

City of Durham

Contract #10467

Housing for New Hope – Rapid Rehousing Program

January 2015 Progress Report

February 2013 through December 2014

BACKGROUND:

In 2009, President Obama signed the Homeless Emergency Assistance and Rapid Transition to Housing (HEARTH) Act. The HEARTH Act has shifted the Federal response to homelessness from one that simply manages homelessness at the program level to one that prevents and ends homelessness at the system level. As a result, Rapid Rehousing (RRH) has been identified as a program model that is both cost effective and efficient at ending homelessness. The City of Durham initially implemented RRH in 2009 through stimulus funding from the Homeless Prevention and Rapid Rehousing Program (HPRP). Housing for New Hope (HNN) was the subrecipient for the HPRP funding implementing Durham's first RRH model. As a result of the success of HPRP nationally, the Department of Housing and Urban Development (HUD) revised regulations for its Emergency Solutions Grant (ESG) program requiring funding for the RRH program type for a minimum portion of the total ESG funding awarded to Entitlement Jurisdictions.

The City investment in RRH aligns with emerging evidence from HUD indicating that RRH is more cost effective and has higher rates of success as compared to other homeless housing interventions.¹ A total of 375 persons who were experiencing homelessness in Durham were housed through the program. Of those, 87% were persons in families that included children. The average length of time persons receive RRH program services is seven months. The program successfully negotiated with 35 different landlords to obtain 117 units of market rate rental housing in Durham as they ended homelessness for the program participants. The average rent for a two-bedroom apartment negotiated by Housing for New Hope on behalf of program participants is \$600.

As compared to other homeless housing models currently available in Durham in response to homelessness, RRH is proving effective in ending peoples' homelessness as evidenced by the high rate of successful housing outcomes. City investment in continuing the RRH contract with HNN is a cost effective approach to addressing homelessness in Durham.

In addition, administration of the HNN Rapid Rehousing contract aligns with Goal #3 of the City Strategic Plan in that it ensures citizens an opportunity to enter safe, affordable, and healthy housing. The administration of the contract also aligns with Goal #4 of the City Strategic Plan as it promotes strong financial management and benchmarking for results in terms of program outputs and outcomes

¹ http://www.huduser.org/publications/pdf/HUD_503_Family_Options_Study_Interim_Report_v2.pdf

COST EFFECTIVENESS

In considering the cost of Rapid Rehousing in comparison to other homeless housing interventions in Durham, Rapid Rehousing is less expensive than other interventions. Emergency Shelter, Transitional Housing, and Permanent Supportive Housing remain important interventions of the overall homeless housing system; however Rapid Rehousing is evolving as a cost effective approach to shortening lengths of stay in Emergency Shelter and Transitional Housing Programs in Durham as well as other communities across the country.

