Metro Denver Homeless Initiative System Performance Assessment

Commissioned by Metro Denver Homeless Initiative

Prepared by Focus Strategies

April 2018

focus STRATEGIES

Visit Focus Strategies' website

focusstrategies.net

to find our reports, research, news, and more information about who we are and what we do. Focus Strategies offers analytic services to help communities reduce and end homelessness. Our services include system planning and performance measurement; system and program evaluations; coordinated entry design; supportive housing system development; and point in time counts.

Metro Denver Homeless Initiative (MHDI)
System Performance Assessment

Prepared by Focus Strategies

April 2018

I. Background and Purpose of Report

Metro Denver Homeless Initiative (MDHI) has engaged Focus Strategies to conduct an assessment of the homeless system in the Denver Metropolitan area, including both qualitative and quantitative analysis, and to make a set of recommendations for improvement of system effectiveness. This report presents the results of our quantitative system performance analysis, as well as our recommended next steps for the community. Results of our qualitative information gathering, including interviews with key stakeholders and learning collaborative meetings, have been presented in a separate document: *Metro Denver Stakeholder Input Report*, completed in November 2017. Where relevant, we incorporate information and feedback from that document in this report.

II. System Performance Information Sources and Methodology

A. Overview

The performance analysis presented in this report incorporates data on programs in the Metro Denver Continuum of Care (CoC). The Metro Denver CoC is a seven-County region that includes: Adams, Arapahoe, Boulder, Broomfield, Denver, Douglas, and Jefferson counties.

Focus Strategies used the following data sources to compile this report:[1]

- The inventory of emergency shelter, transitional housing, rapid rehousing, and permanent supportive housing units in the Metro Denver region, as documented in the 2017 Housing Inventory Count (HIC) submitted to HUD;
- Client data exported from the MDHI Homeless Management Information System (HMIS) for the two-year period from July 1, 2015 through June 30, 2017; and
- Data from the Metro Denver Point in Time (PIT) count from 2017 for context on the size and composition of the homeless population.

B. Program Types Included the Analysis

The performance analysis presented in this report incorporates data on programs in the Metro Denver Continuum of Care (CoC) that provide housing, shelter, and services to people experiencing homelessness. The programs analyzed fall into four project types: (1) emergency shelters, (2) transitional housing, (3) rapid rehousing, and (4) permanent supportive housing. The scope of analysis does not include homelessness prevention assistance for people at-risk of homelessness, or other types of safety net assistance or mainstream system services provided to people who are homeless.

[1] In addition to the data sources noted in this section, the Metro-Denver community also made efforts to collect program budget data directly from homeless program providers. These data are typically used by Focus Strategies in our system assessment work to understand program performance in relation to the level of investment. However, examining cost effectiveness is inherently a project level analysis. Due to difficulty encountered during this project in matching HIC project names and capacity with HMIS projects, however, we were not able to do any project level analysis. Instead the work was re-focused to examine performance at the level of ***project types***, so clarification of outstanding questions related to project level budget data were not pursued.

The universe of programs analyzed included any of these four program types that: (1) were included in the CoC's Housing Inventory Count (HIC); (2) participate in the Homeless Management Information System (HMIS); and (3) had two years of available data. The analysis includes HMIS data provided by MDHI.

The data sets were uploaded into a customized Web-based application developed by Focus Strategies – the Base Year Calculator (BYC) – which generates an analysis of HMIS data quality and performance of each project across a range of measures. The analysis results are summarized in this report at the level of project types: emergency shelter, transitional housing, rapid rehousing, and permanent supportive housing.

III. Overview of the Current Homeless System in Metro Denver

This section presents some contextual data on the homeless system in the Metro Denver area, including information about the numbers of people experiencing homelessness and the inventory of programs available to assist them.

A. Numbers and Characteristics of People Experiencing Homelessness in Metro Denver

The following tables present data from the January 2017 Homeless Point in Time Count (PIT). The count found a total of 5,506 people (4,358 households) experiencing homelessness on a single night. The data shows that the majority of the homeless population in the Metro Denver region is sheltered, with 2,253 (48%) of counted households living in emergency shelters and 1,259 (36%) living in transitional housing. There were 846 unsheltered households, comprising 19% of the total households counted.

