

# Housing Renovation: A Systems Change Approach to Ending and Preventing Homelessness in Montgomery County, Pennsylvania

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**H**ow does a relatively small foundation (\$35 million in assets) foster “big ideas” that create significant change for vulnerable populations? How can we implement those big ideas in a community where poverty exists in small pockets and is masked by considerable wealth? And what is the role of a smaller foundation (one of more than 300 supporting our community) that offers philanthropic support to nonprofits? Throughout our brief 10-year history, the board and staff of the North Penn Community Health Foundation, based in Montgomery County, a suburb of Philadelphia, have been seeking answers to these questions.

Last year, a new strategic planning process allowed the board and staff to examine how we might have an even deeper impact on our community’s health. In a series of conversations, we investigated the linkages of various safety net systems. We used real-life scenarios of persons struggling to access services, which challenged our assumptions about the

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*Systems change is the process of altering or transforming how major parts of the safety net are linked, function, and influence one another. Safety net provider systems consist of people, structures, and processes that work together to make individuals and communities healthy or unhealthy.*

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strength of the safety net and increased our understanding of the barriers that impede client progress. We began to recognize that we could have a different return on our investments if we could fundamentally change how systems are structured and operate so that providers would be able to function more efficiently and effectively. The entire community would benefit.

The outcome of this hard work is a new strategic plan—“Changing Systems, Improving Lives.” We believe the ambitious systems change approach embraced in this plan has the potential to radically transform how health and human services are delivered in our region. We have re-engineered our grantmaking program to support systems change by building on our experience within three key areas of our work: health care, food security and nutrition, and housing.

Within our housing work, we have been struck by numerous accounts of people served in our local housing system whose situations are perpetuated or exacerbated by a lack of access to basic health and human services. The story I share here is one we have been working on for nearly six years—more than half the time we have been in existence. This story has no ending yet, but our vision encourages local government and nonprofits to use sound business practices to make decisions that are informed, deliberate, and focused on achieving desired outcomes.

## WHY IS A HEALTH FOUNDATION FUNDING HOUSING?

We know that achieving and maintaining good health involve more than periodic visits to a medical provider. In its broadest definition, “health” has multiple social, political, economic, and cultural determinants, and among them access to safe housing is key (healthypeople.gov 2012).

Unsafe and substandard housing has long been associated with a range of acute and chronic conditions, including respiratory illnesses, asthma, and allergies; cardiovascular disease; lead poisoning; injuries;

and other problems. Poor housing can have a deleterious effect on residents’ mental health and on children’s development (Krieger and Higgins 2002).

Our interest in housing and homelessness was triggered by a 2006 Temple University study that noted significant challenges in the county’s system serving the homeless. The numerous programs and services were difficult to access and navigate for consumers and providers alike; most were not coordinated well, and the entire system was extraordinarily expensive to sustain (Smith et al. 2006). The foundation invited service providers to respond to the study. While proud of what they provided for clients, they affirmed the author’s findings. With so many great ideas—and with the fiscal challenges from the Great Recession looming—the providers, our foundation, other funders, and local govern-

ment decided to act proactively. The result is “Your Way Home Montgomery County,” a new blueprint to redesign the housing system. It employs evidence-based intervention strategies coupled with a coordinated investment framework that realigns the previously disparate investment decisions of six county-based agencies receiving public dollars for homeless services.

### SERVING THE HOMELESS—FROM TRANSITIONAL HOUSING TO THE CONTINUUM OF CARE

Until the 1980s, emergency shelters were the primary service providers for the homeless, offering short-term housing with little in the way of supports to help clients become stably and permanently housed. When the issue of homelessness, and how to more effectively help the chronically homeless, came to the forefront of public discourse in the early to mid-1980s, transitional housing became the favored approach. In the transitional housing model, clients who meet certain criteria are placed in a single or shared housing situation for a minimum period of time, often six months to two years (Burt 2006). Supportive services and “life skills” training on topics such as budgeting, conflict resolution, and building a support system are offered. Transitional housing continues to be a popular methodology to address homelessness.