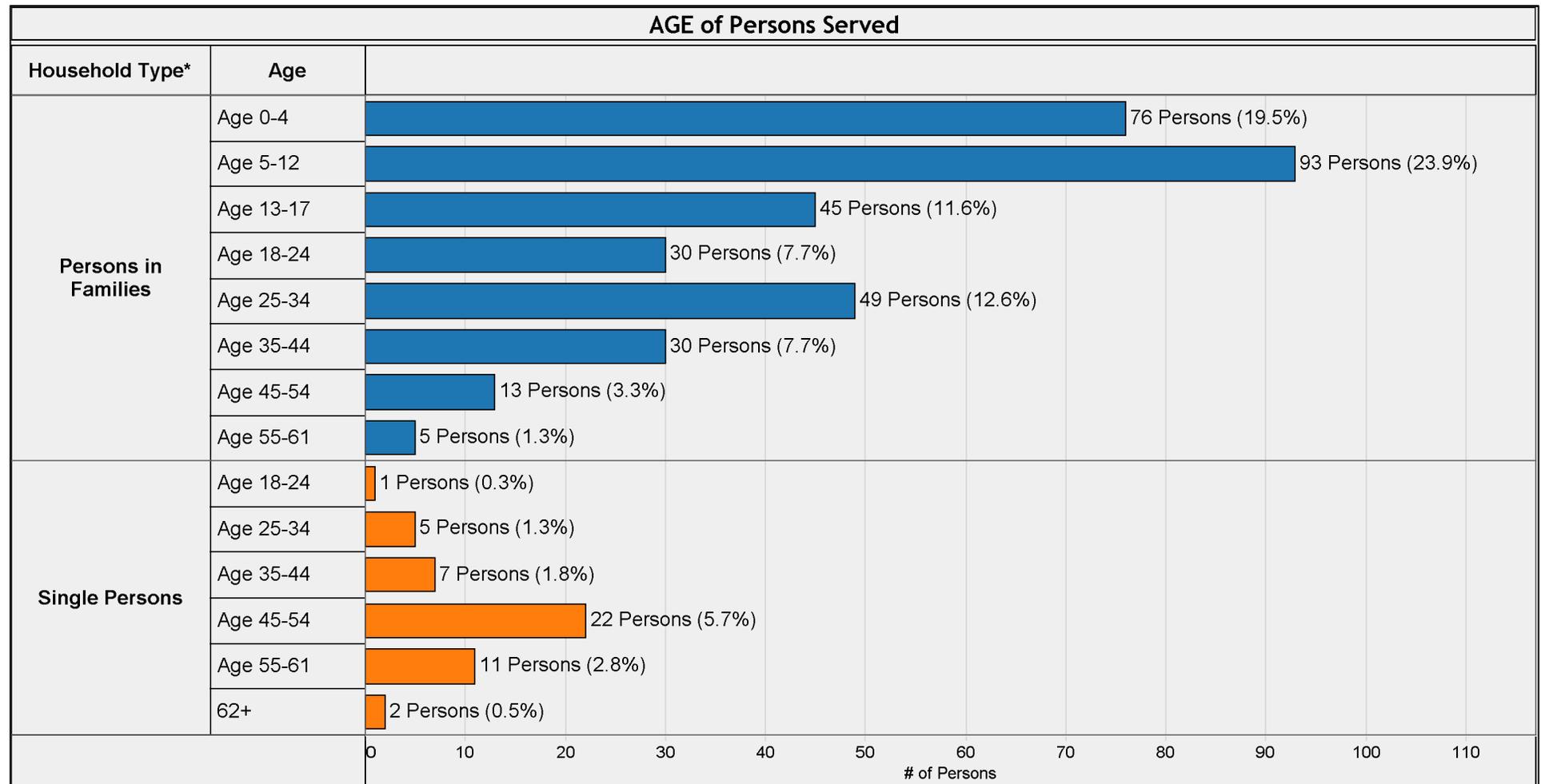
Program Type	Program Code²	Program Daily Cost Per Day³
Emergency Shelter Programs	2227	\$25
	1932	\$15
	5368	\$95
Transitional Housing Programs	4712	\$36
	1755	\$38
	1939	\$38
	5363	\$36
	4582	\$40
Rapid Rehousing Programs	5248	\$7
	5249 (<i>Housing for New Hope Rapid Rehousing</i>)	\$9
	5454	\$16
Permanent Supportive Housing Programs	4685	\$14
	4460	\$18
	5364	\$22
	1748	\$16
	1573	\$23
	1941	\$20
	5111	\$29
	1572	\$6
	5375	\$26
4544	\$24	

² Program codes for individual programs using the community Homeless Management Information System. Names of individual programs were not used in comparison as permission make this information was not sought

³ Cost per day is determined by establishing the total annual program budget from all sources divided by the number of beds available for the programs divided by 365 days in a year

DEMOGRAPHICS

A majority of persons in families were children, under the age of 12 and a majority of families were headed by adults, age 25-34. This indicates that many people who are served by Rapid Rehousing are young families. Young parents tend to become homeless with children under the age of 12 because their family expenses associated with young children may reduce their capacity to pay rent and lead to eviction. In addition, it may be hard to maintain employment if childcare is inconsistent. A large plurality of single persons served were age 45-54, which is the most common age range of single homeless persons in Durham.



Single persons in the ages of 45-54 are caught in a difficult situation when manufacturing/physical jobs are limited and technology careers require more skills and advanced education. This age group is too young for social security, if not disabled. Our typical Rapid Re-housing household has more than one child and may be headed by a single parent. Therefore, we serve many single income families. Children experiencing homelessness are sick 4x more often and have 3x the rate of emotional/behavioral problems than housed children according to the National Center on Family Homelessness⁴. Families are the primary consumers of Rapid Rehousing services. In response to HUD and Durham Continuum of Care established priorities, families have continued to be the focus of the Rapid Rehousing program. Rapid Rehousing staff members are experienced with addressing the unique obstacles and barriers that homeless families face and ensure that their needs are met. For example, staff members take all appropriate steps to ensure that children can and do attend school.

