

### **Special Needs Housing: Filling a Gap While Providing a Step-Up**

Although Delaware may be one of the smallest states, its effort to end homelessness has been substantial. On any given night, there are roughly 6,759 persons who are homeless in Delaware (HPC, 2009). This estimate does not include the number of persons who are precariously housed, which if tabulated would make the figure grow considerably. One study found that, in Delaware, 16 percent of the homeless can be classified as “chronically homeless”, using the Department of Housing and Urban Development’s (HUD) definition of chronic homelessness (Peuquet, 2007). This rate is significantly higher than the rate in other U.S. cities, such as Philadelphia and New York City, which have an average rate of chronic homelessness around 10 percent. The high rate of chronically homeless in Delaware is even more alarming when one considers Delaware’s relatively high per capita income and robust economy compared to other states. Much of Delaware’s unsheltered population suffers from high rates of mental health issues and substance abuse conditions. Of those surveyed in 2009, roughly 60 percent were identified as having some type of disability. Similarly, almost 20 percent of those surveyed were under the age of 19 (HPC, 2009).

To combat homelessness across the nation, the U.S. Congress established the Interagency Council on Homelessness in 1987 with the passage of the McKinney-Vento Homeless Assistance Act. The federal Interagency Council on Homelessness has been responsible for the planning of homeless priorities and policies, monitoring of homeless service providers, and the provision of technical assistance. However, the Council did not receive the level of national attention as originally planned, until a growing body of research showed a need for the creation of local interagency councils. Thus in 2005, the Delaware Interagency Council on Homelessness (DICH) was formed. The first task of the DICH was to develop a Delaware-specific, ten-year plan to end chronic homelessness. The DICH worked with the Homeless Planning Council of Delaware (HPC), Delaware’s local “Continuum of Care” (CoC) established in 1997, to develop five major strategies to end chronic homelessness in Delaware. These include: 1) develop new housing for persons who are chronically homeless or at-risk of chronic homelessness; 2) the removal of barriers to accessing existing affordable housing; 3) improve discharge and transition planning; 4) improve supportive services for persons who are homeless; and 5) enhance data collection and the use of technology (DICH, 2007). However, crafting the strategies would be far less challenging than trying to implement them.

The strategies identified in the Ten-Year Plan to End Chronic Homelessness resulted largely from research and data demonstrating the need and the gaps in Delaware’s continuum of care. Like many other states, Delaware follows a “housing first” model with a blend of emergency shelters. However, many of Delaware’s chronic homeless were not having their needs met due to a gap in the continuum of care. Although Housing First programs have proven to be effective in Delaware and across the nation, Delaware did not have the level of permanent supportive housing it needed to assist those who are chronically homeless. These individuals needed affordable housing, but they also needed the wrap-around services to meet their needs to be living on their own.

Information and data was being compiled across the state and by many entities. The Ten-Year Plan identified the need of 1,000 more rental vouchers to end chronic homelessness in Delaware in 2007. The Delaware Division of Health and Social Services (DHSS) programs and services were faced with housing challenges when trying to exit clients out of state institutions. Similarly, the Delaware Division of Family Services was faced with extreme difficulties in trying to stably house youth exiting foster care. Research was repeatedly showing that permanent supportive housing was needed for chronically homeless persons or those at risk of being chronically homeless, yet the gap had not been filled. All the while, more and more in need were exiting the state system. On average, permanent supportive housing is expensive in comparison to the average cost of a bed in an emergency or transitional shelter program (Peuquet, et al, 2007). However, the price for permanent supportive housing does not even compare to the cost of care for an individual leaving an institution or those who are chronically homeless. For example, care for a person in a DHSS state mental health facility averages around \$26,000 a year.

Additionally, it had been determined that state contributions to permanent and long-term housing for the homeless were very low at only 2.7% of total funding for this housing type.

It was at this time that Delaware State Housing Authority (DSHA) started discussions on the creation of a rental assistance program for those who are chronically homeless or at risk of becoming so. Initial program discussions occurred internally at DSHA, but also in direct coordination with the DICH and HPC. As a result, DSHA developed the “**Step-Up**” **pilot program** to combat chronic homelessness in Delaware. Step-Up was designed to be a rental assistance program to assist emancipated youth exiting the foster care system who are at risk of homelessness and individuals with mental health and/or substance abuse conditions who are chronically homeless or at risk for chronic homelessness. Step-Up was designed to be a permanent supportive housing program where the rental subsidy was provided by DSHA and services for Step-Up participants was provided by a non-profit service provider. The rent subsidy was to be paid direct to the landlord and the non-profit partners were held to high measures of accountability in regards to their service provision. To be eligible for the program, participants must have an income of 50 percent AMI or below and have a need for intensive services.

The initial Step-Up program was funded for \$1,000,000 for three years, through DSHA’s Housing Development Fund, a yearly state-funded allocation. Awards for the program were determined through an RFP process in late 2007. The awarded non-profit grantees included one of the state’s largest mental health and/or substance abuse non-profit service providers, funded for \$370,500 to serve a minimum of 15 individuals; a non-profit to serve a minimum of 10 emancipated youth exiting foster care, who are with children, and who are at risk of homelessness for \$370,500; and a smaller non-profit which ran the State’s first transitional housing program decades prior. This final grantee was awarded \$259,000 to serve 10 men with mental health and/or substance abuse conditions who are chronically homeless or at risk for chronic homelessness in the City of Wilmington.

