

Homeless Prevention in the Emergency Shelter Grants Program

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1. Introduction

Homeless Prevention in the Emergency Shelter Grants Program

This brochure provides information about homeless prevention efforts within the Emergency Shelter Grants (ESG) program, and highlights some specific homeless prevention strategies employed by ESG grantees and the agencies (recipients) that operate ESG projects.

Prevention can be viewed as a sensible and cost-effective way of addressing homelessness in this country. By lowering the rate of entry of people into the homeless population, service providers can more effectively aid those who are currently homeless. In addition to saving the cost of shelter and related




social services, prevention efforts can also reduce the human and social costs of homelessness. Homeless prevention programs help people to maintain steady employment and self-sufficiency, thereby generating real benefits in our communities, schools, and places of work.

This brochure begins with a brief overview of the Emergency Shelter Grants program and a summary of the regulations and limitations pertaining to ESG homeless prevention. Section 2 is organized around the main types of activities funded under the ESG category of homeless prevention:

- Short-term financial assistance;
- Tenant-landlord mediation services; and

- Legal services to prevent eviction.

Section 3 of the brochure describes outreach and eligibility screening strategies for ESG-funded homeless prevention projects. Finally, Section 4 presents some of the ways in which grantees and recipients may track or follow-up with beneficiaries of homeless prevention assistance provided under ESG.

Throughout Sections 2, 3, and 4, you will find specific project examples (identified by the  symbol) that represent successful implementation strategies for homeless prevention assistance in several states. We hope that by disseminating this information and the accompanying examples, ESG grantees and recipients will be better equipped to support and maintain homeless prevention activities.

The Emergency Shelter Grants (ESG) Program

The Emergency Shelter Grants program was originally established by the Homeless Housing Act of 1986, in response to the growing issue of homelessness among men, women, and children in the United States. In 1987, the ESG program was incorporated into Subtitle B of Title IV of the Stewart B. McKinney Homeless Assistance Act (42 U.S.C. 11371-11378).

The objectives of the Emergency Shelter Grants program are to increase the number and quality of emergency shelters and transitional housing facilities for homeless individuals and families, to operate these facilities and provide essential social services, and to help prevent homelessness.

Since its inception and incorporation into the McKinney Act, the ESG program has helped states and localities provide facilities and services to meet the needs of homeless people. ESG funds assist in providing shelter for homeless persons, but also aid in the transition of this population to permanent homes.

Designed as a *first step* in a continuum of assistance, the ESG program strives to help emergency shelter residents meet their most immediate needs as well as aid them in their transition towards independent living. ESG serves a broad population encompassing both homeless individuals and families, with no

restrictions or further targeting. Through homeless prevention activities, the program also serves individuals and families *at risk* of losing their permanent housing. It is significant to note that ESG is the only HUD McKinney program that may be used to *prevent* homelessness.

For complete and comprehensive information on the ESG program, including directions on how to apply for funding and details on all the pertinent rules and regulations, please refer to the *ESG Desk Guide* that can be accessed through the HUD website.

Homeless Prevention Activities

Homeless prevention became an eligible ESG activity category in FY 1989 – adding a new population and a new dimension to the program. Since then, many grant recipients have developed prevention projects. However, homeless prevention activities tend to represent a modest portion of the funded ESG components. For instance, a recent assessment of 30 ESG projects nationwide found that only 5 of 30 (or 17 percent) were implementing homeless prevention activities as part of their grant.

ESG grantees may allocate up to 30 percent of their total ESG award to homeless prevention. The 30 percent limitation applies only to the overall grant. It does not apply to an allocation made to an individual recipient.

To help prevent the incidence of homelessness in a community, ESG funds can be used to support a variety of activities, including (but not limited to):

- Short-term subsidies to defray rent and utility debts for families that have received eviction or utility termination notices;
- Security deposits or first month's rent to permit individuals or families at risk of homelessness to obtain permanent housing;
- Mediation programs for landlord-tenant disputes;

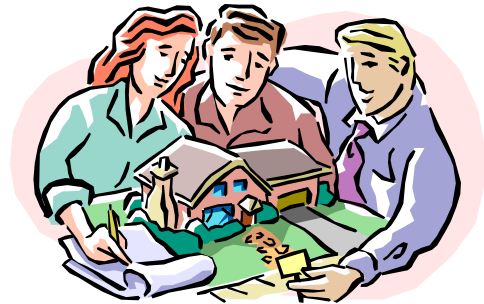
- Legal services programs for the representation of indigent tenants in eviction proceedings;
- Payments to prevent foreclosure on a home; and
- Other innovative programs and activities designed to prevent the incidence of homelessness.

