

Nashville Homeless System Assessment Report & Recommendations

Commissioned by the Metropolitan Homelessness
Commission, Metropolitan Development and Housing Agency,
& Frist Foundation



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Executive Summary

Introduction

The City of Nashville's Metropolitan Homelessness Commission (MHC), Metropolitan Development and Housing Agency (MDHA), and the Frist Foundation (NDMC) have engaged Focus Strategies to assess the performance of the existing homeless system and the community's efforts to reduce homelessness. Between June and December 2015, we collected and analyzed data to assess the performance of individual programs, program types, and the system as a whole. We also conducted telephone interviews with key stakeholders to better understand the strengths and weaknesses of the current system, and to assess what kinds of changes the City of Nashville could consider to support its goals. The results of our analysis are presented in this report and will be used by MHC, MDHA, and the Frist Foundation to inform the next steps in Nashville's system planning work, including developing an integrated set of strategies to further reduce homelessness and an updated governance model to carry out the new direction.

Shifting from Homeless Programs to a System that Ends Homelessness

In recent years, communities around the United States have begun to make the shift from simply having a collection of programs that serve homeless people to more intentionally creating systems to end homelessness. Federal policy priorities are also moving in this direction. The U.S. Department of Housing and Urban Development (HUD) is encouraging communities to assess the effectiveness of their current efforts and engage in a process of transformation towards Housing Crisis Resolution or Housing Crisis Response systems. In a fully realized Housing Crisis Resolution System, all the programs and services in the system work collectively to ensure that homelessness is rare, brief and non-recurrent¹. Housing Crisis Resolution incorporates coordinated entry and prioritizes households with the highest needs for assistance, uses data to assess system and project performance, and ensures that all the components, programs, and services are oriented to a common set of objectives: rapidly moving people who are homeless into housing.

Nashville Homeless System Accomplishments and Strengths

The City of Nashville and Nashville/Davidson County CoC have implemented a number of impressive initiatives to address homelessness. The community has many strengths it can build upon to develop a Housing Crisis Resolution System:

- There is engaged and committed leadership (including the Mayor's Office, MHC, MDHA and the Frist Foundation) who are willing to explore what system changes are needed and to achieve greater reductions in homelessness by aligning interventions with evidence-based practices and federal policy priorities;
- The whole community is involved in existing efforts to make changes, including non-profit providers, faith-based providers, housing developers, property owners and landlords, publicly funded service systems, and the philanthropic community;

¹ Ending homelessness, as defined by the US Interagency Council on Homelessness (USICH), means having a system in which homelessness is rare, brief and non-recurrent. Another definition, found in the HEARTH Act, is a system in which no one is ever homeless for longer than 30 days.

- All the key components of what Nashville needs to build a system to end homelessness are already in place or under development, including street outreach (to both chronically homeless people and youth), Coordinated Entry for some populations, prevention/diversion efforts, shelter and interim housing, a small but growing inventory of rapid re-housing, and permanent supportive housing;
- The How's Nashville campaign has demonstrated that significant progress can be made by prioritizing those homeless households with the highest needs for assistance and leveraging mainstream housing and services systems to help meet those needs, including Housing Choice Vouchers (Section 8); and
- There is a large and very engaged community of faith congregations, faith-based service providers, private foundations and other non-governmental resources that support the work currently underway (including operation and funding of much of the community's shelter and transitional housing inventory) – presenting an opportunity for the public and private sectors to work together to set and meet common goals.

Given the relatively small size of the unsheltered homeless population in Nashville, the existing inventory of programs, and the resources currently invested in the homeless system, getting to a system in which homelessness is rare, brief and non-recurrent is a realizable goal. To accomplish this objective, the community will need an updated leadership and governance model that can successfully bring together private and public sector resources, as well as some comprehensive strategies for re-design of the interventions available to homeless people.

Summary Results of System Performance Assessment

Key performance assessment results from our analysis are summarized below.

Key Findings	
1. Governance	Collectively, the CoC, MDHA, MHC, and housing and service providers and the broader Nashville community have come together to implement an impressive array of efforts to address homelessness. While the providers in the community are generally making the effort to coordinate and collaborate, at present each program operates independently based on their individual goals and agency missions. This lessens the collective impact and makes it difficult for all the parts to work together towards a common set of goals. We found that there is no comprehensive plan to tackle homelessness systematically, which is also reflected in a lack of unified leadership and governance structure. The need for a more formalized and clear governance and decision-making process, and higher level coordination, is evident in the assessment of system performance.
2. Data Quality and HMIS Participation	Generally speaking, the quality of the data in the Nashville/Davidson County CoC's HMIS system is of high quality, with relatively few missing data elements. However, the usefulness of the data is somewhat limited by the relatively low rate of

Key Findings	
	participation by providers, particularly those operating emergency shelters (and some transitional housing). Though these providers are not required by their funding sources to participate, including them would significantly improve the community's ability to assess system performance.
3. System Performance	Using data drawn from HMIS and individual program budgets, as well as data from the Rescue Mission's HMIS-compatible database, Focus Strategies assessed the performance of emergency shelter, transitional housing, rapid re-housing and permanent supportive housing on the following metrics. Our findings are summarized in this report.
a. Bed and Unit Utilization	We found a relatively low bed and unit utilization rate in many areas of the system: 72% for single adult shelter beds, 75% for family transitional housing, and 80% for transitional housing for single adults. This suggests that system inventory is not being used to maximum capacity and likely is partly the result of programs having high barriers to entry and restrictive eligibility criteria.
b. Entries from Homelessness	Currently many of the programs in the system are serving a high number of households who were not literally homeless upon entry ² . In particular, 47% of families entering shelter and 39% entering transitional housing were coming from housed situations. This reflects the fact that each program is establishing their own individual eligibility criteria and may not require households to be literally homeless upon entry. In a high performing system, beds are prioritized for people who are literally homeless while those who are still housed are diverted from entering the system (and housing is preserved or new housing is secured). This finding is also likely related to the presence of high entry barriers among some of the programs in the system.
c. Lengths of Stay	Lengths of stay are relatively high in all system components, and particularly transitional housing where the average stay is 159 days for single adults 298 days for families. Program providers often structure their service models on the assumption that longer stays lead to higher rates of exit to permanent housing. Yet, as noted below, the data does not support this assumption.
d. Rate of Exit to Permanent Housing	The rate at which households exit emergency shelter and transitional housing to permanent housing is relatively low, with transitional programs exiting only 48% of single adults and 67% of families to permanent housing. By comparison, rapid re-housing, which has the same or shorter lengths of stay, is faring much better on this measure, with 78% of single adults and 99% of families exiting to permanent housing.
e. Cost Per Permanent Housing Exit	Nashville's Rapid Re-Housing programs are not only achieving better results in terms of the numbers of households who exit to permanent housing, but they also do so more cost effectively. The cost for each permanent housing exit from rapid re-housing is one-third the cost of transitional housing for singles and one sixth the cost of transitional housing for families.

² "Literal homelessness" means living in a place not meant for human habitation (e.g. street, car, camp) or in an emergency shelter.

Key Findings	
f. Rate of Return to Homelessness	For households who exit to permanent housing, the rate of return to homelessness is generally very low across all program types. There is no information to suggest that people who secure permanent housing more quickly and cost effectively using rapid re-housing are more likely to experience a loss of housing and return to homelessness. Rate of return is calculated by looking at all the households who exit to permanent housing in a year and then seeing if any of them re-enter any homeless program in the next 12 month period.

Summary of Recommendations for New Governance Structure and System Re-Design Strategies

Based on the information we have gathered and analyzed about the existing system, Focus Strategies makes the following recommendations about the governance structure and the system re-design strategies needed to make further progress on reducing homelessness in Nashville. These recommendations are detailed further in our report.

Governance Recommendations	
1. Establish a New Unified Governance and Decision-Making Entity	The single most important initial step for Nashville is for the community leadership to come together and identify or create a single governance structure and lead entity that will be tasked with moving forward transformation of the current collection of programs into a Housing Crisis Resolution System. This new leadership structure and lead entity must: involve high-level decision makers, include private and public funders aligned around a common set of objectives, have the ability to oversee a system planning process, and have the authority to set policy and implement identified strategies to end homelessness. Based on our assessment of the existing governance structure, Focus Strategies recommends that the Metropolitan Homelessness Commission (MHC) be reconfigured to serve as the lead entity of the new governance structure, with functions currently housed within MDHA shifting over to MHC in a phased process.

System Re-Design Recommendations	
2. Use Coordinated Entry and Remove Program Barriers To Ensure that Literally Homeless and Higher Need Households Can Be Prioritized	The existing programs and services in Nashville that provided data for this analysis are serving large numbers of people who are not literally homeless, even while there are many unsheltered individuals in the community. To make faster progress on ending homelessness, the new governance entity will need to adopt policies and strategies to ensure that programs are prioritizing people who are living outdoors, in vehicles, or in emergency shelter. These policies would include the removal of entry barriers and requirements to accept referrals from coordinated entry.