The overall population is primarily single adults without children (73% of all people counted). Of the 4,003 homeless single adults counted, 1,036 or 26% are chronically homeless, defined as: (1) currently unsheltered or in emergency shelter; (2) having been continually homeless for at least a year or four or more times within the last three years with a total duration of at least one year; and (3) having a disability that significantly impairs ability to secure and sustain housing.

2017 Homeless Populations				
	Sheltered		*Unsheltered*	***TOTAL***
All Households/All persons	Emergency	Transitional		
Number of Persons (Children)	265	713	55	***1,033***
Number of Persons (age 18 to 24)	186	161	123	***470***
Number of Persons (Adults)	2,176	1,111	716	***4,003***
TOTAL HOUSEHOLDS	***2,253***	***1,259***	***846***	***4,358***
TOTAL PERSONS	***2,627***	***1,985***	***894***	***5,506***

2017 Homeless Subpopulations[2]			
	Sheltered	Unsheltered	*TOTAL*
Chronically Homeless Individuals	587	449	*1,036*
Chronically Homeless Families	14	1	*15*
Persons in Chronically Homeless Families	42	3	*45*
Veterans	476	72	*548*
Severely Mentally Ill	944	360	*1,304*
Chronic Substance Abuse	856	348	*1,204*
Persons with HIV/AIDS	48	21	*69*
Victims of Domestic Violence	448	138	*586*

B. System Inventory and HMIS Participation Levels

The table below presents a summary of the homeless system's overall capacity, which is drawn from the January 2017 Housing Inventory Count (HIC)[3] and includes data on participation levels in HMIS.

System Capacity				
Program Type	Number of Providers	Number of Programs	Number of Beds	Percentage of Beds Participating in HMIS
Emergency Shelter/Safe Haven	28	45	3,263	29%
Transitional Housing	23	46	2,124	56%
Rapid Rehousing	8	11	1,223	93%
Permanent Supportive Housing/Other Permanent Housing	19	43	4,778	49%
Total	**53**	**145**	**11,388**	**49%**

The system inventory is rather typical in relation to what is available in many communities. The largest program type is permanent supportive housing with 4,778 beds. There are much fewer beds available in rapid rehousing programs, but this is a relatively new program type and only recently added to the inventory. There are still over 2,000 beds of transitional housing in the region, although federal policy encourages communities to carefully evaluate the effectiveness of transitional housing and re-allocate those funds to more effective interventions if needed. In the next section we provide some analysis of how the transitional housing is performing in relation to other intervention types.

[2] Subpopulation categories are not mutually exclusive, so these figures do not sum to the total homeless population. People may be represented in multiple categories.

[3] Over the course of our work with the HIC and HMIS data, it became apparent that the HMIS lead agency believed the HIC to contain multiple inaccuracies regarding project capacity. However, because the HIC is the only documented source for project capacity, we present it here.

The most notable feature of the unit inventory is that there is a very low rate of participation in HMIS. According to the 2017 HIC, less than half of Metro Denver's homeless beds are accounted for in HMIS. Emergency shelter and safe haven beds comprise almost 30% of all beds in the system with only 29% of them entering client data into HMIS. Rapid rehousing projects have a high rate of HMIS participation but account for a small percentage of the total system (11%). The low rate of HMIS participation is a significant barrier to any efforts to develop a data-informed and high performing system. It is difficult to assess the community's efforts to reduce homelessness and develop strategies for improvement when more than half of the system is not participating in HMIS.

IV. Results: Analysis of System Performance

The sections below present our analysis of homeless system performance by project type using available data drawn from HMIS and the HIC.

A. HMIS Data Quality

A key precondition to any assessment of system performance is the availability of high-quality data. This analysis evaluated two major dimensions of data quality for each project type: the amount of "missing" data and the amount of "unknown" data.[4] Metro Denver has significant data quality issues with high percentages of missing and unknown data, in particular in relation to "prior living" (where participants were living prior to program entry) and "exit destination" (the type of living situation that participants moved to upon leaving a program). These two data elements are critical to understanding who is entering the homeless system, how people are moving through the system, and how effectively they are being connected to stable housing situations.

