

Improving Performance with Intergovernmental Grants:

Lessons from the Continuum of Care Homeless Assistance Program



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IBM Center for
**The Business
of Government**

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FOREWORD

On behalf of the IBM Center for The Business of Government, we are pleased to present this new report, *Improving Performance with Intergovernmental Grants: Lessons from the Continuum of Care Homeless Assistance Program*, by Juliet Musso, J. Woody Stanley, and Jordy Coutin with the University of Southern California.

This report illuminates how to improve data sharing and performance management in intergovernmental programs. The authors share findings from the Department of Housing and Urban Development (HUD) Continuum of Care (CoC) program that inform an in-depth examination of the federal government's largest discretionary grant program intended to reduce homelessness. The research identifies HUD's multi-pronged strategies that combine performance measures and capacity building supports to focus grant recipients on achieving national goals. These strategies provide a menu of smart practices that can be used by other federal agencies that administer intergovernmental grants.

This report builds on the Center's long record of research on performance reporting and intergovernmental data sharing, including [Helping Governments Prepare For Future Crises: Using Metrics to Address Transformational Events](#), by Karen Kunz and Scott Pattison; [Federal Grants Management: Improving Outcomes](#), by Shelley Metzenbaum; and [Silo-Busting: The Challenges and Successes of Intergovernmental Data Sharing](#), by Jane Wiseman.



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We hope you find this report helpful in working to improve effective performance management for federal grant programs that help states and localities to address critical social needs.

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EXECUTIVE SUMMARY

Federal spending on mandatory and discretionary grant-in-aid programs reached a new high in Fiscal Year 2022, and interest in the effectiveness of these intergovernmental partnerships is of increasing importance to policymakers, government agency managers, and citizens.

Among the nation's current challenges for such partnerships is the goal to make homelessness among individuals and families a rare, brief, and non-recurring experience. Department of Housing and Urban Development (HUD) homeless assistance grants provide a cornerstone of federal efforts to achieve this outcome. In administering this system, HUD has implemented a system of performance measurement and reporting, an example of how a federal agency and local community grantees can implement performance-based management practices to achieve national outcomes. This study assesses HUD's efforts primarily from the perspective of the grantees that manage the Continuum of Care (CoC) program and report progress in remediating homelessness. While the recommendations focus on this program, they also apply to other federal discretionary grant programs designed to improve grantee performance and achieve better outcomes in the delivery of social services.

HUD awards discretionary grants to CoCs throughout the U.S. that coordinate the delivery of homeless assistance services by various service providers in a designated geographic area. Managing this intergovernmental program faces challenges with collaboration and coordination among CoC Collaborative Applicants, service providers, and stakeholders. In the face of these challenges, HUD and many of its local partners have adopted performance-based management systems for data collection and reporting, and invested in local capacity for evidence-based decision making. While the use of performance-based management practices varies due to apparent shortcomings with aspects of the system, a record of progress exists along with potentially generalizable lessons learned about improving performance in complex intergovernmental grant programs.

Study Design

The study employed a multi-method research design that included a national survey of CoCs, follow-up interviews with CoCs to explore local challenges and achievements in more detail, a documentary review of CoC plans, HUD reports and guidance, and other materials related to housing and homelessness. The national survey included questions that explored requisites for technical capacity building, the use of performance information, and challenges to performance at the local level as ascertained from prior academic research and empirical studies. Follow-up interviews were conducted with selected survey respondents. The findings reflect survey responses by 114 CoCs, follow-up interviews with 23 self-selected survey respondents, and informational interviews with HUD officials and experts in federal grants management and policy.

Key Findings

The research showed a high level of commitment to performance metrics and attention to data quality and analysis among CoCs. At the same time, progress in achieving system goals by CoCs has been uneven for a variety of reasons, including a lack of affordable rental housing in almost every geographical area of the country, a lack of political support and willingness to make homelessness a priority in some areas, and internal constraints (such as high staff turnover among service providers) which set back efforts by CoCs to advance performance-based practices. Key findings about the design and implementation of the CoC program appear below.

- The establishment of measurable priorities in the grant-making process encourages CoCs to align their program goals with national policy priorities and strategies over time, evident from their adoption of measurable goals and measures and recognition by a majority of CoCs that performance data is vital to goal achievement.
- The program incentivizes adoption of projects that support emerging priorities, demonstrated in the current focus among CoCs on equity in the gap analysis studies, engagement with people with lived experience, partnering with health and service agencies, and addressing the needs of unsheltered individuals.
- Emphasis has increased on achieving performance targets and system outcomes in program award criteria and scoring, evidenced by the continued adoption by CoCs of system performance measures in local plans, operational processes, and status reports.
- Grantee homeless management information system infrastructure and analytical data supports can improve performance measurement and reporting capabilities, evident by a reported focus on addressing reporting deficiencies to obtain high-quality performance data. Grantees are also upgrading infrastructure, enhancing performance reporting, developing in-house analytical capability, and using consultants for specialized studies.
- Grantee technical capacity has increased through use of technical support and training from HUD and independent contractors. Technical assistance providers and HUD staff are working to address administrative challenges and coordinating peer groups of grantees to share lessons learned, while also encouraging CoCs to acquire specialized assistance as needed to support their efforts.

Recommendations and General Considerations

HUD's homeless assistance grants program has demonstrated considerable yet uneven progress, particularly since the mid-2010s, in building the technical capacity of CoCs. While some CoCs struggle with challenges of limited capacity and environmental constraints, HUD and many of its grantees have gained expertise and demonstrated an increased maturity in intergovernmental performance management practices.

The study suggests the following strategies for HUD:

- Consider extending the competitive cycle.
- Provide CoCs with more feedback to improve program implementation.
- While ensuring consistent reporting of system performance measures, allow CoCs to report additional measures and provide context for changes in outcomes based on local experiences and constraints.
- Encourage CoCs to explore integrated regional, statewide, or multistate approaches to homeless management information systems.

- Evaluate the efficacy of technical assistance and determine the need (and costs) for additional support funding.
- Support enhanced peer-to-peer problem solving and sharing of effective analytic practices.
- Modify CoC program requirements to enhance performance.

Extensions of the research summarized in this report might focus on issues of CoC governance and programmatic innovation. Such a study could include questions about how best to structure CoCs to achieve both economies of scale and attention to local preferences. Other questions include innovative approaches to service delivery, as well as longer-term questions about how to reduce administrative burden to grantees while collecting critical performance data. Because the lack of accessible housing was mentioned as a constraint by respondents across the country, more attention to incentivizing local production of housing also appears critical.

In addition to providing specific recommendations for HUD, the report highlights several strategic themes where federal agencies administering similar discretionary programs more generally can give more support to improve grantee performance. These general strategies for supporting grantees include:

- Extending the competitive cycle and enhancing interactions with grantees
- Revising performance management reporting systems in consultation with grantees
- Assessing the impact of technical assistance and capacity support
- Expanding operational and regulatory flexibility

The findings from this study suggest value from examining similar discretionary grant programs that target homelessness in agencies with goals of improving the delivery of social services to local communities. The U.S. Interagency Commission on Homelessness has identified over 30 federal programs targeting homelessness administered by eight federal agencies. This set of agencies could be a focus of future efforts to reduce administrative costs and enhance the effectiveness of intergovernmental performance requirements in federal programs.

Issue Overview: Performance Challenges in Reducing Homelessness



The federal government relies on grants-in-aid to states and local governments to accomplish many of the nation's goals and objectives. In fiscal year (FY) 2022, federal grant spending reached a new high of \$1.193 trillion, and outlays for the discretionary portion of grant spending were \$290.8 billion, or 24.4 percent of the total (OMB 2023).¹ Discretionary grant programs, which Congress funds through annual appropriations, are coming under heightened scrutiny in light of the overall increase in federal spending partly in response to the COVID-19 pandemic. A recent federal rule change emphasizing performance, along with previous requirements for performance monitoring and reporting,² calls for renewed attention to ensure that grant recipients use federal funds to achieve intended goals and outcomes.³

Yet the current system of regulations and institutions governing grants management practices, which Eloise Pasachoff has referred to as the grants management regime, drives grantees to strive for financial and administrative compliance over programmatic outcomes.⁴ Shelley Metzenbaum has demonstrated that attention to achieving outcomes in federal grants is relatively recent and performance imperfectly executed.⁵ She argues that researchers and administrators need to focus on the implementation of grants following the award phase to attain “evidence pertaining to the effectiveness of grant program mechanisms—the requirements, resources, and supports grant programs provide, as well as how well those work and could work better.”

This report is a focused analysis of the manner in which federal and local actors manage the challenges noted by Metzenbaum and other scholars. It offers lessons from an implementation study of the U.S. Department of Housing and Urban Development (HUD) Homeless Assistance Grant program, the cornerstone of the federal government efforts to reduce the nation's homeless population. The program's impact depends on the success of intergovernmental management of relationships with local governments and nonprofit organizations.

Intergovernmental management refers to “routine transactions or working out of relationships between governmental (and nongovernmental) units as programs unfold.”⁶ In this case, HUD awards grants to provide services and assistance to homeless individuals and families through a Continuum of Care (CoC), a governance entity within a designated geographic area. COCs are responsible for coordinating plans to prepare a grant application to HUD, maintaining performance data, and using measures to report system performance and outcomes.⁷ The CoC aims to engage local stakeholders in a more collaborative, cross-sectoral approach, and to move away from a project focus toward a more coordinated, system-based approach to addressing homelessness at the community level.⁸ Over time, HUD has continued to encourage CoCs to undertake strategic planning, increase the focus on data collection and performance reporting, and build capacity through technical assistance and support.