RACE	%	# Persons⁵
Black or African American	92.3%	359
White	4.4%	17
American Indian or Alaska Native	1.8%	7
Missing	0.8%	3
Asian	0.5%	2
Native Hawaiian or Other Pacific Islander	0.3%	1

The overall homeless population in Durham is 78%⁶ African American. Similar to the overall demographics of Durham’s homeless population, a disproportionately high number of homeless people served through the HNH Rapid Rehousing Program have been African-American.

Disability?	%	#Adults
No	67.4%	118
Yes	32.6%	57

Although 32.6% of Rapid Rehousing consumers did have a disabling condition, the large majority (67.4%) did not. Homeless people with a disabling condition often have additional barriers, resulting in their needs aligning more closely with the services offered by transitional housing and permanent supportive housing. These numbers align with the reality that many Rapid Rehousing consumers are homeless due to financial circumstance, making Rapid Re-Housing rental assistance and housing stabilization services the most effective intervention.

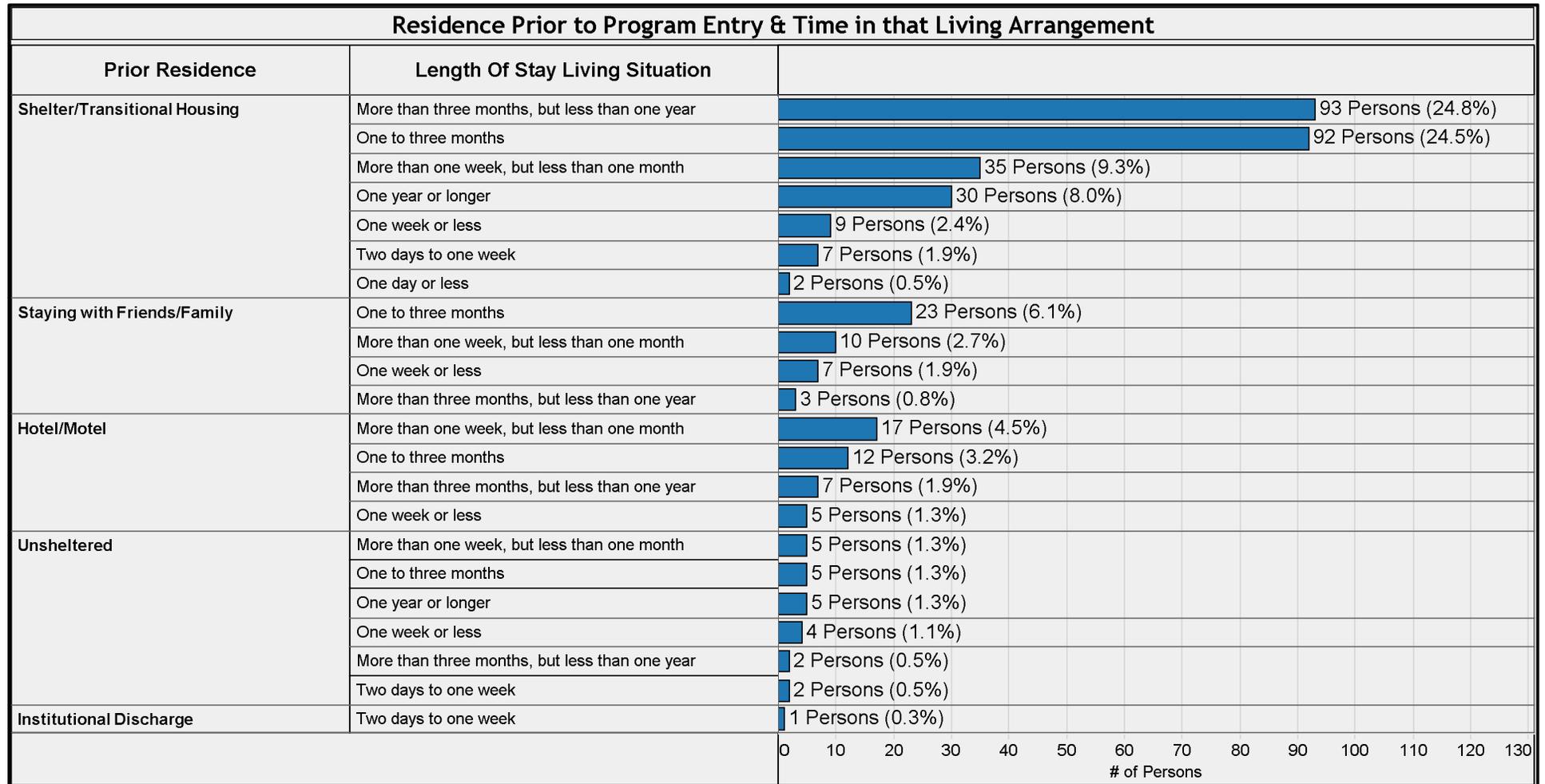
⁴ <http://www.familyhomelessness.org/media/306.pdf>

