

**M E M O R A N D U M**

October 27, 2020

TO: Health and Human Services Committee  
Planning, Housing, and Economic Development Committee

FROM: Linda McMillan, Senior Legislative Analyst

SUBJECT: Planning for Meeting the County's Emergency Shelter Needs for Homeless Adults (without children)

PURPOSE: Update and Discussion; no vote required

Expected for this session:

Dr. Raymond Crowel, Director, Department of Health and Human Services (DHHS)  
Amanda Harris, Chief, DHHS Services to End and Prevent Homelessness  
David Dise, Director, Department of General Services  
Greg Ossont, Deputy Director, Department of General Services  
Deborah Lambert, Office of Management and Budget  
Lindsey Lucas, Office of Management and Budget  
Susie Sinclair-Smith, Chief Executive Officer, Montgomery County Coalition for the Homeless (MCCH)  
Jennifer Schiller, Chief Programs Officer, MCCH  
Courtney Hall, Chief Executive Officer, Interfaith Works  
Christine Hong, Director, Homeless Services, Interfaith Works  
Lauren Paiva, Executive Director, Rainbow Place

**Montgomery County's goal is to make homelessness rare, brief, and non-recurring.** This has not changed because of COVID-19. However, as the Council has heard in previous updates, COVID-19 has changed the requirements for providing emergency shelter for adult men and women. There is a need to provide adequate space for social distancing for sleeping, eating, and common program areas. The County is also sustaining its shelter capacity year-round as opposed to closing some shelter spaces outside of the winter overflow months of November through March to make shelter available during the pandemic.

Meeting these health needs has reduced the number of beds in the County's dedicated shelters and the County is utilizing alternative facilities to add capacity. This means that the County must plan for how it will meet its future shelter needs when these facilities are no longer available. The Executive branch has provided an executive summary of the current analysis of need, expectations for emergency shelters, and the concurrent work that must continue to move people from emergency shelter to permanent housing (attached at © 1-7). The second page includes the following table:

Facility	Male/ Female	Pre-COVID Capacity	COVID Capacity	Temporary	Known Post- COVID Capacity	GAP
Sprung/Crabbs Branch	M	100	38	N	38	62
6 Taft Court	M	100*	60	Y	0	100
2 Taft Court	F	70	28	N	28	42
Rainbow Place	F	28	12		12	16
Progress Place	M/F	80	30	N	50	50
Long Branch Recreation Center	M	0	80	Y	0	0
Coffield Recreation Center	W	0	50	Y	0	0
Hotels	M/F	0	100	Y	0	0
All		378	386		108	270

\*6 Taft has been serving as the temporary relocation of the Gude Shelter facility. It was expected that it would be replaced by the Sprung/Crabbs Branch facility which now only has a capacity of 38.

The executive summary says that the Homeless Crisis Response Recovery Group, with support from the Interagency Commission on Homelessness and HHS Services to End and Prevent Homelessness recommends year-round bed capacity of 300 beds with a surge capacity of up to 400 beds.

At this session, the Joint Committee will have an opportunity to review the current capacity and understand the analysis that is forming the basis for the work by the DHHS and DGS to locate options for one or more facilities to meet future need. There are no identified facility options at this time; however, when an option or options is identified, the Council may be asked to complete a review quickly, so it is critical that the Joint Committee have this time to understand this background, discuss it with Executive staff and with the non-profit partners that operate the County's shelters. Much of the information so far is about the amount of square footage that is needed to maintain healthy distancing and a minimum size for operational efficiency. Discussion with providers about specific lay-outs or operational designs or populations to be served will be ongoing as facility options are identified.