While the transitional housing model is an improvement from shelters, it has drawbacks. As we have seen in Montgomery County, navigating the system is difficult. And it is expensive. Due to lengthy stays and the high-touch nature of supportive services, many transitional housing programs house only a few individuals and families each year at a cost of thousands of dollars per living unit. A local provider confided that a family staying in one unit for two years costs the housing system more than \$40,000!

Public and private funding ultimately created a system that favored bed-based providers. Organizations that might have been successful in preventing homelessness in ways other than providing a bed were all but shut out of funding. The current system has become financially untenable, especially as public funding grows ever more precarious.

In an effort to focus efforts on prevention and offer a holistic approach to ending homelessness, the U.S. Department of Housing and Urban Development (HUD) developed the Continuum of Care (CoC) framework in 1995. The CoC is “designed to promote community-wide planning and strategic use of resources to address homelessness; improve coordination and integration with mainstream resources and other programs targeted to people experiencing homelessness; improve data collection and performance measurement; and allow each community to tailor its

program to the particular strengths and challenges within that community” (HUD 2012).

The CoC framework offers a range of housing and services appropriate to the situation with the goal of long-term stability.



Montgomery County’s Department of Housing and Community Development implemented a CoC approach supporting a wide range of housing programs, including emergency shelter; housing for specific populations, including domestic violence victims, seniors, and individuals struggling with mental illness or addiction; rental and utility assistance; and transitional housing, among other supportive services (Montgomery County Department of Housing and Community Development 2012).

### MONTGOMERY COUNTY, PENNSYLVANIA—A SNAPSHOT

Montgomery County is one of the wealthiest and most expensive counties in which to live in Pennsylvania. Nearly 800,000 residents reside in the county’s 62 townships and boroughs, many of which serve as bedroom communities to Philadelphia. According to the 2010-2011 *Self-Sufficiency Standard*, an adult with one preschool-aged child must make an annual salary of \$50,064 to meet basic needs, 344 percent above the federal poverty level (Pearce 2010). Fair market rent for a two-bedroom apartment in the region is \$1,075 a month, requiring about \$13,000 a year just for housing (Mayinja 2012).

With the county’s wealth, there is a widespread, but mistaken, belief that poverty and homelessness only exist in Philadelphia and the county’s few urban municipalities. Yet between October 2011 and September 2012, the county reported a total of 2,476 homeless or near-homeless individuals receiving services. One-third of those were children aged 12 and under (Mayinja 2012).

## RENOVATING THE HOUSING SYSTEM IN MONTGOMERY COUNTY

In addition to the county's reported numbers of homeless people, we knew there were likely hundreds of others experiencing homelessness or at imminent risk of becoming homeless who were not being served in the system. We were not reaching everyone we needed to reach, yet we also knew that the system was difficult to access and navigate. And it was costing too much to maintain. The CoC system was essentially broken.

Providers began discussing how to improve the system to produce better outcomes at a lower cost. A planning group soon formed, and a consultant was hired to complete a situational analysis on the capacity of the housing system.

The group coalesced and developed a vision of change: "All residents of Montgomery County live in safe and affordable housing and have access to consumer-driven, coordinated, and exceptional quality services that promote housing stability, address and eliminate existing homelessness, and prevent future homelessness."

Guiding principles were developed:

- Safe and affordable housing is a fundamental human need.
- Homelessness is both a housing and a public health issue.
- Families and individuals prefer to remain living in their own homes or at least in the community where their stability supports exist (such as friends, relatives, health care, employment, child care, faith institutions).
- Families and individuals are best suited to identify and manage their goals for housing stability with appropriate support.
- Innovation, coordination, and collaboration promote better community and program outcomes.
- A better return on investment is achieved through transparent, efficient, and accountable public and private investments.
- Promoting housing stability and homeless prevention improves the quality of life and builds stronger communities for all residents of Montgomery County.

With these key elements in place, the planning group turned its attention to the available data. The county's Housing Management Information System tracked client and program data, but only from providers contracted with the county. There was no comprehensive data collection system to gather client demographics and ascertain the need for various services, particularly for those at-risk clients not yet

in the system. Moreover, providers did not enter any data on a client encounter unless the client had been accepted for residential services. This significantly reduced the homeless count, particularly for information and referral and prevention service encounters.

