

Conversion

Key Concepts

Generally, “conversion” is used to refer to the process of converting a Continuum of Care system from one that prioritizes an array of components to one that prioritizes the component of permanent supportive housing. “Conversion” is also used on a project-specific basis, to refer to the conversion of a transitional housing project into a permanent supportive housing project. A couple of high profile communities are beginning to “convert” their systems, but it is unclear if anything that exists now could be called a “best practice” that others should apply universally.

From many localities, an increasing interest in and priority for permanent supportive housing has emerged. Most state and local 10-year plans prioritize permanent supportive housing and the Housing First approach. The Interagency Council on Homelessness has adopted permanent supportive housing as a key to ending homelessness for “chronically homeless” people. Evidence-based studies on the cost-effectiveness of permanent supportive housing for chronically homeless individuals have swayed local policymakers and others towards permanent supportive housing.

HUD has shifted its homeless policy and resulting funding priorities towards the prioritization of permanent supportive housing over other components in the Continuum of Care competition. The broader policy discourse about the prioritization of permanent supportive housing has informed the policy of HUD, and in turn, HUD’s resulting funding priorities incentivize the adoption of permanent supportive housing as the local priority for localities that compete in the Continuum of Care competition.

Multiple forces have motivated the push towards using more HUD Continuum of Care funds to create new permanent supportive housing for homeless people. HUD must meet annual mandated minimum funding levels to support the creation of permanent housing, and to serve those that are “chronically homeless.” Also, HUD continues to slowly shift its funding focus to “bricks and mortar,” and away from supportive services.

The Continuum of Care competition includes an increasing number of priorities and incentives for local communities to preference funding projects that are: 1) permanent supportive housing, 2) serve chronically homeless individuals, 3) utilize grant funds for housing activities (construction, rehabilitation, acquisition, leasing, operations). In the 2005 competition, HUD introduced the “hold harmless” option that allowed many Continuua of Care the option of partially or fully de-funding any number of renewal projects in order to fund new permanent supportive housing. This new option eliminated many of the administrative barriers for Continuua of Care that opt locally to shift the local priority away from renewal projects to new

permanent supportive housing projects. Further, this option has spurred more intensive local dialogue around the option of converting more limited Continuum of Care funding towards the creation of new permanent supportive housing.

The HUD Continuum of Care funding priorities are a significant factor in local decisions to consider converting a portion or all of their Continuum of Care. However, communities should resist the pressure to simply try to “follow the funding,” and in turn make poor decisions that adversely affect the structure, depth, or quality of its system of housing and services. Each community should deeply root the decision to convert in an accurate assessment of the particular needs of homeless people in their community.

For communities that do opt to convert towards permanent supportive housing and away from other components of the Continuum of Care, they should engage in a collaborative, deep, and long-term process to ensure that there is lasting agreement about local priorities for federal, state, local, and private investments. Some key guiding principles for a community considering conversion are:

- The conversion process should be gradual to avoid any disruption of services that may cause harm to the service delivery system and loss of services to the homeless households.
- The conversion process should be system-wide, and include shifts in an array of funding sources and accompanying policies, and not be limited to the Continuum of Care funding competition.
- The overnight and emergency shelters should be kept in place as a safety net until there are adequate permanent housing units, or subsidies, to support the transition from shelters to housing.
- Resources should be allocated to prevention programs for people that can be diverted from using the shelters.
- Resources must be prioritized to develop the number of permanent housing units needed, either through construction/rehab of new units or subsidies to be used in the private rental market. Traditional and creative financing to support permanent housing (development, subsidies, and services) must be fully identified.
- The Continuum must also explore ways to commit subsidies for new development in advance, such that subsidy grants don't need to be secured until they are needed to assist clients.
- The development of interim housing should be synchronized with the conversion transitional shelters and transitional housing.