1. U.S. Office of Management and Budget, 2023 March, Analytical Perspectives, Budget of the U.S. Government, Fiscal Year 2024, Chapter 8, p. 78, https://www.whitehouse.gov/wp-content/uploads/2023/03/spec_fy2024.pdf.
2. Monitoring and Reporting Program Performance, 2 C.F.R., Para. 200.329, <https://www.ecfr.gov/current/title-2/subtitle-A/chapter-II/part-200/subpart-D/subject-group-ECFR36520e4111dce32/section-200.329>.
3. Performance Measurement, 2 C.F.R., Para. 200.301, <http://www.govinfo.gov/content/pkg/CFR-2020-title2-vol1/pdf/CFR-2020-title2-vol1-sec200-301.pdf>.
4. Pasachoff, E. (2020), “Federal Grant Rules and Realities in the Intergovernmental Administrative State: Compliance, Performance and Politics,” *Yale Journal on Regulation*, 37:600.
5. Metzenbaum, S.H. (2021), *Federal Grants Management: Improving Outcomes*. Washington, D.C.: IBM Center for The Business of Government.
6. Agranoff, R. (1989), “Managing Intergovernmental Processes,” In *Handbook of Public Administration*, Ed. Perry, J.L., Jossey-Bass, 131.
7. Code of Federal Regulations (2017), Housing and Urban Development. Title 24, Subtitle B, Volume 3, Part 578.39, <https://www.govinfo.gov/content/pkg/CFR-2017-title24-vol3/xml/CFR-2017-title24-vol3-part578.xml>.
8. Mosley, J.E. (2021 January), “Cross-Sector Collaboration to Improve Homeless Services: Addressing Capacity, Innovation, and Equity Challenges.” *Annual of the American Academy of Political and Social Science*, 693(1), 246-263.

The policies and priorities adopted by HUD and the actions of CoCs in implementing the grant program present an opportunity to understand how the pairing of national leadership and performance management can work in practice. The federal government and its CoC partners seek to achieve a significant and equitable reduction in the number of individuals and families who experience or are at risk of homelessness, defined by HUD as “an individual or family who lacks a fixed, regular, and adequate nighttime residence.”⁹ These efforts have heightened concern, as evidenced by the Biden administration’s recent adoption of a strategy to address housing instability by reducing the inflow of individuals into the homeless system.¹⁰

Challenges to Performance

The challenges to performance confronting CoCs are daunting, considering the magnitude of homelessness in the United States, inequities in its incidence, and economic and social constraints on reducing homelessness. For several decades, the need has grown for housing support and assistance from a homeless population with a changing demographic profile. Younger people, including women and minorities, are replacing older White men in the population experiencing homelessness—and the increase in poverty, persistent inequality, the lack of affordable housing, and the loss of a social safety net put more people at risk.¹¹ In 2022, HUD and its CoC partners estimated that over 580,000 adults and children experience homelessness, with increases in the number of people living on the street, encampments, or other places unsuitable for human habitation. The population experiencing homelessness is more visible and concentrated in the urban core of metropolitan areas, but less visible in small towns or dispersed rural areas.

Significant inequities exist in the population of individuals experiencing homelessness. People identifying as Black or African American account for 37 percent of all experiencing homelessness, but only 12 percent of the total U.S. population. For veterans and families experiencing homelessness, investments in permanent supportive housing and rapid re-housing have helped reduce homelessness, even as housing costs in most of the country for low-income earners have risen dramatically. On average, individuals who are not veterans or accompanied by children receive less assistance. As a result, individuals from marginalized communities experience homelessness at higher rates.¹² According to the U.S. Interagency Commission on Homelessness (USICH), as many as 1.25 to 1.29 million individuals are homeless or at risk at any time during the year.¹³ The higher estimate includes individuals and families doubling up in households or living in encampments, vehicles, or other temporary arrangements due to a lack of access to affordable housing.

The increase in homelessness is primarily due to the rising cost of housing and lack of assistance provided to individuals in poverty and experiencing behavioral health challenges.¹⁴ In the past several decades, housing has become increasingly unaffordable for low-income residents as demand for housing outstripped housing supply.¹⁵ At the national level, the rate of

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9. HUD (n.d.), Homeless Definition, https://files.hudexchange.info/resources/documents/HomelessDefinition_Recordkeeping_RequirementsandCriteria.pdf.
 10. USICH (2022 December 19), All In -The Federal Strategic Plan to Prevent and End Homelessness. Washington, D.C. <https://www.usich.gov/FSP>.
 11. Shin, M. and J. Khadduri (2020), *In the Midst of Plenty: Homelessness and What to Do About It*. Hoboken, NJ: Wiley & Sons.
 12. HUD (2023), FY 2024 Congressional Justifications. Homeless Assistance Grants, https://www.hud.gov/sites/dfiles/CFO/documents/2024_CJ_Program_-_HAG.pdf.
 13. USICH (2022 December 19), All In - The Federal Strategic Plan to Prevent and End Homelessness, Washington, D.C., <https://www.usich.gov/FSP>.
 14. Shin, M. and J. Khadduri, (2020). 33-70.
 15. Gabriel, Stuart, and Gary Painter (2020), “Why Affordability Matters.” *Regional Science and Urban Economics*, Special Issue on Housing Affordability, 80 (January): 103378.

increase in home prices has overtaken incomes since 2011,¹⁶ and rents saw an 11.6 percent increase from 2020 to 2021 and again from 2021 to 2022.¹⁷ This figure dovetails with decades of research demonstrating associational relationships between rates of homelessness and housing market conditions outside of the purview of homeless service agencies, such as housing supply, rent-to-income ratios, and median rents.¹⁸ At the same time, research demonstrates the efficacy of permanent supportive housing and other supportive housing tools used by CoCs to address homelessness.¹⁹

The CoC system was created in 2009 by Congress to coordinate an increasingly fragmented set of homelessness service providers. In a recent study of collaboration in the delivery of homeless assistance services, Jennifer Mosley identified several challenges confronting CoCs: a lack of capacity, an inability to create momentum around innovative practices due to differing visions of appropriate service approaches, and inequities across service sub-populations.²⁰ From a capacity standpoint, operational funding and staff support are inadequate; however, some CoCs overcome this by garnering resources from philanthropic organizations and state or local governments. Mosley also found that many CoCs experience conflict between providers dedicated to service-specific groups, which can complicate system-level coordination and priority setting in the grant process. She recommends more attention to capacity building, focusing on infrastructure development and planning within CoCs. Larger CoCs and those in more supportive funding environments may continue to improve, but less-resourced CoCs need to catch up.

More fundamentally, as Charley Willison points out, most CoCs are nongovernmental actors and manage an increasingly fragmented and delegated set of services. They often have little authority to address key factors affecting the unhoused, such as policing approaches and housing production.²¹ Moreover, CoC networks confront governance issues related to scale, scope, and complexity. Some CoCs have attempted to address capacity and scale issues through regional consolidation, while others have resisted consolidation due to concerns about autonomy of service delivery. While governance issues are beyond the scope of this report, which focuses specifically on CoC experiences with performance systems, the structural issues confronting CoCs are important context for understanding their constrained environment and might present a fruitful avenue for future research.

This report documents challenges and lessons from HUD's implementation of the homeless assistance grant program. It examines the extent to which program grant recipients align their work with HUD policies and priorities based on their operational tactics, internal organizational culture, and performance measurement capabilities. The report also identifies the system barriers and environmental challenges that CoCs face in achieving outcomes. The study builds on preliminary analyses that found meeting HUD performance measure targets was not statistically associated with larger awards in the competitive grant process, raising questions as to the efficacy of grant system incentives from a "carrot and stick" perspective.²²

16. Joint Center for Housing Studies of Harvard University (2021), "The State of the Nation's Housing 2021."

17. Joint Center for Housing Studies of Harvard University (2021), "The State of the Nation's Housing 2021."

18. Raphael, Steven (2010), "Housing Market Regulation and Homelessness," *How to House the Homeless*, 110–40.; Quigley, John M., Steven Raphael, and Eugene Smolensky (2001), "Homeless in America, Homeless in California," *Review of Economics and Statistics* 83, (1), 37–51; Hanratty, Maria (2017), "Do Local Economic Conditions Affect Homelessness? Impact of Area Housing Market Factors, Unemployment, and Poverty on Community Homeless Rates," *Housing Policy Debate* 27 (4): 640–55.

19. Corinth, Kevin (2017), "The impact of permanent supportive housing on homeless populations," *Journal of Housing Economics* 35, 69–84.

20. Mosley, J.E. (2021 January),

21. Willison, Charley (2021), *Ungoverned and Out of Sight: Public Health and the Political Crisis of Homelessness*, Oxford University Press.

22. Musso, J., C. Weare, and J. W. Stanley (2022), "Accountability and Collaboration for Intergovernmental Performance Management: Communicating Goals through the HUD Grant-making Process." *State and Local Government Review*, 54(3), <https://journals.sagepub.com/doi/10.1177/0160323X221081515>.

Nevertheless, based on interviews with a limited number of CoCs, the study found that performance expectations in the Notice of Funding Opportunity (NOFO) process communicated HUD priorities, and that technical assistance was vital in supporting the development of CoC capacity. This report assesses the program's implementation among a broader and more geographically diverse group of CoCs with homeless populations of varying sizes and needs. The report identifies successful practices, develops strategies to improve discretionary grant-making practices in HUD, and provides insights for other federal agencies that manage similar discretionary grants.

Study Design

The evaluative framework for this study draws on the body of research on performance management found in the fields of public management, political science, and the social sciences broadly. Public management studies generally agree that important drivers of performance management include measurement system maturity, stakeholder involvement, leadership support, support capacity, innovative culture, and goal clarity.²³ Critical environmental features include external political support and community fragmentation or heterogeneity. The study focuses heavily on local organizational capacity, which contributes to effective collaborative governance among CoC agencies. Capacity building refers to building an organization's skills, competencies, and infrastructures, such as the use of data, building a training system or database, supervision, training of trainers, and generally supporting practice and ensuring that the work gets done effectively within the organizational structure. The drivers that contribute to effective capacity building include leadership, infrastructure, engagement and partnership, cultural competence, organizational culture, knowledge and skills, evaluation and continuous quality improvement, and resources.²⁴

This report focuses on grant-related performance measurement and capacity-building practices implemented by HUD beginning in the mid-2010s. The report provides an assessment of local capacities, constraints, barriers, and achievements based on survey research and follow-up interviews with Collaborative Applicants, the individuals that coordinate and submit an annual program application to HUD for grant program funding. The survey collected information about CoC structure, leadership, stakeholder interactions, analytic capacity, culture, access to data, influence of HUD guidelines, strategic planning, and constraints. In two waves, from October 2022 to November 2022, and March 2023, the survey obtained 114 responses for a 30 percent response rate—although this response rate limits drawing statistically significant inferences, the respondents represent a broad cross-section of COC officials and provide a deep and wide range of perspectives for analysis.