## Summary Points from Executive Branch Information

### *Projected Need and Mitigation Strategies:*

- Best estimate is the County should be planning for 300 year-round beds (200 male and 100 female) with surge capacity of up to 400.
- The City of Rockville has agreed to allow the County to use 6 Taft Court through April 2021. Taft Court Men's shelter currently has 60 beds.
- There will be a need to continue to use hotel for high-risk individuals but there is not a way to estimate future need.
- Reviewing data since the beginning of the pandemic, the average net increase in shelter utilization is 9 individuals per month (inflow-outflow).
- Anecdotally, there is a rise on reports of encampments and unsheltered individuals in the more urbanize parts of the County. Street Outreach intends to conduct an unsheltered count in October.
- The Homeless Resource Line and Emergency Assistance Coalition report an increased number of single adults seeking shelter due to being asked to leave their current housing situation.
- 40% of individuals entering shelter were previously living with family and friends and 5% left permanent housing.
- 21% report being unsheltered prior to entering shelter.
- Housing providers are reporting an increase in inappropriate discharges from hospitals, treatment programs, and residential rehabilitation facilities.
- Strategies to mitigate the growth in need for emergency shelter include: (1) goal of diverting 25% of individuals from shelter; (2) provide flexible funding to assist people to rapidly exit homelessness; (3) use additional Coronavirus ESG funding to increase Rapid Rehousing (funds must be spent by September 2022).

### *Program Requirements:*

- Best practices for low barrier shelter allow for partners (adult), pets, and possessions. Currently, only Progress Place houses men and women and no shelter accepts pets. (There are unsheltered people who will not come into shelter because they would have to be separated from a partner or a parent or adult child or their pet.)
- On average, the required square footage for sleeping quarters has increased from 45 square feet to 120 square feet. A total of about 220 square feet is needed for sleeping quarters and ancillary services (dining, bathroom, storage, program space, etc.)
- Operational efficiencies seem to indicate that either one large facility or two medium facilities (in addition to Sprung/Crabbs Branch, 2 Taft Court, and Progress Place) may be best from an overall cost perspective. Preliminary operating cost discussion show that a 25-bed facility could have a cost of \$95 per night compared to \$39 per night for a 70-bed facility given staffing efficiencies in a larger facility.
- It is also noted that it would be ideal to have facilities in the down-county, mid-county, and up-county.

While not a program requirement, Council staff notes that any facility or facilities should be owned by the County, not leased – unless it is a short lease-to purchase transition. Any facility

will need substantial improvements and the County should not lease a building that will require substantial investment for a long-term safety-net need.

### ***Continued Investment in Permanent Housing***

As noted, while there will always be a need for shelter, the way to address homelessness is to provide people with permanent housing. The summary highlights the following:

- The need to have \$4 million in funds to increase the County's long-standing shallow subsidy (Rental Assistance Program) from \$200 to \$400 to serve about 700 households exiting homelessness.
- Increased funding for Rapid Rehousing. For every \$1 million, 65 people can be permanently rehoused through Rapid Rehousing.
- Development of small, deeply affordable units for people who have a regular income but cannot afford rent.
- Increasing Permanent Supportive Housing at an average cost of \$30,000 per year. About 150 people are appropriate for Permanent Supportive Housing.

### **Notes about Households with Children**

This discussion focuses on adults without minor children. The executive summary (© 4) includes this important and very positive note. The Continuum of Care implemented a centralized intake and diversion approach for families in 2017 that has resulted in more than 70% of families seeking emergency shelter to be diverted from homelessness. The number of families experiencing homelessness is averaging between 30 and 35 at any given time, the lowest it has been in over a decade.

# Montgomery County Homeless Continuum of Care Proposed Shelter Strategy

## EXECUTIVE SUMMARY

The Homeless Crisis Response Recovery Group, with support from the Interagency Commission on Homelessness and HHS Services to End and Prevent Homelessness, recommend an increased investment in Emergency Shelter for single adults including expanding year-round bed capacity to 300 with a surge capacity of up to 400 and securing additional shelter facilities. While exact costs are still to be determined, capital costs are estimated between \$7-10 million and on-going operating costs of \$6 million for FY 22. This recommendation is based on guidance from Public Health officials on the continued need to maintain social distancing in congregate settings and the predicted increase in homelessness of up to 45%.

In addition to the investment in emergency shelter, permanent housing solutions should be considered. The only way to effectively end homelessness is by providing permanent housing in the form of housing subsidies, Rapid Rehousing, Permanent Supportive Housing, and development of deeply affordable units. While the exact cost of providing enough housing solutions for everyone experiencing homelessness is known, this report gives a menu of options for future housing investments as well as investment already made in response to the pandemic.

Homelessness has always been a crisis and COVID-19 has only exacerbated existing health concerns and racial disparities among people experiencing homelessness. There is a need for an urgent response to keep people in shelter safe and healthy as well as to quickly exit households to permanent housing. We know that people experiencing homelessness were twice as likely to die from an infection prior to the pandemic and have a life expectancy 30 years less than the average American. We also know that Black households make up more than 60% of the homeless population and are disproportionately impacted by COVID in relation to job loss as well as COVID contraction and mortality rates. Investing in shelter and permanent housing is an effort to provide more equitable access to services and lead to better outcomes for people of color.

