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MASSACHUSETTS' SYSTEM REDESIGN TO END HOMELESSNESS:

AN OVERVIEW AND ASSESSMENT

Prepared by Donna Haig Friedman and Ghazal Zulfiqar[*]

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INTRODUCTION:

The Clayton-Mathews and Wilson 2003 analysis of Massachusetts' expenditures of state and federal dollars to address family homelessness documented a serious system misalignment of public resources: that is, 80% of state and federal resources were tied up in shelter provision, while only 20%, including rental assistance, were designated for homelessness prevention (Clayton-Matthews and Wilson, 2003). Their analysis demonstrated what many had long suspected: if homelessness is to be ended in Massachusetts, fundamental changes would be needed to shift the state system from shelter-oriented toward prevention-oriented. Both the Romney and the Patrick administrations have clearly prioritized this objective with broad-based support and involvement from public, philanthropic, business and nonprofit stakeholders.

Throughout this decade, models of community-wide homelessness prevention have also been tested and evaluated (Burt et al, 2007; Friedman et al, 2005, 2007) as have housing-first models for individuals with severe and persistent mental illness and co-occurring disorders (Meschede, 2007; Stephanic and Tsemberis, 2007). Led by the Federal Interagency Council on Housing and Homelessness, most states and cities have developed and are moving ahead on detailed 10 year plans to end homelessness (US Interagency Council on Homelessness, 2009).

In July 2008, the Patrick administration, in collaboration with the state legislature, convened the Commission to End Homelessness, co-chaired by State Representative Byron Rushing and Tina Brooks, Undersecretary, Massachusetts Department of Housing and Economic Development. Its recommendations, released in January 2008, included a blueprint for the state's redesign effort (Report of the Special Commission to End Homelessness in the Commonwealth, December 2007). An Interagency Council on Housing and Homelessness (ICHH), chaired by the Lt. Governor Timothy Murray and directed by Robert Pulster, was immediately established to move these recommendations forward. A $10 million allocation, from state and Mass Housing funds, was secured to provide a foundation for the first year start up phase.

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The current economic crisis presents a daunting challenge to this ambitious homelessness system redesign initiative. Indeed, the state's family shelter system has never been as stretched beyond its capacity: as of February 20, 2009, 2,623 families resided in state-funded shelter, 635 in hotels or motels (Massachusetts Department of Transitional Assistance [DTA], 2009). In fall 2008, DTA's Local Office Quality Control (LOQC) teams surveyed people in shelters and asked them about the connection between their homeless circumstances and foreclosure issues. Between 12 to 16 percent of households in shelter reported that foreclosures played a role in their loss of housing. The DTA will be conducting the survey again with families currently in motels and shelters to provide a comparison with the past. These challenges are clearly documented by the research team's companion analyses of the troubled economy's impacts on tenant households in foreclosed properties and on Massachusetts households with the lowest incomes, those most likely to fall into homelessness.

This essay begins with an overview of the system redesign components being implemented by the state administration, as well as those proposed by the Governor which require legislative approval. Following this overview are the research team's perspectives on these changes, grounded in what is known about effective homelessness prevention strategies and what has been learned through the project team's other analytical work. The essay ends with the research team's recommendations.

SYSTEM REDESIGN COMPONENTS

1. **Recommendations of the Special Commission Relative to Ending Homelessness in the Commonwealth and initiatives of the ICHH.** The report of the Special Commission to End Homelessness in Massachusetts provides a multi-pronged, long-term blueprint for fundamental redesign of the state's system for addressing and ending homelessness; the plan is based upon a core principle of **"targeting the right services to the right people at the right time"** (Report of the Special Commission to End Homelessness in the Commonwealth, 2007, p. xi). The plan involves creating coordinated and effective --- evidence-based ---- regional networks that are tasked to implement prevention/diversion 'front doors' to prevent families and individuals from losing their housing and to stabilize their tenancies for the long-term. For those who have already become homeless, the networks are charged with rapidly re-housing and stabilizing the tenancies of these families and individuals as well.

