

## Washtenaw County Homeless System Funding Gap Report (created August 2024)

*Budgets and data provided by Washtenaw County Office of Community & Economic Development, Washtenaw County Community Mental Health PATH, Ann Arbor Housing Commission, Avalon Housing, Interfaith Hospitality Network Alpha House, Michigan Ability Partners, Ozone House, Shelter Association of Washtenaw County, Safe House, SOS Community Services, Washtenaw Housing Alliance<sup>1</sup>*

### **Nationwide Housing Crisis**

Nationally and locally in Washtenaw County homelessness is increasing at alarming levels. The Federal Strategic Plan to Prevent and End Homelessness provides a detailed strategy that can inform a blueprint for Washtenaw County.<sup>2</sup>

After more than a decade of progress and declining numbers of people experiencing homelessness, homelessness has been on the rise across the nation, in Michigan and locally post-COVID.

- 653,104 people experiencing homelessness in the United States in January 2023<sup>3</sup>
  - The highest recorded since data collection began in 2007
- Between 2020 and 2022, there was a dramatic **30 percent** increase in the number of people entering homelessness for the first time<sup>4</sup>
- Only 37 affordable homes are available for every 100 extremely low-income renters nationwide<sup>5</sup>
- Poverty decreased by 45% during COVID due to COVID-related benefits and programs<sup>6</sup>
- Most minority groups experience homelessness at higher rates than white households and therefore are disproportionately impacted<sup>7</sup>

### **Rise in homelessness in Washtenaw County**

- Severely underfunded programs for affordable housing
- The ALICE report illustrates that wages are not keeping up with increased housing costs
  - 40% - 60% of people experiencing homelessness have a job<sup>8</sup>
- Inadequate funding of safety net services for:
  - Health care
  - Mental health services
  - Substance use treatment
    - Street drugs are widely available and highly toxic
  - Food security
  - Youth aging out of foster care
- End of COVID-19-related benefits and the end of the eviction moratoriums in Michigan
- In 2019, there were 1,956 literally homeless people served in Washtenaw County

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<sup>1</sup> Information compiled by Jennifer Hall, Pam Smith and Amanda Carlisle

<sup>2</sup> <https://www.usich.gov/federal-strategic-plan/overview>

<sup>3</sup> <https://endhomelessness.org/blog/hud-releases-2023-ahar-data-12-key-data-points-to-understand-the-current-state-of-homelessness-in-america/>

<sup>4</sup> Ibid

<sup>5</sup> <https://www.usich.gov/guidance-reports-data/data-trends>

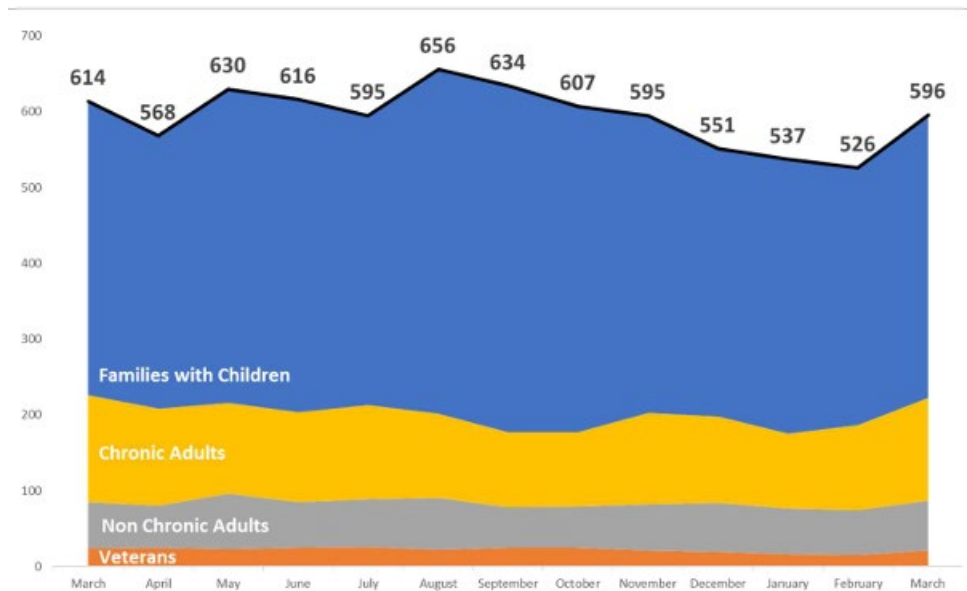
<sup>6</sup> Ibid

<sup>7</sup> <https://endhomelessness.org/resource/racial-inequalities-homelessness-numbers/>

<sup>8</sup> <https://www.usich.gov/guidance-reports-data/data-trends>

- In 2023 there were 2,038 literally homeless people served in Washtenaw County
  - 20% were considered chronically homeless
- Veterans experiencing homelessness is approaching functional zero (rare and brief)
  - Evidence that the increased resources for Veterans has been successful at reducing homelessness and focusing on diversion, prevention and housing is more effective than hoteling. Built for Zero.<sup>9</sup>