Understanding the difference between "missing" and "unknown" data is key in developing data quality improvement efforts. "*Missing" data* is information that is simply not recorded in HMIS, which usually means that the project staff are not entering these data elements into the data system. Prior living data is missing for a large percent of households of each project type (ranges from 8% to 17%, with an average of 13%). In contrast, exit destinations are only missing for emergency shelter, which are missing 12%.

"Unknown" data, on the other hand, reflects the percent of entries and exits that do not have a meaningful or useful response in HMIS for assessing performance. Unknown data includes: "missing data," "data not collected," "client doesn't know," "client refused," no exit interview conducted," and "unknown." Higher percentages of unknown responses, therefore, suggest that data is not reflected in HMIS in either a compliant manner (high percentage of missing data), or a useful manner (with responses not relevant to performance measurement and system improvement). Metro Denver's unknown prior living situations range from 13% to 39%, all of which are very high and impact useful interpretation of the data.

The proportion of unknown data for exit destinations is even higher (the project types average 36% and range from 6% to 81%). While people who exit emergency shelter may do so in an unplanned manner and therefore not be available for gathering exit information, such high unknown percentages negatively

[4] We were unable to evaluate the quality of two other data dimensions (entry/exit dates and utilization rate) because of inconsistencies between the HIC and HMIS project names.

impact the interpretation of outcome measures. Capturing accurate destination data is crucial for measuring permanent housing outcomes.[5]

Missing/Unknown (% of all Households)				
Project Type	% Prior Living Missing	% Prior Living Unknown	% Destination Missing	% Destination Unknown
Emergency Shelter	12%	39%	12%	81%
Transitional Housing	13%	17%	0%	37%
Rapid Rehousing	17%	17%	0%	6%
Permanent Supportive Housing	8%	13%	0%	18%
Total	*13%*	*22%*	*3%*	*36%*

B. System Performance

In recent years, federal homelessness policy has shifted to looking at how well communities are performing in their efforts to reduce homelessness. To further these objectives, HUD has strongly encouraged communities to evaluate the effectiveness both of individual programs as well as the overall system in meeting specific performance measures. Focus Strategies has developed a set of performance metrics that build upon HUD's system performance measures and policies as articulated in the HEARTH Act and *Opening Doors: The Federal Strategic Plan to End Homelessness*. While the measures we use are aligned with HUD's goals and system performance measures, we also typically incorporate cost effectiveness, so that communities can understand not just system performance, but also performance in relation to the level of investment.
This section presents our analysis of Metro Denver's system performance on four measures:[6]