   Components of the new system in each region will include: use of a uniform assessment tool; the creation of early warning systems; use of cash assistance flexibly allocated to those in need; other income maximization supports and asset development strategies; intensive case management services; and short-term or more long-term housing assistance, tailored to households according to their needs. The new system will place heavy emphasis on data collection and analysis in order to measure outcomes which will feed back into the system. Performance measures are intended to help implement comprehensive assessments and make the system more flexible and responsive.

The ICHH Director, Robert Pulster, is also leading change processes among the state agencies that administer homeless assistance programs; fundamental state-level changes will be necessary in order for the state's data, resource, and regulatory systems to facilitate regional and local redesign efforts. Over time, through implementation of these re-design strategies, the state intends to realize a reduced reliance on the shelter system and redirection of those state resources into expansion and stabilization of the new prevention-oriented system.

In December 2008, eight organizations or coalitions were selected by the ICHH to lead and build effective region wide prevention networks. They are: the City of Boston's Department of Neighborhood Development for Boston; the Metropolitan Boston Housing Partnership for the Metropolitan Boston area; North Shore Community Action Programs/Lynn Housing Authority for the North Shore and Merrimack Valley; Community Teamwork, Inc. for Lowell; the United Way of Greater Plymouth County for the South Shore; the Housing Assistance Corporation for the Cape and Islands; the City of Worcester for all of Worcester county; and finally the Pioneer Valley Planning Commission in Northampton for Western Massachusetts.

2. **Family Shelter Reprocurement**: A second major state level system redesign effort began in Fall 2008 with the release of the Massachusetts DTA's Request for Response (RFR) for reprocurement of contracts for family shelter provision. The overall goals of the re-procurement were threefold: (1) to reconfigure the system so that the geographic locations of family shelter units coincided with the community locations of homeless families seeking shelter; (2) to reduce shelter length of stay with a focus on rapid re-housing; and (3) to enhance the system's capacity to promote workforce development, access to housing, and community connectedness for families in shelter. In conjunction with the state's efforts to reduce the need for shelter by redirecting resources toward prevention and rapid re-housing, the Department's long term objective is to phase out congregate shelters from their current use and utilize scattered site shelters more flexibly, for example, by using a rolling stock model (Brown, personal communication, February 6, 2009). "If the plan is successful, says Brown, "we can reprogram resources paying for shelters into other housing avenues such as the Housing First Program, short and long term rent subsidies or funding for workforce development. Basically any money that comes out of the shelter system will not be lost but will be used for housing and related issues."

New family shelter contracts started February 1st, 2009. Under the new system, the Department holds vendors responsible for families' success in avoiding shelter reentry. "The focus of the new system is on the family," said Stephanie Brown, Director of the DTA Housing and Homelessness Services. "When a family enters the shelter, service providers will work collaboratively to help the family find permanent housing as quickly as possible. Once housed, the family will receive all possible help to keep its housing situation sustainable."

In order to ground the Department's planning in a sound understanding of the characteristics and needs of families in shelter and of their progress in moving toward economic and housing stability, high quality and regular data collection is part of the new shelter system. Once finalized, vendors will be required to use a standardized assessment tool with families within ten days of their entering the system and then again every 45 days. The Department is hoping for monthly and eventually daily data updates to be provided by shelter providers; on February 2nd, the Department introduced an electronic bed register which, on a daily basis, maps out every single unit that each vendor has in use and has open, as well as information about the physical characteristics of the open units (e.g., carpet free, wheelchair accessible and so on).