To supplement the survey information, in April 2023 the team conducted 23 semi-structured follow-up interviews with CoC survey respondents, and additional interviews with HUD staff that administer homeless assistance grants and other experts in federal and local grant-in-aid programs. Interviews with CoCs involved an executive director, a planning or program manager, or a dedicated staff person such as a grants manager who also held the responsibilities of the Collaborative Applicant. The research team analyzed interviews and survey responses thematically to distill insights into how HUD and other federal agencies in intergovernmental settings can enhance performance management practices, improve organizational capabilities, and build technical capacity to achieve long-term outcomes.

23. Kroll, A. (2015), "Drivers of Performance Information Use: Systematic Literature Review and Directions for Future Research," *Public Performance & Management Review*, 38:3, 459-486.

24. Barbee, A., J. DeSantis, and T. Richards (2017), American Public Human Services Administration (APHS) introduction to the special issue: Building capacity in child welfare systems. *Training and Development in Human Services: Journal of the National Staff Development Training Association*, 9, 5-19, <https://www.jbassoc.com/wp-content/uploads/2018/03/Supporting-Change-Child-Welfare.pdf>.

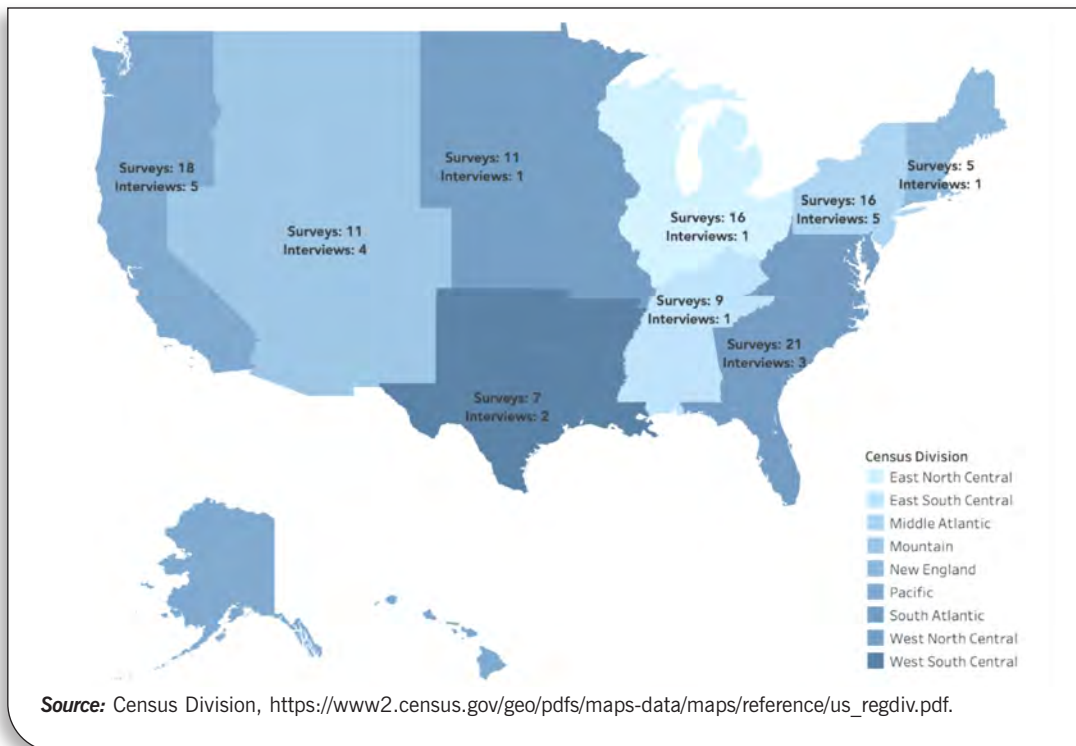
As Table 1 illustrates, there is a reasonable representation of CoC types in the survey and interviews. The team interviewed at least one CoC in each Census Division and CoC type.²⁵ The sampling effort sought overrepresentation of major cities, because they serve most of the individuals experiencing homelessness. Additional information on the study design is available from the authors upon request.

Table 1: Distribution of Interviews and Surveys by CoC Type

CoC Type	Number of Completed Interviews	Percent of Interviews	Number of Completed Surveys	Percent of Surveys	Total Number of CoCs in each Type	Percent of CoCs
Largely Rural	5	22%	31	27%	104	28%
Largely Suburban	11	48%	50	44%	166	44%
Major City	6	26%	19	17%	48	13%
Other Largely Urban	1	4%	14	12%	59	16%
Total	23	100%	114	100%	377	100%

As illustrated in Figure 1, the survey responses and interviews were relatively balanced across the U.S. population by Census Division.

Figure 1. CoC Surveys Submitted and Interviews Conducted by U.S. Census Division



25. The designation of CoC Type is based on the U.S. Department of Education Demographic and Geographic Estimates program. Major City CoCs represent the 50 most populous U.S. cities, while the three other distinct categories—urban, suburban, and rural—are based on collapsing 12 geographic locales assigned in the program. For more details, see HUD 2022 Annual Homeless Assessment Report to Congress, Washington, D.C., 6.

Program Context: The HUD-CoC Partnership



The use of discretionary grants to CoCs is part of a broader federal role in addressing homelessness that began in the mid-1980s, with increased public attention to the growing number of homeless veterans, many experiencing chronic homelessness. While HUD has required coordination of services since 1994, Congress codified the Continuum of Care process in 2009, providing funding for a nascent homeless management information system. The legislation required CoCs to measure their performance as a coordinated system, analyze performance by specific projects or project types, and award projects and evaluate system performance based on HUD's performance measures.²⁶ The statutory measures include:

- The length of time individuals and families remain homeless
- The extent to which individuals and families who leave homelessness experience additional spells of homelessness
- Thoroughness of grantees in reaching homeless individuals and families
- The overall reduction in the number of homeless individuals and families
- Jobs and income growth for homeless individuals and families
- Success at reducing the number of individuals and families who become homeless

In addition, HUD adopted two non-statutory measures: Successful placement from street outreach, and successful housing placement to or retention in a permanent housing destination.

Program Funding

The homeless services system that has evolved during the past four decades is separate from the broader social safety net that provides poverty-alleviating services, such as income support, housing subsidies, and social services.²⁷ The system is federally funded in part, and managed locally to provide emergency shelters, transition housing, temporary rapid rehousing, permanent housing, and supportive housing with wraparound services. Each year approximately 400 CoCs compete for project funding from HUD. In FY 2022, the annual appropriation Homeless Assistance Grants was \$3.21 billion, a 13 percent increase from the prior year.²⁸ Congress also provides funding for other federal grant programs that provide housing and homeless assistance services; altogether, more than 30 programs administered by eight federal agencies seek to prevent or reduce homelessness.²⁹

During the coronavirus pandemic, the federal government expanded its efforts to offset the loss of income by providing rental housing assistance to at-risk individuals. The CoCs were pressed into service during the pandemic to assist HUD program offices in administering housing vouchers and related assistance. In addition to Recovery Act funds, pandemic funding included nearly \$15 billion in aid, including \$4 billion for Emergency Solutions Grant (ESG) rental assistance and \$10 billion for HUD Section 8 housing vouchers and the HOME investments partnership program.³⁰ In the first two years of the Biden administration, HUD and local community partners provided permanent housing to over 100,000 individuals and families experiencing homelessness.³¹

26. HUD (2015), System Performance Measures Introductory Guide. Washington, D.C., <https://files.hudexchange.info/resources/documents/System-Performance-Measures-Introductory-Guide.pdf>.

27. Shin, M. and J. Khadduri (2020).

28. HUD (2023), FY 2024 Congressional Justifications. Homeless Assistance Grants, https://www.hud.gov/sites/dfiles/CFO/documents/2024_CJ_Program_-_HAG.pdf.

29. USICH (2022 December 19), Appendix B.

30. Congressional Research Service (2020 November 4), Homelessness and COVID-19. Report No. R46596, <https://crsreports.congress.gov/product/pdf/R/R46596>.

31. HUD (2023 April 17), Fact Sheet: HUD Announces \$486 Million in Grants and \$43 Million for Stability Vouchers to Address Unsheltered and Rural Homelessness, https://www.hud.gov/press/press_releases_media_advisories/HUD_No_23_078.

CoC Program Grant Life Cycle

With an annual funding cycle, CoCs are occupied throughout the year with administration of the program grant cycle, which can be organized into three general stages: Pre-Award, Award, and Post-Award.

Pre-Award

The annual cycle starts when HUD releases a Notice of Funding Availability or Opportunity (NOFA or NOFO).³² In this cycle, HUD uses the Notice to communicate its policies and priorities and establish award selection criteria. These priorities can change from year to year. In the FY 2022 NOFO cycle, HUD included nine policy priorities.³³ The designated Collaborative Applicant coordinates with CoC members and other stakeholders to determine local priorities by undertaking a gap analysis, an assessment of housing demand and need for services against the community capacity to respond.³⁴ Then the CoC solicits renewal or new project proposals from current or new service providers, reviews and ranks projects in the portfolio, and submits one application for all projects to HUD.

Award

After reviewing and scoring the applications based on the selection criteria specified in the NOFO, HUD announces conditional grant awards. Most funds are for continuing programs or Tier 1 grants, while performance reporting plays a critical role in the competition for newer programs or Tier 2 grants. In FY 2022, Tier 1 grants represented approximately 95 percent of the annual renewal demand and Tier 2 grants equaled the balance of funds based on CoC eligibility and quality threshold requirements.³⁵ Following the awards announcement, HUD completes a grant agreement outlining the roles and responsibilities of the recipient Collaborative Applicant and the sub-recipient service providers.

Post-Award

After signing an agreement, a CoC can pay up to 100 percent of the costs to acquire, rehabilitate, or construct housing and for the costs of leasing a structure for housing individuals and families. The CoCs can also pay security deposits and offer rental assistance for various lengths of time for transitional or permanent housing. Recipients may also shift or reallocate funds, or obtain extensions to a project, in order to improve performance or address an emerging need. The CoCs can spend up to three percent of the total annual award to carry out various administrative activities including undertaking multiyear planning, evaluating project outcomes, and developing consolidated plans for the geographic area.