1. Program Entries from Homelessness
2. Lengths of Stay
3. Rate of Exit to Permanent Housing
4. Returns to Homelessness

1. Entries from Homelessness

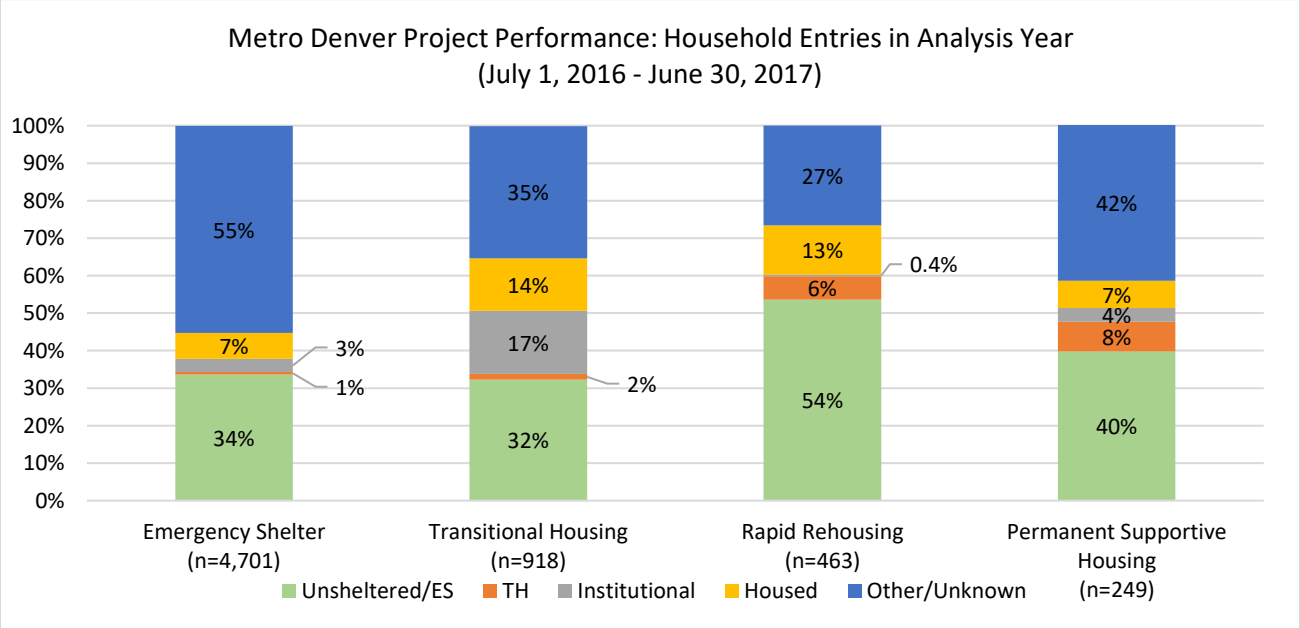
This measure looks at the degree to which programs are serving people with the most acute housing needs, namely those who are *literally* homeless (i.e., they are living outdoors, in a vehicle, or in an emergency shelter). While certain funders may allow programs to serve people who are living in other situations (i.e., those at risk of homelessness), successfully reducing homelessness depends on prioritizing those with the highest need for available units. This measure reflects the federal policy goals of ending chronic homelessness and prioritizing literally homeless people for permanent housing. To create a "right

[5] Unknown data on these variables can affect the performance measures to be reviewed, however, the specific impact is related to whether the unknown data should be: (1) entries from literal homelessness/exits to permanent destinations; (2) entries from housed locations/exits to non-permanent destination; or (3) a blend of both. For these analyses we assume that the distribution of unknown responses resembles that of the known responses (option 3), which ultimately has no impact on the conclusions that can be drawn from the data.
[6] We typically also assess both Utilization Rate (bed occupancy) and Cost per Permanent Housing Exit. We were unable to evaluate either metric due to inconsistencies reported in project capacity and between HIC and HMIS project names.

sized" system in which there is an appropriate housing intervention for all people experiencing homelessness, those who are not literally homeless must be diverted from entering the homeless system to begin with, thereby making resources available for those with nowhere to live.

The next graph shows the prior living situations for households entering emergency shelter, transitional housing, rapid rehousing, and permanent supportive housing in Metro Denver. The data show an extremely low rate of entry from literal homelessness for all project types. The results, however, are heavily impacted by unknown prior living values as evidenced by the low proportions of households entering from housed locations. For example, entries from housed locations are only slightly higher than might be typically expected for transitional housing and rapid rehousing at 14% and 13%, respectively. Our interpretation of this data must be qualified by noting that it is very difficult to assess what they tell us about performance given the high rate of missing and unknown data. Improving data quality on these data elements will be crucial for effective system planning efforts to be undertaken.

Nonetheless, what we learned in our interviews with key stakeholders and in a learning collaborative session on shelter diversion and housing problem solving suggest that the system would benefit from increasing entries of literally homeless households into homeless services and reducing entries from housed situations.[7] Some efforts are underway in the region to implement diversion as a way of reducing the flow of people into shelter and other programs who can resolve their housing crisis without a shelter stay or permanent housing intervention. However, these efforts are still modestly scaled and there is not yet a system-wide strategy in place to reduce entries into the system by people who are at-risk of homelessness.



