



HOMELESS EMERGENCY ASSISTANCE AND RAPID TRANSITION TO HOUSING (HEARTH)

Request: Support the fully funded reauthorization of the HEARTH Act appropriating \$2.231 billion.

Community Value:

The city of Phoenix has a well-established history of providing support and funding for community-based housing programs. For FFY 2013, Phoenix received \$1.34 million in Emergency Solutions Grant funding under the HEARTH Act. The grant will fund emergency shelters, rapid re-housing, outreach activities, homeless support services and eviction prevention assistance. The funding will be split between city operations and contracted services provided by community partners.

On Oct. 23, 2012, the Phoenix City Council approved a comprehensive homeless initiative with the goal of efficiently redeploying existing homeless services and grant funding to reduce homelessness. Through a “housing first” strategy, 200 additional chronically homeless families and individuals will have access to permanent assisted housing over the next three years, starting in July 2013. The “housing first” strategy allows homeless families, veterans, the chronically homeless and unaccompanied youth to move into permanent housing with supportive services and individualized case management with the goal to decrease homelessness and improve lives by aligning housing with services. This innovative initiative fulfills the vision set forth by the HEARTH Act and meets strategic goals within the Department of Housing and Urban Development (HUD)’s five-year plan.

Background:

Enacted in 2009, the HEARTH Act made substantial changes to the McKinney-Vento Homeless Assistance programs effective in FFY 2011. The HEARTH Act replaced four existing grants with a new program focused on homelessness prevention, rapid re-housing and chronic homelessness. Using the current Emergency Shelter Grant funding formula, 20 percent of the McKinney-Vento funding now is allocated as a new “Emergency Solutions Grant” (ESG). The new ESG program mandates that no more than 40 percent of local funds be directed toward prevention services and allows for a maximum 7.5 percent administrative cost.

Federal Fiscal Year	Housing Assistance Grants
2009	\$1.68 billion
2010	\$1.87 billion
2011	\$2.20 billion
2012	\$1.90 billion
2013	TBD*

*FFY 2013 currently is funded under a Continuing Resolution (CR) with FFY 2012 level funding amounts. The CR is due to expire March 27, 2013. This program also could be impacted by sequestration.

Federal Funding:

Recommendations for HEARTH priorities for FFY 2014 include assuring the Housing Assistance Program (HAP) is fully funded at \$2.2 billion dollars, including at least \$250 million for ESG.

Further, it is critical that HEARTH reporting requirements are not overly burdensome. The ESG, much like the Homelessness Prevention and Rapid Re-Housing Program (HPRP), was implemented without reporting that was fully developed and tested before implementation. Experience through the HPRP shows that not having development and testing fully completed at the program launch resulted in significant staff time and resources being taken away from direct service activities.



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