System Re-Design Recommendations	
3. Provide Shelter Diversion to Those Who Are Still Housed	Nashville’s new coordinated entry system should integrate a strong shelter diversion component to help keep households who are not yet homeless from entering the system. This can build upon the diversion/prevention effort that was recently launched as part of the coordinated entry system for families. To be maximally effective, shelter diversion should target those households who are imminently going to be homeless within a few days.
4. Invest in High Performing Rapid Re-Housing	Rapid re-housing programs in Nashville 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 more homeless people with an expansion of rapid re-housing and a shift of resources from lower performing transitional housing. This approach can complement the work already being done by the 2016 by 2016 campaign and focus on the non-chronically homeless population.
5. Increase System Capacity in Landlord Recruitment and Housing Navigation	As Nashville seeks to expand rapid re-housing and continue the 2016 by 2016 campaign to house chronically homeless people using Housing Choice Vouchers and other permanent supportive housing vouchers, the high cost of housing will make it difficult for participants to locate appropriate units. Experience from other communities suggests that this problem can be mitigated through expending system resources on staff who are dedicated to cultivating relationships with landlords and to helping clients with their housing searches.
6. Engage Providers Not Currently Participating in HMIS	A key obstacle to conducting effective system planning in Nashville is the relatively low rate of participation in HMIS, particularly among providers who do not receive federal homelessness funding (and therefore are not required to participate). 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. The CoC (through MDHA, which manages the HMIS) is working to expand participation. To support the development of a Housing Crisis Resolution System, the new leadership/governance entity will need to be involved in engaging non-participating providers and developing strategies to include them in the system.

I. Background and Purpose of Report

The City of Nashville's Metropolitan Homelessness Commission (MHC), Metropolitan Development and Housing Agency (MDHA) and Frist Foundation (NDMC) have engaged Focus Strategies to assess the performance of the existing homeless system and the community's efforts to reduce homelessness. The City of Nashville has made a strong local commitment to addressing homelessness, as evidenced by the success of the How's Nashville campaign to address chronic homelessness as well as many other homeless initiatives. However, while the community has taken some strides towards reducing the numbers of homeless people³, it lacks an overarching plan to align and coordinate the many different programs and activities underway.

The goal of our technical assistance is to assist MHC and MDHA, to develop a new set of system objectives and strategies that will better integrate the different components of the system and ensure resources are invested in interventions that will yield the greatest results. This includes recommendations about how to create a more streamlined and effective governing structure for homeless activities that can advance the identified system objectives.

Focus Strategies has completed our analysis of the performance of the existing homeless programs in Nashville and of the system as a whole. The results of our analysis are presented in this report along with our recommendations for system re-design and changes to the governance structure for homeless-related initiatives.

II. Methodology: Information Sources and Analysis Process

A. Data Sources

This report is based on work conducted by Focus Strategies from June through December 2015. To compile this report, we conducted several different types of analysis:

- Document Review: Focus Strategies reviewed existing planning and governance documents and reports including the *Strategic Plan to End Chronic Homelessness in Nashville 2005-2015*; the 2013 Nashville/Davidson County CoC Collaborative Application, CoC Gaps Group Bylaws, CoC Interim Rule, Consolidated Planning documents, MHC Bylaws, and progress reports.
- Stakeholder Interviews. We conducted telephone interviews with key stakeholders representing different system components and areas of expertise, including stakeholders knowledgeable about the community's emergency shelter, transitional housing, and permanent supportive housing programs, as well as the specific interventions for homeless youth, single adults, families and chronically homeless people and people with disabilities. The interviews with these key stakeholders provided rich information about the strengths and weaknesses of the existing system and areas for meaningful change. A complete list of individuals who participated in the interview process is provided in Appendix A.

³ The Point in Time Homeless Count went down slightly in 2015 to 2,154 (from 2,234 in 2014).

- Performance Data: Focus Strategies conducted an analysis of data provided by MDHA and MHC staff. The data was collected from three main sources: (1) the community's inventory of emergency shelter, transitional housing, rapid re-housing and permanent supportive housing units as documented in the annual Housing Inventory Count (HIC) prepared by MDHA; (2) client data exported from the community's Homeless Management Information System (HMIS) for the two year period from July 2013 to June 2015; and (3) program budget data collected directly from homeless program providers. The data were input into a customized Excel tool developed by Focus Strategies (Base Year Calculator – BYC) which generates an analysis of HMIS data quality for each project as well as the performance of each project across a range of measures. The results of this analysis are summarized in Section IV of this report, with the individual project data presented at the level of program types: emergency shelter, transitional housing, rapid re-housing, and permanent supportive housing.
- Point in Time Count. Data from the Nashville/Davidson County Point in Time (PIT) counts from 2014 and 2015, coordinated by MDHA, was used for context on the size and composition of the homeless population.

B. Programs Included in Data Analysis

The performance analysis presented in this report incorporates data on programs in the City of Nashville that provide housing, shelter and services to homeless people. The programs analyzed fall into four categories: (1) emergency shelters; (2) transitional housing; (3) rapid re-housing and (4) permanent supportive housing. Descriptions of these program types are provided in Section IV. The scope of the analysis is limited only to these four program types and 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.

The universe of programs analyzed included any of the above program types that were on the community's Housing Inventory Count (HIC) and that also participate in the Homeless Management Information System (HMIS) and for which there was two years of data available. To understand program performance in relation to the level of financial investment, data was collected from individual providers about their project budgets, including the total annual operating cost of each program, its revenue sources, and amounts.

C. Rescue Mission Program Data

The Nashville Rescue Mission does not participate in HMIS, but they do maintain an HMIS-compatible database and provided Focus Strategies with an export of client data for the analysis period. Since the Rescue Mission operates the majority of emergency shelter beds in the system, obtaining this data was critically important to developing a complete picture of system performance. However, since the Rescue Mission data is not part of the larger HMIS system, we were not able to determine which of the Rescue Mission clients were also served in other programs, so including their data likely inflated the total

numbers of clients served in the system (Section III.C). Also, we were not able to determine whether clients exiting Rescue Mission programs entered into other homeless programs in the system, or if clients from other homeless programs in the system entered Rescue Mission programs, so the rate of return to homelessness presented in Section IV.C.6 under-represents the actual rate of return. The Rescue Mission did not provide budget data, so their programs are not reflected in the cost-effectiveness analysis in Section IV.C.5.

III. Background on Nashville’s Homeless System

This section provides a general overview of the current system of housing and services for homeless people in the City of Nashville, including data on who is homeless in the community, the inventory of homeless programs and their capacity, and an overview of the community’s homeless governance structure and key system initiatives.

A. Numbers and Characteristics of Homeless People in Nashville

The table below presents data from the most recent Homeless Point in Time Count (PIT), conducted in January 2015. The count found a total of 2,154 homeless people, comprising 1,890 households. The data shows that the majority of the homeless population in Nashville is sheltered, with 54% of counted households living in emergency shelters and 21% living in transitional housing. There were 470 unsheltered households, comprising 25% of the total households counted.

The overall population is largely single adults without children (93% of all households counted). Of the 1,752 homeless single adults counted, 647 or 37% 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; and (3) having a disability that significantly impairs ability to secure and sustain housing.⁴

2015 Homeless Populations					
	<i>Sheltered</i>			<i>Unsheltered</i>	<i>TOTAL</i>
<u>All Households/All persons</u>	Emergency	Transitional	Safe Haven		
Number of Persons (Children)	97	161	0	1	259
Number of Persons (age 18 to 24)	159	34	0	23	216
Number of Persons (Adults)	860	365	8	446	1,679
<i>TOTAL HOUSEHOLDS</i>	<i>1,022</i>	<i>390</i>	<i>8</i>	<i>470</i>	<i>1,890</i>
<i>TOTAL PERSONS</i>	<i>1,116</i>	<i>560</i>	<i>8</i>	<i>470</i>	<i>2,154</i>

⁴ The data in HMIS does not reflect the current HUD definition of chronic homelessness that went into effect in January 2016.

2015 Homeless Subpopulations⁵			
	Sheltered	Unsheltered	<i>TOTAL</i>
Chronically Homeless Individuals	290	357	647
Chronically Homeless Families	5	0	5
Persons in Chronically Homeless Families	14	0	14
Veterans	25	47	72
Severely Mentally Ill	162	42	204
Chronic Substance Abuse	423	117	540
Persons with HIV/AIDS	105	28	133
Victims of Domestic Violence	288	80	368

B. System Inventory

The table below presents a summary of the homeless system's overall capacity. This includes data on participation levels in HMIS, which is drawn from the most recent Housing Inventory Count (HIC) from January 2015.

System Capacity				
Program Type	Number of Providers	Number of Programs	Number of Beds	Percentage of Beds Participating in HMIS⁶
Emergency Shelter	10	16	1,619	1%
Transitional Housing	14	23	583	59%
Rapid Re-Housing	4	5	108	71%
Permanent Supportive Housing	7	16	1,350	65%
Total	35	60	3,664	36%

The Nashville homeless system currently has a very large inventory of emergency shelter, comprising 48% of all beds. There is also a sizeable inventory of transitional housing and permanent supportive housing. There is relatively little rapid re-housing, as this is a relatively new program type for the community.

