators in Vermont because:

- Vermonters in emergency housing will be more quickly connected to services to initiate a path towards permanent housing.
- Vermonters needing emergency housing will have their individualized needs met – eligibility will not be limited by obtuse rules or cold weather, and length of stay will be based on individual household needs (rather than a set standard of 28 or 84 days).
- Resources will be directed to prevent homelessness and provide crisis support to further prevent households from needing emergency housing.
- Community stakeholders will be working together to identify local gaps in emergency shelter/housing and develop solutions with new funding and technical assistance from the AHS.

CORE ELEMENTS

ANNUAL EMERGENCY SHELTER PLAN: Local Homeless Continua of Care are tasked with collaboration and planning to end homelessness in their community. As part of this initiative, Local Homeless Continua of Care will create an annual plan on how the community will address emergency shelter/housing needs. Local planning helps each community understand its unique emergency housing needs/gaps and to develop projects to meet these needs, even while year one of the transition continues to rely on motel stays. Projects that are funded will be part of the overall local plan.

TRAINING & TECHNICAL ASSISTANCE: The Office of Economic Opportunity will provide training and technical assistance on program design and best practice, support community planning efforts and stronger cross-pollination through community conversations and examples.

COORDINATION: Community agencies awarded funding to support motel stays will already be a shelter provider or a lead agency for the coordinated entry process. All emergency shelter/housing providers in a community will establish a written protocol to coordinate and ensure transparent, seamless access to emergency shelter. This will support strong coordination between shelter overflow and services.

TRANSITION YEAR(s): During transition, awards will be allocated geographically, with a consideration of past GA motel utilization. During the transition year, funding will be restricted to motel stays, housing navigation services, and crisis resolution support (diversion/rapid exit). OEO will hold back some contingency funding to be able to support urgent needs in communities as they arise during the year.

HOUSING OPPORTUNITY GRANT PROGRAM: The Office of Economic Opportunity (OEO) will allocate funds, and the Housing Opportunity Grant Program will provide the framework for homeless assistance grants such as eligibility for emergency shelter/housing, shelter standards, eligible activities, performance measures, Homeless Management Information System (HMIS) and reporting. The Housing Opportunity Grant Program (HOP) provides a framework to support equity and performance. DCF will provide monitoring and oversight of HOP grant-funded projects.

BUDGET

This proposal shifts the entirety of the GA emergency housing budget to the Office of Economic Opportunity (OEO) to invest in homeless assistance grants and community support to identify and implement local crisis response to meet emergency housing needs. With this shift, DCF will effectively consolidate almost all DCF homeless assistance programs under OEO, and OEO will have additional resources to support the system of care. Concurrent with this initiative, DCF has initiated the rulemaking process to repeal the current General Assistance Emergency Housing Program.

Downs - SFY21	Based on Current Budget (SFY20)	
Admin Dept ID	ESD Temp Positions (GA) eliminated	(\$70,123)
Admin Dept ID	ESD BPS Positions	(\$349,617)
GA Dept ID	Temp Housing (ends)	(\$1,881,388)
GA Dept ID	GA Community Investments (move)	(\$1,664,142)
GA Dept ID	CHT Harbor Place Contract (ends)	(\$518,305)
	Temp Housing SFY20 BAA	(\$1,954,185)
	Total Offsets	(\$6,437,760)
Ups - SFY21	Based on Current Budget (SFY20)	
OEO Dept ID	OEO Administration (2 Positions)	\$198,871
OEO Dept ID	Homeless Assistance Grants	\$6,207,179
		\$6,406,000
	One-Time Funds - Homeless Assistance Grants	\$418,620

The budget proposal for a community-based emergency housing program includes approximately \$6.2 million in additional base funding for homeless assistance grants. These grants will support the community-based staffing infrastructure, as well as the funding required to pay for motels (as overflow shelter), flexible diversion funds, and housing navigation services to help households exit quickly to safe, stable housing. The \$6.2million in funding also includes a transfer of the existing \$2.2 million in General Assistance Community Investments. An additional \$418,620 in one-time funds will provide supplemental funding for community grants in year one.

Although actual grant awards will be based on negotiated workplans and budgets with community-based grantees, the basis for the estimate of approximately \$6.6m is provided below.

METHODOLOGY for ESTIMATE of NEW GRANT INVESTMENTS in SFY2021 TRANSITION YEAR	
Renewal of Current GA Community Investments	\$2,200,000
Training & Technical Assistance	\$50,000
Community-Based Staff Infrastructure	\$942,500
Motel Pool for Shelter Overflow	\$2,553,249
Housing Navigation Services & Diversion Funds	\$680,000
OEO Contingency Funds	\$200,000
SFY21 Homeless Assistance Grants (includes one-time appropriation)	\$6,625,749

Emergency Housing Restructure – SFY21 Transition Year and Forward

The proposed SFY2021 transition year shows an estimated reduction of approximately 34% on motel spending compared to SFY19¹. In this proposal, SFY21 will allow for some flexibility to divert households from shelter, but a realistic and responsible transition must include a recognition that motels will continue to serve as critical overflow capacity during transition. Community-based motel pools at domestic violence shelters have been piloted with success, and over time, funding for motel overflow was adjusted to support other activities. While SFY2021 is noted as a transition year, the goal is that community investments in future years will be able to right size local shelter capacity based on a better understanding of needs as well as shift funding to permanent housing interventions for Vermonters experiencing homelessness.

¹ SFY2019 Adjusted Actuals for GA Emergency Housing Motels: \$3,845,625