The report below provides additional background information on existing shelter resources, trends on inflow and outflow of the homeless continuum and options to mitigate the impact of the pandemic.

## BACKGROUND

### *Response to COVID-19*

The Montgomery County Homeless Continuum of Care (CoC) and Services to End and Prevent (SEPH) have rapidly and strategically responded to COVID-19 to prevent the spread amongst our sheltered homeless population. In an effort to adhere to guidelines established by the Centers for Disease Control (CDC), we quickly moved older and medically vulnerable individuals from shelter or the streets into rented hotel space. The winter overflow shelter, originally scheduled to close on March 31, 2020

reducing the shelter capacity by hundreds, remains open. Two additional shelter facilities have been stood up by making use of closed recreation centers to allow for social distancing and spacing of beds. These efforts have significantly paid off as evidenced by a less than 2% positivity rate in our single adult shelters. To continue to keep people safe from COVID-19, influenza, and other future viruses, we need to maintain social distancing in all congregate shelter facilities which requires significantly reducing the bed capacity at each facility.

#### *Current Shelter Capacity and Utilization*

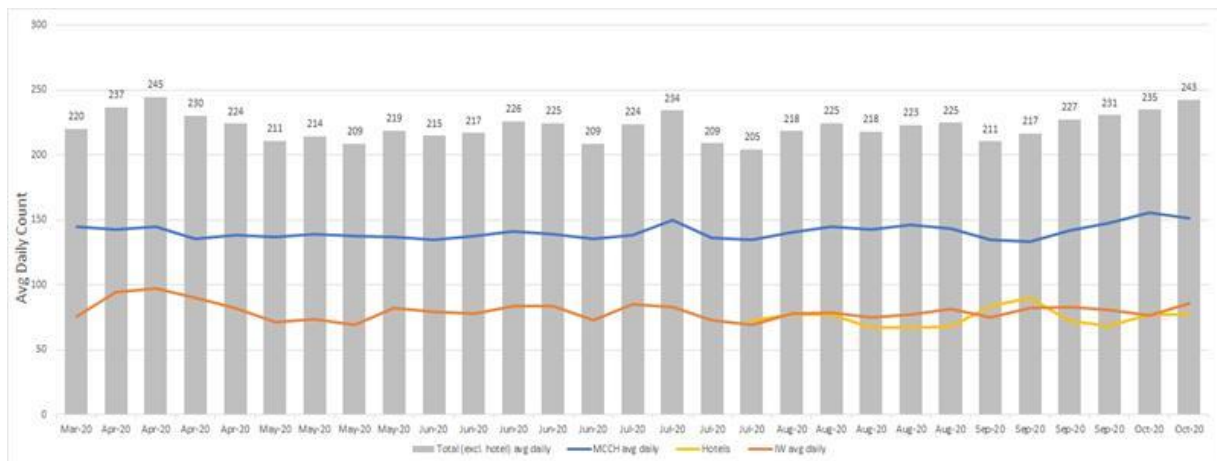
With the addition of the temporary use the recreational centers and 6 Taft Court, the CoC have been able to maintain pre-COVID level shelter bed capacity. The City of Rockville has permitted the continued use of 6 Taft Court through April 2021. At this point, there is no stated exit date from the recreational centers, but the CoC is aware that this is not a permanent solution. At the advice of local public health officials, the CoC must maintain social distancing in all facilities, greatly reducing the bed capacity in the existing facilities of 2 Taft Court and Crabbs Branch. In total, the CoC shelter bed capacity has gone from 390 beds to 93 permanent beds.

To further complicate the matter, the CoC was facing a loss of bed capacity before the onset of the coronavirus. In May 2019, the location of the main men's shelter at 600 E Gude Drive was compromised due to environmental issues. The facility was evacuated and is no longer a viable location for an emergency shelter. This facility previously had the capacity to serve up to 145 people.

The chart below describes the deficit in shelter beds based on the need for proper bed spacing. The highlighted facilities show an unknown capacity. Rainbow Shelter cannot operate in its existing facility without approval from the site owner and the city of Rockville. We do not know the full extent to which hotels will remain necessary to serve highly individuals at high risk of COVID complications but we estimate the need to continue the use of rented hotel space for a percent of the population.

