Department of Commerce
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Housing and Essential Needs

The preliminary report required by Engrossed Substitute House Bill 2082 (2011).

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Report to the Legislature
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ACKNOWLEDGEMENTS

EXECUTIVE SUMMARY

Housing and Essential Needs is up and running in every county, providing rent assistance to thousands of people who would otherwise be homeless. Housing and Essential Needs grants have cemented the links between the Washington State Department of Social and Health Services (DSHS) and local housing providers, who are working together to assist people who are unable to work due to a mental or physical impairment. The grant is evidence that limited resources can be maximized by leveraging local partnerships to focus assistance toward people at imminent risk of homelessness.

Overview

This report provides an overview of the development and implementation of the Housing and Essential Needs program, one of three new programs created in [ESHB 2082 (2011)](link). The Washington State Department of Commerce (Commerce) was required to focus on program design and implementation in this report (ESHB 2082 Sec. 4 (7) c). This report includes a description of actions taken to achieve the objectives of the legislation and as much information as is available at this time regarding the status of eligible clients assisted. Data and other current information on Housing and Essential Needs will be posted on the Commerce Web site at www.commerce.wa.gov/hen.

Who Qualifies for Housing and Essential Needs?

The Housing and Essential Needs grant program provides rent or utility assistance, as well as essential needs items, to eligible DSHS Medical Care Services recipients. People receiving Medical Care Services:
- Have countable income under $339;
- Are incapacitated and unable to work for at least 90 days due to a mental or physical impairment (based on medical evidence reviewed by DSHS at least every 12 months).

In addition to being Medical Care Services eligible, people receiving Housing and Essential Needs must be homeless or document that they are at imminent risk of being homeless. Documentation could include an eviction notice or rental agreement.

Prior to the implementation of the Housing and Essential Needs grant program in November 2011, people eligible for Medical Care Services received a maximum of $197 per month in cash assistance through the Disability Lifeline Program that ended October 31, 2011. Under Housing and Essential Needs, people receiving DSHS Medical Care Services who are not recipients of the Aged, Blind, or Disabled (ABD) cash assistance program or the Alcoholism and Drug Addiction Treatment and Support Act may be eligible for Housing and Essential Needs support. Housing and Essential Needs is not an

entitlement. Local providers review individual need and may prioritize rent and essential needs assistance.

Commerce Grantees

Commerce granted Housing and Essential Needs awards to its current network of homeless housing service providers throughout the state (listed by county at the end of this report). In almost all cases client intake and rent payments are processed by non-profit or faith-based organizations that directly contract with Commerce or subcontract through a county.

Housing Status: No Turnaways

After one month of program implementation, no individuals eligible for Housing and Essential Needs assistance have been turned away due to lack of available funding. In November 2011, 413 people who were Medical Care Services eligible requested housing assistance, but were not provided assistance because they were either not at imminent risk of becoming homeless or did not provide necessary written evidence of a rent obligation.

Not everyone seeking housing through local agencies administering this program are Medical Care Services eligible. By contracting with agencies that serve other homeless populations there is an increased chance of receiving requests for assistance from people who are at risk of being homeless, but not qualified for this program. In these circumstances they can be referred to other services.

More Data Will be Available in Future Reports

Commerce will provide data on progress toward county goals prior to the 2012 report. A minimal amount of data is available at this time since the program has been operational for less than two months. Commerce has provided as much statewide data as possible in this report. Commerce will share more statewide data through stakeholder meetings and through www.commerce.wa.gov/hen as more information is submitted by grantees.

Housing and Essential Needs Information online

Details and updates on Housing and Essential Needs implementation including current local providers, grant materials, planning information, and grantee training information is available on the Commerce website at www.commerce.wa.gov/hen.

Housing and Essential Needs Highlights

Housing and Essential Needs began operations November 1, 2011. Housing and Essential Needs was available in every county in the state by the mandated November 1 start date. Because the program started November 2011, this report focuses on grant implementation. Future reports will include more client data since data from the first two months of program operations is still being submitted by county grantees and compiled by Commerce.