2. Lengths of Stay

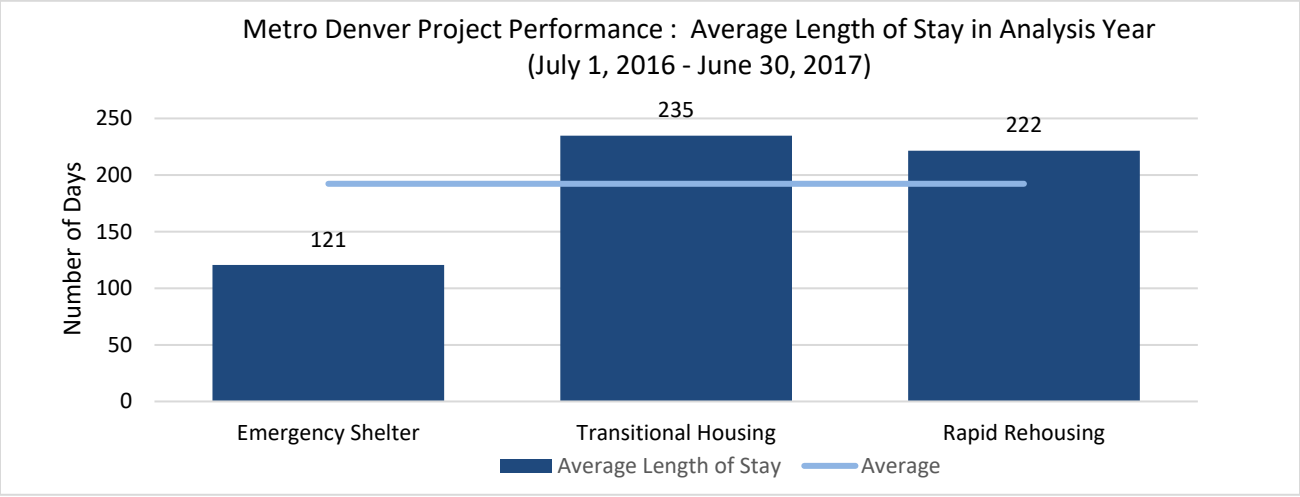
Achieving relatively short lengths of stay in emergency shelter, transitional housing, and rapid rehousing programs is essential to ending homelessness. Every day a person is experiencing homelessness has an

[7] See sections "System Inventory" (page 3) and "Diversion" (page 9) of the Metro Denver Stakeholder Input Report.

associated cost and reducing lengths of stay results in a quicker rate of exit and a lower cost per exit, which in turn allows more people to be served. The HEARTH Act has established a goal that no one is homeless longer than 30 days, although this aspiration has not been codified in any HUD requirements. To increase effectiveness and reduce homelessness the entire system must strive for the shortest stays needed to reach this goal.

In our performance assessment, length of stay was calculated using HMIS data based on the entry and exit dates for each program stay recorded in the system. The results are presented in the table below. All project types have lengths of stay much longer than expected in a well performing system. In Metro Denver, lengths of stay in transitional housing and rapid rehousing projects are very similar, although transitional housing stays can often be much longer than rapid rehousing stays.

Long lengths of stay in transitional housing often are related to programs establishing program participation requirements that participants must complete before "graduating" to permanent housing. Rather than working with clients to exit as rapidly as possible, the program model is based around assisting clients to address a range of service needs before developing a housing plan. Transitional housing programs that have transitioned to more of a rapid-exit model typically have lengths of stay under 180 days. In rapid rehousing, long lengths of stay could indicate that programs are not using progressive engagement to determine amount and duration of rent subsidy. In a progressive engagement model, households receive a short-term rent subsidy (typically 3 months) and then only receive further assistance if they are assessed as needing additional support to remain housed. In our learning collaborative session on rapid rehousing, we heard from rapid rehousing providers in Metro Denver that progressive engagement is not a standardized practice in the region; this data seems consistent with that feedback.



