

Behavioral health rental subsidies 2022 report



Report pursuant to Sec. 129 (85) of Chapter 334, Laws of 2021
(ESSB 5092)

**HOUSING DIVISION
OFFICE OF APPLE HEALTH & HOMES AND
PERMANENT SUPPORTIVE HOUSING**

March 2023

Report to the Legislature

Mike Fong, Director

Acknowledgments

Washington State Department of Commerce

Corina Grigoras, Assistant Director,
Housing Division

Melodie Pazolt, Managing Director,
Office of Apple Health & Homes and
Permanent Supportive Housing

**Office of Apple Health & Homes and
Permanent Supportive Housing**

Jefferson Spring
jeff.spring@commerce.wa.gov
360-725-2991

1011 Plum St. SE
P.O. Box 42525
Olympia, WA 98504-2525

www.commerce.wa.gov

For people with disabilities, this report is available
on request in other formats. To submit a request,
please call 360-725-4000 (TTY 360-586-0772)

Table of contents

Executive summary	2
Expenditures	3
Challenges	5
Program data	6
Success stories	9

Executive summary

Legislative mandate

This report satisfies the reporting requirements in section 129, subsection 85 of the [2021-23 operating budget](#):

\$9,864,000 of the general fund—state appropriation for fiscal year 2022 and \$9,864,000 of the general fund—state appropriation for fiscal year 2023 are provided solely for long-term rental subsidies for individuals with mental health or substance use disorders. This funding may be used for individuals enrolled in the foundational community support program while waiting for a longer-term resource for rental support or for individuals transitioning from behavioral health treatment facilities or local jails. Individuals who would otherwise be eligible for the foundational community support program but are not eligible because of their citizenship status may also be served. By December 1, 2021, and December 1, 2022, the department must submit a report identifying the expenditures and number of individuals receiving long-term rental supports through the agency budget broken out by region, treatment need, and the demographics of those served during the prior fiscal year.

This funding is combined with a separate appropriation of \$1,980,000 per year in section 129, subsection 16 of the 2021-23 operating budget for the same use and population. Combined, Commerce is distributing \$11,251,800 through the Community Behavioral Health Rental Assistance Program (CBRA).

Program highlights

- **Nearing fully contracted status:** State fiscal year 2022 was a robust growth year for CBRA. The expanded funding from subsection 85 allowed Commerce to start contracts in all 10 behavioral health regions. Those regional contractors subcontracted to non-profit housing providers in each region's counties, which took most of state fiscal year 2022 to complete. Sub-granting work is still underway in Adams, Grant and Pend Oreille counties. Subgrantees are now entering client-level data into the Homeless Management Information System (HMIS). HMIS setup is still in progress in some counties.
- **Individuals served:** 733 households were served during state fiscal year 2022.
- **Spending:** In state fiscal year 2022, grantees spent 56% of contracted funds, up significantly from state fiscal year 2021. Underspensing is a direct reflection of the pandemic-related challenges grantees faced. We expect full spending of appropriated funds in state fiscal year 2023.

Recommendations

- **Collapse subsections 16 and 85 into a single appropriation.** This action would streamline administering the CBRA program, eliminate a margin of error, and simplify the accounting of expenditures.
- **Increase funds in state fiscal year 2024.** A significant funding increase would build capacity to expand tenant-based rental vouchers and add project-based rental vouchers to the program across the state, providing needed project-based and scattered-site supportive housing opportunities.
- **Deposit appropriations from subsections 16 and 85 under section 129 into a dedicated account in state fiscal year 2024.** Funds should be deposited for dedicated use in Fund 26U – Apple Health and Homes Account. This change would allow unused funds to remain available for later use. It would also allow greater sustainability for grantees serving clients with long-term care needs.

Expenditures

The Legislature's appropriation of additional funding in the current biennium provided the opportunity to fund all 10 behavioral health regions established by the Health Care Authority¹ and ensure that housing providers were contracted in each county within a region. This funding expansion means people with behavioral health conditions in every county will have access to targeted long-term rental assistance for the first time.

State fiscal year 2022 saw continuous improvement in subcontracting and hiring compared to the prior year. The COVID-19 pandemic still proved challenging regarding subgrantees recruiting qualified staff, but this year, all 39 counties acquired a CBRA provider. The amount of time this took contributed to continued under-spending, but the upward trajectory of spending is steep. We anticipate a full expenditure in state fiscal year 2023. Commerce continues to provide technical assistance to grantees and subgrantees to facilitate subcontracting and spending and further define program guidelines to stay up to date with best practices.