Proposed budget reductions may reduce the amount of Housing and Essential Needs funds distributed. In response to proposed budget reductions announced in November 2011, Commerce limited spending authority for each grantee in the first program year.

Commerce does not have recommendations for changes to Housing and Essential Needs statute at this time. Some grantees have asked for more flexibility so that under spent homeless funds can be used to serve those at risk of homelessness in a given county. In future reports, Commerce may recommend changes to provide more flexibility after more local data is available. In the first program year, Commerce will continue to work with stakeholders to make minor program adjustments that do not require legislation.

Conclusion

Every county in the state has begun to serve individuals who qualify for Housing and Essential Needs support.

By eliminating cash grants and issuing payments directly to landlords or utility providers, this new program addresses past concerns from Legislators that cash grants were not being utilized for housing and essential needs.

Housing and Essential Needs minimizes state and local administrative costs by taking advantage of existing statewide systems. Client eligibility is determined by DSHS through the Medical Care Services program, Medical Care Services eligibility is confirmed locally through the DSHS Benefits Verification System, and client data is entered into the Homeless Management Information System. Grant funds are administered locally by the existing network of faith-based and community-based housing providers, which leverages local expertise and resources.

Challenges

The uncertainty surrounding the proposed elimination of the program has created alarm and administrative questions for many grantees. Commerce has told grantees to continue to operate the program until further notice.

PROGRAM IMPLEMENTATION

How Housing and Essential Needs Services are Categorized

Housing and Essential Needs is divided into three service categories: funds for those who are homeless, funds for those at risk of homelessness, and support for essential needs. Housing funds can be used to pay rent and utilities directly to landlords or utility companies on a client's behalf. Essential needs items such as cleaning supplies, hygiene items, and bus tokens are provided directly to the client.

Definition of Substantial Risk of Homelessness

Substantial risk of homelessness means that the client has provided documentation that he or she will lose his or her housing within the next 30 days or that utility services will be discontinued within the next 30 days.

Benchmarks

Commerce set service benchmarks for each county regarding how many people they are expected to serve in an average month. The benchmarks reflect local rental costs. Benchmarks are used instead of dictating maximum rent payments in order to give local providers increased flexibility to serve the maximum number of people possible given limited resources.

Rent Paid is Estimated at 50 Percent of the Market Average

Market rent for a below-average quality studio averages $551 per month in Washington. This grant will pay an average of $276 a month in client rent assistance. Commerce assumes savings will be achieved through doubling-up, use of non-standard housing, and housing provided by family and friends. Local providers have the flexibility to change the amount of rent assistance based on individual circumstances. Housing and Essential Needs program does not dictate rent amounts, and does not require inspections. Market rents for below average apartments for Medical Care Services eligible clients would cost $224 million this biennium, well beyond the $64 million available. The limited resources necessitate that the program only serve those at imminent risk of homelessness, and find ways to pay below-market rents in non-traditional housing situations for most participants.

Homeless Management Information System

The Legislature required that Housing and Essential Needs client data be added to the existing Homeless Management Information System, which collects data about homeless clients in a variety of state and federally-funded programs. The Homeless Management Information System has already begun to shed light on the extent, characteristics, and

causes of homelessness in Washington State. Homeless service providers in Washington including short-term rent assistance providers, emergency shelters, transitional housing, and permanent supportive housing programs collect information about their clients so that it can be matched with information from other providers to get accurate counts of homeless clients and the services they need. The Homeless Management Information System also benefits local agencies directly by enabling caseworkers to easily track client progress and make referrals to other programs.

Administration

Up to seven percent of funds contracted to grantees can be used for administrative costs. Those administrative funds must be shared between lead and subgrantees. Administrative funds include accounting, IT, human resources, salaries, benefits, office supplies, insurance, and facilities expenses. Details on how to document administrative, program, and other costs are included in the Guidelines for Housing and Essential Needs Grant at www.commerce.wa.gov/hen.