3. Exits to Permanent Housing

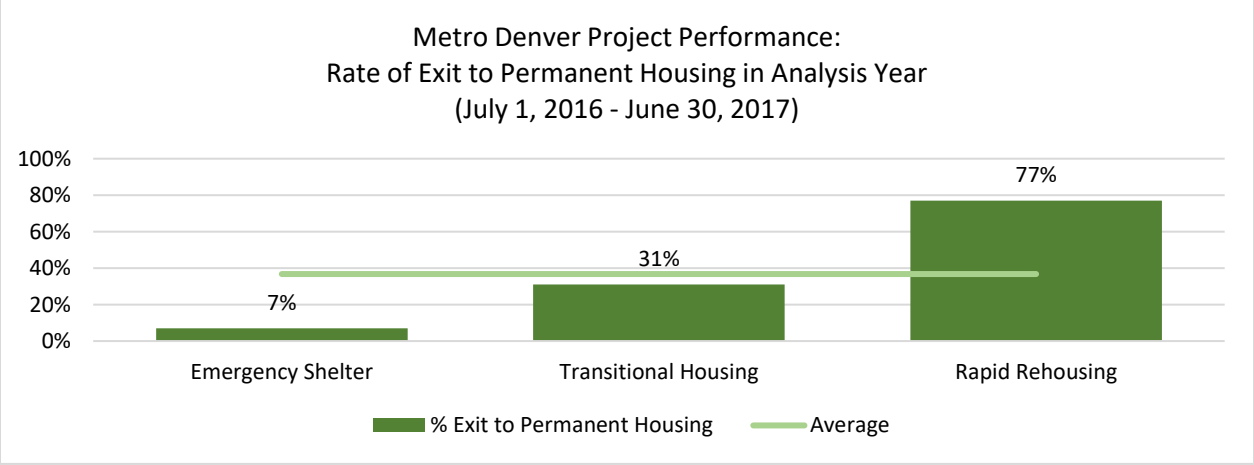
While helping households exit shelter and transitional housing quickly is a key strategy to end homelessness, it is just as important to understand where people go when they exit. The rate of exit to permanent housing is a very important metric and one that HUD has asked communities to report on for

several years. This measures the degree to which projects assists clients to move to a housed situation and is a critical aspect of project performance.

The next graph shows the rate of exit to permanent housing for emergency shelter, transitional housing, and rapid rehousing programs in Metro Denver. For this measure, "permanent housing" includes any housed situation that is not time-limited, such as a market rate apartment, a subsidized housing unit, shared housing with a roommate, or staying permanently with family or friends.

As shown in the graph below, the rate of exit to permanent housing for emergency shelter programs in Metro Denver is 7%. The results for transitional housing are only slightly better at 31%. We also note that rapid rehousing has a higher success rate on this measure than either shelter or transitional housing. This is true even while the lengths of stay in rapid rehousing are very similar to transitional housing. Thus, there is no evidence that length of stay in a program relates to the likelihood of a successful exit. Nonetheless, permanent housing exit rates from rapid rehousing fall below the 85% that has come to be expected and that is established by the National Alliance to End Homelessness (NAEH) as a national target.

These data, combined with the information about length of stay, suggest that transitional housing, in particular, is not performing effectively. Clients are remining in programs on average for almost 8 months, yet less than a third are securing housing upon exit. By contrast, clients in rapid rehousing receive assistance for about the same length of time, yet more than three-quarters have stable housing upon exit. This difference is quite consistent with findings from many communities, where rapid rehousing typically out-performs transitional housing by a substantial margin. Additionally, when costs are factored in, transitional housing generally costs far more per successful permanent housing exit than rapid rehousing.



