

The Funders Group Meeting Summary

March 9, 2009

TFG Members present:		TFG members absent:
Jason Johnson Emily Leslie Jackie MacLean Stephen Norman David Okimoto	Alan Painter Adrienne Quinn Arthur Sullivan Tom Tierney	David Wertheimer
Funders Group Reps/Staffers Present:		
Debbie Thiele Marty Lindley Katy Miller	Debbi Knowles Sara Levin Kollin Min	Bill Block Gretchen Bruce Kristine Gullin

HHSF/UWKC Funds and Capital Pipeline Projections

Homeless Housing Funders Group (HHFG, a.k.a. the Planners Funders Group) has been researching which capital projects funded two to three years ago come on line in 2010 and 2011 and their projected service needs. Projects submitted preliminary budgets accounting for fully-funded operating and service projections and whether those fund sources are committed or anticipated. From that, the HHFG made best guess estimates of how much projects will need from UWKC/HHSF funds. (The group is also using this information to rework the project budget format for future NOFA applications so the budgets will be more useful going forward.) Additionally, the HHFG group reviewed which projects funded through the first round of 2163 will sunset in 2012. All in all, the group anticipates that service needs or renewals of these projects will significantly drive funding decisions and priorities in the upcoming NOFAs over the next three years. Debbie led the group through an overview of HHSF/UWKC Funds and Capital Pipeline Projections.

Debbie Thiele distributed a two-page analysis of HHSF/UWKC Funds and Capital Pipeline Projections. (pdf'd and attached to this meeting summary) Of special mention:

- Approximately 89% of units funded through previous contracts are counted as new units under the 10YP Production Report. If funding for these projects ends, we would need to back those units out of the production report.
- Renewing HHSF projects has another challenge: HHSF revenues have declined and projects funded in 2006-2008 were funded at more than the projected annual revenue of \$1.2 million for HHSF funds.
- Similarly, United Way contracts will begin re-application in 2013. Assuming all projects are refunded, all new UW funds would be attributed to existing projects.
- Because service needs lag behind capital development, planners will need to take into account service funding three years hence for any capital projects funded through this year's NOFA.

The Funders Group discussed a variety of options/additional data that may be needed to move forward:

Revenue Questions

- Do not allocate all revenue in 2009 and 2010 NOFAs to save for re-application short falls.
- Find new fund sources to replace operating/rental assistance in current projects and move HHSF to services only.
- Explore if housing authorities can implement a tiered reimbursement rate for section 8's, i.e, a higher reimbursement for studios with supportive services attached to them over the standard studio rate.

Renewal & Reallocation Questions

- Develop a pro-active renewal policy so that future capital funding decisions are founded in agreed-upon continuation of services within the project for "x" number of years
- Develop a re-active renewal policy of existing project, perhaps not renewing all projects (Renew only those in Production Report and/or line-by-line estimates of successful reapplication amounts).
- Address the question of McKinney funding (we lost out on funding this year because so much of our local allocation goes to service only projects.)
- Resolve the policy question of how renewals should play out in the production report (if units are defunded whether they need to be backed out of our goal towards 9,500)
- Identify which fund sources can be reallocated and target funds towards best use. The HHFG workgroup's analysis includes only UWKC/HHSF funds. It doesn't include CDBG, HOME, etc.
- Account for other pipelines such as state HGAP, and other cliff's we might face. The current analysis doesn't account for state HGAP projects that are sunsetting or a few other voucher programs.

Evaluative Questions

- Evaluate gaps within different housing and service models. Recognizing that supportive housing for chronically homeless is the most expensive, examine if we've reached (or nearly reached) an adequate number of these units and should switch production strategies to less costly models of housing & services.
- Research and understand which housing/service models have the best outcomes. (Most projects are paid on client/unit basis not an outcomes model because funders wanted to prioritize the hardest to serve.)
- Research and understand if projects are actually housing the intended clientele (eg, the very hardest to serve) to ensure we are using funding effectively.
- Identify a realistic cost per client based on level of need/type of housing and use that as a model for making funding decisions. Explore capping funding/reimbursement levels based on client need.

Stimulus Questions

- Identify if/how stimulus funds can be used to move existing or upcoming projects forward and incorporate information from the federal/state funding picture.
- Support/Request that Gates support back-end match so that stimulus funds could be used in years one, two or three and the Gates Foundation dollars would kick in to sustain projects.
- Plan for the new vouchers that the housing authorities hope to receive through their recent applications to HUD. These will bring rental subsidy dollars, but the clients will still need services.

Other Principles for Decision Making

Craft a set of principles to help guide decisions and budget priorities, and strive to balance competing needs.

Examples of ideas to think through:

- Do we stabilize existing programs before expanding into new areas?
- Do we expand existing programs showing high efficacy (what data is available to support this analysis?)
- Do we build new features in our system to fill gaps?
- Will regional and population distribution be embedded in all principles?

Workplan Budgets

Marty explained key staff for each of the workplans took a stab at creating budgets for their workplan but there wasn't a clear standard for what those should include. She will work with key staff to develop a budget framework for each of the workplans to bring to the next Funders Group meeting. Jackie recommended the workgroup focus on creating two-year budgets looking out towards 2010 / 2011, also noting that the detailed budget of the major fund sources needs additional explanatory notes on some of the fund sources that are included or excluded (eg, MIDD).

Stimulus Funding & Planning

We anticipate receiving \$7 million collectively in stimulus funds. Guidelines for allowable uses will come out next week (3/19). Proposals for use of the funds will be due in 60 days. Initial word is that guidelines will be prioritized towards prevention, though this could mean a variety of models, such as:

- Help families move into permanent housing (rapid rehousing)
- Help bring online moderate-level capital projects that are still short service dollars (production)
- Provide rental supports, utility assistance and other stabilization services (prevention)

A small workgroup with regional representation has agreed on general criteria for distribution of the funds:

- Keep it simple / Use existing programs wherever possible
- Use funds to promote desired changes to the system and best practices where possible
- Recognize that funding ends in three years—avoid cliffs and “undue pain” to providers & clients
- Coordinate between various systems receiving stimulus funds to the extent possible.
- Build in flexibility; acknowledge subregional differences and needs

NAEH has issued planning documents for these funds (*see web link.) TFG members discussed aligning (and reflecting in the Financial Plan document) funds from ESAP, new TANF funding, and other funds managed by local partners who aren't members of The Funders Group, but who, nonetheless support homeless housing and services.

*web link: <http://www.endhomelessness.org/section/tools/prevention/>