One of the challenges facing the Nashville system is the relatively low HMIS participation rate for all the program types in the system. Most notably, only 1% of existing shelter beds are reporting data into the HMIS. The Rescue Mission and Room in the Inn operate most of the shelter inventory but do not participate in HMIS. As noted above, the Rescue Mission does use an HMIS compatible database and is able to produce reports on clients served and their outcomes (i.e. whether they exit to permanent

⁵ Subpopulation categories are not mutually exclusive so these figures do not sum to the total homeless population. People may be represented in multiple categories.

⁶ Domestic violence (DV) programs are prohibited from entering data into HMIS, which impacts participation rates. For the rapid re-housing programs, there is 100% participation of non-DV programs.

housing).⁷ However, since this information is not integrated with the rest of the programs in the system, it is not possible to understand or track the movement of clients between HMIS participating and non-participating programs and thereby understand how the system as a whole is functioning. The participation rates for other system components (transitional housing, rapid re-housing, and permanent supportive housing) are higher, but still below what is desirable for system planning purposes.

The CoC has recently re-allocated some funds to create a new dedicated HMIS grant that will help MDHA focus efforts on bringing more of the system inventory into HMIS, which will likely begin to address this problem. Having higher participation in HMIS will be critical if the community is to have access to the data needed to inform system planning.

C. Households Served in HMIS Participating Programs

The data below shows the total number of people served in HMIS participating programs and in Rescue Mission programs in Nashville in 2014-2015. Over the course of the year period, these programs served 8,183 people.⁸ Of these, 77% were adults 25 and older, 9% were transition age youth (TAY) ages 18 to 24⁹, and 14% were children. About 20% had a disability, 9% were veterans, and 6% were chronically homeless.

Total Unduplicated People		8,183	
		#	%
Age	Adults 25+	6,262	77%
	TAY 18 - 24	729	9%
	Children	1,122	14%
	Missing	70	1%

Total Unduplicated Adults		6,991	
		#	%
Gender	Male	4,757	68%
	Female	2,226	32%
	Other	4	0%
	Unknown	4	0%
Disabled ¹⁰		1,385	20%
Veteran		659	9%
Chronically Homeless		396	6%
Domestic Violence		261	4%

⁷ Room in the Inn also uses an HMIS compatible database for many of their programs but that data is not included in this analysis.

⁸ This number may be inflated because the Rescue Mission clients cannot be de-duplicated from the clients of the other programs.

⁹ TAY includes unaccompanied young adults ages 18-24 and also young adults age 18-24 who have minor children, or what HUD refers to as "parenting youth."

¹⁰ Disability as indicated by a "Yes" answer in the universal data element "Disabling Condition"

The following tables show the unduplicated number of people served in 2014-2015 by program type. Individuals who received services from more than one program type are reflected more than once (i.e., in each of the service types they received). Program types with short lengths of stay tend to serve a larger number of people than those with longer or unlimited lengths of stay. Emergency shelters housed 6,607 or 77% of total people served, while permanent supportive housing served 995 (12%).

		ES		TH		RRH		PSH	
Total Unduplicated People		6,607		796		217		995	
		#	%	#	%	#	%	#	%
Age	Adults 25+	5,152	78%	666	84%	122	56%	692	70%
	TAY 18 - 24	668	10%	40	5%	9	4%	47	5%
	Children	731	11%	88	11%	74	34%	254	26%
	Missing	56	1%	2	0%	12	6%	2	0%

		ES		TH		RRH		PSH	
Total Unduplicated Adults		5,820		706		131		739	
		#	%	#	%	#	%	#	%
Gender	Male	4,084	70%	560	79%	78	60%	341	46%
	Female	1,735	30%	146	21%	51	39%	394	53%
	Other	0	0%	0	0%	0	0%	3	0%
	Unknown	1	0%	0	0%	2	2%	1	0%
Disabled ¹¹		826	14%	234	33%	18	14%	430	58%
Veteran		354	6%	303	43%	20	15%	49	7%
Chronically Homeless		8	0%	123	17%	35	27%	212	29%
Domestic Violence		28	0%	85	12%	26	20%	150	20%

D. Governance Structure

The leadership and oversight of efforts to address homelessness in Nashville is divided between two main entities:

- The Nashville/Davidson County Continuum of Care (CoC) “Gaps Group” oversees the development of the community’s annual funding application to HUD and sets policies governing the distribution of CoC funds, assesses needs, and coordinates the bi-annual homeless point in time count. The Metropolitan Development and Housing Agency (MDHA) is the lead agency that staffs the CoC and also manages the HMIS system. The MDHA’s Homeless Coordinator is responsible for the day-to-day work of the CoC. The Gaps Group membership is open to any interested agency or individual and is composed primarily of representatives from housing and service providers, including agencies receiving CoC funding. There are several standing committees, including a Governance Committee, Nominations and Bylaws Committee, HMIS

¹¹ Disability as indicated by a "Yes" answer in the universal data element "Disabling Condition"

Committee and Grant Review Committee. Ad Hoc committees are formed as needed to assist with a range of activities (e.g. coordinated entry committee, youth committee, health committee, etc.).

- The Metropolitan Homelessness Commission (MHC) was formed in 2005 at the behest of the Mayor to oversee the implementation of Nashville's Ten Year Plan to End Chronic Homelessness (2005 to 2015). The MHC is staffed by and operates within the Metropolitan Department of Social Services (MSS) of the Government of Nashville and Davidson County. Commission membership includes individuals appointed by the Mayor (including three homeless or formerly homeless individuals currently), members of the Metro Council, and staff from Metro government, including Department Directors. One member of the Commission sits on the CoC's Governance Committee to ensure coordination between the two groups. Beginning in 2013, the MHC has spearheaded the implementation of the How's Nashville Campaign, which is based on a collective impact model and has its own leadership structure. Campaign partners housed 900 chronically homeless people through the end of 2014. The MHC has recently launched a new 2016 by 2016 initiative to end chronic and veterans' homelessness by the end of 2016. There have been 906 chronically homeless veterans and non-veterans housed between January 1 and December 31, 2015.

Additionally, there are other groups working on homelessness in the community, including the Nashville Coalition for the Homeless, which advocates for solutions to homelessness.

E. Key Accomplishments

Collectively, the CoC, MDHA, MHC, housing and service providers and the broader Nashville community have come together to implement an impressive array of efforts to address homelessness. Some key accomplishments and system strengths that were highlighted during our interviews are listed below (this is not intended as a comprehensive list of all programs and initiatives in the community):

- There is a tremendous degree of involvement by the faith community in solutions to homelessness. This includes shelter and transitional housing programs operated by the Nashville Rescue Mission and Room in the Inn, transitional housing and other programs operated by faith-based organizations, as well as the many congregations that have opened their doors to provide emergency shelter for homeless people.
- Housing and service providers in the community operate a diverse range of programs, including many that are targeted to specific populations, including homeless and at-risk youth, people with substance abuse issues, homeless families, people with disabilities, and other populations.
- There is a strong community emphasis on outreach to the large number of unsheltered individuals living around downtown Nashville, including mental health outreach operated by the Mental Health Cooperative and employing an innovative Critical Time Intervention (CTI) model, as well as a youth outreach program operated by the Oasis Center.

- Rapid re-housing is still relatively limited but has begun to expand, with programs operated by several different providers.
- The How's Nashville campaign has helped to transform the community's approach from "making homelessness less miserable", as one interviewee put it, to one that is focused on getting people into permanent housing as quickly as possible. Through an innovative partnership with the MDHA to dedicate Housing Choice Vouchers for chronically homeless people, recruitment of private landlords, use of housing navigators, and linkages with mainstream services systems, this campaign has successfully housed an impressive number of chronically homeless people in a very short period of time and helped to begin shifting the community's understanding of what works.
- How's Nashville has also been the starting point for Coordinated Entry in Nashville, with all chronically homeless people being assessed using the VI-SPDAT and a central waiting list created to ensure that those with the highest vulnerability are prioritized for assistance. Based on the success of this effort, the community is poised to launch a pilot coordinated entry for homeless families in November 2015. Five city-funded staff will comprise the new Family Shelter Intake Team (FSIT) to complete assessments, help families collect required documentation for prevention assistance, and make referrals to prevention, shelter, and housing resources. The goal will be to use emergency shelter as the last resort and do everything possible to keep families in housing by using local and federal prevention resources.

F. System Challenges

Although there are many strong elements in Nashville's efforts to end homelessness, one consistent theme that Focus Strategies heard in our interviews was the lack of a plan to tackle homelessness systematically and a unified governance structure to implement such a plan. While the providers in the community are generally making the effort to coordinate and collaborate, at present each program operates independently based on their individual goals and agency missions, which lessens the collective impact and makes it difficult for all the parts to work together towards a common set of goals. Although the MHC has set some specific objectives in relation to ending chronic and Veteran homelessness and has developed strategies to meet those objectives, it does not provide a framework for addressing homelessness among other populations or involve the full range of organizations aside from those providing permanent supportive housing. The Nashville/Davidson County CoC, with MDHA as the lead agency, has a broader mandate to address all types of homelessness, which are set forth by HUD in the CoC Interim Rule. While the CoC and its committees are addressing a broad range of homelessness issues, the work remains somewhat narrowly focused on what is needed to develop a competitive CoC funding application rather than on broader system planning.