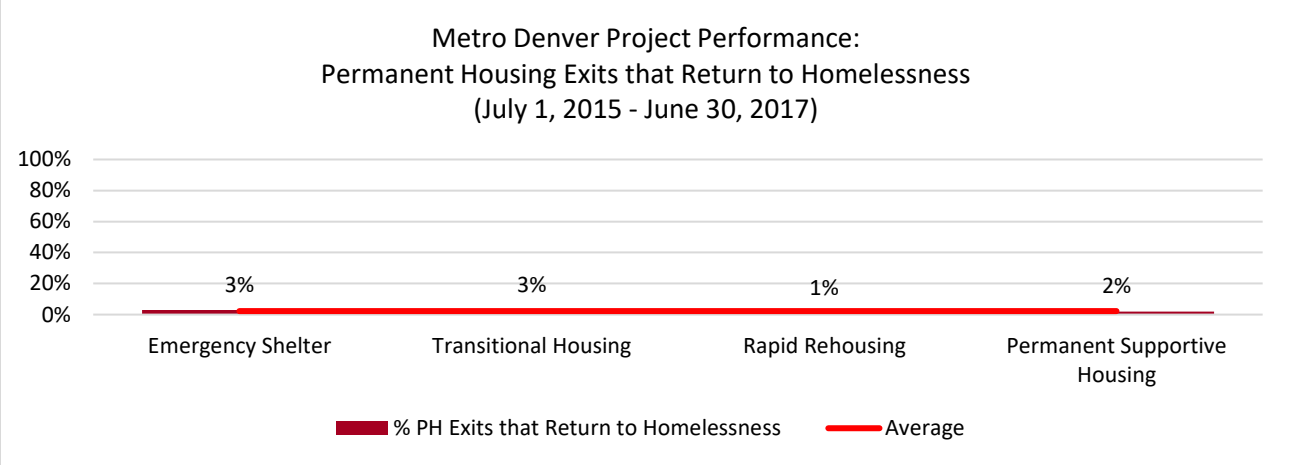
4. Returns to Homelessness

Reducing lengths of stay and increasing rates of exit to permanent housing must be balanced by ensuring that people who exit programs do not return to homelessness. Tracking this metric allows communities to

assess whether programs are helping place clients into permanent housing situations that "stick" and are appropriate for their needs. For this analysis, returns to homelessness is calculated by looking at all households who exited programs and determining whether any had a new entry into an emergency shelter or transitional housing program within 12 months.

The next graph presents rate of return to homelessness for people who exited emergency shelter, transitional housing, rapid rehousing, or permanent supportive housing in Metro Denver between July 1, 2015 and June 30, 2017 with an exit destination that was a permanent housing situation and returned to emergency shelter or transitional housing within one year of that exit. The graph below shows returns for all project types are low.

Due to poor data quality related to high missing and unknown exit destinations, return data needs further validation and it is challenging to interpret these results. However, these very low rates of return to homelessness suggest that programs across the system might not be targeting households with the highest needs, which is also consistent with what we saw in the data on entries from literal homelessness. If programs are serving households who are at risk of homelessness rather than already homeless, or who have relatively low barriers to securing housing, then it is much more likely that these households will retain stable housing. Systems that assertively target their resources to those with the longest homeless histories and highest vulnerability tend to see higher rates of return to homelessness (though still generally below 10%).



V. Implications for System Improvement

While the data quality issues we have noted in this report prevent a thorough and complete analysis of system performance, we have developed some suggested directions for system improvement based on the data that is available, as well as the qualitative information gathered from stakeholders and summarized in the *Metro Denver Stakeholder Input Report*.

A. HMIS Data Quality

HMIS data quality is a critical issue for the Metro Denver CoC. In particular, the high rate of unknown and missing data prevents a thorough analysis of system and project performance. Additionally, the lack of alignment between the HMIS system and the HIC means that the data system is not set up to support analysis of project-level performance. We are aware that Metro Denver is in the beginning phases of conversion to a new HMIS vendor, so the timing of determining a path forward for improved system set up with enhanced data quality is ideal. Focus Strategies is currently developing specific recommendations regarding aligning the HIC with HMIS, approaches to data conversion, and the roles and responsibilities of the HMIS lead agency. We recommend a focus on data quality should be a high priority for homeless system leadership moving forward.

B. HMIS Participation

Another impediment to conducting system performance analysis and developing data-informed strategies for system improvement in the Metro Denver region is the relatively low rate of participation in HMIS. With many key programs not currently contributing data, it is very difficult to have a complete system-level understanding of where clients are entering the system, what programs they access, and the results of the interventions. As the CoC is working on upgrading the HMIS system, we would recommend that system leadership also prioritize developing a parallel effort to engage non-participating providers, identify ways to incentivize them to participate, and develop strategies to include them in the system.