Certain conditions govern the activities funded under the homeless prevention component of the ESG program. For example, ESG funds can be used to provide direct *financial* assistance to families to prevent homelessness only under specific circumstances that are discussed in the next section. In addition, this component has particular documentation requirements for participant eligibility that are explained in Section 3 of this brochure.

2. Eligible Homeless Prevention Activities

This section describes the three main categories of homeless prevention assistance within the ESG program:

- short-term financial assistance for rent, mortgage, security deposit or utility payments;
- tenant-landlord mediation; and
- legal services to prevent eviction.



It should be noted that agencies and nonprofit organizations engaged in homeless prevention activities may provide several types of services that fall under these categories. Descriptions of possible activities presented in this section are taken from real examples of ESG projects.

Short-term Financial Assistance

Many ESG grantees and recipients use homeless prevention funds to provide short-term financial assistance to defray rent and utility debts for families. It is important to note that the law places some limitations on this type of assistance. Namely, ESG homeless prevention funds can be used for financial assistance *only* under the following circumstances:

- the assistance is necessary to prevent eviction or termination of utility services;
- the inability of the household to pay the rent, mortgage or utility payment is due to a sudden loss of income;
- there is a reasonable prospect that the household will be able to resume payments within a reasonable period of time; and

- the assistance will not supplant funding for preexisting homeless prevention activities from other sources.

To meet these requirements, the individual or family must already have received an eviction notice, foreclosure notice, or notification of utility termination. There must also be documentation on the sudden loss of income, and information to substantiate the service provider’s expectation that the household will be able to resume payments soon (e.g., evidence of future income such as SSI, TANF, etc.).



Prevention of Mortgage Foreclosure

The *Bi-County Community Action Program (Bi-CAP)* of Bemidji, Minnesota, directs ESG homeless prevention funding to clients needing financial assistance to prevent mortgage foreclosure. This is a growing issue in the communities served by Bi-CAP, in part due to the high levels of poverty in this mostly rural area. Potential beneficiaries of homeless prevention assistance are carefully screened to determine the severity of the situation and whether direct financial help will “cure” the problem. For example, agency staff may examine whether the housing will be affordable after the initial crisis is managed. Sometimes, cash assistance from Bi-CAP is combined with assistance from other community service agencies. If warranted, a mortgage foreclosure prevention specialist at Bi-CAP can assist clients in identifying alternative affordable housing options.



“Last Resort” Financial Assistance

The *Community Sharing Fund* of the St. Paul Foundation is considered a “last resort” emergency fund. Working through a network of 70 social service agencies in a three-county area, this recipient of ESG homeless prevention monies serves clients who are in danger of being evicted from their homes and are not eligible for help elsewhere. A thorough screening process and documentation of the eviction proceedings help staff to assess the potential for solving the housing problem through short-term cash assistance. In some cases, clients are required to attend financial

management classes prior to receiving monetary assistance. Where a “reasonable” chance of success in solving the problem exists, financial awards (averaging \$400) are made to the referring agency, which in turn provides a check to the landlord for payment of the rent.

Tenant-Landlord Mediation

ESG homeless prevention funds are sometimes used to support mediation or alternative dispute resolution programs for landlord-tenant disputes over issues such as non-payment of rent, housing repair or maintenance, or the recovery of security deposits. While there is a range of mediation programs available to address tenancy issues, a common theme is that they generally involve *pre-judicial* efforts to resolve the dispute. To be successful, tenant-landlord mediation services require a strong working relationship between the mediating agency and the landlords and property owners. A number of ESG-funded homeless prevention projects have demonstrated a high level of accomplishment in this area.



Tenancy Preservation Program

In Springfield, Massachusetts, the *Mental Health Association’s (MHA)* Tenancy Preservation Program works to help families and individuals in Hampden County retain their current permanent housing or find more appropriate alternative housing to avoid eviction and homelessness. The Hampden County Housing Court, Massachusetts Housing Finance Agency housing managers, public housing providers, and/or legal services professionals (including judges) refer tenants at risk of eviction due to tenancy problems resulting from mental illness, substance abuse, or other cognitive problems. Experienced outreach staff from MHA work collaboratively with the referring agencies to engage the client, complete a comprehensive assessment and service plan, and facilitate access to service providers *before* tenancy is lost.



Pre-court Mediation Services

In Virginia, Minnesota, *Legal Aid Services* works with low-income tenants who have received eviction notices to identify the problem and mediate a solution with the landlord. Mediation may include the negotiation of a payment plan, or a delayed move-out date to allow the tenant sufficient time to secure safe and affordable housing. Staff also work closely with local government and service agencies that provide emergency financial assistance to address housing issues. The success of this ESG-funded homeless prevention project is attributable to the agency's strong working relationship with public and private housing providers, including property management companies.