The implications of not having a strong and united leadership and governance entity tasked with developing an overarching system to end homelessness have become more evident in recent years, as federal policy priorities have shifted and communities are being asked to move from simply having a collection of services and programs to developing systems to end homeless, or Housing Crisis Resolution Systems. A fully realized Housing Crisis Resolution System incorporates coordinated entry systems that prioritize households with the highest needs, uses data to assess system and project performance, and

ensures that all the components, programs, and services are oriented to a common set of objectives: rapidly moving people who are literally homeless into housing. In Nashville, the need to make this shift comes at a time when the community is experiencing rapidly rising rents and low vacancy rates, an issue that many of those interviewed noted as a significant obstacle to making progress on ending homelessness.

IV. Results: Analysis of System Performance

The sections below present our analysis of homeless system performance using data drawn from HMIS, the Housing Inventory Count (HIC) and provider project budget information. Data presented includes the Rescue Mission (from their HMIS-compatible database) unless otherwise noted. We have also included information provided by key stakeholders where relevant to help provide context for the data, or in cases where the data does not appear to align with what we learned from stakeholders.

A. HMIS Data Quality

A key precondition to any assessment of system performance is the availability of high quality data. Based on our assessment, we found the data quality from the HMIS system to be excellent for most variables. The tables below show the percentages of missing data for key data fields. Values in red are areas where the quality of data could be improved.

		TOTAL DATASET	ES	TH	RRH	PSH
Total Cases		3,477	186	1,354	410	1,234
Total Adult Cases		2,748	173	1,187	267	903

		TOTAL DATASET	Percent Missing			
	# missing values	TOTAL DATASET	ES	TH	RRH	PSH
<i>ClientID</i>	0	0%	0%	0%	0%	0%
<i>Program Type</i>	0	0%	0%	0%	0%	0%
<i>Prior Living</i>	252	7%	5%	1%	14%	5%
<i>Entry Date</i>	0	0%	0%	0%	0%	0%
<i>Destination</i> *	10	0%	0%	0%	1%	0%
<i>Program Name</i>	0	0%	0%	0%	0%	0%
<i>Organization Name</i>	0	0%	0%	0%	0%	0%
<i>HouseHoldID</i>	0	0%	0%	0%	0%	0%
<i>DOB</i>	33	1%	6%	0%	3%	0%
<i>Gender</i>	28	1%	4%	0%	4%	0%
<i>Disabled</i>	0	0%	0%	0%	0%	0%
<i>Chronic Homeless</i>	391	14%	23%	16%	4%	9%
<i>Vet</i>	50	2%	6%	1%	2%	2%
<i>Domestic Violence</i>	40	1%	1%	1%	3%	1%
<i>Income at Entry</i>	1,164	42%	70%	19%	8%	66%
<i>Total Amount Income Entry</i>	1,115	41%	18%	19%	12%	70%
<i>Employment at Entry</i>	1,115	41%	18%	19%	12%	70%
<i>Income at Exit</i> *	12	1%	3%	1%	12%	70%
<i>Total Amount Income Exit</i>	1,115	41%	18%	19%	12%	70%
<i>Employment at Exit</i> *	12	1%	3%	1%	12%	70%

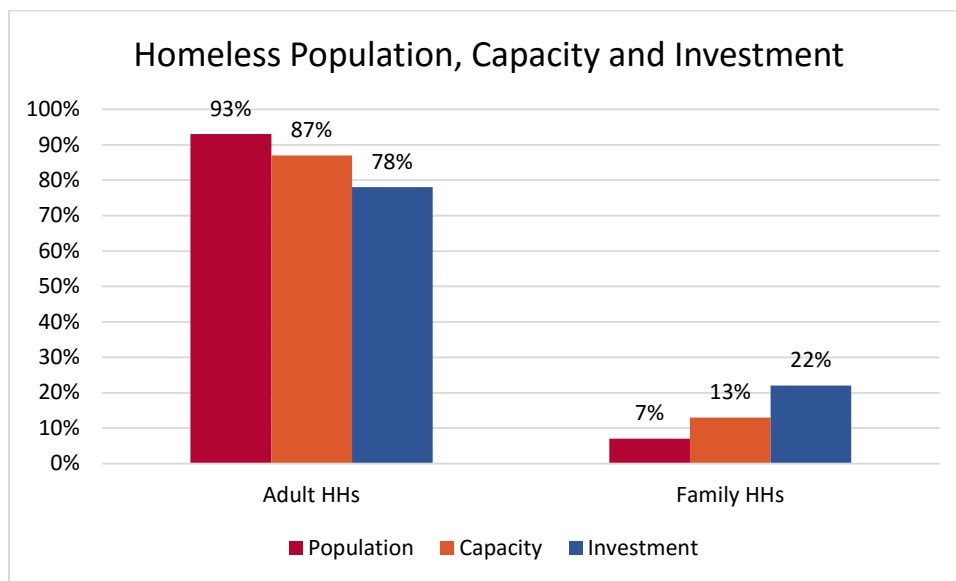
One of the most important data elements to examine when assessing project performance and system performance is Prior Living Situation and Exit Destination. These data elements provide critical information about: (1) how people are accessing the system and whether they are literally homeless when they enter and; (2) whether they exit the system into permanent housing or some other destination. To understand whether programs are being effective in helping homeless people to secure housing, it is critical to have high data quality for these two questions.

Focus Strategies examined the rate of missing and unknown data for Prior Living and Exit Destination from the main HMIS system as well as from the Rescue Mission data set. The results for HMIS data are presented in the table above; the HMIS data quality of these variables is excellent. The Rescue Mission’s data, however, generally did not capture Prior Living or Exit Destination consistently. Given the size and importance of the Rescue Mission programs to Nashville’s overall efforts to address homelessness, these data quality issues are significant. The missing data elements, combined with the Rescue Mission and

other emergency programs maintaining separate data systems that are not integrated with the HMIS, makes it difficult to establish a clear picture of who is being served in the system and where they go when they exit.

B. Alignment of Inventory and Investment with Need

The graph below illustrates the relationship between Nashville’s adult only and family households in terms of population size, current system capacity and investment levels. Though family households comprise just 7% of the total homeless population, 22% of financial investments are allocated to families. A similar disparity is found in the system inventory, where 13% of the bed capacity is designated for just 7% of the total homeless population. On the single adult household side, 78% of investment and 87% of bed capacity is allocated to the remaining 93% of Nashville’s homeless population. This disproportional allocation of resources toward families in relation to the size of the population of homeless families is quite common and evident in a number of communities Focus Strategies has analyzed.



C. 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 measures as articulated in the HEARTH Act and *Opening Doors: The Federal Strategic Plan to End Homelessness*. While the measures we use are all aligned with HUD’s goals, we also incorporate cost effectiveness, so that communities can understand not just system performance, but also performance in relation to the level of investment and the likely impact of investing in alternatives.

This section presents our analysis of Nashville’s system performance on six measures:

1. Bed and Unit Utilization Rate
2. Program Entries from Homelessness
3. Lengths of Stay
4. Rate of Exit to Permanent Housing
5. Cost per Permanent Housing Exit
6. Returns to Homelessness

1. Bed and Unit Utilization Rate

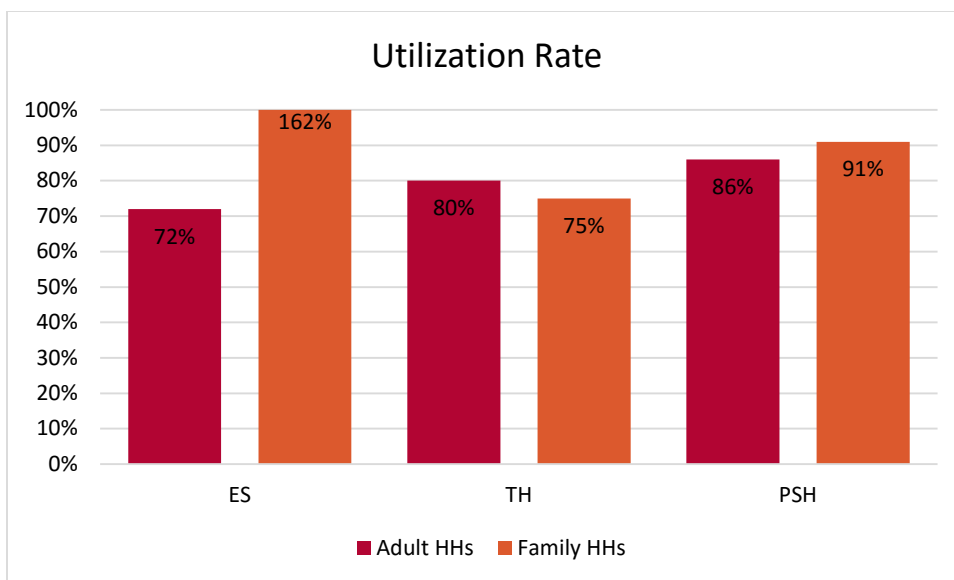
This metric measures the average daily occupancy of programs in the system, as calculated using HMIS data. Maximizing the use of available bed capacity is essential to ensuring that system resources are being put to their best use and that as many homeless people as possible are being served given the existing inventory.