Eligible individuals and families experiencing homelessness are identified through a coordinated entry process.³⁶ The CoC staff identify and assess the needs of each applicant, then provide referrals to service providers offering various housing options. While there is no one-size-fits-all approach, many CoCs prioritize participants for permanent supportive housing using a single by-name list of persons experiencing chronic homelessness.

32. Code of Federal Regulations (2017), Housing and Urban Development. Title 24, Subtitle B, Volume 3, Part 578, <https://www.gov-info.gov/content/pkg/CFR-2017-title24-vol3/xml/CFR-2017-title24-vol3-part578.xml>.

33. The policy priorities are: Ending homelessness for all persons; Use a Housing First approach; Reducing unsheltered homelessness; Improving system performance; Partnering with Housing, Health and Service Agencies; Racial Equity; Improving Assistance to LGBTQ+ Individuals; Persons with Lived Experience; and Increasing Affordable Housing Supply. See HUD (2022 September 30). Notice of Funding Opportunity (NOFO) for Fiscal Year (FY) 2022 Continuum of Care Competition and Noncompetitive Award of Youth Homeless Demonstration Program Renewal and Replacement Grants, FR-6600-N-25, 10-13, https://www.hud.gov/sites/dfiles/SPM/documents/Continuum_of_Care_Competition_and_Noncompetitive_YHDP.pdf.

34. See Part 578.7(c)(3).

35. HUD (2023 May), FY 2022 Continuum of Care Program Competition Debrief. YouTube HUD Channel, <https://www.youtube.com/watch?v=Zd9CgibvINO>.

36. HUD (n.d.), Coordinated Entry Policy Brief, <https://files.hudexchange.info/resources/documents/Coordinated-Entry-Policy-Brief.pdf>.

Collection and Use of Performance Information

Performance information is a critical element in the annual CoC program competition, used by HUD to evaluate the homeless response system nationwide by compiling and aggregating the data.³⁷ All CoCs must select and maintain a homeless management information system (HMIS) to collect counts of individuals and families for purposes of needs analysis and establishing priorities for project funding.³⁸ Each CoC, or combination of CoCs, maintains a separate data system and uploads the data at least annually to HUD. Participation in HMIS is a statutory requirement for grant recipients and sub-recipients, and CoCs must adhere to technical and data standards for governance, privacy, and security.

Housing Inventory Count/Point-in-Time Count

All CoCs collect an annual Housing Inventory Count and a regular Point-in-Time Count to track the number of homeless individuals and families in their area.³⁹ The Housing Inventory Count (HIC) is a measure of shelter and housing capacity in the CoC, which accounts for all project types: Emergency Shelter, Transitional Housing, Safe Haven, and Permanent Housing, i.e., Permanent Supportive Housing and Rapid Rehousing. The CoCs must conduct an annual Point-in-Time (PIT) count of homeless individuals living in shelters and an unsheltered count at least every other year. Point-in-Time counts represent the number of individuals experiencing sheltered or unsheltered homelessness on one night in the last 10 days of January. The PIT and HIC counts represent key critical inputs to HUD's Annual Homelessness Assessment Report to Congress.⁴⁰ Ensuring the validity and reliability of the data, particularly for sub-populations, is critical to local program and system planning and the reporting of national data depicting overall trends in homelessness.

Longitudinal System Analysis

The Longitudinal System Analysis (LSA) report is an input to HUD's Annual Homeless Assessment Report. This report includes subpopulation demographic characteristics, information on the length of time subpopulations experience homelessness, patterns of system use, and other specific information including housing outcomes that provides CoCs more details about system functioning. "Stella" is a relatively new set of HUD modeling tools that CoCs can use to prepare the LSA report. The Stella output is a visual display of how a head of household moves through the system, and provides detailed information about system functioning and distributions for system performance measures.⁴¹

37. HUD (2015 May), System Performance Measures Introductory Guide, <https://files.hudexchange.info/resources/documents/System-Performance-Measures-Introductory-Guide.pdf>.

38. HUD (n.d.) Homeless Management Information System, <https://www.hudexchange.info/programs/hmis/>.

39. HUD (2022 October 26), Notice for Housing Inventory Count and Point-in-Time Count Data Collection for Continuum of Care Program and the Emergency Solutions Grants Program, https://www.hud.gov/sites/dfiles/CPD/documents/2022_HIC_and_PIT_Data_Collection_Notice.pdf.

40. HUD (2022 December), *The 2022 Annual Homelessness Assessment Report (AHAR) to Congress*, <https://www.huduser.gov/portal/sites/default/files/pdf/2022-AHAR-Part-1.pdf>.

41. HUD (n.d.), Quick Reference: Differences between Longitudinal System Analysis (LSA) and System Performance Measures (SPM) Reporting Logic, <https://files.hudexchange.info/resources/documents/quick-reference-differences-between-lsa-and-spm-reporting-logic.pdf>.

System Performance Measures

System performance measures enable CoCs to analyze patterns of service and performance at the system level, in addition to examining results at the program level. There is an expectation of improvement in system performance, such as a decrease in the length of time an individual remains homeless and increases in positive housing placements and stability.⁴² HUD recommends that CoCs use the national performance targets as benchmarks when reporting results and setting local targets for homelessness reduction within their communities.⁴³

Capacity Building: Technical Assistance and Support

The CoCs can make use of Technical Assistance (TA) resources from HUD to help with strategic planning, improve data collection and analysis, increase understanding of local conditions, manage their portfolios, and provide guidance to communities on critical compliance issues.⁴⁴ Nongovernmental organizations, referred to as TA providers, provide this assistance under contract with HUD. Key focus areas for HUD TA in this program include addressing the housing needs of diverse populations, reentry coordination for persons exiting jails and prisons, and survivor-focused, trauma-informed care to meet the needs of survivors of gender-based violence.⁴⁵ Staff at HUD also provide informational webinars (i.e., HUD Office Hours) throughout the year, and post a variety of media and resource materials. An Ask-a-Question service is available for basic policy and reporting system inquiries.⁴⁶ A regional TA representative provides on-call support to assigned CoCs, which can request more in-depth direct program assistance if needed.

42. HUD (n.d.), Coordinated Entry Data and System Performance, <https://files.hudexchange.info/resources/documents/Coordinated-Entry-Data-and-System-Performance.pdf>.

43. HUD (n.d.), System Performance Measures Introductory Guide, <https://files.hudexchange.info/resources/documents/System-Performance-Measures-Introductory-Guide.pdf>.

44. HUD (n.d.), FY 2024 Congressional Justification. 21.1, https://www.hud.gov/sites/dfiles/CFO/documents/2024_CJ_Program_-_HAG.pdf.

45. HUD (2022), FY 2022 and FY 2023 Community Compass Technical Assistance and Capacity Building, Appendix II, 77-82, https://www.hud.gov/sites/dfiles/CFO/documents/FY22_23_CommunityCompassTA_NOFO.mod_.2.9.23.pdf.

46. HUD (n.d.), Program Support, <https://www.hudexchange.info/program-support/>.



Findings: A Focus on Performance Under Constraint



Research on performance management has found that a complex configuration of factors supports effective use of data for decision making. In a systematic literature review, Alexander Kroll finds general concurrence in the literature regarding the importance of 1) political features, including leadership support and stakeholder engagement, 2) support capacity, including resource supports, technically capable staff and well-established measurement systems, 3) an innovative organizational culture, and 4) strategic goal clarity.⁴⁷

The CoCs vary considerably in size, governance structure, and culture. The survey and interviews suggest that most engage with a diverse group of stakeholders to build consensus around goals and plan strategically. They are working to improve the quality of their data and develop in-house technical capacity, so that they can develop reports to inform operational decisions and the community. Overall, CoCs are making progress towards managing their activities as a system, but a lack of available and affordable housing and limits to funding for programs and staff constrain their performance.

Organizational Capacity

Due to variance in capacity, CoCs differ in their ability to partner effectively in developing and implementing an effective performance management system. A number of organizational features support data collection and use for decision making. Issues of capacity challenge a number of CoCs that are smaller, lower in resources, or must reconcile conflict among diverse stakeholders to agree on local strategic priorities.

Governance Structure

Continuum of Care organizations vary considerably in governance structure and size. Many are chartered as either independent private or nonprofit entities or operate as part of a government agency. Most are governed by boards of directors which also vary in their makeup, size, and involvement. The boards generally consist of elected officials, government agency managers, and representatives of other groups including service providers. Over time, CoCs have sought to ensure that their board membership is more diverse and inclusive by adding community members possessing specialized skills and experience, as well as people with lived experience of homelessness.

Among survey respondents, at least two-thirds of the CoCs are led by a full-time executive or director, many of whom have been associated with the CoC in some capacity for more than five years. Their backgrounds and experience vary considerably. The executives and directors play a critical leadership role in internal negotiations with board members, staff, and service providers to ensure sustained operations. At the same time, they must respond to the demands of an external network of stakeholders, including elected officials and bureaucrats at all levels in government, landlords, developers, and philanthropic organizations. While most of the CoCs have fewer than ten employees, there may be additional staff members in major city CoCs assigned specialized functions as diverse as street outreach, administering HMIS, or handling collateral duties such as administering other housing grants in addition to homeless assistance.

Nearly half of the CoCs that responded to the survey identify as a public-private collaborative, meaning that while they generally include at least one government agency, they are housed separately from government and operate quasi-independently. The second largest group are CoCs in a city, county, state, or regional government body. A smaller number of CoCs are independent, with limited government involvement or, in a few cases, a group of self-organized volunteers.