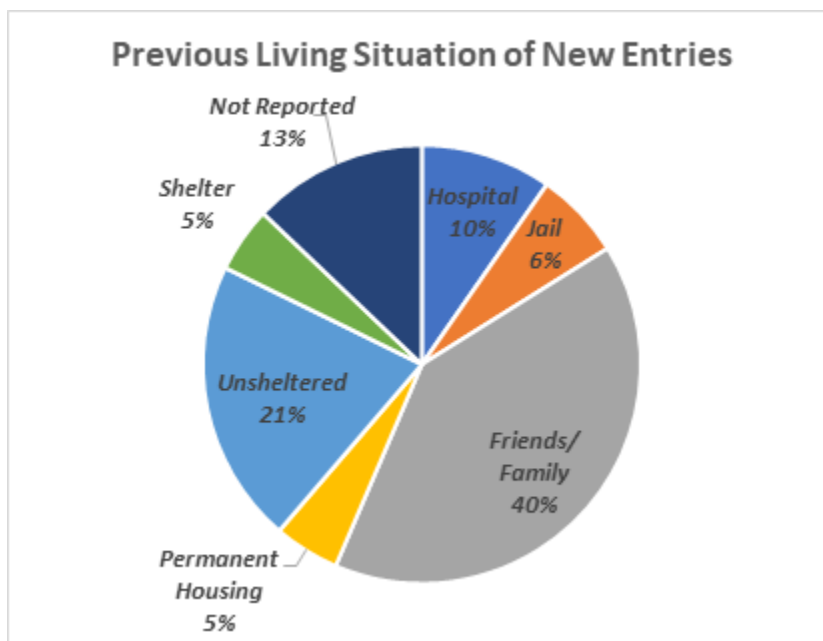
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#### **Average Daily Count of Shelter Residents by Week (April 2 to October 20)**



### Shelter Inflow

A study out of Columbia University is predicting an increase in homelessness of 40-45% this year based on unemployment rates. Locally, it is difficult to determine exactly the extent of the high of homelessness. Typically, at this time of year, winter shelter would be closed thus making it impossible to do a year to year comparison. In reviewing inflow data from the beginning of the pandemic, the CoC has seen a monthly average inflow of 101 individuals entering shelter and 91 individuals exiting shelter (outflow). The average net increase in shelter utilization is 9 new individuals per month. The average monthly shelter/ hotel utilization is 300 individuals. Annually, approximately 1300 unique individuals are served in emergency shelter for single adults.



Anecdotally, the CoC has seen a rise in reports from the community on encampments and unsheltered individuals in the more urban areas of the county. The street outreach providers intend on conducting an unsheltered count in October to glean more information about the unsheltered population including where they were most recently living. The Homeless Resource Line and members of the Emergency Assistance Coalition report an increased number of single adults seeking shelter due to being asked to

leave their current housing situation, usually staying with family or friends.

The chart on the left provides a breakdown of the previous living situation of people newly entering the homeless continuum. Of note, 45% of individuals are coming from a housed situation and 16% are coming from an institution including hospitals and jails. Shelter providers are reporting an increase in inappropriate discharges from hospitals, treatment programs, and residential rehabilitation facilities. In

addition to the increase in discharges, many residential programs have been restrictions on new admissions due to the pandemic, making it difficult to place people into more appropriate housing.