The table below presents the utilization rate for emergency shelter, transitional housing and permanent supportive housing.¹² This data uses bed utilization for single adult programs, and unit utilization for family programs (because sometimes a unit in a family program might have unfilled beds simply due to housing a smaller sized family than the unit is designed to accommodate).

We found that utilization rates in many parts of the system are below 90%. Utilization rates for emergency shelters for single adults and transitional housing for families were the lowest at 72% and 75% respectively. In a high-performing system, we would expect to see utilization rates above 90% for all system components. When programs are underutilizing their ability to serve homeless households, an opportunity to reach and assist more people is being missed.

This finding was consistent with information we collected during the stakeholder interviews relating to program entry barriers and views about Housing First approaches. In a system that is strongly oriented to the Housing First philosophy, programs have relatively few barriers to entry so that households with the greatest needs are served and no one is screened out of assistance due to not being “housing ready.” While the providers in Nashville appear to have a solid understanding of Housing First, opinions expressed in the interviews suggested that there is a broad spectrum of practice in this area, with some programs strongly aligned with Housing First principles and others operating more on an a Housing Readiness model. The existence of unfilled beds in the system is likely related, at least in part, to the existence of entry barriers that are preventing some homeless households from accessing assistance.

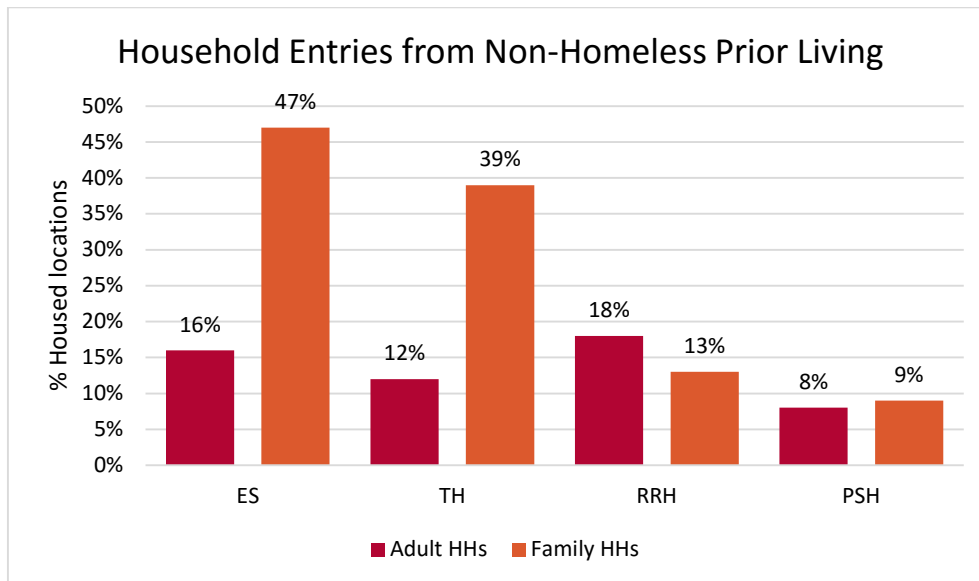
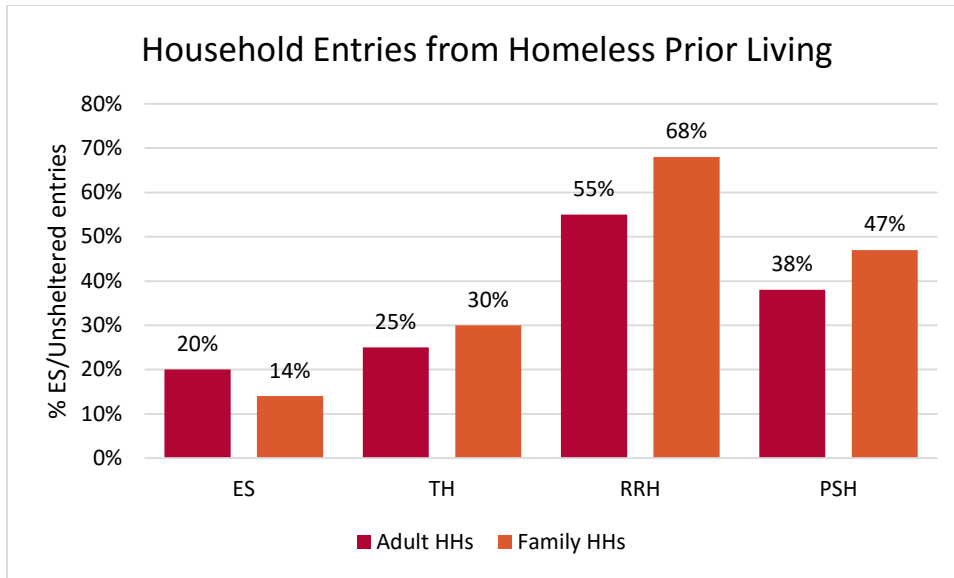
¹² Note: Rapid re-housing is not included in this analysis because this program type does not have a fixed bed capacity and so the methodology applied to the other program types does not generate a comparable result.



2. 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 (meaning 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 (e.g. people living in motels, people in doubled-up situations, people living in their own apartments but at-risk of eviction), 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 sized” system in which there is an appropriate housing intervention for all homeless people, 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 graphs below show the prior living situations for households entering emergency shelter, transitional housing, rapid re-housing, and permanent supportive housing in Nashville. The first chart shows the percentage of people coming from literal homelessness (streets, vehicles, emergency shelter) and the second one shows the percentage coming from non-homeless situations (e.g. living with friends and family, living in subsidized or unsubsidized rental housing, in a motel or in an institution). Currently, all of the system components are admitting many people from housed situations. This is particularly notable in the system components serving families, where 47% of shelter entries and 39% of entries to transitional housing are from non-homeless situations. The 2015 Point in Time Count showed that there were 470 unsheltered people in the community (22% of all those counted), and that unsheltered homelessness has increased since 2014, so system resources could be better targeted to serve those who are most vulnerable and have nowhere to live. (Note that the figures from the two graphs below do not total to 100% of entries because some people are entering from unknown/missing locations, institutions, and miscellaneous other types of locations).



This data appears consistent with what we learned from the bed utilization data (see above) and suggests some programs may be screening out households with higher needs. It also suggests that the system overall could likely divert many of the still-housed people from entering shelter to begin with. A robust diversion program would significantly reduce the number of housed people entering shelter and transitional housing. Experience from other communities shows that some people with unstable housing situations can be assisted to remain in place with some problem solving, mediation, and small amounts of flexible financial assistance. If even a portion of these “at risk” households are prevented from entering shelter, it frees up resources to assist those who have already lost their housing and have nowhere to go.

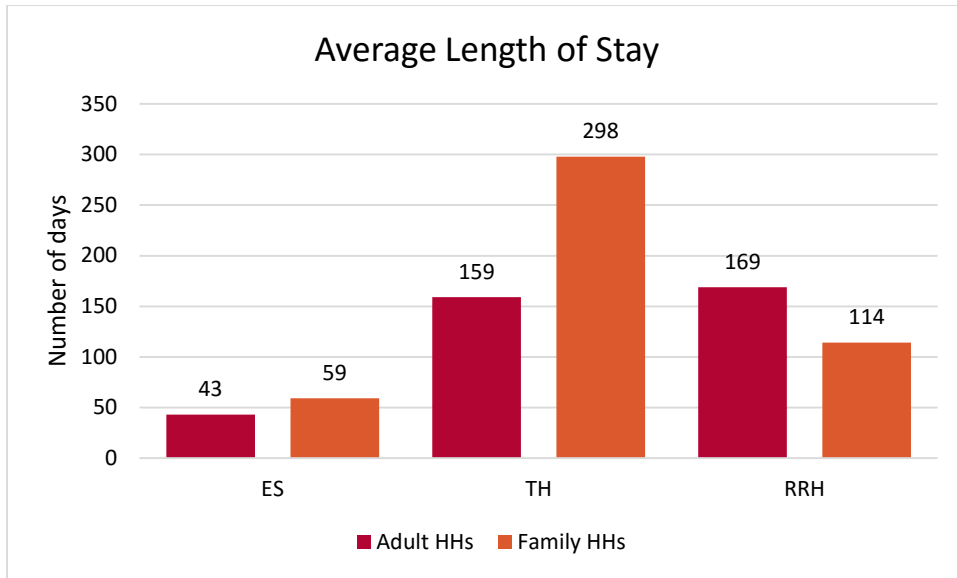
A new coordinated entry system for families recently launched in November 2015 and incorporates a prevention/diversion component. This is a good first step towards implementing system-wide diversion.

