

KALAMAZOO, MI, HPRP-FUNDED PREVENTION PROGRAM

Kalamazoo, Michigan's homelessness prevention program, funded by HUD's Homelessness Prevention and Rapid Re-housing Program (HPRP), provided rental arrears, landlord mediation, short- and medium-term assistance, and case management to 409 households. Most were families, with nearly half the total composed of single mothers and their children. In addition to exhibiting the HUD risk factors, clients in Kalamazoo needed to have a summons to court and be no more than 3 months behind on rent.⁸¹ Participants stayed in the program for an average 55 days (and a median 1 day).

Kalamazoo operated its HPRP in conjunction with a pilot project for eviction diversion (ED). ED operated through a network of partners: Gryphon Place 211, which screened potential clients; Kalamazoo's 8th District Court, which hosted landlord-tenant mediation; the local Department of Human Services, which provided the first level of assessment and financial assistance; and Housing Resources, Inc., which provided ongoing case management, financial assistance, data entry, and administration.

Community Description

Kalamazoo, Michigan, a city of 74,262, had an estimated 408 homeless residents in January 2011: 354 in emergency shelters and 54 unsheltered. An additional 414 formerly homeless people were living in transitional housing. The city is part of the Portage/Kalamazoo City and County Continuum of Care (CoC) homeless service system hosted by the Local Initiatives Support Corporation. The CoC offered 6 emergency shelters, 12 transitional housing programs, and 15 permanent supportive housing programs. Its co-chairs were the executive director of Housing Resources, Inc. (HRI) and the associate director of community investment at United Way. Several local foundations provided significant funding for the eviction diversion pilot and other housing and homeless service projects.

DESIGN AND SETUP OF HPRP PREVENTION

The city of Kalamazoo received \$758,089 from HUD under HPRP. The Michigan State Housing Development Authority (MSHDA) passed through \$392,770 to the CoC, for a total of \$1.2 million HPRP funding in Kalamazoo County. Both grantees subgranted all their funds to HRI, which had offered services in Kalamazoo County for 29 years, including coordinating emergency housing resources, local administration of Housing Choice Vouchers, and acting as MSHDA's housing assessment and resource agency for Emergency Solutions Grants. HRI sub-subgranted \$15,000 to Gryphon Place 211 to provide screening, coordinated assessment, and scheduling.

Shortly before HPRP was announced, Kalamazoo launched its eviction diversion pilot program. ED's goals included helping tenants avoid eviction and having a judgment recorded on their credit report (because a judgment made it harder to obtain a new lease in the future). The district court, which handled landlord-tenant cases, actively promoted the ED program; it encouraged landlords, their attorneys, and tenants to participate and offered settlement agreements (that would not appear on a credit report) in lieu of judgments. Participation was entirely voluntary for tenants and landlords.

⁸¹ Clients served with pass-through money from the Michigan State Housing Development Authority could earn no more than 40 percent of area median income.

Originally, the ED program was funded by local foundations, and a local area revenue agreement from the Department of Human Services (DHS) was used to pay the salaries of two DHS caseworkers located full time at the courthouse. For financial support to clients, ED used two funding streams: first, state emergency relief (SER) funds through DHS to pay arrears; and second, funds administered by HRI to cover additional shortfalls and ongoing assistance. HPRP funds provided the bulk of this second-tier support. Because HPRP was one-time funding, it did not occasion a redesign of the ED framework. It did, however, vastly increase the resources available for ED, to the point that ED did not have to turn away anyone because of a lack of resources and could provide more ongoing rental assistance.