⁵ Participants can identify as more than one race

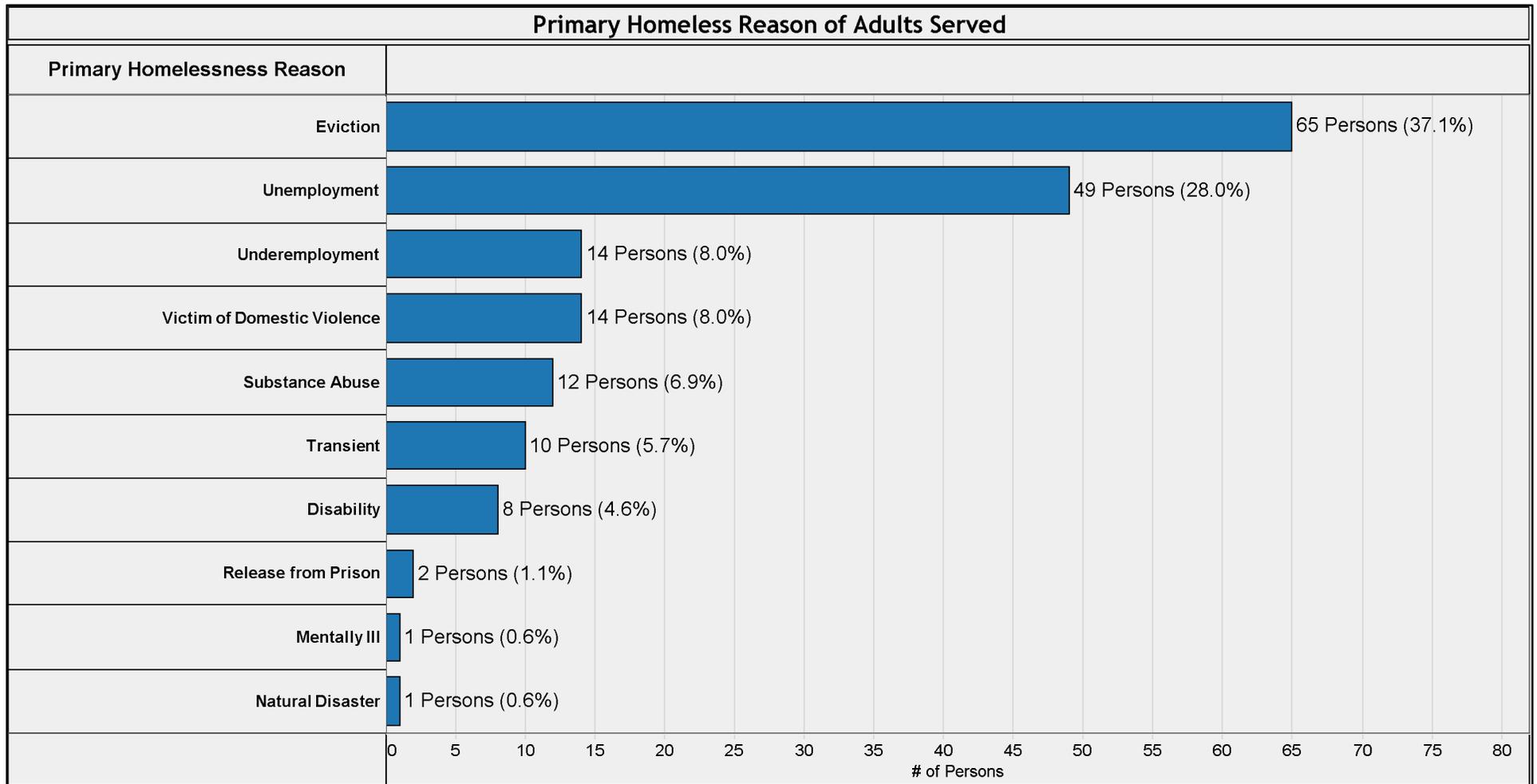
⁶ Durham’s Homeless Management Information System