The metric associated with where people have lived prior to entering PSH is also very important as it helps illustrate whether PSH projects in the community are prioritizing those with the greatest housing needs. In addition to looking at prior living data, Focus Strategies assessed the demographic data on PSH program participants (presented in Section III.C, page 8). HMIS data shows that of the 739 people served in PSH during the analysis period, only 29% were chronically homeless and 58% had a disability. This suggests that this system component is not serving those households with the highest needs. Many of these households probably entered PSH many years ago when HUD did not require PSH to serve literally homeless people, so the data on those who have recently entered would likely show a higher rate of chronic homelessness and disability, particularly given that the How's Nashville 2016 by 2016 campaign has been targeting this population in recent years. However, this data shows that much of the existing PSH inventory is not serving households with the highest needs.

3. Lengths of Stay

Achieving relatively short lengths of stay in emergency shelter, transitional housing, and rapid re-housing programs is essential to ending homelessness. Every day a person is homeless has an 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 housed. The HEARTH Act has established a goal that no one is homeless longer than 30 days. As part of system right-sizing, the entire system must strive for the shortest stays needed to reach this goal.

Length of stay in Nashville programs was calculated based on HMIS data using the entry and exit dates for each program stay recorded in the system. Currently none of the system components have achieved lengths of stay below 30 days. Transitional housing stays are the longest, with an average of 159 days for single adults and 298 for families. Rapid re-housing program stays, by contrast, are about the same for single adults and much shorter for families. This data should be considered in particular in relation to the rate of exit to permanent housing, presented in the next section. Many transitional housing programs are designed with relatively long lengths of stay based on the assumption that longer stays allow households to develop the skills and resources they need to successfully secure housing upon exit. Yet this data shows that in spite of these longer stays, participants in rapid re-housing programs have much higher rates of permanent housing exit. The longer stays in transitional housing are not yielding stronger outcomes.



4. 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 a project assists clients to move to a housed situation, and is a critical aspect of project performance.

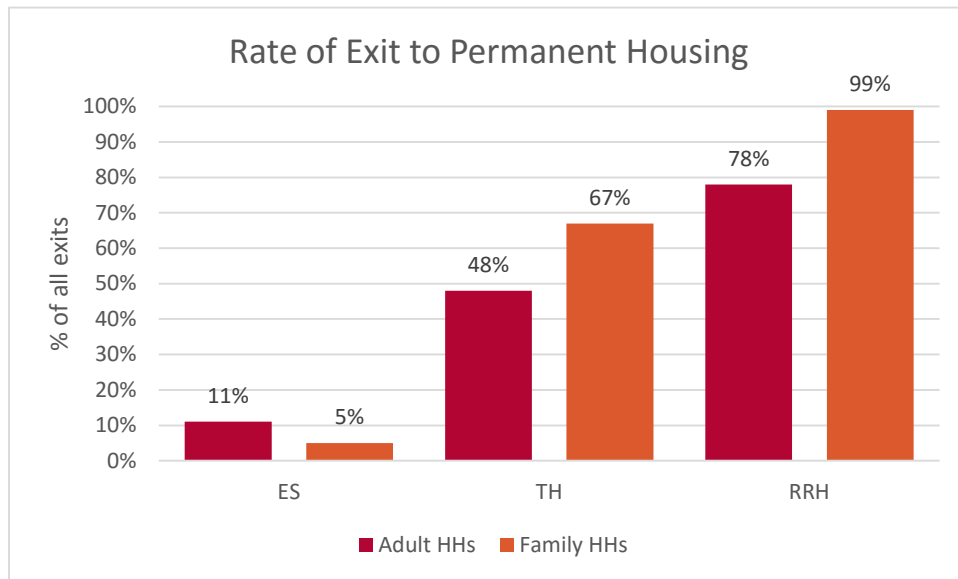
The next graph shows the rate of exit to permanent housing for all emergency shelter, transitional housing, and rapid re-housing programs in Nashville. For the purpose of this measure, “permanent housing” includes any housed situation that is not time-limited, such as a market rate apartment, a subsidized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

As shown in the table below, the rate of exit to permanent housing for emergency shelter programs in Nashville is very low at only 11% for single adults and 5% for families. We note, however, that most of the emergency shelter inventory is not currently included in the HMIS system, so these results do not really tell us much about the actual rate of exit from shelter to housing¹³. The results for transitional housing are better at 48% and 67%, respectively, but still below what would be expected in a high performing system. As discussed in the next section, emergency shelters and transitional housing are not cost-effective strategies to reduce homelessness in general, and low performance on the rate of exit further reduces cost effectiveness. Typical performance for exits from emergency shelter to permanent housing

¹³ The data in this table does include exit destination information from the Rescue Mission, but much of that data is incomplete so probably under-represents the actual rate of exit to permanent housing.

are 20%¹⁴, while the HUD standard for transitional housing exits to permanent housing is greater than 80%.

Rapid re-housing has a far higher success rate on this measure than either shelter or transitional housing with 78% of single adults and 99% of families exiting to permanent housing. This is true even while the lengths of stay in rapid re-housing are the same or shorter than in transitional housing. Thus, there is no evidence that staying longer in a given program results in a higher rate of successful exit.



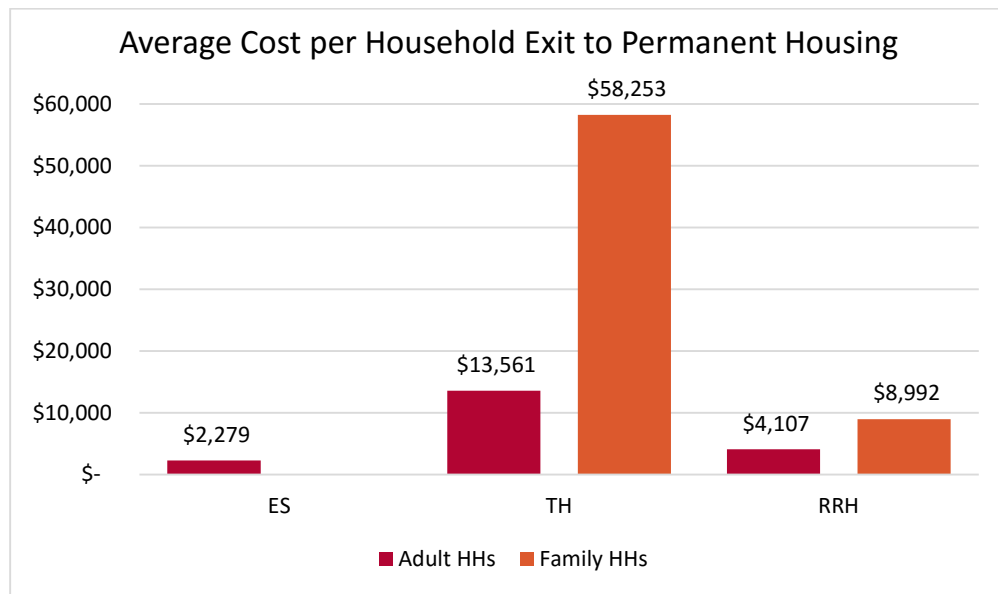
5. Cost Per Exit to Permanent Housing

To create a more efficient system, it is essential that investments are aligned with the objective of ending homelessness. Cost per permanent housing exit is a key performance measure because it assesses not only whether a program is helping clients to move to permanent housing, but also whether they do so in a cost effective manner. As funds are shifted from expensive programs to those that are more cost effective per person served, system capacity will increase and the numbers of homeless people will be reduced.

The graph below shows the average cost per permanent housing exit for all program types. These figures are calculated using the total program cost, utilization of beds/units and client length of stay (cost per day is calculated and then multiplied by the number of days the individual/family was in the program).

¹⁴ National Alliance to End Homelessness, Performance Improvement Calculator (PIC), Sample data from 14 communities. <http://www.endhomelessness.org/library/entry/performance-improvement-calculator>

As shown in the table below, the cost per permanent housing exit for transitional housing programs is much higher than the cost for rapid re-housing programs. On the single adult side, each successful exit is \$4,107, or about a third the cost of an exit from transitional housing. The difference is even more striking when considering the family programs, where rapid re-housing is one-sixth of the cost of transitional housing per permanent housing exit. This is consistent with many national studies which have found that rapid re-housing typically is more cost effective and achieves better housing outcome than transitional housing. If investments were to shift from these more costly interventions to those that are more cost effective, the overall system would be able to house many more homeless households. It is important to point out that while we have included cost per permanent housing exit for shelters in this table, this information does not present a complete picture of shelter costs, since budget and HMIS data is not available for most of the shelter inventory. Actual costs per permanent housing exit from shelter is likely much higher than what is presented in this table.