The DTA has many other initiatives underway to deal with the increasing numbers of families seeking shelter and those who are lingering in hotels/motels and shelters; according to Brown, 25 new families a day are currently seeking shelter, twice the usual number (Personal communication, February 6, 2009). One of these initiatives is the development of agreements with property managers for set-aside units for families seeking shelter; the agreement with Beacon Properties has yielded 10 units thus far. The eligibility criteria for families include work requirements and no Criminal Offender Record Information (CORI) issues; however eviction histories are overlooked. With the success of this program innovation, 10-15 more housing units have been accessed in the past few months. However this strategy has its disadvantages. "Most of the properties are just providing us (DTA) with vacancy lists without prioritizing our families…and charge market rates. So we are better off with nonprofits and the Housing Assistance Program (HAP)," says Stephanie Brown (personal communication, February 6, 2009).

3. **Proposed Reorganization of Homelessness Services into Housing Agency**. A third major system redesign strategy has been recently proposed by the state administration. On January 6, 2009, the Patrick Administration announced its intention to merge the DTA's housing and homelessness services under the umbrella of the Department of Housing and Community Development (DHCD). The stated goal behind this move is to streamline the state's efforts towards ending homelessness and find a more permanent solution to the problem. The merger is dependent upon legislative approval under Article 87 of the state Constitution. Lt. Governor Timothy Murray, the current chair of the ICHH, indicated that this reorganization was in part fulfillment of the recommendations by the Special Commission to End Homelessness in Massachusetts. The Commission's "Housing First" recommendation is the underpinning of consolidation of services provided by the two departments. ICHH Executive Director Robert Pulster argues that, through better coordination of housing needs with the state's housing resources for those seeking shelter, this move will expedite extremely low income groups' access to housing. Currently, the DTA is responsible for shelter but does not have funds for prevention; neither does it have control over prevention or housing.

In the wake of increasing numbers of families seeking shelter, on November 24, 2008, the state established a Command Center, an experiment in creating a closer connection between DTA's homeless services and DHCD's housing units. The Command Center is one central place in which a cross-agency team facilitates, tracks, and coordinates with providers to enable households in need to access housing rather than have to use emergency shelter. The Command Center, initially a week long experiment, is now continuing on a month to month basis. The Command Center has facilitated creation of new ways of stabilizing tenancies, including a strategy in which DTA provides landlords or property managers with rent guarantees for a year with families signing the lease and being assured of a year's tenancy. In a month's time, this collaborative experiment resulted in 40 families who were seeking shelter to be diverted from moving into a shelter or a hotel/motel room and to obtain housing. Questions remain as to the effectiveness of the Command Center: Would these families have been housed in another way without the Command Center's interventions?   Is the intensity of the effort commensurate with the results?

4. **Proposed Restrictions to Shelter.** A fourth state initiative has been proposed by the administration which has come as a surprise to advocates, legislators and other stakeholders as well---new restrictions to family shelter.   The restrictions, proposed as a result of the state's serious budget deficit, require legislative approval and are being actively fought by housing and homelessness advocacy organizations and others. According to the DTA, the proposed restrictions are its way of dealing with the increased demand for shelter at a time when the state and the agency are facing serious budget deficits. Despite other efforts mentioned above, there is an ever growing flood of family shelter applicants arriving at DTA offices. "The restrictions are aimed at protecting shelter use for those who really need it," says Brown (Personal communication, February 6, 2009).

Specific proposed restrictions, to take effect some time after March 31, 2009 unless otherwise halted by the state legislature, are:

> **106 CMR 309 – Emergency Assistance Program**: The amended regulations: 1) change the definition of child to one who is under age 18; 2) define "abandonment" of a shelter placement; 3) specify the amount of savings that must be achieved while in emergency shelter; 4) establish a work requirement for those in shelter; 5) require a household to accept the first offer of safe, permanent housing; 6) deny eligibility to those with default or arrest warrants; 7) reduce the period of extended eligibility to three months for those over the income limit; 8) specify that a household that abandons public or subsidized housing without good cause, or is evicted because of the household's fault, is not eligible for placement in an emergency shelter; 9) specify that a legal guardian of a child may be placed in emergency shelter; and 10) change the words "assistance unit" to "household."   **http://www.mass.gov/Eeohhs2/docs/dta/c_dta_regs_020609_309.pdf**