EXAMPLES OF COMMUNITIES ADDRESSING CONVERSION

Program	10 Year Plan: Getting Housed Staying Housed (Chicago, IL)
Web Information	www.chicagocontinuum.org
Practice Used	<ul style="list-style-type: none"> • The first step in approaching conversion was an extensive planning process, in-depth research, and community wide support. • Chicago developed program models that did not align exactly with HUD definitions, but for the application process the city implemented a number of requirements, processes, and priorities in order to align its 10-year plan with HUD’s funding requirements • Guiding principles led Chicago through the conversion process, these included and increase in prevention activities, consolidating shelters into Interim Housing models where individuals could then be re-housed, increasing permanent housing resources through housing subsidies and new construction, and placement of chronically homeless individuals in permanent supportive housing. • Administered a consistency review process to ensure that all Continuum of Care funded programs were consistent with a locally developed Program Models Chart. Each program must be consistent with a locally defined category of service or housing in order to be eligible for the HUD Continuum of Care competition. • Chicago Continuum of Care developed a Training and Technical Assistance Program to assist nonprofits in converting their programs to make them consistent with the Getting Housed Staying Housed Plan. The program offers training workshops as well as provides an on-site technical consultant to provide assistance to service provider staff and board members. • Beginning in the 2005 Continuum of Care competition, the Chicago Continuum of Care mandated that all projects adopt standardized outcome measures, consistent with each local Program Model, for inclusion in the HUD Logic Model required for each project.

Program	Ending Homelessness in Ten Years (Contra Costa County, CA)
Web Information	www.cchealth.org/groups/homeless/
Practice Used	<ul style="list-style-type: none"> • The oversight and implementation body for the Contra Costa County 10 Year Plan is the Homeless Inter-Jurisdictional Inter-Departmental Work Group (HIJIDWG). The Housing Work Group of HIJIDWG is leading the local discussion about if and how the Continuum of Care should implement a conversion strategy. • The Housing Work Group includes representatives of all of the providers of emergency shelter, transitional housing, and permanent supportive housing in the Continuum of Care. • Preliminary discussions have included the possibility of more narrowly targeting the transitional housing programs to fewer subpopulations. The Group has begun to analyze the potential impacts on clients, program design, and potential funding sources. • In the recent 2005 Continuum of Care competition, Contra Costa County utilized the “hold harmless” option in order to meet the #1 priority of the 10 Year Plan, permanent supportive housing. Most renewal transitional housing and all supportive services only programs reduced a proportion of their supportive services request in order to create more new permanent supportive housing. These renewal projects were not required to maintain current service levels with reduced grant budgets.

Program	Local Homeless Coordinating Board (San Francisco, CA)
Web Information	www.sfgov.org/lhcb or http://www.sfgov.org/site/dhs_index.asp?id=12886
Practice Used	<ul style="list-style-type: none"> • The oversight body for the San Francisco Continuum of Care is the Local Homeless Coordinating Board. It works in coordination with the 10 Year Planning Implementation Council, the oversight body for the <i>Plan to Abolish Chronic Homelessness</i>, San Francisco's 10 Year Plan on chronic homelessness. The Local Homeless Coordinating Board has led the community process and decisions around shifting existing resources towards new permanent supportive housing. • A series of discussions and presentations to the Local Homeless Coordinating Board began in December 2004, and have continued since. • The City Department of Human Services has convened two groups: 1) a Transitional Housing Roundtable of McKinney-Vento funded transitional housing providers to support transitional housing programs that are interested in converting to permanent supportive housing programs, and to develop a more focused application of transitional housing; and 2) an Employment Roundtable of McKinney-Vento funded employment training programs to link these programs to alternative appropriate local mainstream funding sources. • In the recent 2005 Continuum of Care competition, San Francisco prioritized new permanent supportive housing over all other types of projects (including renewal permanent supportive housing). All renewal projects were required to reduce their supportive services request by 10%, and to maintain current levels of services/housing. A few supportive services only renewal projects were de-funded entirely. All of these funds were used to create more new permanent supportive housing.

SELECTED RESOURCES

Online Resources

Chicago Continuum of Care
www.chicagocontinuum.org

(Chicago) Partnership to End Homelessness
http://www.pteh.org/archives/Funding_Servicesystem_Conversion_2005_Ppr_PTEH.doc and
http://www.pteh.org/archives/Dialogues_on_Conversion_2004_Rpt_PTEH.doc

Contra Costa County Homeless Program
www.cchealth.org/groups/homeless/

HomeBase, The Center for Common Concerns
www.homebaseccc.org

National Alliance to End Homelessness
<http://www.endhomelessness.org/pub/onlinenews/2004/020604.html>

San Francisco Local Homeless Coordinating Board
www.sfgov.org/lhcb

San Francisco Department of Human Services, Division of Housing and Homeless Services
http://www.sfgov.org/site/dhs_index.asp?id=12886

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