Another problem was determining how best to help clients access services in spite of transportation barriers. While most neighborhoods in Philadelphia are connected via an extensive public transportation network, many areas in Montgomery County are connected only by infrequent bus service, and providers are frequently separated by several miles.

To address these concerns, the foundation and other funders joined forces to create a virtual Homelessness Prevention Center (HPC). Launched in 2008, the HPC provides a centralized intake and referral program through which homeless individuals and families can dial one toll-free number and be connected to trained professionals available to offer assistance (Montgomery County Homeless Prevention Center 2012). Data from all calls received are entered in the data system. HPC staff has access to the recently built 2-1-1 local referral data system to assist clients with additional needs such as food.

Providers also designed a uniform assessment tool to efficiently screen clients' eligibility for programs and services. Information gathered from the tool is entered into a new countywide data collection system implemented to better assist funders, policymakers, and the provider community in identifying trends and service gaps, and in quantifying the costs of services in the CoC.

The HPC has transformed the intake and referral process, but the system was still costing too much and helping too few people. With the consultant's assistance, the group conducted a nationwide search for evidence-based, best practice tools. Their efforts led them to "Housing First."

## THE HOUSING FIRST MODEL

Sometimes referred to as "rapid re-housing," Housing First was pioneered in the early 1990s in New York by Sam Tsemberis, founder and CEO of Pathways to Housing. The Housing First approach is simple: help the individual or family find housing *first*, then provide only the supportive services necessary for the client(s) to remain stably housed (Pathways to Housing 2012).

An assessment of the client's assets and current needs that act as barriers to either accessing or maintaining housing is made at intake. With help from program staff, the client typically chooses where to live—they may wish to remain in the neighborhood where their children attend school, where they work or have other supports—rather than being required to

live in an unfamiliar community. Fostering a sense of self-determination has been shown to help clients reintegrate faster. Once the client has been housed, staff works with the client to identify only the programs and services necessary and desired to help overcome barriers and remain stably housed.

Without lengthy stays in properties maintained by CoC providers, and without mandating a client to complete a long list of possibly unnecessary programs prior to securing housing, the Housing First approach can serve more clients at much lower cost.

### HPRP AND THE HOUSING FIRST PILOT PROJECT

The American Recovery and Reinvestment Act signed by President Obama in 2009 provided \$1.5 billion for a Homeless Prevention Fund, which ultimately became known as the Homelessness Prevention and Rapid Re-Housing Program (HPRP).

HPRP funds were awarded to states, counties, and municipalities for homelessness prevention, housing stabilization, and rapid re-housing for the homeless. The program was meant to assist those needing short-term assistance to either prevent homelessness or assist with relocation into stable housing. With this shift came an increased focus on performance outcomes, including a reduction of recidivism and a reduction in the number of people becoming homeless. The program ran for three years, ending in September 2012.

The Montgomery County Department of Housing and Community Development was the local recipient of HPRP funds. The HPC screened for HPRP eligibility to help funnel clients into the program. All of the funds were soon allocated and a waiting list was created. It was at this point that the foundation stepped in and asked, “How can the system serve these people with integrity and professionalism, but without the bureaucratic red tape?”

To answer this question, the foundation funded a six-month, evidence-based Housing First pilot project beginning in late 2011. The foundation wanted to work with a local provider with previous Housing First experience to manage the project. None of the community’s providers, however, had such experience. So the foundation broadened its search and selected Philadelphia-based Public Health Management Corporation (PHMC), which had managed a Housing First program in Philadelphia and was willing to bring its

expertise to Montgomery County.

The goals of the project were simple:

- Demonstrate that the Housing First model of client engagement could work in Montgomery County, which has significantly fewer and more isolated services.
- Reduce the length of time a family is homeless or prevent homelessness for families at imminent risk.

The pilot was fully funded by the foundation, giving PHMC the freedom to tailor the program with federal rules as service guidelines. The HPC generated appropriate referrals for the project from the county’s HPRP waiting list. Fifteen clients agreed to participate in the program. A housing stabilization specialist, working in partnership with an employment specialist, provided a full complement of housing, supportive, and employment services to clients. Staff worked with multiple stakeholders—the Social Security Administration, public housing, shelters and transitional housing programs, and other providers (such as the county’s behavioral health system)—to help clients overcome personal barriers and access services.