AN ASSESSMENT OF THE CURRENT MASSACHUSETTS SYSTEM REDESIGN PLANS

Building Upon What Works:

The appended annotated bibliography provides a summary of what has been learned from past evaluations of homelessness prevention initiatives; this array of featured initiatives offers a broad scan of community-wide, organizational and programmatic innovations. Across the studies, several core components of promising practices have emerged:

- Identifying and searching out those at greatest risk of losing their housing. Home Base uses this strategy through multiple avenues, including a data-sharing system (Home Base, 2009). Other communities use assessment processes that allow for (1) identifying households at highest risk due to an accumulation of risk factors and (2) coordinating assessment processes to inform shelter, housing and service decision making (Burt et al, 2007; Friedman et al, 2005). Such assessment processes facilitate coordinated planning of service and housing pathways tailored to actual household needs at the time needed.

- Ensuring an array of prevention services flexibly tailored to household need. According to the studies reviewed, these core services include: intensive case management; access to publicly-funded safety net resources; short-term financial assistance; short or long term housing assistance; relocation assistance; financial literacy and employment support; supportive services integrated with permanent housing; mediation in housing courts and with landlords; and follow up services for at least one year to stabilize housing.

- Establishing and leveraging cross-sector partnerships. Collaboration between public and private agencies at the local community and state levels and effective leadership of agency heads and public figures have also been identified as critical to sustaining an effective community-wide prevention strategy.

- Using sound data for planning and decision making. Finally, a key success factor for effective community-wide systems of prevention is community-wide outcome-measurement that tracks clients over time across different data systems and matches performance against emergency shelter records.

Other initiatives already being implemented in Massachusetts provide promising models of homelessness prevention. They are: The Dudley Diversion Pilot Project; the Highland Scholars Project; and the Tenancy Preservation Program.

- The Dudley Diversion Pilot Project was a collaboration among 11 organizations/city/state agencies: the DTA; the Metropolitan Boston Housing Partnership; HomeStart; Project Hope; Homes for Families; Action for Community Development; the City of Boston; the Family to Family Project; the Front Door Collaborative; One Family, inc.; St. Mary's Women and Children's Center. A diversion resource team was co-located in the Dudley

Square DTA office and connected with families seeking shelter who were offered an option of working with the diversion team. Using an intensive, flexibly designed support approach, 42% of the families served by the team were diverted from shelter and 86% of those remained out of DTA shelter for at least seven weeks after intervention. This pilot was an initial foray into integrating prevention/diversion resources into a DTA office. Based upon what the partner organizations learned from its experiment, three agencies will be continuing to refine the model and assess its viability for the long-term.

- The Highland Scholars Project is sponsored by the Massachusetts Coalition for the Homeless in collaboration with the Lynn Public Schools, the Lynn Housing Authority, other community-based agencies and the Massachusetts DTA. The project design is based upon the Genesee Scholars Program, a successful experiment implemented in Flint Michigan public elementary schools aimed at helping second graders whose families were highly mobile (Massachusetts Coalition for the Homeless, 2009). Resources provided to families included $100/month rent subsidies and social service supports. Genesee Scholars were two and a half times less likely to move than were their peers; housing stability was associated with better educational outcomes (Flint Michigan Department of Human Services, 2006). During the first two years of the Highland Scholars Project, program interventions, aimed at increasing housing stability, student achievement and parents' involvement in their child's education, will be directed toward 25 low income second graders and their families; their success will be compared with peers who do not receive these interventions.

- The Tenancy Preservation Program has been in operation for many years across the state through collaboration among the Housing Court Department, MassHousing, the Executive Office of Elder Affairs, the Massachusetts Rehabilitation Commission, the Massachusetts Departments of Housing and Community Development, Transitional Assistance, Mental Health, Mental Retardation and Public Health. Program services are provided to households at risk of losing their housing, due to behavioral or mental health issues, whose cases have reached the housing court stage. This program was recognized in the Burt et al study (2007) as an example of an effective homelessness prevention intervention.

