

Funding Strategies: ReStart Reconsiders



Reno, Nevada

Provider Background

ReStart, Inc. is a nonprofit organization that evolved out of the Reno's needs to address the increasing number of homeless people in Washoe County, and unites local government, public agencies, and the private sector. ReStart is an umbrella organization offering a myriad of services for families, seniors, and people with mental illness. All of ReStart's programs are designed towards homeless prevention, increased self-sufficiency and stabilization within the community setting.

The result of these efforts is a continuum of care that delivers essential services that enable struggling individuals and families to build a secure and stable future. ReStart employs licensed staff and paraprofessionals who provide counseling, financial management, subsidized housing, case management, and stabilization services to individuals who have a mental illness and families at risk of being homeless.

Restart provides Permanent Supportive housing to over 70 individuals/families. It houses a Day Center that provides assistance to 100 clients that are not currently in housing. The program also provides long-term rental assistance to 25 individuals or families in need. ReStart is the only program in the area that serves as representative payees, a service they provide to 120 clients.

Community in Context

In Reno, fallout from the financial crisis has been severe, where homes have deflated at double-digit rates. Foreclosures and increasing walk-aways by homeowners with growing negative equity are troubling the local economy. Nevada is facing further cuts that are going to have a heavy impact on the demand for state and community based social services including almost \$11.4 million from the Division of Mental Health and Development Services for medication, more than \$3.9 million for Temporary Assistance to Needy Families from the Division of Welfare and Support Services, and almost \$1.5 million in Medicaid payments to counties.

Nevada has had the highest rate of foreclosures in the nation. 11,035 Nevada households were in some stage of foreclosure in February 2010.

Economic Impact

In March 2010, a special session of the Nevada Senate and the House of Representatives reached an agreement that reduced the \$6.9 billion 2010-11 budget by 22 percent, or \$887 million.

As a result of the brutal Nevada state and Washoe county budget cuts, ReStart has been forced to cut entire programs and let go of much needed staff members. While federal funding to ReStart's programs remains fairly steady, these grants require 20-25% cash match, which comes from local city and county resources. ReStart has some cash match for some of their federal grants through a state grant, but it has struggled to make up for all the lost local match grants.

ReStart's federal funding does not cover certain programs that provide rental assistance, administrative costs, and program overhead. ReStart's Executive Director, Rachelle Pellissier explains that they have had to cut administrative staff from their programs, including as the IT manager and the operations manager. Also, as result of the housing crisis, ReStart has had to reduce some of its homeless prevention services. For example, ReStart had a program that provided a one-time payment for families who needed a short-term boost to prevent losing their housing. However, because funding for this program came through low-income tax credits, that source was significantly reduced as the housing market in Reno collapsed. Currently, there are 150 families applying for help with only enough assistance for 25 families. The increased demand for help from families at risk of becoming homeless, coupled with the need for a more intense screening process and a lack of administrative staff, such as bookkeepers to write rental support checks, forced the program to close. General Assistance provided an in-kind match for certain services, such as clients' income-based rent. Because Washoe County almost completely slashed General Assistance, this has caused a budget shortfall for both clients and the housing program.

*"We are trying to hold on to the absolute minimum needed to keep the program services operational."
—Rachel Pellissier,
ReStart Executive
Director*

Interestingly, even though Reno is experiencing such a high foreclosure rate, people who are being foreclosed upon rarely seek services. Ms. Pellissier suggests that this may be due to the fact that people who have never been in this situation before do not realize that there may be services available to them.

There has been a noticeable increase in demand for services over the last year. However, Executive Director, Rachelle Pellissier reports that it is difficult to know whether this increase is due to the recent economic crisis or because ReStart has moved its services closer to a service provider hub in Reno, where their services are more accessible. In any case, more families and individuals who have recently lost their jobs are coming to ReStart with a variety of critical needs.

Though ReStart has not had difficulty offering the services listed in last year's NOFA, they have had a problem keeping housing full. Ms. Pellissier suggests that this is not due

to a lack of need, but rather the amount of time and numerous steps it takes to prove that an individual is “chronically homeless.”

“It is very hard to prove someone is chronically homeless because they usually don’t have an old lease to prove housing history, and don’t come equipped with evidence of a mental illness diagnosis. We often have to spend as much time doing paperwork as spend with the client.” – Rachel Pellissier, ReStart Executive Director

When asked if the organization’s partnerships in the community have changed, Ms. Pellissier reports that partnerships with other organizations remain strong, and perhaps, have even been strengthened by the economic crisis. Initially, it seemed that organizations existed in more separate spheres. Now, “everyone seems to have a ‘we’re in this together’ mentality; it feels like a more collaborative environment.”

Current Funding

ReStart receives two large HUD grants, totaling almost 1 million dollars in funding for its permanent supportive housing program. ReStart also receives a PATH grant of approximately \$150,000 that comes through the state. Funding for services such as long-term rental assistance and payee representatives are provided by the city of Reno and Washoe County, as well as The United Way.

Despite current funding, ReStart is facing a \$200,000 deficit that they are not sure how to close.

Stimulus Funding

The City of Reno has received HPRP funding which ReStart will be able to utilize. Ms. Pellissier is concerned about receiving stimulus funding because the government “seems to have very unrealistic expectations of processing the money and the reporting requirements—hopefully it won’t kill us.”

Solutions

Like many agencies, ReStart has tried to become creative in seeking more diverse funding.

For the past year they have been going through the complicated process of establishing Medicaid and Medicare billing for their health services in the hopes that this huge effort will ultimately pay off for their clients.

Secondly, ReStart has recently established a grant-writing program for non-government grants. The organization is looking at private foundation and corporations that will fund homeless issues and help them write other kinds of grants. To execute this, ReStart hired a grant writer on a contract basis who is paid hourly and helps to seek new private funding sources. This year, for the first time, ReStart also recognized the necessity to concentrate on developing a marketing plan to go after individual donations.