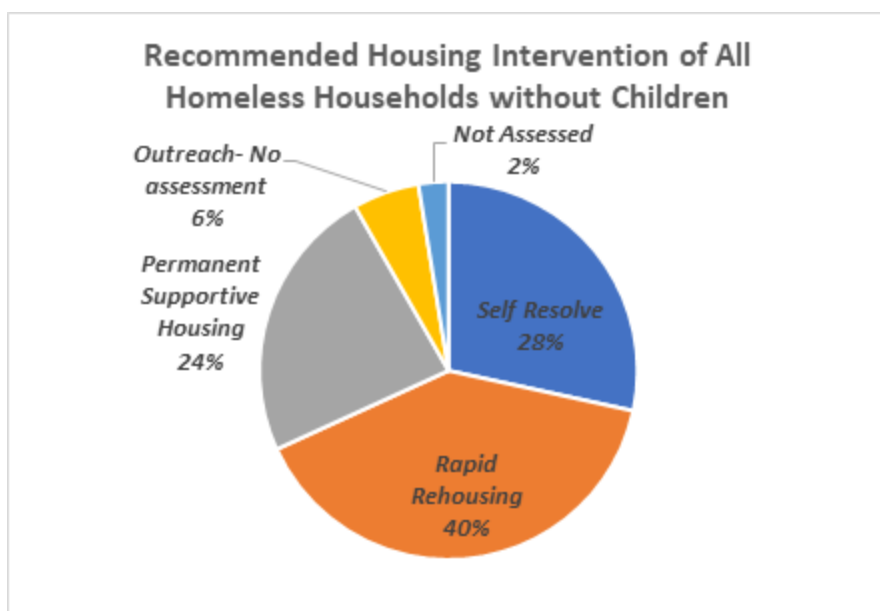
## MITIGATING STRATEGIES

As part of the Coordinated Entry System, all housing placements are based on an individual's score on the Vulnerability Index- Service Prioritization Decision Assistance Tool (VI-SPDAT). The chart on the right displays the distribution of VI-SPDAT scores and the recommended housing intervention for all single adults in the homeless continuum. More than two thirds or 68% of individuals are assessed as needing Rapid Rehousing or have an ability to self-resolve their homelessness. This data presents opportunities to reduce the shelter population by employing two key strategies – homeless diversion and Rapid Rehousing.

The Homeless Crisis Response Recovery Work Group in partnership with SEPH has developed a centralized shelter intake and homeless diversion approach to single adult emergency shelter. The CoC implemented a similar strategy for families in 2017 that has resulted in more than 70% of families seeking emergency shelter to be diverted from homelessness. As of today, the number of families experiencing homelessness is the lowest it has been in over a decade averaging between 30 and 35 families experiencing homelessness at any given time. In an effort to bring diversion to scale for single adults, SEPH has secured private funding from Kaiser Permanente to hire two homeless diversion specialists and provide flexible funding to all single adult emergency shelters and outreach providers to assist people to rapidly exit homelessness. The CoC expects to divert at least 25% of all individuals seeking shelter from homelessness and reducing the average monthly inflow from 160 to 120 new shelter intakes per month.

In addition, the CoC has received over \$6 million in funding from the federal Department of Housing and Urban Development (HUD) in the Emergency Solutions Grant- Coronavirus (ESG-CV). Following the guidance from the National Alliance to End Homelessness, the vast majority of this funding will be used for Rapid Rehousing. The Rapid Rehousing program provides a flexible housing subsidy and intensive supportive services to assist households with quickly exiting homelessness to permanent housing. While traditional rapid rehousing programs can provide assistance for a maximum of 24 months, HUD has limited assistance to twelve months when using ESG-CV funds. The funds must be used by September 2022. The CoC anticipated serving 150 households annually, or an average of 12 housing placements per month, through the new Rapid Rehousing program. The average monthly outflow from emergency shelter is expected to increase from 91 to 103 per month.

*On-going Shelter Need*



Based on the current shelter bed census, implementation of centralized intake and new Rapid Rehousing resources, and the expected increase in homelessness of up to 45%, the CoC anticipates a need for a minimum of 300 year-round shelter beds (200 male, 100 female) with a surge capacity of up to 400 beds.

## **SHELTER COSTS AND PROGRAM REQUIREMENTS**

### *Program Requirements*

Best practices in low barrier shelter allows for the three “p’s” – partners, pets, and possessions. Ideally at least one shelter facility would have the ability to serve both men and women, allow for pets, and have adequate space for people to store their belongings. Currently the only facility that serves both men and women is Progress Place, serving a maximum of 30 people.

Ideally, shelter facilities should be available in all parts of the County including down county, up county, and mid county. Our current facilities are concentrated in down and mid county.

On average, the required square footage for sleeping quarters has increased from 45 square feet to 120 square feet. This calculation does not include the space required for eating, bathrooms, and services including case management offices and medical exam rooms. SEPH estimates a need for 220 square feet per person to accommodate ancillary shelter services.