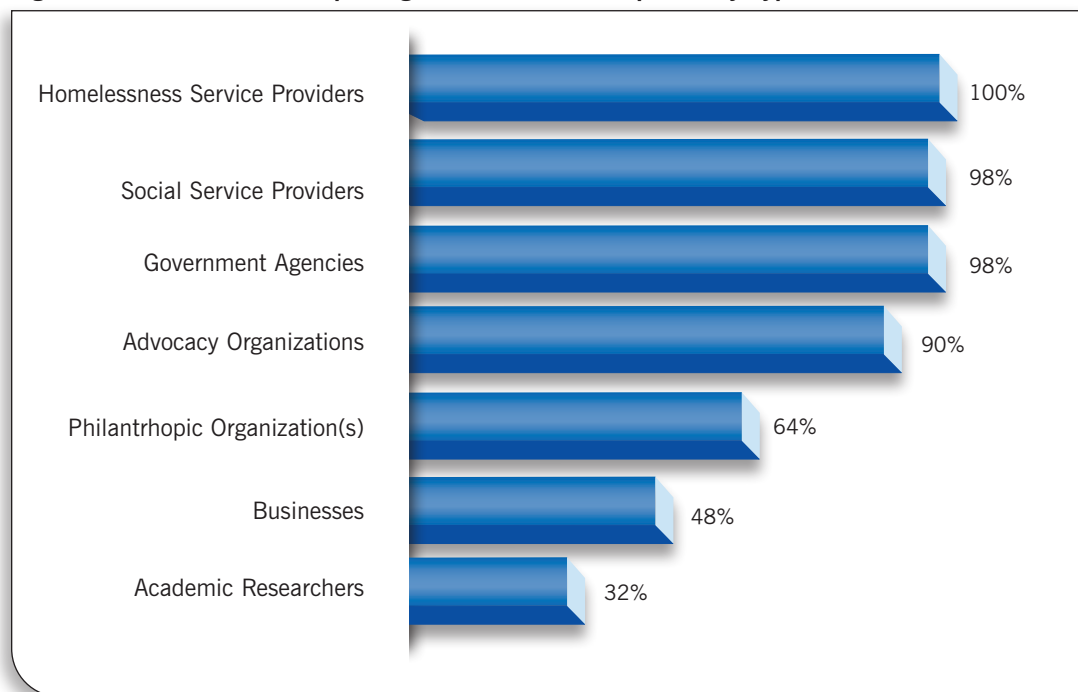
47. See Kroll, A. op. cit., 471.

The boundaries of CoCs vary depending on population density in their geographic areas. In metropolitan and suburban areas, CoCs include cities and towns that serve individuals with diverse needs and often confront limited housing availability. There are multiple CoCs in populous states such as California, New Jersey, and New York. States with fewer residents such as North Dakota, Montana, and Maine have one statewide organization, called a Balance of State CoC. In some states, major cities and other largely urban or suburban areas are designated as separate CoCs, while the remaining rural areas are part of a Balance of State CoC. In rural areas, CoCs confront additional challenges associated with overseeing projects across large geographical areas.

Membership and Stakeholder Interaction

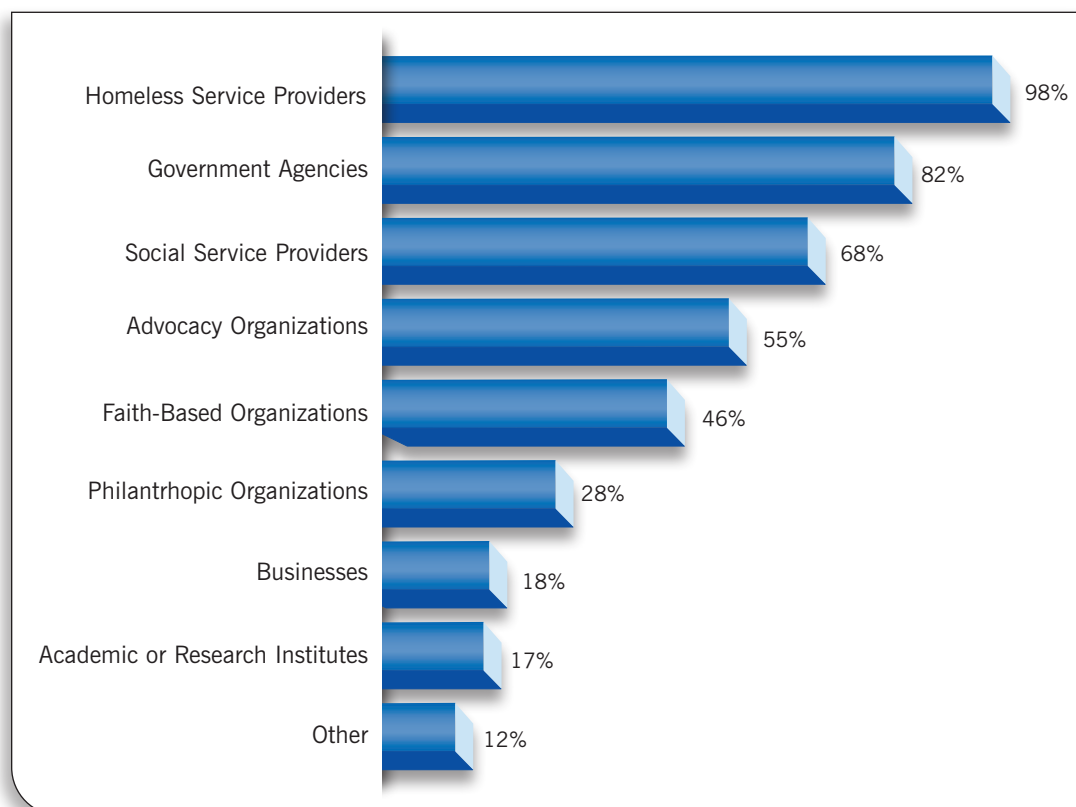
Research on performance management finds that networking and engagement of organizational stakeholders is essential for the effective use of performance data. The CoC model seeks to engage interested stakeholders in a systems approach to reducing homelessness. Several interview respondents noted that they had been working to expand and diversify the CoC board beyond service providers, to include other interested parties including youth and adults with lived experience of homelessness. Figure 2 shows that homeless service providers, government agencies, and other social service providers are most commonly found in CoC membership, but that there is some diversity of engagement that includes advocacy organizations, faith-based organizations, and others.

Figure 2. Percent of CoCs reporting Stakeholder Participation by Type (n=112)



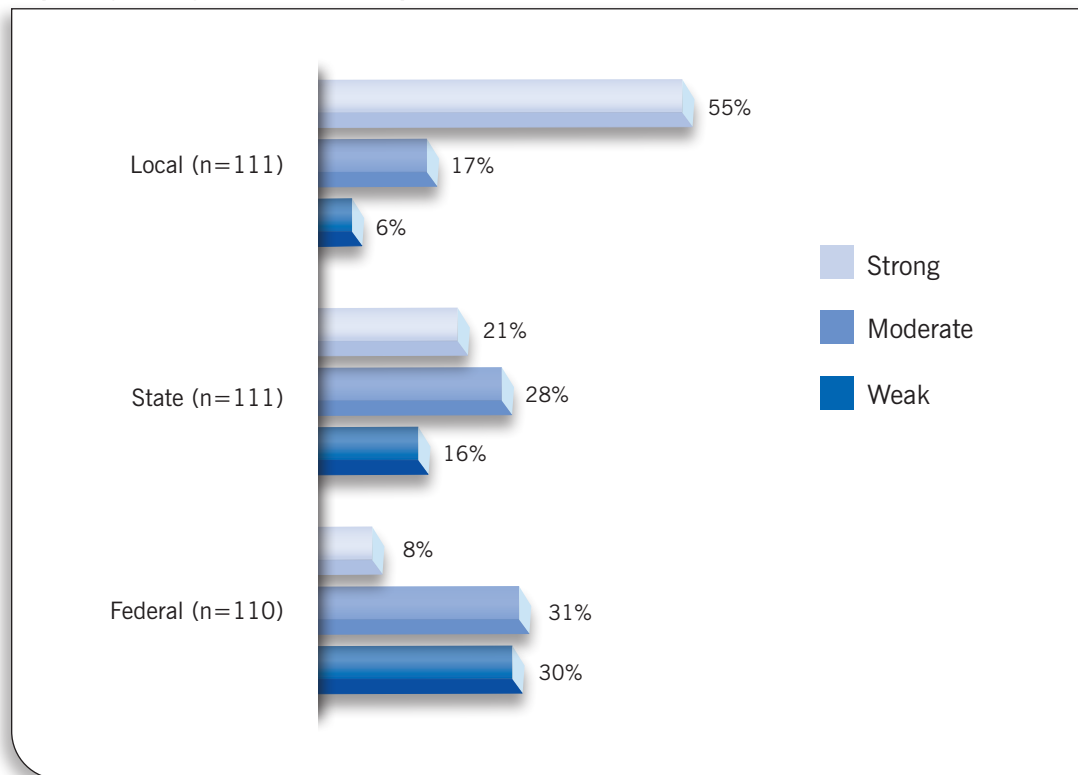
Most CoCs use committees to support work such as strategic planning, support, and outreach to at-risk youth. The committee structure enables a quick response to the rapidly changing environment that CoCs face. As one CoC survey respondent stated: “Our Committee structure has allowed freedom to tackle complex issues immediately.” As an example, homeless services providers, government agencies, and social service providers are most frequently represented in a committee responsible for performance as shown in Figure 3. Additional organizations that may be represented include homeless advocates, faith-based service providers or philanthropic organizations, businesses, academic or research institutes, and others such as youth or adults experiencing or at risk of homelessness.

Figure 3. Percent of CoCs reporting Stakeholder Participation on Performance Committee by Type (n=101)



Engagement with government agencies is also important to secure and manage funding. As illustrated in Figure 4, CoCs responding to the survey reported that their relationships with government officials are strongest at the local government level, but relationships between CoC leaders exist at all levels. Generally, it is up to the CoCs to take the initiative to interact with peers and program officials at the state and federal government levels.

Figure 4. Relationships with Local, State, and Federal Decision-Makers, as Percentage of CoCs Reporting Strengths of Relationship (n=110)



Organizational Culture

Research on performance management stresses the importance of an organizational culture supporting innovation and data-focused management. As Robert Behn states, culture is the “glue that holds an organization together.”⁴⁸ However, the culture of a CoC can be slow to change, as one survey respondent noted:

Under a new CoC planning manager and HMIS administrator, [we are] pushing out the idea that every decision must be data informed and there are metrics that we as a community must hold ourself (sic) accountable to if we want to successfully house our neighbors. Agencies are hesitant, but on board—it’s a new concept to run our CoC closer to a business with expected outcomes than a loose collation of service providers.