There were a number of measures put into the Step-Up program to ensure accountability and measureable success. Grantees had to develop a program manual with 60 days of the contract being signed, submit monthly reports accounting for the expenses of their Step-Up participants, complete bi-annual performance measurements, Homeless Management Information System (a statewide information database) entry was required, and they were to be monitored by DSHA at least once a year. In addition, the grantees were responsible for having the number of individuals they were to serve housed within a given time frame as determined by the grantee with guidance provided by DSHA. All possible rental units had to pass an inspection akin to the Section 8 inspection, but DSHA provided all inspections in two of Delaware’s three counties free of charge.

The Step-Up pilot program ran with guidelines similar to federal permanent housing programs, but with the advantage of being locally administered. Due to the strong desire to see the Step-Up program be successful, DSHA made every effort to provide maximum technical assistance to grantees. The nature of the challenges that Step-Up participants faced, meant DSHA and the grantees had to remain flexible and willing to change if it meant that an individual’s needs would be met. This model of program has been relatively trouble-free for DSHA because the rental vouchers operate in a similar fashion to Section 8 Rental Vouchers and the non-profits who have been awarded funds have a proven track record of success in providing services for these populations.

The Step-Up pilot program was received with overwhelming support from the non-profit service providers and other state agencies during that first year. It was seen as a tangible step in the right direction to reducing chronic homelessness in Delaware. In fact, the program was so well received, DSHA decided to fund the Step-Up program for a second allocation in 2009. This second round, often referred to as Step-Up 2 was for \$1,000,000 for three years, as in the pilot program. Three non-profits were awarded funds, two of which had been funded in the pilot program as well. The final Step-Up 2 grantee was funded for \$140,000 to serve five men with mental health and/or substance abuse conditions who are chronically homeless or at risk for chronic homelessness in the City of Wilmington.

The Step-Up programs were providing services and housing to 93 individuals by late 2009, when DSHA continued the Step-Up program for a third allocation. Step-Up 3 was funded for \$750,000 and four non-profits were awarded funds through the RFP process in May 2010. Based on recommendations

from the DICH, HPC, and other service providers, DSHA expanded the Step-Up 3 program to also serve those with disabling conditions. There was also careful consideration in Step-Up 3 to put emphasis on a statewide approach; rather than targeted geography in the City of Wilmington where services were already saturated. Nevertheless, DSHA awarded one Step-Up 3 grantee to serve 6 individuals in rural, southern Delaware, where services are scarce. Combined, the Step-Up programs will serve 125 individuals who are chronically homeless or at risk of becoming chronically homeless.

Even though the Step-Up programs are still rather relatively new, they have already achieved high levels of success. Emancipated foster youth in the Step-Up program have achieved remarkable results. The program goals for emancipated foster youth include: stabilize housing, increase self-sufficiency, increase educational attainment, and increase employability. To date, almost all of these goals have been met through measureable results. One youth recently graduated from Delaware State University with a bachelor's degree, four others are pursuing Bachelor degrees, and a number of others are enrolled in Associate programs. Roughly 75 percent of Step-Up emancipated foster youth in Step-Up 1 and 2 are currently enrolled in an educational or training program and over 50 percent have completed at least one semester of post secondary education. These youth have also maintained steady employment even with the hard economic times. All Step-Up emancipated foster youth in Step-Up 1 and 2 are employed, 60 percent have maintained employment over three months, and almost 25 percent saw an increase in pay in 2009. Additionally, for those Step-Up participants with mental health and/or substance abuse conditions, initial results are extremely positive. All participants have had an individualized service plan developed for them. All of the rental vouchers have been leased up with participants in stable housing. Many have been enrolled in employment training. One-hundred percent of Step-Up participants with mental health and/or substance abuse conditions have been enrolled in all supportive services for which they are eligible, and 100 percent have received mental health and/or substance abuse counseling. One grantee demonstrated that all ten of their Step-Up participants have received their GED or high school diploma. Finally, data indicates that roughly two-thirds of all exits from the Step-Up program for those individuals with mental health and/or substance abuse conditions resulted from other permanent affordable housing coming available.

With this high level of success already realized, one can only imagine the outcome measures for Step-Up 3 participants. The Step-Up program has been a success in reducing chronic homelessness in Delaware for a number of reasons. First, it filled a gap in our continuum of care. DSHA developed the program through coordination with the DICH, HPC, and other service providers. Second, Step-Up has been administered so that accountability is at a maximum, but technical assistance for grantees is also maximized so that everyone achieves their desired outcomes. And finally, the Step-Up program is the only such program in the State. It was an innovative approach for a state agency to develop, but has provided great results. The Step-Up Rental Assistance Program was developed to meet a critical gap in Delaware's continuum of care. In many ways it has lived up to its name as the mechanism needed to 'step-up' individuals who are chronically homeless, so they can achieve self-sufficiency. However, it was purely created with the idea in mind that it is a DSHA-funded pilot program. Once DSHA was able to prove measureable success, the goal of the program was to transition to a statewide, state-run and 100 percent state-funded program. Currently, DSHA and its partners are coordinating efforts to request to the Delaware legislature to transition Step-Up from a pilot program to a lasting state program. There is little doubt in the minds of DSHA staff that this will soon become a reality. As one Step-Up participant told DSHA staff, "If I were not in this program right now, I'd either be homeless or well on my way to becoming homeless. I wouldn't have my child with me because I would be on the streets and I would probably have to quit school. I probably would give up trying to make the perfect life for me and my child."

References:

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