NATURE OF PARTICIPANT CIRCUMSTANCES

The stability of the living situation prior to program entry was analyzed for persons served by the program. Most family households entering Rapid Rehousing were housed in shelter situations prior to program entry. Further analysis regarding the stability of the housing circumstances prior to program entry may be helpful to improve targeting the households in the highest need for Rapid Rehousing while preventing or diverting other households that may need less assistance to remain housed.

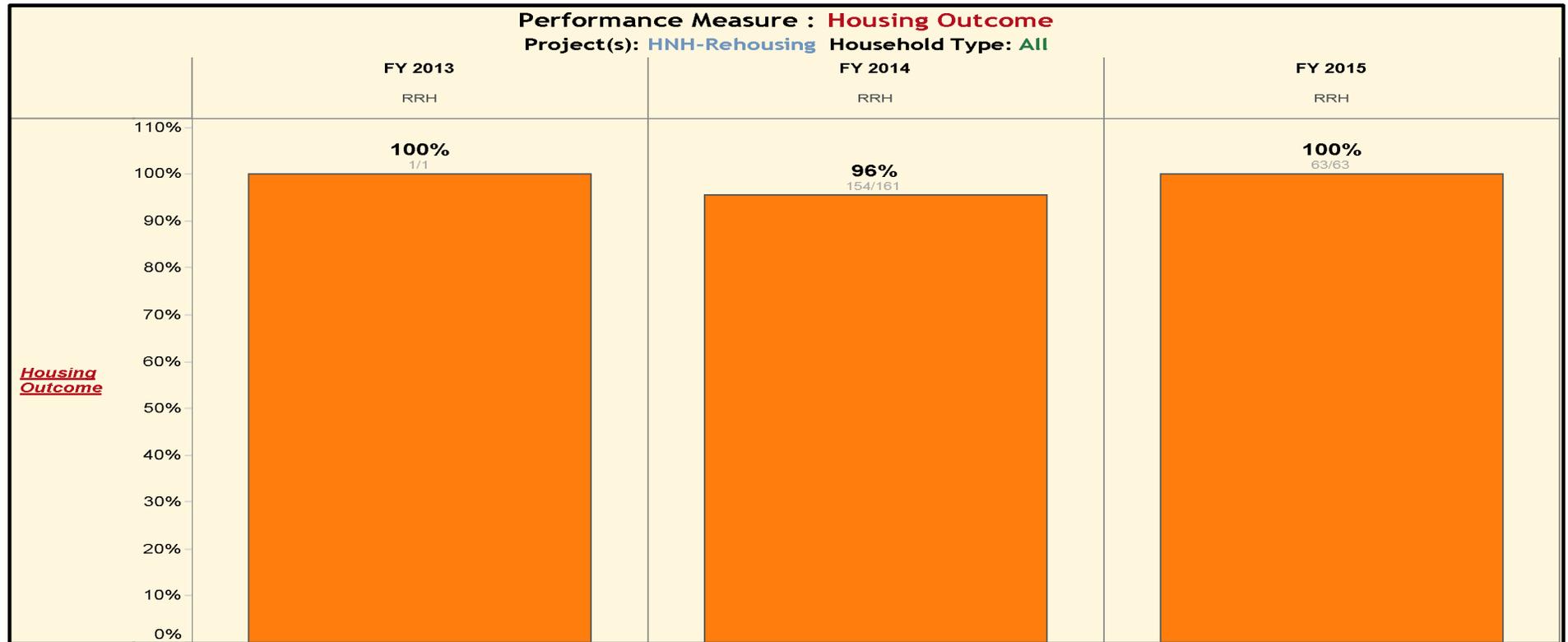


Data on persons served suggests that eviction, Domestic violence and unemployment/underemployment and are the top reasons adults become homeless prior to entering the program. Please note that while eviction is specified as the main cause; it should also be considered the secondary result of other external factors such as underemployment.