These constraints notwithstanding, the survey suggests that the grant-making process does focus CoCs on the importance of data and outcomes. As one survey respondent explained:

48. Behn, Robert (2014), *The PerformanceStat Potential: A Leadership Strategy for Producing Results*, Brookings Institution, Ash Center Series, *Innovative Governance in the 21st Century*.

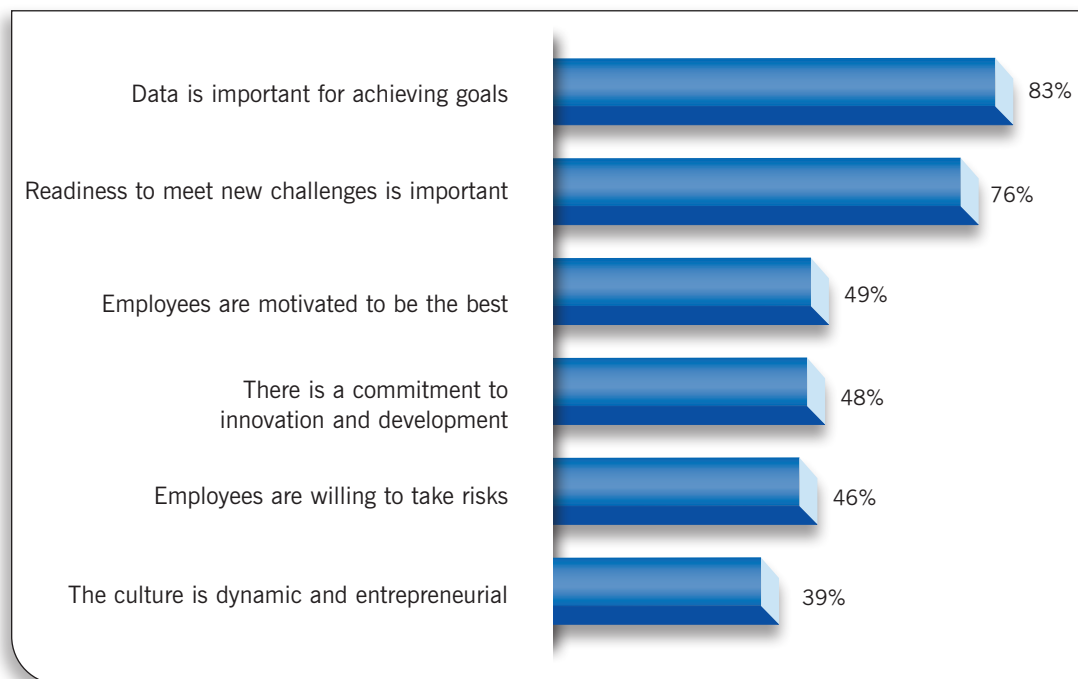


We analyze data regularly; we recently looked at the prevalence of homelessness in rural areas and used that data to apply for grants. We regularly run data reports and analysis as requested by service providers, to assist their reporting, grant application, and informing of stakeholders.



Among CoC survey respondents, there was a strong endorsement by 83% of the importance of data to achieving goals and readiness to meet new challenges as shown in Figure 5.

Figure 5. Perception of Organizational Culture of CoC Respondents that Somewhat or Strongly Agreed with Statements About Aspects of Organizational Culture (n=109)



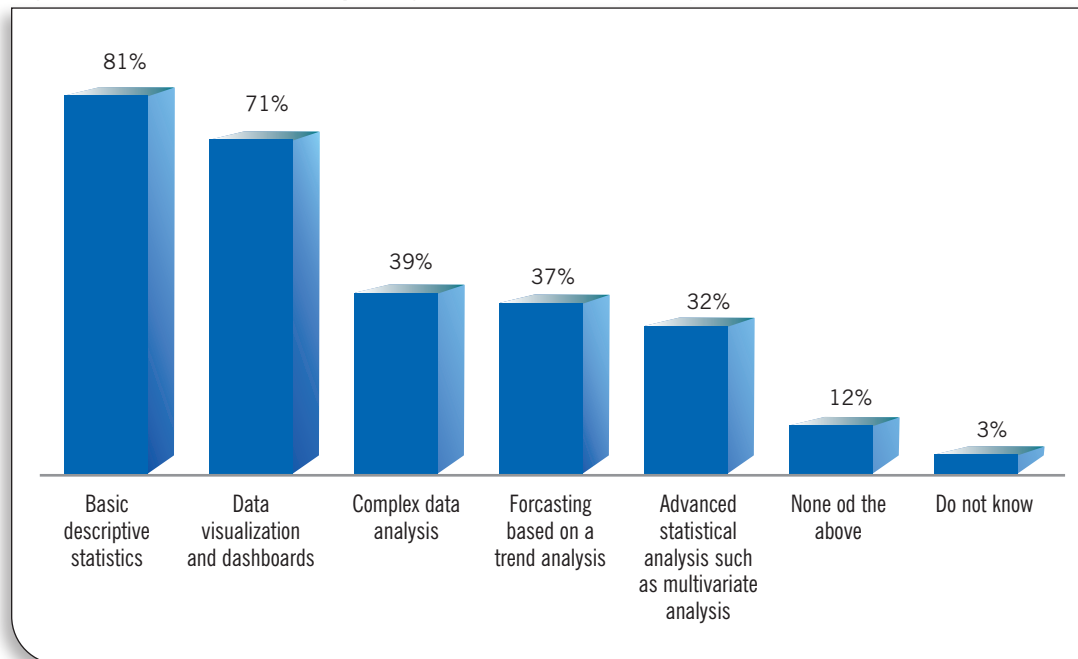
Interview respondents affirmed this focus on data, noting that homelessness data such as the Point-in-Time and Housing Inventory counts are critical to receiving federal funding and important to community leaders and local decision makers in understanding the challenges they face. Interview respondents also perceived that most agency staff involved in direct service provision recognize the importance of setting goals and collecting data. Among the CoCs recognizing the importance of data, there is a general understanding that performance data is a priority of HUD, and a perception that monitoring influences both outcome attainment and project selection, particularly for Tier II project awards.

Other dimensions of organizational culture elicited mixed perceptions. Figure 5 shows that only about half of the CoCs responded positively to survey questions about their perceptions of staff motivation, commitment, and willingness to take risks. Only four in ten survey respondents considered their organization to be dynamic and entrepreneurial. This may reflect, in part, the impact of an increased workload during the COVID-19 pandemic, as CoCs stated that their priority was to assist in providing housing voucher assistance which limited program activities. Interviewees also noted staff shortages in the CoCs and service agencies due to high rates of attrition and turnover, which likely contributed to poor staff motivation and morale.

Analytical Capacity

The capacity to analyze and interpret trends is critical for the effective use of performance data to improve agency outcomes. The survey findings suggest that many CoCs have the ability to support basic data analysis, but that some need to look beyond their staff for more sophisticated strategic analysis. When asked about the analytical skills of their staff, survey respondents reported that their staff were competent in basic descriptive statistics and creating visual displays in dashboard-type reports. However, only about one-third of the CoCs reported staff having more advanced skills, while a few (12 percent) reported that their staff had none of the skills listed in the survey (Figure 6).

Figure 6. Percent of CoCs Reporting Staff Possess Key Analytical Skills (n=108)



Technical assistance (TA) from HUD seeks to fill gaps in analytical skills and support broader strategic initiatives. The HUD support for capacity building takes many forms and, in some cases, may exceed a year in duration. For example, a HUD official described how the agency supported a merger of rural CoCs into a Balance of State over a three-year period; TA providers were in continuous conversations with state officials who assumed responsibility for some of the administrative burden that CoCs could not handle. In the survey, slightly more than half of the respondents indicated that they had used HUD TA. Among this group, many sought assistance in developing coordinated entry systems and HMIS. A survey respondent noted that “the new (HMIS) platform has much greater capacity for the intentional use of data across our projects and system.”

About one in five CoCs sought assistance with strategic planning. The CoCs also requested support for analyzing equity, engaging people with lived experience, and training tribal leaders. Other support cited by survey respondents included youth homeless demonstration program assistance, landlord engagement, use of ESG funds, restructuring, governance, and grant utilization and spend-down tactics. A survey respondent noted, “We used HUD TA to help develop a grant reallocation plan to assist with our portfolio’s issues with spending down the full grant amounts.”

The interview respondents had mixed views regarding the value of HUD TA. Some interview respondents were positive about their relationships with the local HUD TA contact and used resources extensively. A CoC interviewee stated they did not use HUD TA formally but were frequently in contact with HUD staff: “We have a wonderful regional HUD office . . . so we get a lot of more . . . informal sort of technical assistance through the staff. . . . that is definitely invaluable assistance to us. . . . They just always respond right away, help us as best they can.” Others cited lackluster relationships or high turnover among TA staff.

Several respondents with more program capacity found HUD TA helpful only in responding to specific questions related to policy or regulations. Instead, these CoCs committed their own resources to develop in-house training in areas such as case management and trauma-informed care. Others stated that the HUD training resources were either difficult to access or insufficient to meet the needs of their staff. One CoC stated that they had created an internal platform to upload HUD training videos and other resources so they were more easily accessible, and held live training sessions that they developed independently to address their local needs. They invited other CoCs in their state to access the materials and participate in the training. Several interviewees, particularly in rural areas, suggested that the TA assistance was limited in the time allotted, sharing that they needed more personal assistance, preferably on site. According to HUD, a new peer-to-peer TA network for rural CoCs has helped share information about procedures and practices.

Several interview respondents mentioned participating in peer-to-peer networks that expanded their membership informally outside HUD TA networks. A few CoCs mentioned meeting at regional or statewide meetings to share ideas and best practices with their peers. Others described their participation in past campaigns such as Built for Zero that were organized by an independent organization targeting homelessness.⁴⁹ A number of respondents stated that they relied more on consultants and other contractors outside HUD TA for nonroutine or specialized analysis. This option, however, is not available to CoCs that lack resources available for this purpose.