Table 1: Spending by region, state fiscal year 2022

Region	Contracted	Unspent funds	Percent unspent
Great Rivers	\$964,119	\$279,170	29%
North Sound	\$1,501,830	\$19,827	1%
Greater Columbia	\$1,354,422	\$1,011,166	75%
King	\$2,317,409	\$2,131,330	92%
Salish	\$643,827	\$274,024	43%
Spokane	\$1,643,284	\$789,367	48%
Thurston-Mason	\$580,189	\$177,975	31%
Pierce	\$1,628,452	\$196,429	12%
North Central	\$218,216	\$56,963	26%
Southwest	\$572,702	\$106,190	19%
Total	\$11,424,450	\$5,042,441	N/A

¹ The 10 behavioral health regions are established by the Health Care Authority for the provision of Apple Health managed care. The regions can be viewed on the map found at https://www.hca.wa.gov/assets/free-or-low-cost/service_area_map.pdf

Background on funding alignment with CBRA

The Behavioral Health Rental Subsidies funding is strongly aligned with the CBRA program created in section 129, subsection 16 from the [2019-21 operating budget](#), which provides \$1,980,000 per year for rental assistance for a similar population. Priority for the existing CBRA funding must be given to people on state psychiatric hospitals' discharge lists or in local inpatient behavioral health facilities.

With guidance from our assistant attorney general, the Department of Commerce (Commerce) paired the new fund source with the existing pilot CBRA program, allowing expansion to all of HCA's 10 behavioral health regions this summer. The statewide implementation of CBRA marks a milestone in expanding permanent rental assistance to those with behavioral health conditions. This is the first time long-term, state-funded rental assistance for those with behavioral health conditions was available statewide.

CBRA is a supportive housing program. Participants must be eligible for at least one of several state-provided long-term supports programs, including Foundational Community Supports (FCS) administered by the HCA. Utilization of these supportive services by clients must be strictly voluntary. Though supportive housing is most frequently thought of as project-based housing, there remains a significant deficit of such housing, despite ongoing capital investments. As a result, the success of CBRA is dependent on private-market rental housing.

While CBRA allows indefinite assistance with rent, it is commonly used as a bridge subsidy until another long-term subsidy is secured, commonly a housing choice voucher (also known as Section 8 voucher). The use as a bridge function extends the option for long-term rental assistance to more eligible clients.

Challenges

Subcontracting

The COVID-19 pandemic has presented considerable challenges and amplified existing concerns. Many prospective non-profit subgrantees report being overwhelmed by COVID-19 relief funds and are at or over capacity in terms of client service. This lack of capacity compared to funds available has caused sub-granting delays in some regions.

In King County, which has the largest percentage of funds, county staff turnover has presented additional sub-granting difficulties, as has lengthy procurement processes. In other regions, staff shortages experienced by subgrantees have hindered sub-granting, resulting in the delay in the provision of rental assistance. Several regions have consistently left significant amounts of unspent funding at the end of each year. Program staff provides technical assistance at every opportunity, including holding monthly grantee peer-to-peer meetings where grantee peers can discuss shared challenges and best practices.

Housing challenges

Finding appropriate rental market housing for CBRA clients is the primary concern cited in all 10 regions. In most locations, grantees report that landlords are frequently unwilling or unable to work with clients with complex conditions, including hotels and motels used as emergency housing until permanent housing is established. Some landlords insist that tenants earn three times the rent, despite a public rent subsidy. Grantees report that in some cases, clients experiencing a mental health crisis are banned from housing.

Low rental market vacancy rates have significant negative effects on finding suitable housing of any affordability for clients approved for service, and thus directly affect program spending. Insufficient housing stock and ongoing staffing challenges are slowing housing placements across the state.

Program data

The Homeless Management Information System (HMIS) is the primary data collection platform for CBRA. However, HMIS cannot be configured until subgrantees are in place. Therefore, meaningful data cannot be derived from HMIS until sufficient time elapses from HMIS setup; this lag in information is characteristic of new program implementation. The data displayed is current through June 30, 2022. Other data sources are the Research and Data Analysis Division of the Department of Social and Health Services and the grantees themselves.