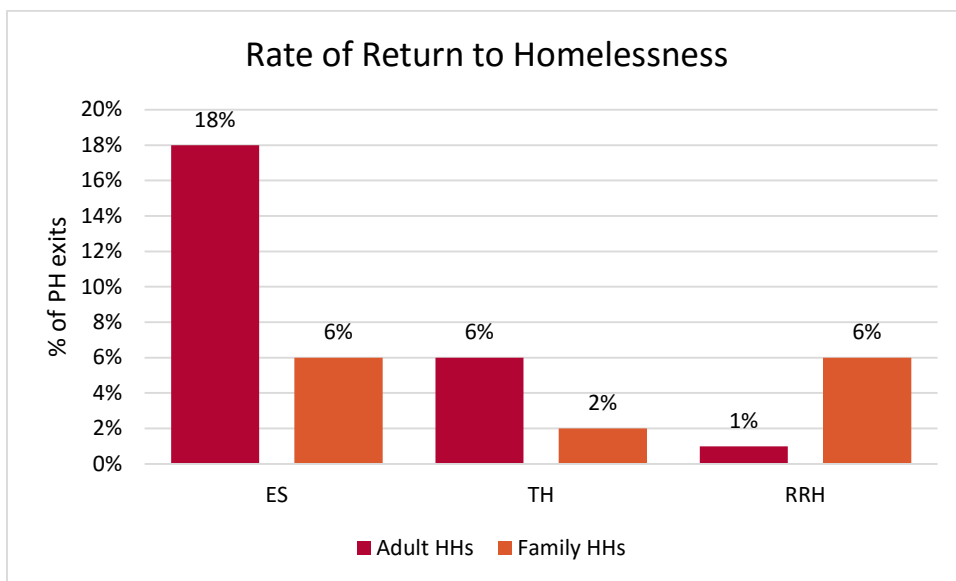


6. Returns to Homelessness

Reducing lengths of stay and increasing rates of exit to permanent housing has to 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 the purpose of this analysis, returns to homelessness is calculated by looking at all households who exited programs and determining whether any had a new entry into a homeless program within 12 months.

The next graph presents rate of return to homelessness for people who exited emergency shelter, transitional housing and rapid re-housing in Nashville between July 1, 2014 and June 30, 2015 with an exit

destination that was a permanent housing situation. The rate of return from emergency shelter is likely not very representative, since this largely reflects only those who exited from the Rescue Mission to permanent housing and then returned to the Rescue Mission.¹⁵ For transitional housing and rapid re-housing, the rate of return is quite low, between 1% and 6% depending on the program type. While this analysis is not as comprehensive as it would be if the Rescue Mission data were in HMIS, and cannot show a complete returns to homelessness analysis, it does at least show that among the programs in HMIS the returns rate is extremely low. This result supports the conclusion that rapid re-housing is just as effective, if not more so, in helping people move quickly to a permanent housing situation that sticks.



V. Recommendations

Based on our assessment of the performance of the existing system and the information we have collected about governance and oversight, Focus Strategies has developed the recommendations related to governance structure as well as strategies for system re-design.

A. Governance Recommendations

1. Establish New Unified Governance and Decision-Making Structure and Lead Entity

The single most important initial step for Nashville is for the community leadership to come together and identify or create a single structure and lead entity that will be tasked with moving forward in

¹⁵ The Rescue Mission operates the majority of the Emergency Shelter inventory and their data is not integrated with HMIS. Also, more than 80% of exits from their program are to unknown destinations, so the 18% return rate does not provide much useful information and is likely not representative of the true rate of return for people who exit ES to permanent housing.

transforming the current collection of programs into a Housing Crisis Resolution System (HCRS). Key features of this new structure should include:

- Involvement of high-level community leadership (elected leaders, leaders from publicly funded service systems, private funders, and influential community members) willing to take on the project of creating a Housing Crisis Resolution System that quickly returns people who have lost their housing to a state of being housed. This new lead entity should use data to inform decisions and ensure that the purpose and goals of the system are well understood by providers, clients, decision-makers and the public.
- Strong alignment of local funders around a common set of goals. To make changes that will result in more effective strategies to address homelessness, the new governance structure must include the key funders of the existing set of interventions. Funders will have to agree on some common strategies to achieve those goals, even if it means no longer supporting programs the community perceives as essential and effective, if these programs are not achieving the identified objectives. Given that a significant portion of the existing Nashville homeless system does not receive public funding, key private funders will need to come to the table if this work is to be effective. Both public and private funders will have to agree to invest their resources in proven interventions that target homeless people with the greatest needs, have low barriers to entry, and result in homeless people gaining and maintaining housing at the least cost possible. Existing resources need to be allocated with the objective of ending homelessness, not merely providing services to make homelessness more tolerable.
- Ability to oversee a system planning process to design a Housing Crisis Resolution System. The new governance structure must be set up with a mandate and a committee structure that will allow it to work through a process that will lead to the adoption and implementation of a Housing Crisis Resolution System that has strong support and buy-in, is feasible to implement, and will have a real impact on homelessness. The key challenge of the planning process is deciding who will have input and how their input will be used. Since the main features and strategies that actually end homelessness are already well known and supported by evidence, the work to get there is less about “what will we do?” than “how will we do it?” The leadership entity and structure must meaningfully involve organizations who are currently funded by the existing system and who may have to change their programs when the HCRS is implemented.
- Authority to set policy and implement identified strategies to end homelessness. Once the HCRS system objectives and strategies have been identified, the new governance structure and lead entity must have the authority to oversee implementation through policy setting, making funding allocations and establishing performance based contracting systems, providing technical assistance to help providers align to new expectations, and tracking progress towards meeting system goals.
- Data gathering and analysis capabilities. The new lead entity should have the capability to gather and analyze data on the performance of the system and the individual programs within the

system, so that resources can be directed towards those interventions that yield the best results and progress towards reducing homelessness can be tracked.

2. Recommended Implementation Steps to Create New Governance Structure and Lead Entity:

As currently constituted, neither of the two existing governance entities (MHC or the CoC) has the authority or the resources to serve as a unified governing structure or lead entity with the features described above. Each one has important strengths, but also some key gaps that will make it difficult to take on the role of the centralized governance entity without some major changes.

- The existing CoC structure consists of a CoC Governing Committee and a set of subcommittees. As the CoC lead agency, MDHA provides staff support to the committee work, including completing the CoC application and administering federal CoC planning and HMIS funds. MDHA also directly manages CoC grants for permanent supportive housing (S+C). The existing CoC committee structure is fairly informal and the CoC does not have any organizational or staffing capacity beyond what is provided by MDHA. MDHA is a large and sophisticated public agency with a strong track record in management of federal funding sources. The agency is very capable of implementing federal and local policy initiatives, but has not taken a visionary or agenda-setting role as it relates to ending homelessness. As the CoC lead agency, MDHA does not view its role as charting the course for system change, and tends to focus more on compliance with federal and local funding source requirements.
- MHC plays a more visionary role for the overall homeless system, though its mandate is somewhat narrowly focused on addressing chronic homelessness. The Commission and its staff are held in high regard by all community stakeholders, and the community looks to them for leadership on ending homelessness. MHC is seen as able to manage change initiatives and do both planning and implementation work. Their main weakness is in the area of organizational capacity. MHC is somewhat minimally staffed and has limited organizational infrastructure. It has a track record of managing City funds but is not equipped to handle the complexity of federal funding and compliance requirements. MHC is housed within MSS which provides some infrastructural support (HR, IT, finance) but the Commission is not strongly integrated into City government functions.

Based on its existing role and set of core competencies it appears that the MHC is best positioned to be transformed into a new homeless policy setting and decision making structure and lead entity, with functions and funding sources currently housed within the CoC and at MDHA eventually coming under the oversight of the MHC. This shift will likely need to happen in two phases, with policy functions shifting over first, then funding sources coming over once the reconfigured MHC has sufficient capacity and infrastructure to manage federal funding. A phased approach will also give MDHA time to make the needed administrative and organizational shifts to transfer CoC, ESG, HOPWA and any other funding sources that will shift over to the MHC.

On the next page we have outlined some of the key steps and elements of this two-phase process.

Phase One (2016): Homeless System Planning and Policy Setting Functions Transition to MHC

- Amend MHC Ordinance/Dissolve CoC Board (“Gaps Group”). As a first step, the City will need to amend the ordinance creating the MHC to broaden the Commission’s purpose and make it the entity in Nashville/Davidson County responsible for policy and decision-making for ending homelessness for all populations (not just chronic homelessness). The MHC will also need to be named as the CoC Board. The CoC Regulations require that there is a general CoC membership body, which is open to all interested agencies and individuals by invitation. There is also a required Governing Board that acts on behalf of the membership and is selected based on a written process that must be updated at least every five years. We would propose that the MHC becomes the CoC Governing Board, and also convener of the larger CoC membership group which would be open to all interested participants. Once the Commission is named the CoC Board, the existing “Gaps Group” that serves as the CoC Board should be dissolved.
- Revisit MHC Composition. The Commission currently includes a mix of individuals appointed by the Mayor, members of the Metro Council, and Metro Government officials. It is a fairly large body and attendance is reported to be inconsistent. We recommend that as part of the amendment of the Commission’s charter, the City should re-think and re-structure how seats are allocated with the goal of maximizing the Commission’s ability to make decisions, align funding, and drive implementation of identified strategies to reduce homelessness – in other words it needs to be a group that is less advisory and more action-oriented. Some issues to consider in deciding on Board composition would include:
 - To maximize its ability to oversee system change, members should consist primarily of individuals who are able to make policy and funding decisions, such as elected leaders, City Department heads or their deputies, other key public systems (e.g. hospitals), and private funders. Other members can be included to ensure a balanced perspective, but making the board too large and inclusive will dilute its ability to be nimble and action-oriented. The current size of the board (19 members, 7 of whom are ex officio) could probably be whittled down to something closer to 10 or 12 members.
 - CoC regulations require that the CoC Board must include representation from a homeless or formerly homeless individual.
 - Involvement of service and housing providers on the Board can pose challenges for the kind of decision-making needed to drive systems change, as it asks providers to separate their agency’s interests from the interests of the system as a whole, which are not always aligned. Providers can be more meaningfully involved through workgroups and committees, providing input and helping to work through how the Board’s policy decisions will be implemented at the program and program-type level.
 - Advocacy groups that are not directly funded by the homeless system also have an important role to play, and could be included both on the Board as well as in committee work.