Mediation Services at Eviction Hearings

In Madison, Wisconsin, ESG homeless prevention funds help to support a landlord-tenant eviction mediation project run by the *Tenant Resource Center*. In this project, volunteer mediators facilitate communication between tenants and landlords during attendance at weekly eviction court in Dane County. If there appears to be a potential to resolve the dispute prior to setting the case for trial, the mediator assists the two parties with finalizing and drafting a written agreement. The presence of a neutral third party often serves to defuse the situation and prevent immediate eviction of the tenant. Common outcomes include the development of a payment plan to allow the tenant to remain in the housing, or a negotiated move-out date that gives the tenant enough time to find alternative housing.

Legal Services

Legal services programs funded under ESG homeless prevention typically involve the representation of low-income tenants in eviction proceedings. Legal services provided under ESG may also include representing a client in

other housing-related disputes such as denial of entry into public housing or termination of rental subsidy.



Public Housing Admission Denials

Legal Aid Services of Northeastern Minnesota also uses ESG homeless prevention funds to assist low-income clients who have been denied admission to public housing. Staff work with public housing directors to determine the reason for denial, and formulate a plan to address the issue. For example, if a criminal record caused the denial, Legal Aid Services will work to identify the circumstances surrounding the crime, and any evidence of rehabilitation. They may then request a hearing to set forth reasons for reconsideration. Legal Aid Services staff – and their colleagues in mediation services – have established good working relationships with public housing agency staff. Furthermore, they have a demonstrated ability to develop plans that address the issues preventing clients from securing or remaining in housing.



Legal Counsel to Prevent Homelessness

Legal Action of Wisconsin targets ESG homeless prevention funds to assist low-income clients facing homelessness in Rock County. ESG funds help to support two part-time housing attorneys who handle intake, legal counsel, and referral to other lawyers as needed. The attorneys provide intake services three days per week in two cities in the county. Most referrals come from community action programs, housing programs, and a variety of local non-profit organizations. Legal services to prevent homelessness focus on two primary areas: housing evictions and terminations of rental assistance (e.g., Section 8). Potential clients are screened for eligibility based on the same criteria established for non-ESG services—income (up to 125 percent of the federal poverty level) and citizenship status (including legal aliens). Housing attorneys meet with other staff attorneys on a weekly basis to discuss and prioritize cases on the basis of need and merit. Legal assistance may include negotiation with the landlord or housing authority, representation in court proceedings, or representation at housing authority administrative hearings.

3. Outreach and Eligibility Screening

Successful outreach to potential participants in an ESG homeless prevention project requires close working relationships with various sources of referrals in the community. Grantees and recipients may network with a variety of social



service and housing agencies to identify persons *at risk* of homelessness. They must then carefully evaluate the needs of this population in their community. Regardless of the source of referral, however, it is essential for project staff to determine and correctly document each client's eligibility for homeless prevention assistance. The guidelines for eligibility under ESG homeless prevention are outlined in this section.

Homeless Prevention Outreach

Participant outreach strategies in homeless prevention projects vary depending on the type of agency/organization and the nature of the assistance provided. In some cases, ESG-funded grantees and recipients seek out individuals or families in the community in need of homeless prevention services. In other cases, potential clients self-refer, or are referred for assistance by another agency, nonprofit organization, or centralized intake system. Regardless of the outreach or referral source, all clients must meet the statutory requirements for eligibility described later in this section.



Court-assisted Outreach

In Madison, Wisconsin, the *Tenant Resource Center's (TRC)* eviction mediation project also serves an outreach function. The court clerk works

directly with TRC staff to keep them apprised of upcoming eviction proceedings through a weekly printout of eviction cases on the court docket for the following week. Using the contact information on the court documents, TRC staff send postcards to the tenants to remind them of the court date and to explain mediation services available to them at the hearing. Regardless of the response to the postcard, volunteer mediators attend each hearing to again offer their services to the tenant.



Telephone Screening and Referral

The City of Nashville, Tennessee, relies on a central point of entry into the city’s homeless services system. A telephone hotline, called the Congregational Helpline, provides screening and referral services for individuals seeking a broad range of homeless services. Through the Congregational Helpline, the *Campus for Human Development* identifies individuals “close to eviction” who may benefit from ESG-funded financial assistance for rent and/or utilities. The agency verifies all financial need information with landlords and utility companies, and follows-up in person with the clients. The Campus for Human Development provides homeless prevention cash assistance on a first come, first served basis (usually limited to one time only). However, staff make decisions on a case-by-case basis, taking into account any extenuating circumstances. Furthermore, staff may provide alternative services such as financial counseling through other funding sources.

