
Temporary Assistance for Needy Families Information Memorandum

U.S. Department of Health and Human Services
Administration for Children and Families
Office of Family Assistance
Washington, DC 20447

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- TO:** State, Territory, and Tribal agencies administering the Temporary Assistance for Needy Families (TANF) Program
- SUBJECT:** USE OF TANF FUNDS TO SERVE HOMELESS FAMILIES AND FAMILIES AT RISK OF EXPERIENCING HOMELESSNESS
- REFERENCE:** Title IV-A, section 404 (a)(1) of the Social Security Act
- PURPOSE:** This Information Memorandum discusses the importance of addressing family homelessness with allowable uses of Temporary Assistance for Needy Families (TANF) funds for families experiencing and at risk of experiencing homelessness.
- BACKGROUND:** According to the U.S. Department of Housing and Urban Development (HUD), on a single night in January 2012 there were 239,403 persons in families experiencing homelessness.
- The characteristics of families experiencing homelessness are very similar to other poor families with housing. The typical family experiencing homelessness is headed by a single mother under 30 with two young children, and a majority of children in these households are age five or under. Studies show that homeless children and children in low-income households, who may be at-risk of homelessness, have poorer physical and mental health (e.g., asthma, anxiety, depression) and are more likely to be delayed developmentally than their higher-income peers. Due to their high mobility, homeless children are less likely to have a regular source of medical care and are more likely to perform poorly in school.
- This common profile of these families suggests that many of them may be eligible for TANF. They are extremely poor. Preliminary data from HUD's current multi-city study *The Impact of Housing and Services Interventions on Homeless Families* shows that the annual median income of homeless families is under \$7,500, and nearly a third of these families report annual incomes below \$5,000. The study indicates that 41 percent of families receive TANF cash assistance. Many others may be income-eligible, but are not receiving TANF support.

Many of the mothers have a history of employment, but are not employed during episodes of homelessness. In addition to a lack of stable housing, homeless parents have barriers to employment similar to those that other low-income parents on TANF face, including limited education and work experience. Families experiencing homelessness require access to the same supports that other low-income families rely on to transition successfully to employment. This includes quality child care and transportation. For some parents with very limited work experience, this can include very intensive or specialized employment support. For all families experiencing homelessness who must rely on earnings from income to access and maintain rental housing, connection to work is an urgent need.

To help prevent the growth of homelessness during the recent economic recession, the American Recovery and Reinvestment Act (ARRA) appropriated \$1.5 billion to HUD in 2009 for a three-year Homelessness Prevention Fund. The Homelessness Prevention and Rapid Re-housing Program (HPRP) funded short- to medium-term financial assistance to help prevent a homeless episode or to help facilitate a family's rapid transition out of shelter or transitional housing. HPRP also funded housing-related case management services to help families with housing search, landlord negotiation, and the promotion of housing retention by ensuring that families are connected to ongoing supportive services, including employment supports. Early analysis by HUD indicates that most homeless families who received assistance under HPRP to transition back into housing remain housed and have not returned to shelter.

Given the importance of a stable housing platform for the well-being of children as well as for providing a foundation to improve the employment outcomes and economic self-sufficiency of families, TANF agencies may consider providing resources to help eligible families avoid or exit homelessness. TANF agencies may also consider coordinating the provision of employment services and benefits with local homeless service providers. This can facilitate the integration of housing and employment interventions across the two service systems and minimize the incidence and duration of family homelessness.

Federal departments define homelessness differently; however, there is no federal definition of homelessness for the purposes of TANF. Each state has discretion over which families it considers homeless, and most definitions capture families who are eligible for TANF.

POLICY:

The Administration for Children and Families recognizes the importance of addressing homelessness and encourages TANF jurisdictions to consider the implementation of interventions that connect families to permanent housing with coordinated supportive services to help families improve their lives and avoid future homelessness.