### Washtenaw County People Experiencing Homelessness March 2023 to March 2024



### Washtenaw County Response

- Washtenaw Housing Alliance (WHA)
  - Over 30 nonprofit and government entities
- U.S. Dept of Housing and Urban Development (HUD) Continuum of Care (CoC)
  - Created in mid-1990’s to coordinate & distribute federal funds & local mainstream services (e.g. CMH, DHHS etc.)
  - Local Collaboration is required
  - Washtenaw County is the CoC Administrator
    - 30-member board of: Nonprofits, governmental entities, schools, health care providers, and community members with lived experience
  - Nationally competitive annual grant process \$3.2 Billion in 2023<sup>10</sup>
    - ~\$7 million awarded to Washtenaw County in 2023
    - Requires 25% non-federal local match
    - Includes Planning, Administrative and Data Management funding for Washtenaw County OCED
  - Catalyst for communities to create a systemic response

<sup>9</sup> <https://community.solutions/the-challenge/>

<sup>10</sup> [https://www.hud.gov/program\\_offices/comm\\_planning/coc](https://www.hud.gov/program_offices/comm_planning/coc)

- 2023 Corporation for Supportive Housing Draft Systems Modeling Report<sup>11</sup>
  - Types of intervention and additional need by intervention type
    - Diversion/Prevention
      - Work with tenants and landlords to mediate and provide resources
      - 284 additional responses needed annually
    - Temporary Housing (Shelters)
      - 58 additional single adult beds needed
      - 123 additional family beds needed
    - Rapid Rehousing
      - Short to medium rental subsidy plus services
      - 886 additional RRH rental subsidies with services needed
    - Permanent Supportive Housing
      - Long term rental subsidy plus services
      - 871 additional PSH housing with services needed

### **2024 Continuum of Care System Analysis**

In the spring of 2024, the Continuum of Care Board charged a group of service providers and advocates to help create a better understanding of the HUD Continuum of Care funding, including leverage/match requirements and resources available within the Washtenaw County homeless system of care. The group looked at the current year of funding sources & uses and projections for the following year, including gaps in funding. **Please note:** agencies are constantly applying for grants and holding fund raisers throughout the year to raise enough funds to cover expenditures. The numbers below are approximate not audited, and reflect a point in time (July 2024). Funding amounts and sources vary from year to year, but costs increase annually due to inflation. Detailed charts are included as an addendum.

- HUD Continuum of Care budgets for all CoC funded agency homeless response budgets
  - FY24 includes ~\$28.2 Million revenue with a projected revenue gap of (~\$600,000)
  - FY25 projects ~\$25.9 Million revenue with a projected revenue gap of (~\$6.5 Million)
    - However, in late 2024 the Washtenaw BOC approved (~\$400,000) in federal HOME ARP for COC programs and (~\$1.3 Million) County general funds for Winter Shelter Response funding which reduced the gap **to ~\$4.8 Million and brings the total secured funding up to ~\$27.7 Million for FY25**
  - COC structural deficit is caused by:
    - 25% non-federal local match required annually for each CoC contract and must demonstrate match to draw down CoC funds
    - HUD froze funding for administration and resident services at the time grant awarded (most grants are 10+ years old) while costs increase every year for staffing and operations
    - HUD rent subsidies are capped at the fair market rent (FMR) but rents are increasing faster and higher than HUD's calculated FMR

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<sup>11</sup> <https://www.a2gov.org/departments/Housing/programs/Pages/Homeless-Programs.aspx>

- In contrast, HUD allows the AAHC's payment standard to be 120% of FMR (and 140% FMR for reasonable accommodations)
- FY25 funding sources for homeless prevention, diversion, shelters, and housing services
  - 37% Federal
  - 12% State of Michigan
  - 16% Washtenaw County
  - 14% Other Municipalities & Ann Arbor Housing Commission
  - 15% Philanthropic, Donations, and In-Kind
  - 5% Other
  - \$27.7 Million TOTAL

**2025 Washtenaw County Budget Request: ~\$4.8 Million gap**

- Eviction Prevention & Diversion Funds (Barrier Busters, Avalon, Ozone, & AAHC) = ~\$900,000
- HAWC (OCED, SAWC, SOS, Ozone) ~\$1.3 Million
- Rapid Rehousing (admin & services only, not rent) (IHN, SOS, SAFE House) = ~\$400,000
- Family Shelters (IHN, SOS, Safe House) year-round & increased winter = ~\$400,000
- Permanent Supportive Housing (admin & services, not rent) (MAP, Avalon, Ozone) ~\$1.4 Million
- Singles Shelter year-round & increased Winter Shelter (SAWC) ~\$100,000
- Youth Shelter & transitional housing (Ozone) = ~\$37,000
- Street Outreach/Drop-in Center (WC – CMH PATH) = ~\$200,000

**Long-term Solutions not included in this report**

- Construction of more housing of all types
- Construction of housing affordable to very low-income households
- Living wage jobs with benefits
- Universal comprehensive health care