### *Details of Common Shelter Space*

- One shower/toilet for every 10-15 people
- At least one unisex restroom
- At least one ADA restroom
- Offices – intake, medical exam room, 1 case management office per 20 clients
- Warming kitchen
- Dining area that allows for social distancing
- Lounge
- 1 isolation space per 30 clients
- Outdoor smoking area that allows for social distancing
- Storage, lockers
- At least one large conference room per 50 people

Despite our best efforts to maintain social distancing, there continues to be a need for non-congregate shelter in the form of rented hotel space for individuals with complex medical conditions, 62 years of age or older, and those living unsheltered. This represents approximately 75-100 people at any given time. Non- congregate shelter should continue at least through the end of the current fiscal year.

### *Operating Costs*

Shelter costs have increased by 207% due to the pandemic. If hotels costs are included the increase is 338%. Increased costs include hazard pay for all shelter staff, security at the recreational centers, meals,

laundry, cleaning, outdoor bathrooms, and an additional seven months of shelter operations due to keeping the winter shelters open. The county has also provided 15.5 FTE to staff the recreational centers which is not included in the total shelter costs. If the staffing is shifted to the shelter providers, the estimated cost is \$620,000. See detailed costs in the chart below.

Pre-COVID Costs (Shelter Only)	Operating Costs of Shelter Providers During COVID	County provided Operating Costs (meals, laundry, cleaning, security, bathrooms) During COVID	Estimated Staffing Costs to replace existing staffing Provided by County	Total Shelter Costs During COVID*	Total Hotel Costs	Total Shelter + Hotel Costs
\$2,759,264	\$6,101,524	\$2,682,355	\$620,000	\$9,403,879	\$3,654,550	\$13,058,429

\* Note that this does not include the value of personnel provided by the County to operate the Coffield and Long Branch shelters.

Detailed Budget attached. A number of the costs incurred by HHS in FY21 could be offset by shifting the responsibility to the contractor including meals and security.

The costs may vary depending on the size and scale of the facility. Vendors estimate a nightly bed cost of \$39.06 for a 70-bed facility versus \$95.39 for a 25-bed facility.

## PERMANENT HOUSING SOLUTIONS

The only way to effectively end homelessness is to provide people with permanent housing. Recognizing that there will always be a need for emergency shelter, the County must continue to invest in temporary shelter but should also consider more permanent solutions. Even the costliest housing intervention of permanent supportive housing is more cost effective than emergency shelter at an average annual cost of \$30,000 per household. Rapid Rehousing has an annual average cost of \$15,000 per household and the shallow subsidy program (Rental Assistance Program) with the increased maximum benefit of \$400 has an annual cost of \$4,800 per household. Approximately 1300 unique individuals are served in emergency shelter each year. Of those, about 12% require permanent supportive housing, 58% need rapid rehousing, and 30% are assessed as being able to self-resolve.

**Rental Assistance Program – An investment of \$4 million would allow SEPH to increase the maximum monthly housing subsidy from \$200 to \$400.** Based on current enrollment, 700 households exiting homelessness, at imminent risk of homelessness, or graduating from rapid rehousing could be served. The shallow subsidy program is a critical component for addressing households on a fixed income. As rapid rehousing is a short-term intervention, households without an ability to increase their income will need a permanent subsidy but do not require on-going case management services provided through permanent supportive housing.

**Rapid Rehousing –** Any additional investment in rapid rehousing will serve to reduce the shelter population. About 750 single adults are appropriate for rapid rehousing annually. **At a cost of \$15,000**

**per person, for every \$1 million investment, 65 people can be permanently housed through rapid rehousing.**

**Development of Deeply Affordable Units** - The County could execute on the opportunity to purchase a hotel portfolio to re-imagine as extremely affordable micro-units. Many individuals experiencing homelessness have regular income but are unable to find housing that is affordable to them. By providing micro units at an extremely affordable rate these individuals will be able to self-resolve and end their experience with homelessness. The facility would include individual, furnished unit with private bathrooms and limited kitchen facilities. Community space can be programmed by partner nonprofits to bring community-based services to the residents. **With the facilities already identified, minimal investment is needed to prepare for this new use. Capital costs to purchase a facility are estimated at \$10-15 million.**

**Permanent Supportive Housing** – Any investment in permanent supportive housing will reduce both the sheltered and unsheltered population. Approximately 150 single adults are appropriate for permanent supportive housing annually. **At an average annual cost of \$30,000 per person, for every \$1.5 million investment, 50 people can be permanently housed through permanent supportive housing.**