Requirements to Partner and Leverage Other Sources of Funds

Grant funds were provided to the existing nonprofit and faith-based housing providers who have a long history of maximizing the leverage of private and public resources. Commerce guidelines allow grantees to count those qualified for Housing and Essential Needs who receive services from other programs toward their performance benchmark. Counting those eligible for Housing and Essential Needs that are served by other programs is intended to encourage providers to use other resources when appropriate, increasing the number of people the program can serve.

The 'Variations in Local Implementation' section of this report provides specific examples of partnerships that leverage resources around the state.

Benefits Verification System

In order to qualify for Housing and Essential Needs, clients must be eligible for Medical Care Services. DSHS partnered with Commerce to provide access to their online Benefits Verification System to Housing and Essential Needs grantees so that local caseworkers can easily verify potential eligibility when clients stopped by an office, or call to get program information. DSHS and Commerce worked with grantees to ensure that client confidentiality was insured and local grantees new to the Benefits Verification System were trained. Linking the Benefits Verification System and Medical Care Services eligibility are examples of how Housing and Essential needs leveraged existing systems to contain costs so more program funds could reach clients.

Response to Proposed Elimination

In order to reduce spending in anticipation of the Governor's proposed elimination of this program, Commerce reduced the spending authority for all grantees during the first

program year. Each grant was limited to 73.5 percent of the Fiscal Year 2012 award amount. Grantees were notified in November that requests for reimbursement beyond that limit would not be approved by Commerce. That method provided maximum flexibility so that funds could be reinstated, in part or completely, based on the final 2012 Supplemental Budget.

Communications

Commerce worked with DSHS and the Washington State Health Care Authority to coordinate communications about the implementation of Housing and Essential Needs and the other two programs created by ESHB 2082. DSHS created a communication plan that included a series of community stakeholder meetings across the state, as well as individual notices for those who were potentially eligible for the new programs created by ESHB 2082.

Client Communication

Soon after ESHB 2082 passed, DSHS, Commerce, and the Washington State Health Care Authority began weekly meetings to plan program implementation and coordinate communication. Since many of the individuals eligible for Housing and Essential Needs are homeless, information was provided to DSHS Community Service Offices, Community Action Agencies, and homeless and housing advocates across the state to attempt to reach potential clients in non-traditional ways.

Individuals eligible for Medical Care Services received two mailings by DSHS describing the new program prior to the November implementation. The second mailing included contact information for each county's Housing and Essential Needs provider. DSHS also coordinated efforts to train caseworkers and Community Service Office staff, distribute brochures about the termination of Disability Lifeline, and provided each office with local Housing and Essential Needs provider contact information.

Collocation at DSHS Community Service Offices

Grantees and DSHS Community Service Offices worked together to design strategies to provide the most effective service for clients coming into DSHS offices in October and November seeking Housing and Essential Needs assistance. Every Community Service Office designated a liaison to serve as a point of contact for client and grantee questions about Housing and Essential Needs. In some cases, Community Service Offices had Housing and Essential Needs grantee staff at their offices temporarily to screen clients and provide information. Collocation occurred at DSHS Community Service Offices including King North, King South, Belltown, White Center, Bellingham, and Sunnyside.

Weekly DSHS/Commerce Operations Meetings

Commerce began to facilitate weekly conference calls with state housing advocates including the Low Income Housing Alliance, the Poverty Action Network, and others to distribute information and receive feedback about program design and implementation.

DSHS and Commerce also planned three sets of community meetings around the state. The first set of meetings in July 2011 provided information about program design. The second tour in September 2011 was intended to exchange information just prior to the program launch. The third tour, scheduled for January 2012, will provide a venue for providing statewide information about implementation and exchanging information about what system improvements can be made now that Housing and Essential Needs and the other programs established by ESHB 2082 are operational.

Commerce, DSHS, and the Washington State Health Care Authority have also participated in regular meetings with Legislators and staff from the Governor's Office, Senate, and House.