- Create New Subcommittees/Workgroups: To ensure broad involvement and input from a range of stakeholders and people with different areas of expertise as it relates to ending homelessness, the Commission should create a committee structure that meaningfully involves all interested organizations and individuals, including housing and service providers, the faith community, business leaders, advocates, universities, hospitals, publicly funded systems and others. The committees and workgroups should be organized around the community's goals for ending homelessness and should at a minimum include:
 - Executive Committee – overseeing operation of the Commission
 - CoC Application/Funding Committee – open only to organizations without conflicts of interest (no CoC grantees), this group would oversee priority setting for the annual CoC application as well as the project ranking and review process
 - HMIS Committee – overseeing policy and governance for the HMIS system, policies and procedures, data quality plan, etc.
 - Data and Performance Measurement – overseeing an ongoing process of setting both system and project level performance benchmarks, assessing and monitoring progress, identifying strategies for continuous quality improvement
 - Coordinated Entry – overseeing process for design and implementation of both coordinated entry and shelter diversion components of the system
 - Coordinated Exits/Housing Interventions – overseeing process to “right size” available housing interventions (rapid re-housing, permanent supportive housing)
 - Population Specific Work Groups – overseeing strategies for specific populations, e.g. veterans, families, single adults, chronically homeless people, youth.
 - Funders collaborative – pulling together public and private funders of the homeless system to develop shared objectives and align their funding outcomes with the Commission's overall direction, so that privately funded components of the system can be better coordinated with the publicly funded programs.

- Expand MHC Staff Roles: The City needs to redefine roles and create new position descriptions for MHC staff, with a clear articulation of their function as point person(s) for development and implementation of homeless system policy. The Director of the Commission could be re-titled to emphasize its policy role, such as by becoming Homeless Policy Director or Coordinator. The CoC planning and administrative functions currently being done by MDHA staff would shift to the MHC staff, including convening required CoC meetings, managing the annual CoC application process, conducting the annual PIT count, evaluation of project performance, and other functions. Either there would be a CoC Coordinator position created at MHC or those responsibilities could be divided up among existing MHC staff. Additionally, MHC staff would handle all homeless-system planning and implementation activities (more broadly than just the CoC work), including possibly overseeing the development of an update to the 10 Year Plan or creation of a new strategic plan to end homelessness, building off the recommendations in this Focus Strategies report. MHC staff would also staff the commission and its committees/workgroups, attend meetings of other bodies as appropriate, and respond to information requests and media inquiries. MHC currently has 4 full time positions, so the City will

need to explore whether additional staff is needed to handle all these functions and how they would be paid for.

- Explore Limited Funding Shifts. In the short term, MDHA would continue to manage CoC, ESG and other federal sources providing funding for homeless activities, but priority setting for use of these funds would shift to the Commission. One exception might be the CoC Planning funds, which could potentially shift over to the Commission in 2016.

Phase Two (2017-2018): Federal, State and Local Funding for Homeless Activities Transitions to MHC or New “Department of Homeless Solutions.”

While the short term transition of MHC to having oversight of planning and policy making will help create a more unified approach to ending homelessness in Nashville, it will be difficult for the Commission to hold responsibility for planning without having authority to make decisions about funding. As much as possible, funding for the homeless system should move under the MHC. At the same time, the HMIS system should also shift over so that MHC can have some direct ability to collect and analyze data and can take the lead on increasing HMIS participation, improving data quality, and using data to inform decision-making.

As the MHC takes on these expanded administrative functions, a further set of changes will likely be needed to ensure it has sufficient organizational infrastructure. One option would be for the Commission to transform into a City Department (e.g. the Dept. of Homeless Solutions), though it would need to retain some sort of appointed or elected governing board in order to continue to have broad community buy-in and to meet HUD CoC requirements.

Since MDHA is the lead agency for the administration of the Consolidated Plan and its four related grant programs, including ESG and HOPWA, these programs would continue to be managed by MDHA. However, CoC and ESG regulations require that the CoC have strong involvement in priority setting for use of these funds and evaluation of ESG grantee performance. We recommend that the MHC hold responsibility for developing the strategic framework for use of ESG and HOPWA funds, in collaboration with MDHA, to ensure they are strongly aligned with Nashville’s overall plan to end homelessness. For MHC to play a role in policy setting for the allocation of ESG and HOPWA, MDHA will need to make changes to their administrative documents, particularly the Consolidated Plan (which sets forth how ESG and HOPWA funds will be managed). The five year Consolidated Plan is currently in its third year, so any change in how these federal funds are managed could be folded into the next Consolidated Plan Update that would begin in 2017. If there are any CDBG funds being used specifically for activities relating to homelessness, the plan would also need to address how these funds will be coordinated with MHC.

B. System Re-Design Recommendations

While our main recommendation relates to changes to the community’s governance model and decision-making processes, Focus Strategies has also developed some recommendations about the key strategies

this new governing entity will need to pursue in order to transition from the existing approach to a Housing Crisis Resolution System.

1. Use Coordinated Entry and Removal of Program Barriers to Ensure that Literally Homeless and Higher Need Households Can Be Prioritized

The system performance assessment reveals that the existing programs and services in Nashville are serving large numbers of people who are not literally homeless, even while there are many unsheltered individuals in the community. To make faster progress on ending homelessness, the new governance entity will need to adopt policies and strategies to ensure that programs are prioritizing people who are living outdoors, in vehicles or in emergency shelter. Some elements of coordinated entry are either already in place or about to be launched, and these efforts should be re-visited and refined to ensure they are designed to ease access into housing for those who have the greatest housing barriers and need the most support from the homeless system to become housed. At the same time, programs in the system have to reduce their entry barriers and agree to accept referrals from the coordinated entry system.

2. Provide Shelter Diversion To Those Who Are Still Housed. Nashville's new coordinated entry system also would benefit from the integration of a strong shelter diversion component to help keep households who are not yet homeless from entering the system. This can build upon the diversion/prevention effort that recently started as part of the coordinated entry system for families. To be maximally effective, shelter 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.

3. Invest in High Performing Rapid Re-Housing. The performance data we analyzed demonstrated that the existing rapid re-housing programs in Nashville are achieving strong results in exiting people to permanent housing at relatively low cost and with low rates of return to homelessness in comparison to either shelter or transitional housing. This suggests that the system could likely house more homeless people with an expansion of rapid re-housing and a shift of resources from lower performing transitional housing. Providing rapid re-housing at a much larger scale is the key solution to ending homelessness for the non-chronically homeless households in the community.

4. Increase System Capacity in Landlord Recruitment and Housing Navigation. As Nashville seeks to expand rapid re-housing and continue the 2016 by 2016 campaign to house chronically homeless people using Housing Choice Vouchers and other permanent supportive housing vouchers, the high cost of housing will make it difficult for participants to locate appropriate units. Experience from other communities suggests that this problem can be mitigated through expending system resources

on staff who are dedicated to cultivating relationships with landlords and to helping clients with searching for and securing housing. Currently those households who are assisted by How's Nashville have access to housing navigators, but this service is not available to all clients who need it. A community-wide landlord outreach/liaison program coupled with expanded resources for rapid re-housing would likely yield strong results.

5. Engage Providers Not Currently Participating in HMIS. A key obstacle to conducting effective system planning in Nashville 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. To support the development of a Housing Crisis Resolution System, the CoC and the new leadership/governance entity must continue to engage non-participating providers and develop strategies to include them in the system.

Appendix A: List of Stakeholder Interviews

Interviewee	Organization	Date of Interview
Erik Cole	Mayor's Office (MHC Commissioner Ex Officio)	12/29/15
Will Connelly	Metro Homelessness Commission	1/6/16
Glenn Cranfield	Nashville Rescue Mission (MHC Commissioner)	12/11/15
Liz Allen Fey	Strategy and Leadership LLC (MHC Chair)	12/15/2015
Rachel Hester	Room in the Inn	8/28/2015
Jessica Hoke	Nashville CARES	8/12/2015
Angie Hubbard	Metropolitan Development and Housing Agency	12/10/2015
Joyce Lavery	Safe Haven Family Shelter	8/19/2015
Rusty Lawrence	Urban Housing Solutions	8/28/2015
Daryl Murray	Welcome Home Ministries	8/10/2015
Traci Pekovitch	Mental Health Cooperative	9/1/2015
Steven Samra	Center for Social Innovation (MHC Commissioner)	1/11/16
Beth Shinn	Vanderbilt University	8/17/2015
Tom Ward	Oasis Center	8/10/2015