## **OPTIONS TO CONSIDER/ RECOMMENDATIONS**

### *Recommendations*

The Homeless Crisis Response Recovery Group and Services to End and Prevent Homelessness recommend funding for 300 year-round shelter beds (200 male, 100 female) with a surge capacity in the winter of an additional 50 beds. Due to the benefits of economies of scale, two mid-size facilities with the ability to serve a minimum of 80 but the capacity to expand to 125 beds or one large facility with the ability to serve 250 would be more cost effective than several small facilities. Given the likely increase in homelessness, additional funding for permanent housing is recommended in addition to increased shelter facilities and operating costs. Without more funding for permanent housing options, the shelter system will not be able to exit people from the shelter and the system will quickly become overwhelmed, leading to an increase in unsheltered homelessness.



Services to End and Prevent Homelessness

October 29, 2020

# Montgomery County Council: Shelter Update

# Overview

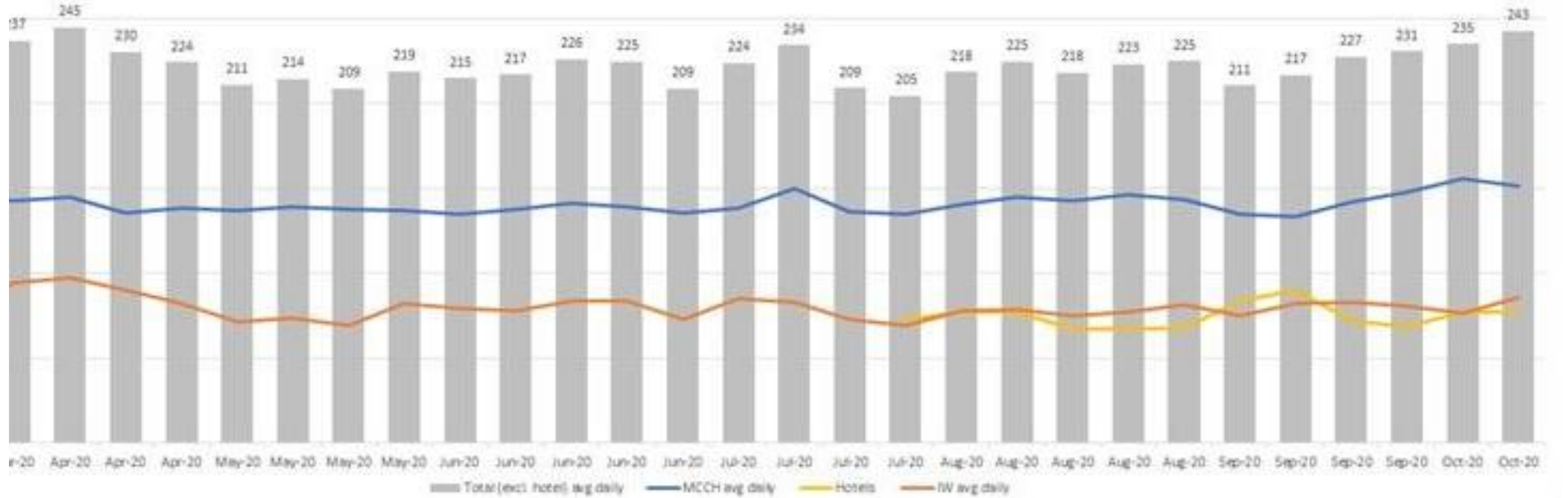
Where we are



Options for future

# Shelter Bed Capacity

Facility	Male/ Female	Pre-COVID Capacity	COVID Capacity	Temporary	Known Post- COVID Capacity	GAP
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ALL Facilities		378	386		108	270



# Shelter Bed Utilization

# Population of Adult Only Households In Emergency Shelter

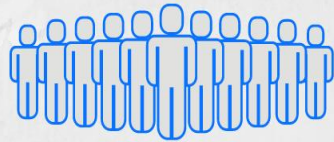
Active in Shelter:



