**Proposed FY24 Homelessness Solutions Program (HSP) Allocation**

In FY24, the Department estimates that approximately $15.6 million will be available in State and Federal funding for the Homelessness Solutions Program (HSP). HSP funds are made available in order to assist households experiencing homelessness to be connected with emergency shelter, quickly regain stability in permanent housing and to prevent households from becoming homeless. The goals of the program include efforts to:

* Provide shelter as a crisis response for people experiencing homelessness;
* Reduce the number of individuals/households who become homeless;
* Shorten the length of time an individual or household is homeless;
* Reduce the number of individuals/households that return to homelessness; and
* Provide fixed or short-term rental assistance payments to people at risk of being homeless.

This brief is intended to *summarize proposed changes to the Homelessness Solutions Program application and eligible activities* in preparation for the FY2024 Application.

**Expected Funding Availability for State Fiscal Year 2024 (Federal Fiscal Year 2023)**

| **Name** | **Source** | **Amount** |
| --- | --- | --- |
| Emergency Solutions Grant (FFY2022) | Federal - HUD | $1,202,580 |
| *ESG admin* | Federal - HUD | *$90,193* |
| State HSP Funds (SFY2024) | Maryland | $14,439,261 |
| *State HSP - Set aside - EYHA*  *Youth Homelessness* | *Maryland* | *$1,000,000* |
|  | **TOTAL** | $15,641,841 |

**Note:** *Italicized* funds are included in the amount directly above.

**We recommend that between $300,000-$500,000 of State funds be set aside for the following activities:**

| ***Other Contracts*** | ***Source*** | **Estimated Budget** |
| --- | --- | --- |
| DHCD - Data Warehouse | Maryland | ~$250,000 |
| DHCD - Youth REACH | Maryland | ~$50,000 |
| DHCD/BoS - HMIS | Maryland | ~$100,000 |

HSP Funds are allocated annually, with each annual grant administered over a 18-month grant period **(July 1, 2023 –December 30, 2024)**. We recommend holding funding allocations constant in FY24 to provide stability in the context of the spend down and close out of COVID relief funds, and inadequate time to fully evaluate new projects funded in FY23 with the additional $5 million in state funding. In order to provide a level of stability, grantees can anticipate receiving an award matching their FY23 grants if they submit an application and meet all established eligibility criteria and are on track to implement new and expanded projects.

HSP funding may support efforts to: (1) rapidly re-house homeless individuals and families; (2) engage unsheltered homeless individuals and families; (3) provide emergency shelter for homeless individuals and families, including operations and essential services for residents; (4) prevent families and individuals from becoming homeless; and (5) track information about services provided through a Homeless Management Information Systems (HMIS) database.

In addition to these HSP activities, a portion of FY24 funding will also be made available to cover stipends for people with lived experience in leadership roles and training/TA for providers. These eligible activities will be added as specific sub-line items in the application budget, separate from general operating admin funds. Applicants will also be encouraged to apply for funding for other activities or priorities within their homeless services system, which may include mental health crisis beds, additional funding for PSH case management, or other needs as identified by the community.

In addition to the competitive funding, DHCD sets aside between $300,000 and $500,000 in state funds to cover the State Data Warehouse, Youth REACH expenses over and above the Youth REACH budget and the Balance of State HMIS costs. The amounts shown above are intended as a placeholder until the budgets for these activities are finalized.

**Additional Earmarked Funding - Minimum of $1 million for Youth Experiencing Homelessness**

Serving homeless youth and unaccompanied homeless youth continues to be a priority policy area for DHCD.  Under the Ending Youth Homelessness Act of 2018 (EYHA), $1 million of the Governor’s budget has been earmarked to fund activities that serve unaccompanied homeless youth, and applications for EYHA funds have historically exceeded $3 million. In FY24, applicants will continue to separate projects targeted to unaccompanied homeless youth in the application budget and ensure that a minimum of $1 million in state funds are set aside for projects targeted to unaccompanied homeless youth. In FY24, applicants will not be required to submit a separate application for youth funds, and DHCD will review to ensure a minimum of $1 million is allocated to programs targeted to unaccompanied homeless youth.

**Application Review – HSP FY24 Review Criteria and Priorities**

All applications will be subject to two reviews:

1. A threshold review, ensuring that the application is complete and that all Grantee requirements have been satisfied.
2. A progress review to determine whether HSP22 and HSP23 funded projects are on track to meet spending and projected client numbers.

**Progress review** will be based on the following metrics:

* Prior Year Grant Administration
  + Grantee is up to date on invoicing by application deadline
  + Grantee regularly expends 100% of grant funds within grant term
* System Performance Measures
* HMIS Compliance
  + HSP projects are correctly set up in HMIS to allow for quarterly performance reviews
* Project Implementation and Reach
  + Projects funded with HSP23 funds are on track to serve projected numbers of clients and households
* Project Performance Measures
  + HSP-funded projects meet or surpass HSP performance standards

**Level renewal funding** will be awarded to the Continuum of Care or Local Homeless Coalition, provided that it passes the threshold and progress review. CoCs with projects that are determined not to have sufficient progress may be subject to a technical assistance and/or performance improvement plan as a condition of funding.

**Grantee Eligibility**

Funds are available to eligible Continua of Care (CoCs) and Local Homelessness Coalitions (LHCs) within the State of Maryland.

Grantees must comply with program guidelines and applicable state and federal policies and procedures, including compliance with federal and state non-discrimination laws.

**Application Deadline and Format**

Applications are due to the Maryland Department of Housing and Community Development by **5:00 p.m. on April 21st, 2023. All applications must be submitted through the CDS Project Portal.**