Variations in Local Housing Implementation

Housing and Essential Needs was designed by the Legislature to provide local control of program design and implementation to grantees. The effect of that policy is a variation in service delivery methods based on local resources and geography. This section provides examples of local Housing and Essential Needs implementation around the state.

How Housing is Distributed in Clallam/Jefferson Counties

There are five Housing Resource Centers in Clallam and Jefferson Counties that provide centralized intake and assessment, financial assistance for households at-risk of becoming homeless, and re-housing of homeless applicants. All households are referred to community-based and mainstream resources. Points of entry for eligible Housing and Essential Needs applicants include four cities in two counties with primary intake and housing assistance provided through Housing Resource Centers in Sequim, Port Angeles, Forks, and Port Townsend where intake and assistance is coordinated.

Early implementation planning was focused on the need to be prepared for high demand in November and December, ensuring adequate staffing at the Housing Resource Centers, suitable housing choices, and well trained response to the specific requirements of the grant activities.

Clallam and Jefferson County planning included:

- Housing Resource Center and DSHS Community Service Office staff co-located at each other's offices in early November to help diffuse client anxiety.

- Coordination with DSHS staff and other community service providers to ensure the best long-term housing stability.
- Keeping the Essential Needs component simple so households could remain in contact with the Housing and Essential Needs provider.

How Housing is Distributed in Benton/Franklin Counties

There are four homeless housing service providers between Benton and Franklin Counties. The bi-county Department of Human Services will be providing the majority of Housing and Essential Needs assistance in their Crisis Response/Substance Abuse Center. Other providers include the Community Action Council, Salvation Army, and a Counseling Center. Points of entry for eligible Housing and Essential Needs applicants include three cities in two counties: Pasco, Richland, and Kennewick.

Early implementation planning included meeting with stakeholders and homeless service providers to review grant activities and client eligibility requirements. The providers developed a plan to maximize staff resources to front load assistance through the end of the year. They assumed that program startup and the winter months would generate larger number of individuals requesting assistance.

How Housing is Distributed in Cowlitz County

The homeless provider network in Cowlitz County consists of five direct service providers for homeless and at-risk of homeless populations. For the purposes of the Housing and Essential Needs program, the Cowlitz Community Action Program is the service provider in the Longview-Kelso area serving clients countywide. Points of entry for eligible Housing and Essential Needs applicants include all providers in the network who screen and make direct referrals to the Housing and Essential Needs provider.

Cowlitz County required the Community Action Program to consult with their Community Service Office and Family Health Center to develop a notification plan to Disability Lifeline Unemployable clients. This included public service announcements and press releases in addition to updating their waterproof pocket reference guide for people in need. The provider developed an expedited intake process so applicants with urgent medical and housing needs would be immediately assisted. Their vision was to serve the greatest number of eligible clients possible in a meaningful way to maximize housing stability.

How Housing is Distributed in Spokane

The homeless provider network in Spokane County consists of over 30 direct service providers for homeless and at-risk of homeless populations. For the purposes of the Housing and Essential Needs program, the Salvation Army Spokane is the centralized service provider in the Spokane area serving clients countywide. Points of entry for eligible Housing and Essential Needs applicants include all providers in the network who

screen and make direct referrals to the Housing and Essential Needs subgrantee. The provider hired new staff for intake and assessments, worked to design new application materials, and has met and updated the network regularly on implementation strategies to meet a high demand of initial requests.

Variations in Essential Needs Implementation

Yakima County Essential Needs – Yakima County Department of Human Services

Yakima County Department of Human Services is using a subgrantee to deliver the Essential Needs portion of the Housing and Essential Needs grant. The St. Vincent Center, through Catholic Charities is already the lead agency in the county that provides food bank support. The St. Vincent Center is acting as a central warehouse and buying partner in Yakima County and is proactive in providing the Essential Needs items at food banks and other distribution areas throughout the county. There is no specific list for items; Yakima did not want to create limitations for unforeseen needs that would fit into Essential Needs requirements. Initial items purchased were based on recommendations from homeless service providers who have experience with this client population.