At the end of six months, only one client had opted out. Seven clients were no longer at risk of losing their housing within two months of initial contact, and the remaining seven clients all secured permanent housing before the pilot closed.

Services provided to maintain housing were relatively minimal: utility assistance, payment of back rent, payment of security deposit for new rental, negotiation of lease payments with the landlord, job placement assistance, transportation to job interviews, and computer training. Under a conventional HPRP, the average cost to stably house a client was around \$5,500. The average spent per client in the pilot, however, was just under \$3,100—a 44 percent reduction! While

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this was a small project, its outcomes hold promise that a properly scaled Housing First program can achieve significant cost savings and provide opportunities for families and individuals to experience less disruption in their lives.

In its final report, PHMC noted that clients faced many personal barriers to securing stable housing, including physical and behavioral health and conditions, and a lack of



adequate education. However, system barriers—including a lack of affordable housing and limited number of shelter beds, transportation limitations, inadequate health services, and a lack of coordination and collaboration among service providers—posed much greater difficulty.

### WITNESSING HOUSING FIRST IN ACTION

The success of the pilot affirmed that the Housing First model held promise. To see a countywide implementation of Housing First, the foundation arranged for a three-day site visit to Alameda County, California, in early 2012. The site team included Montgomery County's executive director for housing and community development, a housing provider, the consultant working with the planning group, and the foundation's CEO.

EveryOne Home Alameda County was launched in 2007 and seeks to end homelessness in the county by 2020 through a "coordinated, efficient regional response" and multifaceted strategies to prevent homelessness, reduce the amount of time a person is homeless, and increase permanent housing (EveryOne Home 2012). In other words, the change process is managed through a disciplined, systems approach.

The site visit team met with local funders, Alameda County officials, staff of EveryOne Home Alameda County, and several community-based housing resource centers. Several structural, organizational, program, and service opportunities that could be adopted in Montgomery County were noted.

### YOUR WAY HOME MONTGOMERY COUNTY

Assimilating lessons learned from six years of systems change work, the pilot project, and the site visit, the foundation supported the planning group's efforts to craft a plan to prevent and end homelessness in Montgomery County within 10 years. Additional stakeholders joined the conversation, including the domestic violence community, as well as leadership from the six county agencies that fund and support various aspects of the county's CoC housing program (Aging and Adult Services, Behavioral Health/Development Disabilities, Children and Youth, Economic and Workforce Development, Housing Authority, Housing and Community Development, and Veterans' Affairs). The joint participation and coordination represent a new way of working for these six agencies and are a key factor in the successful implementation of this system redesign.

The plan—"Your Way Home Montgomery County"—embraces a Housing First approach, customized to the

county, with four overarching goals:

- Improve the county's housing crisis response system to decrease the number of families and individuals who experience homelessness.
- Embrace Housing First principles and service delivery models that reduce the length of time families and individuals spend unsheltered, in shelter, or in transitional housing, and improve their ability to remain stably housed in permanent housing.
- Increase the supply of permanent housing opportunities and subsidies.
- Build infrastructure for a strong local team of funders, providers, community partners, and consumers that will drive sustainable changes in Montgomery County's housing system.

Each goal has attendant strategies and an agreed upon set of key performance indicators to help measure progress and drive the systems change process.

### CONCLUSION

Systems change is difficult work, particularly for a foundation with limited assets. As we crafted our strategic plan, we acknowledged that this work is dynamic, non-linear, and frequently incremental. And it continues to build upon our core principles of partnering, investing, and improving to improve the health and well-being of those in our community.

We are not diving into this work by ourselves. We recognize that we are a small component of a much larger system we hope to change. As is apparent from our housing work, we value and seek to nurture partnerships as a key strategy to further leverage resources. We have worked closely with county officials to ensure that our approach and future investments will be aligned with public policies and priorities. Having goals that complement those of the county is not only prudent, but also benefits both funders and service providers, many of which receive significant public support from local government.

This year may be a watershed moment in the foundation's history. We are excited by the potential to dramatically improve how people access and receive services. This is a bold leap, but the health and well-being of Montgomery County is too important not to take that first step.

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