Allowable Uses of TANF

As a general rule, agencies administering TANF must use federal TANF funds and state Maintenance of Effort (MOE) funds to provide a range of benefits and services for needy families with a child (or a pregnant woman). Services include both assistance (payments to cover basic needs such as food, clothing, and shelter) and “non-assistance” (e.g., supportive services, work subsidies, programs that aim to prevent and reduce out-of-wedlock pregnancies or encourage the formation and maintenance of two-parent families). Such expenditures must satisfy one or more of the four statutory purposes of the TANF program. The purposes most applicable to the needy homeless population are: (1) to provide assistance to needy families; and (2) to end dependence of needy parents by promoting job preparation, work, and marriage. In sum, this means that TANF jurisdictions have the discretion to offer a wide range of relevant benefits and services to their needy populations. Accordingly, TANF jurisdictions are encouraged to think about the following four conceptual areas and to consider the adoption of benefits and services to end homelessness.

Addressing Housing Needs

Federal TANF and MOE funds may be used to address the housing-related needs of families who are homeless or precariously housed, consistent with TANF rules on providing benefits and services to needy or eligible families. Families do not have to be receiving TANF cash assistance in order to qualify for housing services, although those receiving a cash grant may use TANF assistance to pay for housing. States may adjust cash benefit levels in relation to housing costs and/or provide a housing supplement to cash assistance grants. Along with providing ongoing basic assistance, a TANF program can provide an array of non-recurrent, short-term benefits and services. In order to fall under this category, these must be designed to extend no longer than four months and must address a specific crisis situation rather than meet ongoing needs. For example, a jurisdiction can use federal TANF and MOE funds to provide short-term rental or mortgage assistance (to prevent eviction or help a homeless family secure housing), security and utility payments, moving assistance, motel and hotel vouchers, case management services, financial and credit counseling, legal services, housing search and placement services, and administrative costs associated with any of these activities. Also, TANF funds can be used in coordination with HUD’s targeted homeless assistance grants programs – the Continuum of Care (CoC) program and the Emergency Solutions Grants (ESG) program – to maximize the impact of both resources. For example, TANF could be used to pay for rental assistance while ESG is used to pay for supportive services to help a family remain housed.

Coordinating Services to TANF-eligible Homeless Families

Federal TANF and MOE funds can also be used for a wide variety of other supportive services, such as mental health or non-medical substance abuse treatment, and various employment services, that may be critically needed

by homeless families. We note that federal TANF funds and commingled funds (i.e., a blend of federal TANF and MOE funds) cannot be used for medical services whereas segregated and separate MOE funds can. TANF agencies, or community-based organizations they contract with, can offer comprehensive approaches that include multiple programs and supports, such as combining a housing benefit with transportation, childcare, and/or job placement services. TANF agencies can also partner with local homeless providers to coordinate and streamline services delivered across the two service systems. At the caseworker level, coordination can facilitate the integration of both housing and employment interventions, improving the performance of both service systems and enhancing the outcomes of families. Co-location of staff can be used to help ensure vulnerable families are connected to the full array of assistance they need to achieve self-sufficiency. Developing mechanisms to share client-level data can help both systems evaluate their performance in minimizing homelessness, increasing self-sufficiency, refining interventions, and improving the targeting of scarce resources.

Employment Services

A range of employment-specific services are allowable as general supportive services, including but not limited to education, job training, job placement and subsidized employment services. The role of employment in reducing homelessness is critical. Homeless families and individuals require sustainable employment to pay for housing. When families have sustainable employment, they become less dependent on services such as rental assistance. This, in turn, makes scarce agency resources available to other program areas, and may allow agencies to provide rental assistance to a greater number of homeless families and individuals.