HOUSING OUTCOME

One key metric used to determine success among homeless housing interventions is the rate at which the program is able to assist people with obtaining housing with which they have tenancy rights. Upon completion of services, program participants have a housing destination recorded in the Homeless Management Information System (HMIS)⁷. If the destination that is recorded is one that is defined as affording the participant tenancy rights (permanent), the Housing Outcome is counted as successful. Inherent in a RRH model is the fact that an apartment lease is in place for the participant as part of the program and the participant is in the apartment at the beginning of program enrollment.



Housing for New Hope's 98% success rate of exit to permanent housing is due to additional services combined with financial assistance that the team provides which include landlord advocacy, financial education/budgeting, credit repair and meeting with families at least two times per month. Inherent in a Rapid Rehousing Program Model, a homeless household is assisted in acquiring rental housing using existing vacant units in the community.

⁷ A Homeless Management Information System (HMIS) is a local information technology system used to collect client-level data and data on the provision of housing and services to homeless individuals and families and persons at risk of homelessness.

LANDLORDS & RENTAL RATES

Housing for New Hope has been successful with developing partnerships with landlords throughout Durham. Over 50% of the program participants have been assisted with obtaining a two-bedroom unit. The program has been able to secure two bedroom apartments for an average of \$600 per month.

Housing for New Hope Rapid Rehousing: Average Rent Negotiated for Program Participants		
# Bedrooms	% Households Placed	HNH-RRH Monthly Rent-AVG
1	30%	\$479
2	55%	\$600
3	12%	\$785
4	2%	\$588

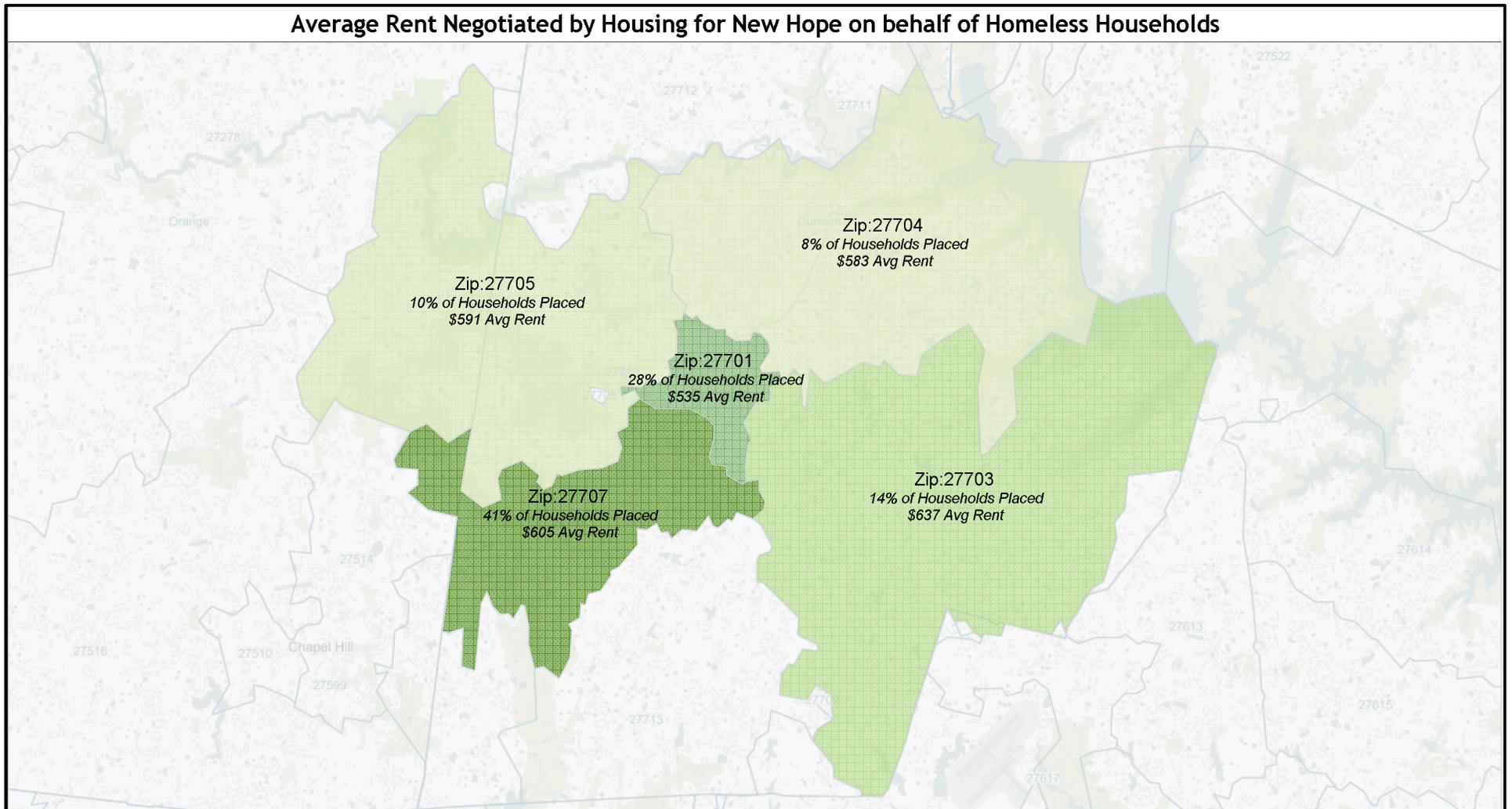
The monthly secured by Rapid Rehousing for a two bedroom apartment is 29% below the 2014 Fair Market Rent (FMR) for Durham. As part of the Housing for New Hope Contract required by the ESG Regulations, all units are inspected and must meet minimum housing code prior to the participant move-in.