IMPLEMENTATION

ED paid up to 3 months of arrears using a combination of DHS funds (SER) and those controlled by HRI, including HPRP. A DHS caseworker initially assessed clients. If a client’s SER award was large enough to cover all the arrears, he or she exited ED and was not served by HPRP. DHS caseworkers referred everyone applying for ED money to HRI for assessment for additional one-time assistance, ongoing assistance, and housing case management. As a unified communitywide program, ED/HPRP partners collaborated closely to avoid duplicating each other’s services and ensure that the process felt seamless to clients. ED closely integrated mainstream services, homeless services, and the courts in new ways; therefore, a challenge in establishing Kalamazoo’s program was to have each agency learn the others’ processes. DHS and HRI workers, for example, learned about the legal eviction process and the damage a judgment could do to a client’s credit report and future housing prospects. Exhibit E.9 summarizes key partners, activities, and funding sources for ED and how they related to HPRP.

Exhibit E.9: Eviction Diversion (ED) Program Components

| Agency | Activity | Funding source |
|-------------------------------------|---|---|
| Kalamazoo County 8th District Court | Presiding judge promoted program during landlord-tenant docket, offered settlement order instead of default judgment Provided office space, copiers, fax machine for DHS caseworkers placed at the court | In-kind from 8th District Court |
| Department of Human Services | Two full-time caseworkers were placed at 8th District Court for screenings, assessments, and mediation in ED Made referrals to Housing Resources, Inc., for households needing more intensive financial or other support | Greater Kalamazoo United Way and federal match under the local area revenue agreement (LARA) (50/50 split) |
| Housing Resources, Inc. (HRI) | Lead agency: promoted program, coordinated partner activities, entered all data into HMIS Provided ongoing rental assistance and case management (subset of clients) Hosted community housing hour | HPRP (primary funding), Greater Kalamazoo United Way (administering community foundation grants) HPRP (primary) and other HRI funding sources HRI operating funds |
| Gryphon Place 211 | Central screening/intake for ED/HPRP | HPRP |
| Legal Aid of Western Michigan | Heavily involved in the early design of ED and outreach to lawyers and judges Accepted referrals from ED for landlord-tenant disputes | Legal Aid operating funds |
| Community partners | Partners included landlords, property managers, and attorneys representing landlords | |

Outreach

ED partners did a lot of outreach when the program began, especially to landlords and their attorneys. One presiding judge held “bench-bar meetings” monthly with lawyers to explain the ED program. HRI held numerous breakfast meetings for landlords to explain the program and encourage their buy-in. HRI also established formal referral agreements with 15 public and private organizations, including faith-based groups, in Kalamazoo. Referring agencies designated primary and secondary contact people to make referrals to ED/HPRP. These agencies referred their clients directly to Gryphon Place 211 for screening.

Each summons to court filed by a landlord in Kalamazoo’s 8th District included a brochure for the ED program. The brochure explained the basic eligibility criteria and listed the obligations of tenant and landlord, including what forms a client needed to bring to an assessment appointment. A half page of this brochure was a form the landlord filled out with information about the unit and consent to participate in ED. All the partners—HRI, the court, DHS, lawyers, and landlords—spent several months discussing the content of the brochure; as a result, all reported being very pleased with the brochure as the main way to draw participants into ED. Once clients applied for ED assistance with a DHS caseworker, they were all referred to fill out an application (assessment) for assistance from HRI.

Point of Entry

The majority of HPRP clients entered through the ED program, beginning with the flyer that arrived with their summons to court. Tenants and landlords filled out the brochure if they were willing to participate. Tenants then called 2-1-1 for eligibility screening and to schedule an assessment with a DHS caseworker. The screening was designed for housing resources generally, with specific questions for ED/HPRP and rapid re-housing eligibility. If a client was eligible for ED, the staff person or volunteer would schedule the caller for an appointment with one of the two DHS caseworkers. If a caller had a housing emergency but was not eligible for those services, she or he would be referred to other housing resources.

Although the program was designed for central intake, clients could enter ED/HPRP directly at the court when they came to their hearings. If tenants entered the program at the court, DHS caseworkers conducted screening on site as part of intake and as a prelude to negotiating a settlement agreement.

Through the end of 2011, ED had referred 60 percent of all clients served under HPRP. The remainder came through housing resources intake (e.g., 2-1-1) or self-referrals through HRI’s community housing hour (38 percent); a small number (1 percent) came from the Portage Community Center.