State homeless service agencies have demonstrated a variety of strategies and structures for implementing employment services into their work. Whether an agency partners with its state and/or local TANF agency and Workforce Investment Board for employment services, or provides in-house, specialized employment services aimed at meeting the specific needs of their clients, an integrative, collaborative approach to employment and housing services empowers clients to attain social and economic self-sufficiency and independence. Improving coordination between the provision of housing and employment services can help each system improve its overarching goals. Permanent housing provides a stable platform that allows parents to achieve their employment goals and increase self-sufficiency. Successful connection to employment increases a family's income and promotes a family's overall housing stability.

Partnerships

In addition to offering a range of benefits and services, TANF agencies can serve as active partners in statewide, regional, and local homeless efforts, such as the Continuum of Care. The expertise of TANF agency

leaders can be helpful in ensuring state and local efforts are deploying the full array of available supports to prevent and end family homelessness. Partnerships can also lead to the identification of strategies that TANF agencies can adopt to minimize homelessness among families receiving assistance. To identify the Continuum of Care to contact in your area, visit <http://www.hudhre.info/index.cfm?do=viewCocMaps>.

**STATE TANF
AGENCY
INITIATIVES:**

State TANF agencies run a large variety of programs to address and prevent family homelessness, and at times form partnerships between the TANF program and other government or private stakeholders. States have great flexibility in serving needy families, including those who are homeless or at risk of becoming homeless. Following are several examples of how states have used TANF to serve homeless families.

Massachusetts

In Massachusetts, the Department of Housing and Community Development (DHCD) partners with the TANF program by providing Homeless Coordinators, who ensure that homeless families have access to shelter, and help quickly re-house homeless families into permanent housing. DHCD has a special unit charged with the mission of preventing homelessness, sheltering those for whom homelessness is unavoidable, and rapidly re-housing families experiencing homelessness in stable, permanent housing. The work is guided by the Massachusetts Commission to End Homelessness' Plan to End Homelessness and the Interagency Council on Housing and Homelessness.

DHCD administers the Emergency Assistance (EA) Shelter Program to TAFDC (Transitional Aid to Families with Dependent Children) Families, providing temporary emergency shelter and assisting these families in finding permanent housing. DHCD also administers a housing assistance program called the HomeBASE program. HomeBASE offers time-limited cash payments to families as an alternative to placement in an EA family shelter or a motel. To be eligible for HomeBASE assistance, a family must first be determined EA-eligible by DHCD.

New Jersey

After the success of an initial rapid re-housing demonstration project, launched in January 2010, New Jersey's Mercer County Board of Social Services (MCBOSS) implemented a second rapid re-housing pilot program, The Family Housing Initiative. MCBOSS was inspired by what they saw as a more responsive and less expensive way to rapidly house families and have them exit off of TANF through employment. The hallmark of the program is the creation of the Rapid Exit Team, comprised of nine in-house staff people. This team works with all homeless families who are TANF-eligible, providing intensive case management services designed to help families stabilize in their new housing and ensuring that

families have the resources they need to stay stably housed. Assistance in finding affordable housing is the primary goal. Employment services are another goal of The Family Housing Initiative's case management; families are also offered parenting support, budgeting assistance and child care. Families assisted with the Family Housing Initiative receive an average of five months of rental assistance and case management support, at an average cost of \$7,050 per household. Families in the Family Housing Initiative received more focused and specialized employment support than families assisted in the initial pilot. As families moved more quickly into employment, they required shorter amounts of rental assistance than families assisted in the first rapid re-housing pilot. The objective of the Rapid Exit Team is to move homeless cases from shelters/motels to permanent housing within 30 days utilizing both agency and external provider resources. All non-homeless, at-risk households are serviced by the remaining MCBOS social workers. All caseloads are smaller for both teams, and MCBOS reports that the use of existing staff helps to keep costs low and makes it easier to coordinate housing and employment interventions.