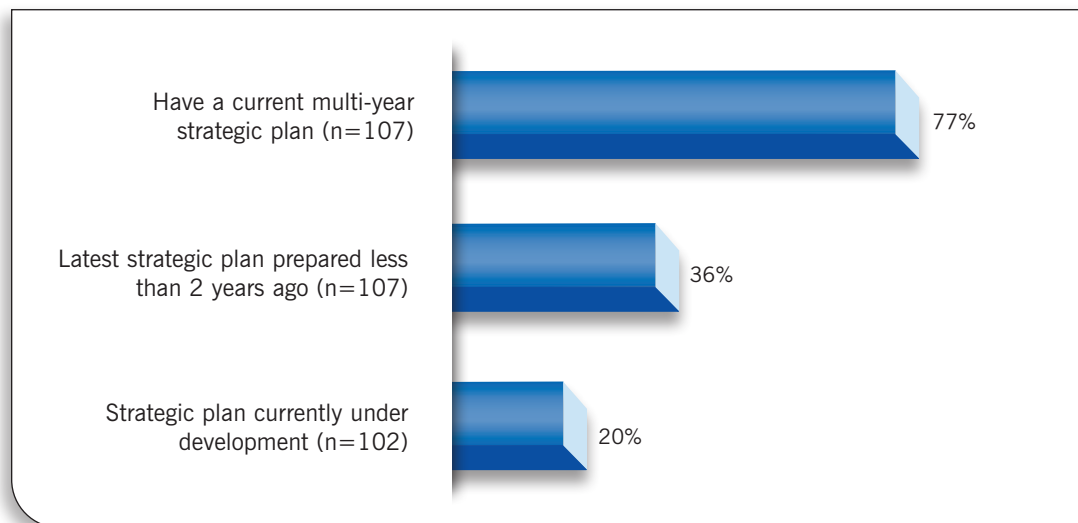
Strategic Planning and Goal Clarity

Strategic planning enables CoCs to clarify goals and priorities and systematically relate to their external environment. Strategic planning can also be used to identify conflicts among actors that are likely to arise, clarify how to manage conflicts, identify emerging issues, and formulate management strategies.⁵⁰ As illustrated in Figure 7, about three-fourths of survey respondents reported having a multiyear strategic plan, about one-third reported that they wrote the plans within the last two years, and about one in five stated that the plans are currently under development.

49. Community Solutions (n.d.), Built for Zero: A Movement to Measurably and Equitably End Homelessness, <https://community.solutions/built-for-zero/the-movement/>.

50. Radin, B.A., R. Agranoff, A.O. Bowman, C. G. Buntz, J.S. Ott, B.S. Romzek, R.H. Wilson (1996), *New Governance for Rural America*, University Press of Kansas.

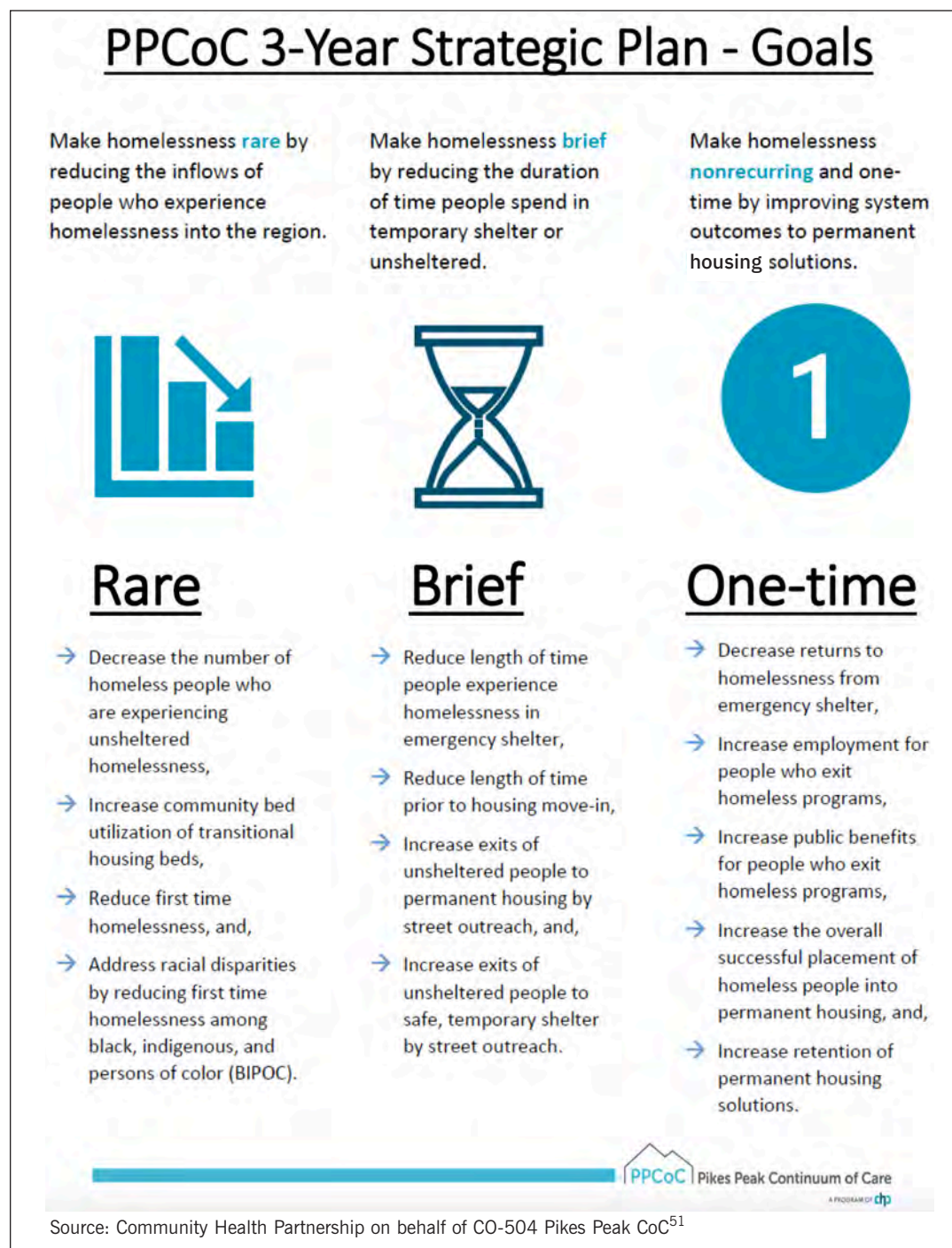
Figure 7. Percent of CoCs by Availability and Timeliness of Strategic Plan (n=102)



The interviews suggested three general approaches to strategic planning that lead to different types of plans. In several CoCs, the strategic plan closely adheres to national policy and HUD strategy—i.e., make homelessness rare, brief, and non-recurring—and aligns with HUD system performance measures. Figure 8 shows an example of this approach. Another group of CoCs prepares an action plan for homelessness program activities that is incorporated into a broader county, regional, or statewide planning document. A third group of CoCs operates with outdated strategic plans that may have been written more than five years ago, or lacks a strategic plan altogether. One interviewee chose not to have a general strategic plan, but had developed an action plan for their Youth Homeless Demonstration program, suggesting a more focused approach to developing strategic direction.



Figure 8. Example of CoC Strategic Plan Aligned with National Goals and Measures



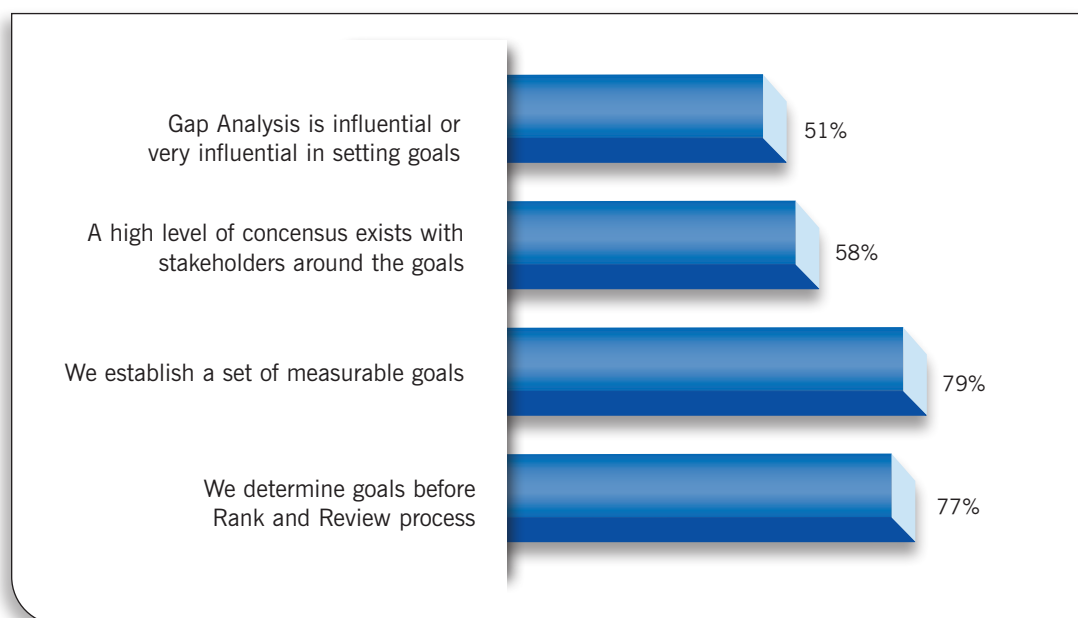
As illustrated in Figure 9, many CoCs establish measurable goals before the rank and review process in which grant priorities are established. These findings are encouraging, considering the importance of aligning local and federal priorities. An interviewee stated, “The priorities of the CoC Board are closely aligned with the goals of HUD and USICH. They focus on veterans, chronic homeless, families/youth and domestic violence survivors.” About half of the respon-

51. Community Health Partnership, 2021 PPCoC 3-Year Strategic Plan, <https://www.ppchp.org/wp-content/uploads/2021/11/Pikes-Peak-Continuum-of-Care-3-Year-Strategic-Plan.pdf>.

dents stated that the gap analysis is influential or very influential in goal formation, while about three-fifths of respondents reported a high level of consensus with stakeholders around their strategic goals. These data suggest an opportunity for CoCs to improve use of data in strategic goal setting and highlight the difficulty of aligning priorities at the local level.