Intake: Eligibility and Assessment

In addition to the HUD guidelines, Kalamazoo clients had to have a summons to court that proved their impending eviction, but they could not be more than 3 months behind on rent. To qualify for HPRP, clients also had to have already applied for SER and have their decision letter. If clients were going to be served with MSHDA’s funds, they had to earn no more than 40 percent of area median income.

The screening tool, adapted from the Arizona Self-Sufficiency Matrix, was used for ED/HPPR prevention, HPRP rapid re-housing, and referrals to other housing services. It collected information on household composition; current housing situation; and risk factors, which were divided into priority and secondary

factors.⁸² Priority factors relating to prevention included an actual or impending eviction within 2 weeks, lack of support resources in the community to weather the crisis, severe or sudden loss of income, or severe rent burden (spending over 50 percent of income on rent). Some secondary factors relevant to prevention included rental arrears, prior evictions or episodes of homelessness, frequent moves in the past 2 years, employment and unemployment information, and recent domestic violence.

Clients were screened out if they had more than 3 months of arrears or more than three secondary risks on the assessment. Those situations were considered too severe for HPRP and were likely referred to shelters. With more than 3 months of arrears or after a court judgment has been entered, “There’s no community money available to salvage that eviction.”⁸³

Kalamazoo’s program had two assessment tiers for its two funding tiers. First, a DHS caseworker assessed for SER and all other DHS services. The SER application focused on a family’s income, assets, and need for financial assistance. The SER application and DHS assessment were not HPRP assessments in a strict sense but they were a necessary precondition for a full HPRP assessment at HRI. For second-tier funding, including HPRP, clients filled out HRI’s assessment. In addition to the application, clients had to provide proof of their emergency, income, assets, and identification; the SER decision notice; a landlord statement; a copy of the lease; and additional HPRP forms. Case managers’ assessments were based on risk factors from HUD, the National Alliance to End Homelessness, and the Arizona Self-Sufficiency Matrix, paying particular attention to risk factors and the client’s history.

The amount and structure of the subsidy was decided through an allocations committee composed of HRI staff members. HRI had three subsidy structures for those receiving ongoing assistance under HPRP:

1. The client paid 30 percent of her or his adjusted monthly income
2. The client paid 50 percent of the rent
3. The client paid 1 percent of her or his gross annual income toward rent (this was required for clients served with MSHDA’s HPRP funds)

Case managers presented information about the household budget to the allocations committee and advocated on its behalf. There was no set maximum for financial support; rather, support was tailored to a client’s presenting needs. The committee chose among the three subsidy structures according to household needs and made an initial recommendation for how long assistance should last. Clients received the same subsidy for each certification period. The subsidy amount could change either when the household’s circumstances changed dramatically or at recertification. This allowed HRI the possibility to reduce the subsidy over time.

For HPRP, it was important to HRI to set the expectation that this assistance was not long term. Therefore, HRI made housing plans based on crisis resolution, with a focus on helping the household increase its income. One case manager found the committee structure useful leverage, or “tough love,” for motivating clients to make progress on their housing plans: “If I can’t tell the committee you’ve made progress on your goals,” the case manager would say, “it could hurt clients’ chances for recertification.”

⁸² Risk factors included Arizona Self-Sufficiency Matrix domains on income; shelter; adult education; legal; family relations—that is, did the household have support resources to resolve the housing emergency; mobility; and safety, defined as recent domestic violence.

⁸³ Eviction diversion partner.

“But For” and Sustainability Rules

Following guidance from HUD and MSHDA, HRI interpreted the “but for” and sustainability requirements to mean they should serve those “most in need *and* most likely to succeed.” They defined most in need (but for) as those with a pending eviction—demonstrated by at least a court summons—and those most likely to succeed (sustainability) as likely to be able to sustain without an HPRP subsidy within 3 months. Case managers determined this through ongoing assessment and case management.