Eligibility Determination

As noted earlier, a number of guidelines govern the use of ESG homeless prevention funds. For example, direct financial assistance requires evidence that the individual was being forced out due to formal eviction, foreclosure, or utility termination proceedings. Furthermore, there must be evidence of the status of payments related to this. Therefore, any agency providing financial assistance with ESG homeless prevention funds must obtain *documentation* of:

- formal eviction, foreclosure, or utility termination proceedings;

- the inability to pay due to a sudden loss of income;
- the payment being necessary to prevent homelessness; and
- the resumption of payment being reasonably expected in the near future.

Identifying applicants eligible for homeless prevention assistance is the first step toward meeting the needs of those at risk of losing their permanent housing. However, the demand for homeless prevention services often exceeds the availability of funding. As a result, ESG program recipients may still need to prioritize assistance among those deemed eligible. This is sometimes accomplished with a “first come, first served” policy. More often, there is a condition imposed by the agency regarding the frequency with which an individual or family can obtain assistance.



Automated Database for Service History

In Topeka, Kansas, *Doorstep, Inc.* operates a homeless prevention project that provides emergency cash assistance to individuals and families facing eviction. The agency screening process requires proof of income-based eligibility as well as documentation of the pending eviction. A citywide computerized database links all social service agencies in Topeka and enables them to track client-level data, including income source, service use, and previous cash assistance. Participating agencies use the information in the database to ensure that direct cash assistance is not provided to the same individual or family more than once in a 12-month period.



Income Eligibility Guidelines

One way in which a homeless service provider may choose to prioritize eligibility for prevention services is through an income cutoff guideline. *Legal Aid Services*, an ESG-funded legal service provider in Minnesota, has set this eligibility guideline at less than or equal to 125 percent of the federal poverty level (FPL). That is, any individual or family with a household income less than or equal to 125 percent of the federal poverty level is eligible for housing-related legal services. Within those guidelines, however, the provider may still

find it necessary to prioritize cases due to limited staff resources. In that situation, evictions and denials to public housing take precedence over mediation services involving housing repairs or unrecovered security deposits.

4. Tracking and Follow-Up

While not expressly required by ESG program regulations, some grantees and recipients engaged in homeless prevention activities endeavor to follow-up with clients served to determine the outcome of such assistance. For example, an agency may follow-up with a tenant and/or landlord to see if they upheld the terms of their mediated agreement (i.e., were payments made to the landlord as scheduled, did the tenant move out by the date specified, etc.), and to determine whether the tenant maintained stable housing. The following are typical examples of tracking and follow-up implemented by ESG recipients.



Tracking Direct Cash Assistance

The *Community Sharing Fund (CSF)* of St. Paul, Minnesota, has several procedures in place to ensure the proper use of financial assistance for rent or utilities. First, CSF sends the check directly to the social service agency working with the client. That agency, in turn, cuts a check to the landlord. The Community Sharing Fund then obtains a copy of the cancelled check from the agency, as well as a signed statement regarding the use of the funds. Although no regular follow-up is required, CSF periodically pulls files at random to trace the progress of assistance. Furthermore, the direct service agencies involved with the client frequently continue to provide supportive services well past the short-term cash assistance provided by CSF.



Follow-up on Mediation Services

The *Tenant Resource Center* of Madison, Wisconsin, routinely attempts to follow-up with clients that have received mediation services supported by ESG homeless prevention funding. The agency reviews the file approximately three

months after the provision of services, and attempts to follow-up with the tenant and/or the landlord. The goal of the follow-up is to determine whether the agreement decided upon during mediation was upheld. Staff track their attempts to contact both parties via a telephone log. After five attempts to reach the parties by telephone, a letter is mailed to the tenant. Staff eventually reach at least half of the clients served, and of those reached approximately two-thirds of the cases are upheld at three months. If circumstances warrant, TRC staff may also follow-up with the landlord and/or tenant at six months.

Contact Information for Emergency Shelter Grants Projects Cited in Text:

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Community Sharing Fund of the Saint Paul Foundation
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Legal Action of Wisconsin, Inc.
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Legal Aid Services of Northeastern Minnesota
Karen Hill, Outreach Coordinator
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Mental Health Association of Greater Springfield
Linda Williams, Executive Director
Jim Burdell, Program Director
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Tenant Resource Center
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