Since implementing the new approach, Mercer County has seen the average daily utilization of family emergency shelter and transitional housing decline by 20 percent and use of motel vouchers to accommodate families without shelter decline by 66 percent. Families are reconnecting to housing faster and spending less time in homeless assistance programs. With regard to employment outcomes, Mercer County reports that rapidly re-housed families appear to fare better than families with similar employment barriers but served through long-term transitional housing programs. A higher percentage of families exiting homelessness with rapid re-housing have income from work than families exiting transitional housing. In addition, their overall household incomes are higher: families exiting rapid re-housing have an average monthly household income of \$835, while families exiting transitional housing show an average monthly income of \$558.

Utah

In Utah, the Department of Workforce Services administers the Emergency Assistance Homelessness Prevention Program, which supplies immediate, short-term aid to families who are or would be eligible for the Family Employment Program, the state's TANF program. This one-time assistance will either help a family that is about to become homeless to maintain their housing or help a family that is already homeless to acquire housing. Services, which are subject to a 30-consecutive-day cap, include referrals to legal services to avoid eviction as well as assistance in utility, mortgage, and rent payments. Additional services are available through contractual partnerships with community-based housing authorities and other agencies to provide emergency rental assistance to families that are homeless or at risk of becoming homeless. Families receiving this

assistance are required to register for work and use the One-Stop Employment Centers to become work ready and search for jobs.

One local partnership is with The Road Home, the state's largest shelter provider to homeless families. The Road Home has broadly implemented rapid re-housing strategies to help families to transition as quickly as possible out of a shelter and into housing within the community. A TANF-funded employment specialist is co-located within the shelter program to conduct an employment assessment, helping to identify barriers to employment and evaluate what work supports may be needed, such as transportation and child care. This specialist also draws on resources to find suitable employment for parents with disabilities and limited job skills. While The Road Home works with the family to help find new housing, the employment specialist helps the parent(s) find employment so they can keep that housing. Families who are housed receive up to four months of rental assistance, funded by state TANF resources and managed by the Road Home, while they continue to look for employment. The Road Home extends rental assistance on an as-needed basis, relying on HUD resources (including HPRP) to help families who require more than four months of assistance. From October 2009 to the present, a total of 1,007 families were re-housed through this collaboration, 87 percent of which did not return to homelessness.

Washington

Washington uses its Diversion Cash Assistance (DCA) program to provide emergency assistance once in a 12-month period to families otherwise eligible for TANF assistance and who might otherwise become dependent on TANF assistance through the state's WorkFirst program. This short-term assistance may include vouchers or cash in payment for housing. In addition, WorkFirst participants may qualify for additional cash assistance if an emergency arises that could possibly result in events such as failure to obtain housing or eviction. This cash assistance is the least amount necessary in order to help the family overcome the emergency, and is typically paid directly to the involved third party.

OTHER INITIATIVES:

In addition, The Bill & Melinda Gates Foundation (The Gates Foundation) has formed collaborations with counties and organizations in Washington to address homelessness in the state. In 2000, working with Public Housing Authorities and other local and regional partners, they created the Sound Families Initiative with the goal of increasing transitional housing and connecting it with support services in three counties. The initiative facilitated the development of over 1,400 new housing units linked to five years of funding for a range of ongoing services. In 2007, The Gates Foundation expanded its efforts and is working to promote cross-system integration of mainstream and targeted resources to better align federal, state, and local funding resources, including TANF dollars, to help homeless families. The foundation is partnering with Building Changes, a

non-profit intermediary organization that works with a range of partners, including local and state governments and philanthropy and nonprofit providers, to reduce family homelessness by 50 percent by 2020 in King, Pierce, and Snohomish Counties. Each county is implementing programs aimed at preventing homelessness and rapidly re-housing those that do become homeless; coordinating and tailoring services; matching clients in need to the right programs; and providing education and workforce opportunities to family members. In 2011, a coordinated entry and assessment system for families was launched in Pierce County and a pilot system was launched in Snohomish County. A similar system began operating in King County in 2012, with goals of simplifying client service access, tracking outcomes, and enhancing effectiveness.