Housing for New Hope Rapid Rehousing: Average Rent Negotiated for Participants vs. 2014 Durham Fair Market Rent (FMR)⁸				
# Bedrooms	2014 FMR Durham	HNH-RRH Monthly Rent-AVG	\$ Difference 2014 FMR to HNH-RRH	% Difference from 2014 Durham FMR
1	\$711	\$479	\$232 Less	33% Below FMR
2	\$843	\$600	\$243 Less	29% Below FMR
3	\$1087	\$785	\$302 Less	28% Below FMR
4	\$1273	\$588	\$685 Less	54% Below FMR

Housing for New Hope established relationships with a total of 35 distinct property managers who have rented to households who are being served by the RRH Program. Two of the 35 property managers have rented to over one-third of the total households through the program at an average monthly rent of \$556. Rents range from a low of \$330 to a high of \$850 per month from the partnering property managers. All units must pass a minimum housing code inspection and lead based paint assessment prior to occupancy by the household.

⁸ <http://www.huduser.org/portal/datasets/fmr/fmrs/docsys.html>

In terms of the location of the housing units secured for homeless families as part of Housing for New Hope's Rapid Rehousing program, the units are spread across five Durham zip codes as indicated in the chart below.



CONCLUSION

The City of Durham investment in Rapid Rehousing aligns with emerging best practices for homeless housing intervention. The Housing for New Hope implementation has been both cost effective and successful in ending people's homelessness. Continued investment in Rapid Rehousing by the City of Durham will align Durham with Federal Guidelines and assist vulnerable Durham Citizens with ending their homelessness by leveraging the local private housing market.

Report Data Sources:

1. Durham Homeless Management Information System <http://www.nchomeless.org/>
2. Fair Market Rent Information <http://www.huduser.org/portal/datasets/fmr/fmrs/docsys.html>
3. Program Budget Information:
 - a. <http://www.usaspending.gov/>
 - b. <https://harvester.census.gov/facweb/default.aspx/>
 - c. <http://www.irs.gov/uac/SOI-Tax-Stats-Annual-Extract-of-Tax-Exempt-Organization-Financial-Data>
 - d. <http://nccsdataweb.urban.org/>
 - e. <http://www.ncopenbook.gov/>
 - f. http://portal.hud.gov/hudportal/HUD?src=/program_offices/public_indian_housing/programs/hcv/vash
 - g. http://www.va.gov/HOMELESS/ssvf/docs/SSVF_September2014_GrantRecipients.pdf
 - h. http://www.va.gov/HOMELESS/ssvf/docs/2014_SSVF_Award_List.pdf
 - i. http://www.va.gov/HOMELESS/docs/SSVF/2013_SSVF_Awards_Final_71113.pdf