C. Implement System-Wide Diversion Strategies

The data we analyzed, as well as our discussions with key stakeholders and provider agencies as part of the learning collaboratives indicate that the system will benefit from the integration of a strong shelter diversion or housing problem solving policy and practice to help keep households who are not yet homeless from entering the system.[8] Robust diversion practices throughout the system can result in dramatic reductions in the number of people entering shelter and ensure beds are available for those who are having an immediate crisis and have no other options. Since the homeless housing interventions (RRH and PSH) in Metro Denver are not right-sized and it is not possible now to offer housing assistance to all households who are homeless or at-risk, it is critical to prevent as many households as possible from entering the homeless system.

To be maximally effective, diversion should target those households who are imminently going to be homeless within one to three days. Generally, this intervention is targeted to households that do not have their own rental unit but are living informally with friends or family or in a motel. Diversion differs from traditional homelessness prevention, which generally provides assistance with back rent for those who are living in their own rental unit and facing a potential eviction. While traditional prevention programs may be effective at preventing evictions, data suggests that few of the households assisted would ever enter the shelter system even if they did not receive prevention help. Diversion uses strengths-based problem solving, mediation and small amounts of flexible financial assistance to help people with unstable housing situations remain where they are or to move directly to alternative housing, often shared housing with friends or family.

[8] See sections "System Inventory" (page 3) and "Diversion" (page 9) of the Metro Denver Stakeholder Input Report.

D. Scale Up Rapid Rehousing and Align to Best Practices

Even given the data quality limitations we have discussed, the performance data we analyzed demonstrated that the existing rapid rehousing programs in Metro Denver are achieving strong results in exiting people to permanent housing with low rates of return to homelessness in comparison to either shelter or transitional housing. This suggests that the system could likely house significantly more people experiencing homelessness with an expansion of rapid rehousing and a shift of resources from lower performing transitional housing. Providing rapid rehousing at a much larger scale is the key solution to ending homelessness, particularly for non-chronically homeless households in the community. However, to be effective, rapid rehousing must be aligned to best practices for this intervention type, such as by following the operational standards developed by the National Alliance to End Homelessness (NAEH).[9]

Our data analysis and information we gathered from stakeholders and program providers suggest that some further training and capacity building is needed[10], particularly in the following areas:

- *Low program entry barriers*: Rapid rehousing is an intervention that can be successful with households with a range of barriers, including those who have high needs and vulnerabilities. To ensure rapid rehousing is broadly accessible, programs should not screen out high need/high barriers households (e.g. those with no incomes, poor rental histories, or disabilities),
- *Progressive engagement:* As previously discussed, progressive engagement is a practice that ensures that households do not receive more rapid rehousing assistance than is needed and allows the system to maximize the use of resources so that as many households can be served as possible. In a progressive engagement model, households are first offered minimum levels of assistance. More supports are offered to those households who cannot maintain their housing without assistance.
- *Landlord engagement:* Given the rising rents and low vacancy rates in much of the region, the success of rapid rehousing will depend in large measure on the ability of funder and provider leadership to embrace the rapid rehousing model. Landlord partnerships championed by community leadership is a critical element of successful rapid rehousing initiatives. Persuading owners to make units available to people experiencing homelessness has been effective in some communities (e.g. Orlando, FL) through high-level engagement of the business community.
- *Client Choice:* Rapid rehousing programs should not limit clients' housing options based on unrealistic expectations about the percent of income they should pay for rent or the types of neighborhoods they should live in. Households may pay a significant portion of their income for rent if it makes the difference between being unsheltered and being housed. Households should have the option of sharing units if that makes their rental budget stretch further. Clients should also have the option to move to areas where housing is cheaper.

VI. Conclusion

Our work with MDHI has identified some challenges with the data systems needed to support performance assessment. In spite of this, the community has some key building blocks in place to begin moving towards a more integrated and coordinated system for reducing homelessness. Available data and information from stakeholders point to some high priority strategies the community can begin to

[9] https://endhomelessness.org/resource/rapid-re-housing-performance-benchmarks-and-program-standards/
[10] See Metro Denver Stakeholder Input Report for a more detailed summary.

implement to improve performance, including a system-wide diversion practice and aligning and scaling up rapid rehousing programs. This work can begin in parallel with the planned changes to the HMIS system, so that progress towards reducing homelessness can continue while the community leadership works to create a data infrastructure that can support more robust performance assessment.