Kalamazoo’s program goals were to “go farther upstream” in the eviction process so tenants had better prospects for long-term housing stability. Because of this, whether clients would have become homeless “but for this assistance” is complex. If a household was at the court summons phase, it was within 10 days of eviction—and potential homelessness—if the eviction was not resolved. Clients self-disclosed their answer to the “but for” question during their assessment. ED partners we interviewed expressed differing views about the program’s impact on preventing homelessness: one respondent said the program “absolutely, 1,000 percent prevented homelessness.” Yet, a staff member who worked directly with clients felt that many individuals would have doubled-up with friends or family had they not received HPRP funding. By preventing the negative credit consequences of an eviction, the program helped clients resolve an immediate crisis as well as ensure long-term stability. These individuals were not, by and large, going to be literally homeless the next day. People in such situations would have been routed through “shelter diversion” services, which HRI considered rapid re-housing.

Prevention Activities

ED provided up to 3 months of arrears for tenants and landlords that chose to participate. HPRP might have covered additional arrearages, ongoing rent assistance for a portion of clients, and case management. Although there was no cap on financial assistance, most clients received assistance only once.

Financial Assistance. Housing assistance could take the form of rent arrears, ongoing rent support, and security deposits. Although utility deposits, arrears, and payments were allowed under Kalamazoo’s HPRP, it rarely paid these in practice because other community programs offered them. Arrears might have all been covered by DHS through SER funds, or HRI might have covered the difference between what was owed and what DHS could offer. HRI chose not to cover moving expenses or hotel/motel vouchers because other organizations in the city were able to provide money for those (including DHS and the Salvation Army).

Through the end of 2011, three-quarters of HPRP clients had had back rent paid, and one-quarter had received an ongoing subsidy.⁸⁴ More than 8 in 10 of all HPRP clients were out of the program in less than 3 months. Among those receiving ongoing assistance, it was most common to get support for 2 or 3 months, with an average award amount of just under \$400 a month.

Case Management. All HPRP clients received case management even if they did not receive financial assistance—as was the case for almost 40 percent of HRI’s HPRP clients (though they might have received money from another funding source). Case management could include budgeting, a crisis resolution plan, or supportive counseling. Those receiving financial assistance had to check in with their

⁸⁴ This does not include ED clients who, by definition, were receiving help with arrears.

case manager once a month before the rent was paid. They had an in-person meeting to recertify after three months of assistance (though less than 20 percent of clients got assistance longer than three months). Clients in ongoing case management also met monthly with their case manager.

Supportive Services. Having the first level of ED/HPRP assistance administered by DHS gave clients immediate access to this mainstream agency's programs, including food assistance, cash assistance (TANF, Family Independence Program), utility assistance (e.g., Low-Income Home Energy Assistance Program), SSI/disability applications, and DHS case management. DHS caseworkers assessed all ED clients for all of DHS's services at intake. Further, HRI was located on a human services campus it shared with Goodwill Industries of Southwestern Michigan, the Literacy Council, Guardian Inc., Advocacy for Kids, Child Abuse and Neglect Council, adult learning/GED completion, and the Financial Opportunities Center.

DATA AND MONITORING

One challenge of setting up the ED/HPRP program was that the primary partners operated their own—incompatible—data systems: a court database, DHS system, and the CoC's homeless management information system (HMIS) provided by Bowman ServicePoint. HRI was already serving as the HMIS lead for the CoC, therefore it did all the HMIS entry for HPRP. This allowed DHS workers to focus on their area of expertise and ensured consistent data entry. HRI recorded the HUD-required elements; information on length and cost of service; and clients' exit destinations, employment status, and changes in income.

HRI tracked a wide range of outcomes on the ED/HPRP program using its regular monthly monitoring for continuous quality improvement. It was possible, for example, to see if a former HPRP client later entered shelter at a facility outside the city limits but still in the CoC. HRI found that 97 percent of HPRP prevention clients exited to stabilized housing without a subsidy, 1 percent obtained housing with a subsidy, 1 percent entered an institutional setting, and the rest lived with family or friends.