Stevens County Essential Needs – Rural Resources Communication Action

Rural Resources Community Action explored several options for administering the Essential Needs portion of their grant. Since they are a large rural county they considered sending essential needs items through the U.S. Postal Service's flat rate boxes since many clients have limited mobility and public transportation is minimal. Because of the size of the essential needs items, including a 64-ounce bottle of laundry detergent, that idea was too expensive to implement. Instead, food banks across the county will distribute essential needs products since many clients already have relationships with food banks. Rural Resource staff are purchasing the items, putting them in paper bags, and having them available at the food bank or Rural Resource office. Items may include laundry detergent and dish soap, a bar of soap, razor, deodorant, feminine products for women, and toilet paper.

HOUSING AND ESSENTIAL NEEDS GRANTEES AND SUBGRANTEES

County	Role	Lead and Sub Grantee Agency Names
Adams	Grantee	Adams County Integrated Health Care Services Department
Asotin	Grantee	Quality Behavioral Health
Benton/Franklin	Grantee	Benton and Franklin Counties Department of Human Services
	Subgrantee	Benton Franklin Community Action Committee
	Subgrantee	The Salvation Army
	Subgrantee	Lourdes Counseling Center
Chelan Douglas	Grantee	City of Wenatchee Community Development
	Subgrantee	Chelan-Douglas Community Action Council
Spokane	Grantee	City of Spokane Human Services Department
	Subgrantee	The Salvation Army
Clallam/Jefferson	Grantee	Serenity House
	Subgrantee	Peninsula Housing Authority
	Subgrantee	Olympic Community Action
Clark	Grantee	Share
Columbia/Garfield	Grantee	Blue Mountain Action Council
Cowlitz	Grantee	Cowlitz County
	Subgrantee	Lower Columbia Community Action Agency
Ferry	Grantee	Connections
	Subgrantee	Joint City of Republic-Ferry County Housing Authority
Grant	Grantee	Grant County
	Subgrantee	Housing Authority of Grant County
Grays Harbor	Grantee	Coastal Community Action Program
Island	Grantee	Island County Human Services
	Grantee	Opportunity Council
King	Grantee	King County Department of Community and Human Services
	Subgrantee	Catholic Community Health Services
Kitsap	Grantee	Catholic Community Services
Kittitas	Grantee	EnTrust Community Services
Klickitat/Skamania	Grantee	Washington Gorge Action Programs
Lewis	Grantee	Lewis County Public Health and Social Services
	Subgrantee	Human Response Network
	Subgrantee	White Pass Community Services Coalition
	Subgrantee	Lewis County Shelter Program
	Subgrantee	Reliable Enterprises
Lincoln	Grantee	Family Resource Center of Lincoln County
Mason	Grantee	Community Action Council of Lewis, Mason and Thurston Counties
Okanogan	Grantee	Okanogan County Community Action Council
Pacific	Grantee	Crisis Support Network
Pend Orielle	Grantee	Pend Oreille Crime Victim Services
Pierce	Grantee	Pierce County Community Connections Homeless Program
	Subgrantee	Share and Care House (for housing)
	Subgrantee	South Sound Outreach Services (for essential needs)
San Juan	Grantee	Whatcom Homeless Services Center
	Subgrantee	San Juan Family Resource Center
Skagit	Grantee	Skagit Community Action Agency
Snohomish	Grantee	Snohomish County
Stevens	Grantee	Rural Resources Community Action
Thurston	Grantee	Thurston County Public Health and Social Services Housing
	Subgrantee	Community Action Council of Lewis, Mason and Thurston Counties
Wahkiakum	Grantee	Wahkiakum County Health and Human Services
Walla Walla	Grantee	Walla Walla Department of Human Services
	Subgrantee	Helpline of Walla Walla
Whatcom	Grantee	Whatcom County Government Health Department
	Subgrantee	Whatcom Homeless Service Center
Whitman	Grantee	Community Action Center
Yakima	Grantee	Yakima County Department of Human Services
	Subgrantee	Yakima Neighborhood Health Services
	Subgrantee	Northwest Community Action Center