Table 2 shows clients served in state fiscal year 2022 by region. Approximately 55% of those served were provided long-term subsidies; the remainder were provided a short-term bridge subsidy until a different long-term subsidy was secured. The high utilization of long-term subsidies is an artifact of the chronic underfunding of the HUD Housing Choice Voucher (Section 8) program, the only widely available long-term housing subsidy besides CBRA. This deficit of Housing Choice Vouchers makes programs like CBRA crucial.

Table 3 shows percentages of client treatment needs. Tables 4, 5 and 6 show demographic data for the clients served. Note that percentages do not total to 100% due to rounding.

Table 2: CBRA clients served, state fiscal year 2022

Region	Total clients served	Served with long-term subsidy
Great Rivers	67	39
North Sound	215	139
Greater Columbia	15	9
King	24	6
Salish	97	42
Spokane	140	17
Thurston-Mason	28	14
Pierce	37	37
North Central	45	45
Southwest	65	52
Total	733	400

Table 3: Treatment need

Treatment need	Percent
Mental health	23%
Substance use disorder	5%
Mental health and substance use disorder	70%
No identified treatment need in the past 24 months	2%

Table 4: Race

Race	Percent
American Indian, Alaska Native, or Indigenous	6%
Asian or Asian American	1%
Black, African American, or African	6%
Native Hawaiian or Pacific Islander	1%
White	77%
Multi-racial	2%
Unknown	6%

Table 5: Ethnicity

Ethnicity and gender	Percent
Hispanic/Latino(a)	12%
Non-Hispanic/Latino(a)	83%
Unknown	4%

Table 6: Gender

Gender	Percent
Male	54%
Female	37%
Non-binary	1%
Unknown	3%
Not reported	5%

Success stories

Despite daunting challenges, successful housing placements were made, allowing housing stability for highly vulnerable persons. The following are two testimonials from grantees:

Greater Lakes Mental Health

We have a client who has made significant improvements. When he came to the program two years ago, he was living out of his van. He had been living in his van for a couple of years. At the time, he was only receiving Aged, Blind, or Disabled Cash Assistance Program (ABD) and was unable to obtain a HEN voucher due to funding. He was in a deep depression that was some days debilitating to him. While going through all of this, he was able to maintain his sobriety. He was enrolled in a supportive employment program, and they referred him over to us. While working closely with his HARPS case manager, he was able to obtain a hotel/housing voucher through CBRA. He was able to stay at the hotel for 90 days while looking for housing. When he was not able to secure an apartment within the 90 days, we were able to get him an extension for another 90 days. This voucher was a lifesaver for him because he did not have to spend the winter in his van. His case manager assisted him in applying for multiple apartments, and his credit and criminal record continued to be a barrier. When they continued to hit those barriers, he started to fall back into a depression. His care team noticed him slipping back, so they teamed up to encourage him not to give up. His case manager suggested him moving into a clean and sober house to have the extra support. He agreed that would be good for him. So he called and made an appointment to go see the place and meet the guys in the house. After he met with them, his spirits had lifted, and he was excited to move in. He is now doing amazing and has recently secured employment!

Pierce County Alliance

A client was released from an Inpatient Psychiatric facility after 5.5 years in May of 2021. After her release, she applied for Social Security Disability Insurance (SSDI) and found her own apartment, however, her SSDI income and housing fund were not sustainable, and she would have eventually ended up homeless due to not being able to pay her rent. She joined CBRA in December 2021. Being on the CBRA program has allowed her to have a successful discharge and maintain good mental and physical health, her required mental health appointments have decreased in frequency, and she is currently attending school pursuing a degree in editing. She shared some of her long terms goals and stated that she wants to stay in remission, work part-time as a self-employed editor, and pursue a master's degree in English. She reported that the CBRA permanent housing program has opened doors for her, and she is able to focus on her well-being and not have to stress out trying to figure out how to pay her rent. She reported CBRA housing has also allowed her to slowly acclimate back into society and develop the skills needed to sustain and build a great life. She reported specifics about how the CBRA program has helped stabilize her mental health, and they are as follows: decreased stress, having her own space is huge so she can heal herself, she is able to work out six times per week at the gym, and she was able to enroll in school. She reported that if she did not have the CBRA program, her stress level would have increased, the likelihood of a relapse would increase, and she would end up back in an inpatient psychiatric facility if she became homeless.