PLANS FOR THE FUTURE

Eviction diversion partners are enthusiastic about the program and how it improved the relationships among housing assistance providers, mainstream services, and the courts. They cite its effects in the community at multiple levels—for tenants, for landlords, for the homeless assistance system, and for integrating public and private agencies. Many staff members we interviewed noted that the ED program has increased attendance at eviction hearings by up to 50 percent because tenants and landlords now have an additional mechanism to negotiate and find resources to help resolve the emergency. Kalamazoo also moved to a central intake process for housing emergencies (except for faith-based organizations). This centralization will continue beyond ED/HPRP.

Just as "eviction diversion was going ahead regardless of HPRP," Kalamazoo plans to continue the program after HPRP ends. Everyone we interviewed on the site visit was committed to this model, particularly to having DHS caseworkers placed at the court. Funding is their biggest concern. HRI has spent all its HPRP prevention funds, and the grant paying the two DHS caseworkers' salaries will expire in September 2012. Partners in ED are actively seeking sustainable funding.

Exhibit E.10: Kalamazoo, Michigan, Prevention Overview, Homelessness Prevention and Rapid Re-housing Program

| | Persons | | Households | |
|-----------------------------------|---------|-----|------------|-----|
| | # | % | # | % |
| Total served Year 1 ^a | 323 | 100 | 133 | 100 |
| Persons in families | 247 | 76 | — | — |
| Adults without children | 76 | 24 | — | — |
| Total served Year 2 ^a | 346 | 100 | 133 | 100 |
| Persons in families | 278 | 80 | — | — |
| Adults without children | 68 | 20 | — | — |
| HPRP services | | | | |
| Rental assistance | — | — | 112 | 47 |
| Case management | — | — | 237 | 100 |
| Security/utility deposits | — | — | 1 | <1 |
| Outreach and engagement | — | — | 237 | 100 |
| Utility payments | — | — | 1 | <1 |
| Housing search/placement | — | — | 59 | 25 |
| Legal services | — | — | 0 | 0 |
| Credit repair | — | — | 0 | 0 |
| Motel and hotel vouchers | — | — | 0 | 0 |
| Moving cost assistance | — | — | 0 | 0 |
| Destination ^b | | | | |
| Total leavers | 599 | 100 | — | — |
| Homeless | 5 | 1 | — | — |
| Institutional setting | 0 | 0 | — | — |
| Permanent housing with subsidy | 15 | 3 | — | — |
| Permanent housing without subsidy | 570 | 95 | — | — |
| Family or friends | 0 | 0 | — | — |

Source: City of Kalamazoo Annual Performance Report and Quarterly Performance Report Data, 2009 program start through September 30, 2011.

Data do not include state funding received by HRI.

— not applicable

^aTotal served numbers may not add to 100 percent because the “children only” and “unknown” categories are not included in this table. Numbers may add to greater than 100 percent due to data reporting errors.

^bDestination numbers may not add to total leavers because the “other,” “hotel/motel,” “unknown,” and “deceased” categories are not included in this table.

“Homeless” includes the following destinations: emergency shelter, TH for homeless persons, staying with friends (temporary tenure), staying with family (temporary tenure), place not meant for human habitation, safe haven, and hotel or motel paid by client.

“Institutional setting” includes foster care, psychiatric facility, substance abuse or detox facility, hospital (non-psychiatric), and jail or prison.

“Permanent housing” with subsidy includes housing owned by client with ongoing subsidy, rental by client with VASH subsidy, rental by client with other ongoing subsidy, and Permanent Supportive Housing for Homeless Persons.

“Permanent housing” without subsidy includes housing owned by client without ongoing subsidy and rental by client with no ongoing subsidy.

“Family or friends” includes living with family, permanent tenure or living with friends, permanent tenure.