**Additional Resources**

The 2023 Annual Homelessness Assessment Report (AHAR) to Congress

<https://www.huduser.gov/portal/sites/default/files/pdf/2023-AHAR-Part-1.pdf>

SOH: State and CoC Dashboards, <https://endhomelessness.org/homelessness-in-america/homelessness-statistics/state-of-homelessness/>

<https://endhomelessness.org/homelessness-in-america/homelessness-statistics/state-of-homelessness-dashboards/?State=Michigan>

<https://www.washtenaw.org/DocumentCenter/View/34921/Joint-Leadership-Data-April-2024>

FY24 (current) Funding Sources by Program	Funding	Column2	Column3	Column4	Column5	Column6	Column7	Column8	Column9	Column10
Program Area	Federal CoC	Federal Other	State	Washtenaw County	Govt & AA Housing Commission	Philanthropic Grants	Donations	Volunteer/ In-Kind	Other	GAP
HAWC	\$440,011	\$0	\$249,750	\$825,588	\$13,954	\$168,139	\$40,700	\$48,581	\$232,049	-\$163,008
Street Outreach & Drop-In	\$0	\$157,000	\$229,833	\$53,100	\$0	\$73,364	\$0	\$9,000	\$167,853	-\$23,254
Eviction Prevention/Shelter Diversion	\$29,204	\$114,046	\$378,032	\$1,270,783	\$744,600	\$22,000	\$7,325	\$0	\$50,100	-\$10,992
Emergency Shelter - Individuals & Recuperative Care	\$0	\$374,395	\$416,498	\$663,540	\$312,500	\$85,000	\$617,730	\$115,000	\$479,713	\$0
Emergency Shelter - Minors & Transition Aged Youth	\$0	\$574,644	\$470,631	\$155,888	\$0	\$0	\$615,000	\$12,500	\$0	\$86,583
Emergency Shelter - Families & SAFE House	\$0	\$1,516,112	\$176,291	\$424,222	\$286,010	\$37,036	\$1,247,925	\$861,557	\$231,200	-\$17,709
Rapid Re-Housing	\$2,097,726	\$0	\$197,696	\$439,550	\$283,717	\$0	\$0	\$0	\$0	-\$169,828
Permanent Supportive Housing	\$4,443,774	\$78,120	\$1,222,079	\$933,424	\$2,252,045	\$144,960	\$0	\$214,610	\$854,800	-\$308,570
<b>TOTALS</b>	<b>\$7,010,715</b>	<b>\$2,814,317</b>	<b>\$3,340,810</b>	<b>\$4,766,095</b>	<b>\$3,892,826</b>	<b>\$530,499</b>	<b>\$2,528,680</b>	<b>\$1,261,248</b>	<b>\$2,015,715</b>	<b>-\$606,778</b>
Percent	25%	10%	12%	17%	14%	2%	9%	4%	7%	100%
	<b>\$28,160,906 Grand Total</b>									

FY25 (next year) Funding Sources by Program	Funding	Column2	Column3	Column4	Column5	Column6	Column7	Column8	Column9	Column10
Program Area	Federal CoC	Federal Other	State	Washtenaw County	Other Local Govt & AA Housing Commission	Philanthropic Grants	Donations	Volunteer/ In-Kind	Other	GAP
HAWC	\$440,011	\$44,753	\$205,936	\$771,855	\$0	\$148,139	\$40,700	\$0	\$0	-\$1,259,590
Street Outreach & Drop-In	\$0	\$105,247	\$277,816	\$0	\$0	\$58,923	\$0	\$23,711	\$48,000	-\$226,970
Eviction Prevention/Shelter Diversion	\$29,204	\$114,046	\$292,777	\$1,263,516	\$753,500	\$32,000	\$7,325	\$0	\$50,100	-\$931,383
Emergency Shelter - Individuals & Recuperative Care	\$0	\$374,395	\$416,498	\$763,540	\$312,500	\$85,000	\$617,730	\$115,000	\$479,713	-\$102,500
Emergency Shelter - Minors & Transition Aged Youth	\$0	\$907,405	\$490,635	\$12,300	\$0	\$0	\$615,000	\$12,500	\$0	-\$28,487
Emergency Shelter - Families & SAFE House	\$0	\$1,646,747	\$176,291	\$637,472	\$126,394	\$87,036	\$1,297,925	\$861,557	\$66,200	-\$421,980
Rapid Re-Housing	\$2,097,726	\$0	\$197,696	\$367,590	\$292,717	\$0	\$0	\$0	\$0	-\$431,367
Permanent Supportive Housing	\$4,443,774	\$188,119	\$1,224,071	\$683,424	\$2,367,669	\$149,960	\$0	\$214,610	\$647,160	-\$1,383,537
<b>TOTALS</b>	<b>\$7,010,715</b>	<b>\$3,380,712</b>	<b>\$3,281,720</b>	<b>\$4,499,697</b>	<b>\$3,852,780</b>	<b>\$561,058</b>	<b>\$2,578,680</b>	<b>\$1,227,378</b>	<b>\$1,291,173</b>	<b>-\$4,785,814</b>
Percent	25%	12%	12%	16%	14%	2%	9%	4%	5%	100%
	<b>\$27,683,914 Grand Total</b>									