Recommendations

The following recommendations are based upon a review of the state's system redesign plans in light of what is known about effective prevention approaches and of the other analytical products of our team's research.

- **Withdraw proposed shelter restrictions** until such time that regional network resources are in place at 'front door' family shelter entry locations and engage stakeholders in future changes to the Emergency Assistance Program prior to issuing new eligibility standards. Use the federal economic stimulus funds to cover this year's and next year's anticipated Emergency Assistance (EA) deficits. Several lines of reasoning provide a foundation for this recommendation. First, during the current economic crisis, when job losses are hitting

people of all incomes in the state, devising new hurdles to accessing shelter is ill-timed. Now is not the time to shrink the safety net further than it has already been shrunk over the past 10 years. The state is spending more than $500 million less on support for working families now than it spent in 1995 (Na'im and Wagman, 2005). Second, advocates, state administrators, local community-based organizations, legislators, municipal officials, housing providers, businesses and workforce development planners, researchers, philanthropic organizations and regional networks have put their energies behind the ICHH's implementation of the Commission to End Homelessness recommendations. These proposed restrictions to shelter are divisive at precisely the time when unity among stakeholders is a necessity. Third, the more controversial EA eligibility standards could be spelled out more clearly. For example, the work requirement pertains to families after they enter shelter; this policy change was not meant to screen out families at intake. In addition, job training and education count toward this requirement (Chase, personal communication, Febrary 13, 2009; Robert Pulster, personal communication, March 10, 2009), although that is not specifically noted in the proposed language. Fourth, diverse stakeholder groups have been consulted extensively on the State's other system redesign initiatives, but were not consulted on these proposed changes to the Emergency Assistance program.   We recommend more extensive consultation prior to issuing new eligibility standards in the future.

- **Infuse the emerging regional networks with homelessness prevention economic stimulus funds and co-locate some regional network prevention/diversion staff in local DTA offices.** The regional networks need resources to implement diversion/prevention strategies quickly to address the flood of new family shelter seekers and those who apply but are found ineligible for shelter. Use of stimulus funds and other regional network resources to enable DTA and Regional Network providers across the state to respond with housing options for these households in need is a promising strategy. If local DTA offices and prevention/ diversion resources are co-located, some percentage of families at risk of entering shelter could potentially be diverted to viable housing options. The regional networks would also be in a good position, at this prevention-diversion-intervention point, to follow up with families who have been found ineligible for shelter.

- **Build in an accountability plan for the reorganization of the DTA housing and homelessness services with DHCD.** The benefits of the reorganization will be realized if implementation challenges are successfully addressed. The overarching benefit, if implementation proceeds as planned, will be an integration of shelter services and eligibility policies with direct access to housing resources. However, the implementation challenges are considerable. The reorganization could result in an integration in name only, without actually enabling the connections between EA and housing to be forged in ways that work for families and individuals in need.   Households will very likely continue to need services such as employment services and the Special Nutrition Assistance Program (SNAP, formerly referred to as Food Stamps) that remain housed in DTA.   Leveraging those and other DTA

resources may become more difficult. New lines of authority will need to be developed that attend to the linkages between the central office and field staff in local DTA offices.   We recommend that an accountability plan be developed and shared which spells out a sequence of implementation steps, timelines and resources that will be undertaken to identify reasonable implementation benchmarks and to ensure that, over the long term, benefits outweigh the disadvantages of this major reorganization.

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Key Informants:

Stephanie A. Brown, Director, Housing and Homelessness Services, Massachusetts Department of Transitional Assistance

Marilyn Anderson Chase, Under-Secretary for Children, Youth and Families, Massachusetts Executive Office of Health and Human Services.

Julia Kehoe, Commissioner, Massachusetts Department of Transitional Assistance

Robert Pulster, Executive Director, Massachusetts Interagency Council on Housing and Homelessness to the list of key informants.