In Chicago, *A Safe Haven* is an innovative social enterprise business that assists homeless individuals and families, some TANF-eligible, to become self-sufficient with permanent subsidized housing and employment by providing supportive housing services, job training, addiction treatment, life skills training, and education. The organization's job training programs allow residents to graduate as entry-level specialists in fields such as housekeeping, pest control, landscape services, food services, and customer service.

These are only a few examples of practices and partnerships. When appropriate, we encourage jurisdictions to pursue evidence-based best practices, collaborations, and creative strategies to address homelessness.

RESOURCES:

Jurisdictions can refer to the following resources for more information about using TANF to serve homeless families:

Linking Human Services and Housing Assistance for Homeless Families and Families at Risk of Homelessness, by Alvaro Cortes, Lauren Dunton, Meghan Henry, Howard Rolston, and Jill Khadduri, Abt Associates, Inc., April 2012, available at:

<http://aspe.hhs.gov/hsp/12/LinkingServices2HomelessFamilies/index.shtml>

Human Services and Housing Supports to Address Family Homelessness: Promising Practices in the Field, Abt Associates, Inc., November 2011, available at: <http://aspe.hhs.gov/hsp/11/FamilyHomelessness/rb.shtml>

Housing Status Assessment Guide for State TANF and Medicaid Programs, by Tom Albanese, Michelle Wood, and Brooke Spellman, Abt Associates Inc., 2009, available at:

<http://aspe.hhs.gov/hsp/09/HomelessnessDataHHS/HousingStatusGuide/index.shtml>

Toward Creating a Coordinated Entry and Assessment System for All Homeless Populations in King County, prepared by *Building Changes*,

April 2012, available at: <http://www.buildingchanges.org/news-room/heads-up/366-creating-coordinated-entry-system-in-king-county-wa>

Testing a Typology of Family Homelessness Based on Patterns of Public Shelter Utilization in Four U.S. Jurisdictions: Implications for Policy and Program Planning, 2007, available at: http://works.bepress.com/dennis_culhane/

Ending Family Homelessness in Washington State, prepared by the Bill & Melinda Gates Foundation, October 2011, available at: <http://www.gatesfoundation.org/topics/Documents/family-homelessness-strategy.pdf>

Ending Family Homelessness: National Trends and Local System Responses, National Alliance to End Homelessness and the Corporation for Supportive Housing, prepared for the Bill & Melinda Gates Foundation, October 2012, available at: <http://www.endhomelessness.org/library/entry/ending-family-homelessness-national-trends-and-local-system-responses>

Using TANF to Support and Improve Efforts to End Family Homelessness, National Alliance to End Homelessness, March 2010, available at: <http://www.endhomelessness.org/content/article/detail/2692/>

Homeless Children: Update on Research, Policy, Programs, and Opportunities, by Judith Samuels, Marybeth Shinn, and John Buckner, Policy Research Associates, Inc., May 2010, available at: <http://aspe.hhs.gov/hsp/10/HomelessChildrenRoundtable/index.pdf>

The HUD 2011 Point-in-Time Estimates of Homelessness: Supplement to the Annual Homeless Assessment Report, available at: http://www.hudhre.info/documents/PIT-HIC_SupplementalAHARReport.pdf

For more information The Bill and Melinda Gates Foundation and its homelessness initiatives, visit: <http://www.gatesfoundation.org/topics/Pages/housing-homelessness.aspx>

For more information about Building Changes and the Washington Families Fund, visit: www.buildingchanges.org

For more information about A Safe Haven in Chicago, Illinois, visit: www.asafehaven.org

For more information about the Mercer Alliance to End Homelessness and the work being done in Mercer County, New Jersey, visit: www.merceralliance.org

For more information about homelessness, visit: www.usich.gov

INQUIRIES: Please direct inquiries to the TANF Program Manager in your Region.

/s/

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Director
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