**101 TOTAL**

Monthly Inflow

**250 Total**



**92  
TOTAL**



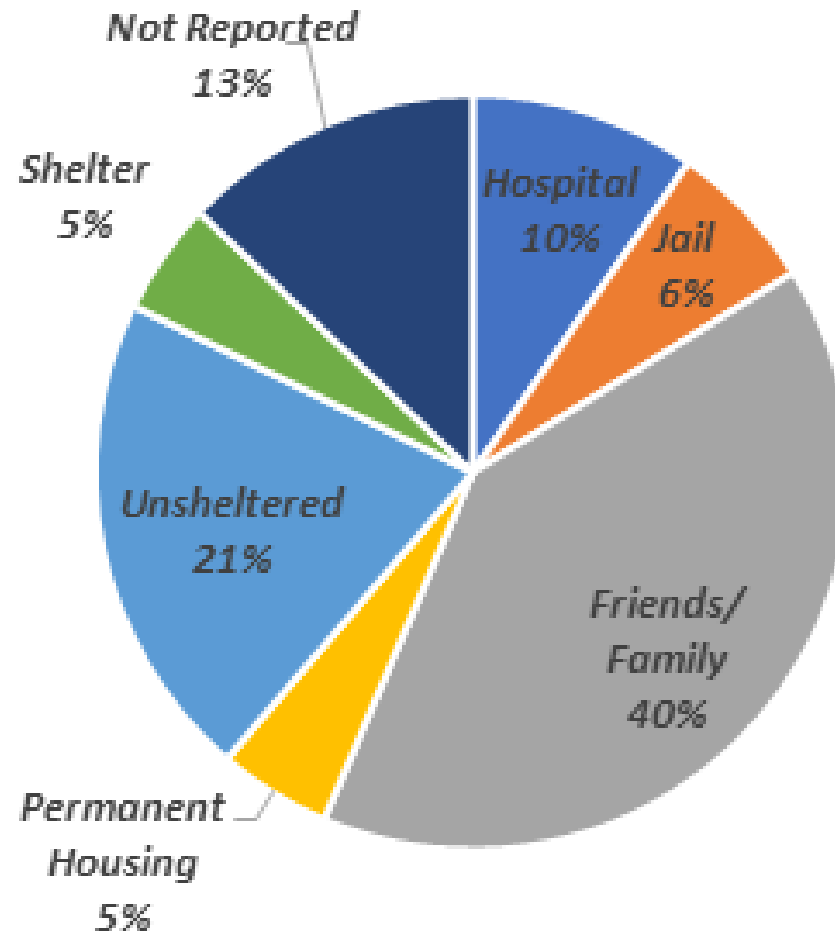
Monthly Outflow

Monthly  
Addition 9



- Anticipation of shelter increases of 40-45%
- Average Utilization 300
- Annually serving 1300 adults

## Previous Living Situation of New Entries



## Inflow Sources

- Increasingly inappropriate discharges from hospitals, treatment programs, and residential rehabilitation facilities.
- Many residential programs have been restrictions on new admissions due to the pandemic, making it difficult to place people into more appropriate housing.

# Increasing Outflow and Reducing Inflow Options

- **Expansion of RRH using ESG-CV funds**
- **Expansion of ACIS Medicaid Waiver Pilot**
- **Focus on Diversion, including hiring diversion specialists**

# Recommendation for Increased Shelter Capacity



- **Increase year-round bed capacity by 250**
- **Additional surge capacity 50-100 beds**

# Shelter Program Requirements

3 “P”s – partners, pets and possessions

Location – currently only down and mid-County

Scale – should serve a minimum of 40, up to ~120

Sq ft increased from 45 sq. ft. to 120 sq. ft./person + ~100 sq. ft./per person for auxiliary services

Non-congregate setting for those with complex medical conditions, 62 years of age or older, and unsheltered. Serves 75-100 individuals

# Permanent Housing Options

- Expansion of Rapid Rehousing
  - Annual average cost \$15,000
  - \$1m invested = 65 households permanently housed
  - 58% of shelter residents match with Rapid Rehousing
- Expansion of Rental Assistance Program
  - Increase benefit to \$400 (regulations forthcoming)
  - Additional \$4m in funding to allow expanded benefit for all participants
  - Annual cost \$4,800
- Development of Deeply Affordable Units
  - Execute on opportunity to purchase hotel portfolio to re-imagine as extremely affordable micro units
  - 30% of shelter residents are assessed as being able to self-resolve
- Permanent Supportive Housing
  - Annual average cost \$30,000
  - \$1.5m invested = 50 households permanently housed
  - 12% of shelter residents require PSH



# Questions