In terms of an operational focus, survey respondents identified their Top 3 priorities as obtaining HUD funding, supporting HMIS, and adopting evidence-based practices. Among other priorities reported by CoCs are ensuring full coverage of the population within their boundaries, securing affordable housing, advancing racial equity, engaging with the local public housing authority, housing as many households as possible, and increasing housing opportunities for homeless persons and resources for persons experiencing homelessness.

Figure 9. Percent of CoCs that Somewhat or Strongly Agree with Statements about Importance of Goals (n=78)



Data Quality and Use for Decision Making

While survey and interview findings suggest the presence of many features to support CoC capacity for performance management, reports on the quality of data and use of performance measures for concrete decision-making are mixed. Among survey respondents, approximately two-thirds of the CoCs operate, maintain, and prepare custom reports in HMIS, as shown in Figure 10. The staff may direct reports to the CoC executive or be part of an information technology team that serves various parts of an organization, including the CoC grant program. As one CoC survey respondent commented:



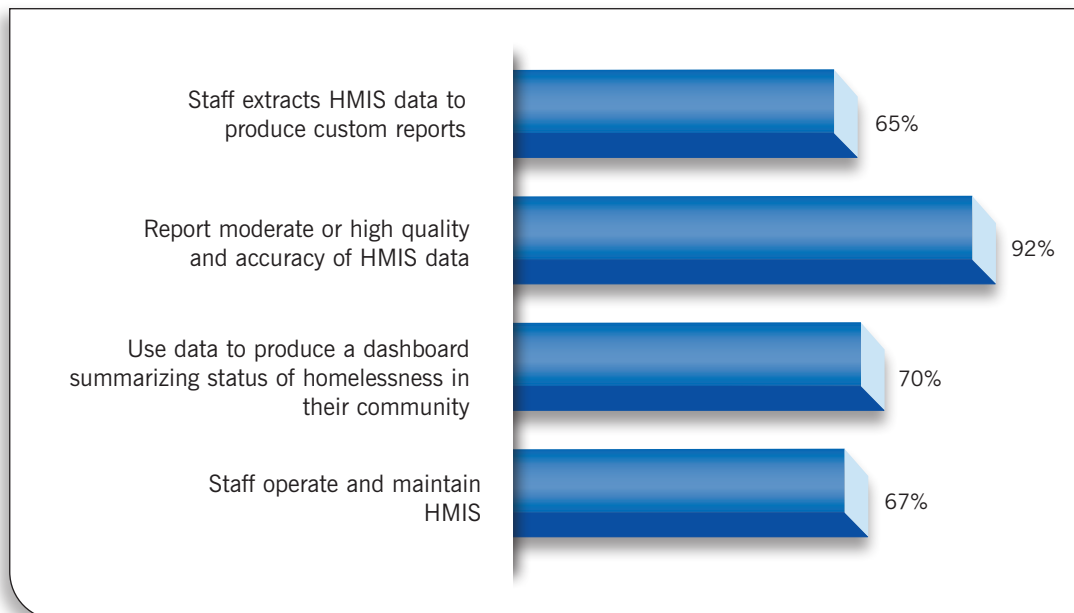

 We are very fortunate to have three full-time county staff whose primary duties are to support the CoC. One of these people is focused on data analysis, data visualization, and support for HMIS. This has been a huge opportunity to increase the number of agencies entering data into HMIS so we can analyze for community wide trends, establish common performance measures and reduce redundant work.
 

Figure 10. Percent of CoCs that Somewhat Agree or Agree with to Statements about the Use of HMIS Data (n=109)

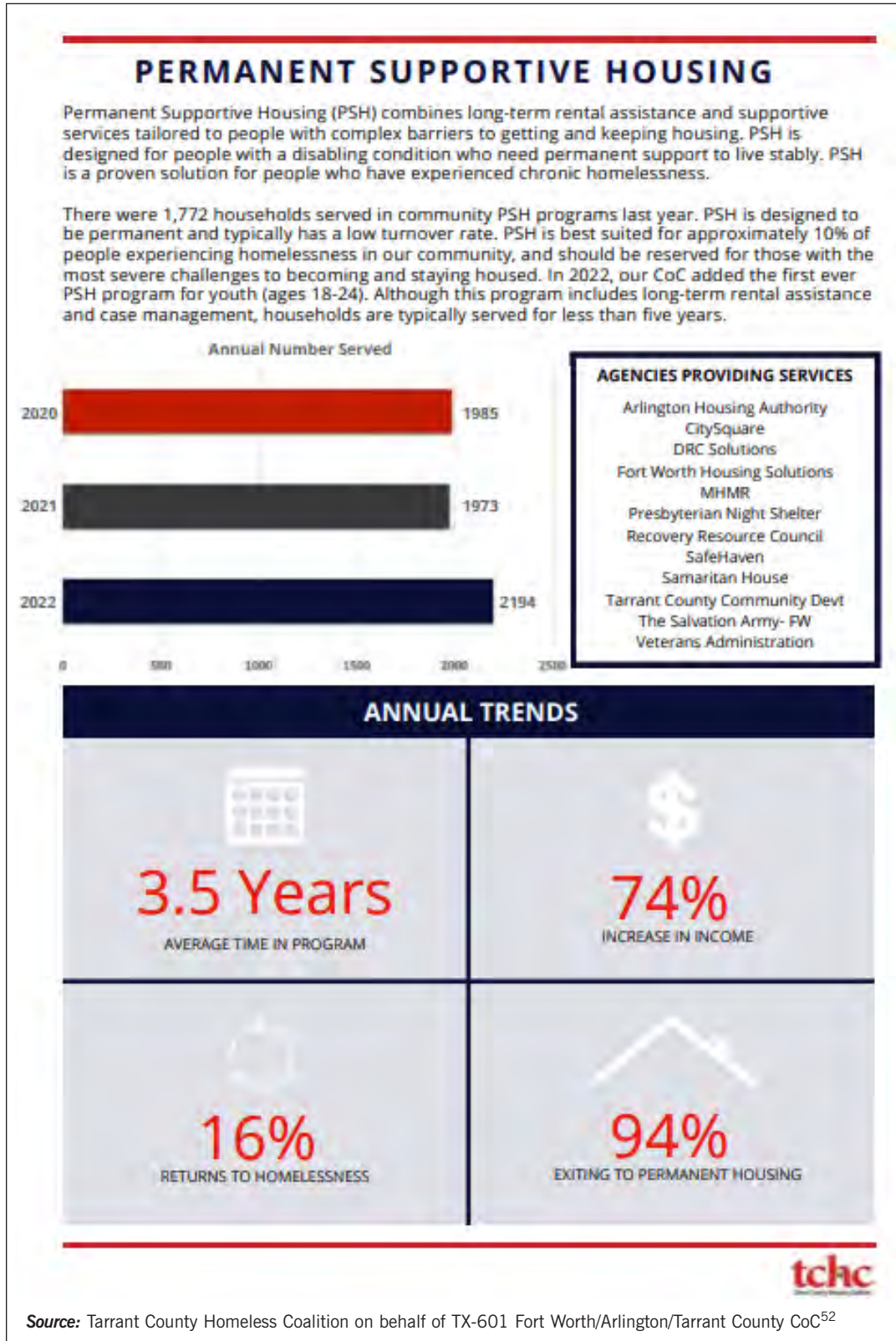


Some interview respondents noted that they purchased software platforms developed specifically for HMIS reporting by privately-owned companies. Others enter data into statewide management information systems shared by two or more CoCs operating through a memorandum of understanding. As the data needs and requirements have evolved, some CoCs have transitioned to more robust software platforms. During the transition from legacy to new information technology systems, CoCs must meet challenges around governance, privacy, and security of the data, and an even greater demand for user training.

Most of the CoC survey respondents reported moderate to high data quality and accuracy, as shown in Figure 10. A survey respondent suggested the value of good data, explaining, “Data analysis has demonstrated not only data quality issues within projects, but we can drill down to identify racial disparities in service provision and poor performance across all service provision areas.” There is some disagreement, however, between the survey findings and the general sense of quality of data reported by interview respondents. In the interviews, a number of executives and directors expressed concerns about the quality of HMIS data being reported to HUD. They opined that data collection for supportive housing projects is generally more comprehensive and accurate than data from emergency shelters. Interviewees reported instances where enrollments coming through coordinated entry are not maintained in HMIS, and incomplete exit designations were commonplace.

As shown in Figure 10, about seven in 10 CoCs prepare an annual report that summarizes the status of homelessness in their community. An example from a CoC report is shown in Figure 11. The scope of the CoC efforts to provide permanent supporting housing are summarized in one page. The number of individuals served increased between 2020-2022. The document includes a list of the agencies providing this service as grant sub-recipients. The most recent annual trends for key performance measures—average time in program, percent increase in income, percent returns to homelessness, and percent exiting to permanent housing—appear for 2022.

Figure 11. Example of Trend Reporting from a CoC Annual Report



52. Tarrant County Homeless Coalition, 2023 State of the Homeless, <https://ahomewithhope.org/wp-content/uploads/2023/03/2023-SOHA-Report-FINAL.pdf>.

Interview respondents shared that maintaining or improving data quality is a labor-intensive challenge. For example, staff try to identify reporting errors earlier in the cycle so they can be traced back to particular projects or service providers. One CoC generates custom dashboard reports for each service provider to encourage the continuous correction of errors. This interviewee stated that many of the recent gains in reduced days homeless are actually the result of more complete data collection and reporting. Several interviewees shared a perception that while agency administrators know that data are important and that funding can be at risk without data, data quality is hampered by a reliance on staff that have limited analytical skills, or are unpaid volunteers or paid a relatively low wage. Some perceived staff to be passionate about assisting the homeless, but not always as concerned about data collection and analysis. There is also high turnover among service provider staff; an interviewee mentioned that about 80 percent of the service provider staff responsible for data entry left their positions in the past year. As a result, some interviewees shared that they need to provide regular training due to turnover of the agency staff responsible for entering the data.

Ultimately, the goal of performance systems is for local administrators to incorporate data into strategic planning and decision making. Here too, the results are mixed. As illustrated in Figure 12, about two-thirds of survey respondents discussed the gap analysis among their leadership, while only about half reviewed and tracked progress using HUD system performance measures. About 28 percent of respondents use measures similar to those HUD requires to track system performance. The manner in which a CoC may use data to track performance is illustrated by comments from a survey respondent:

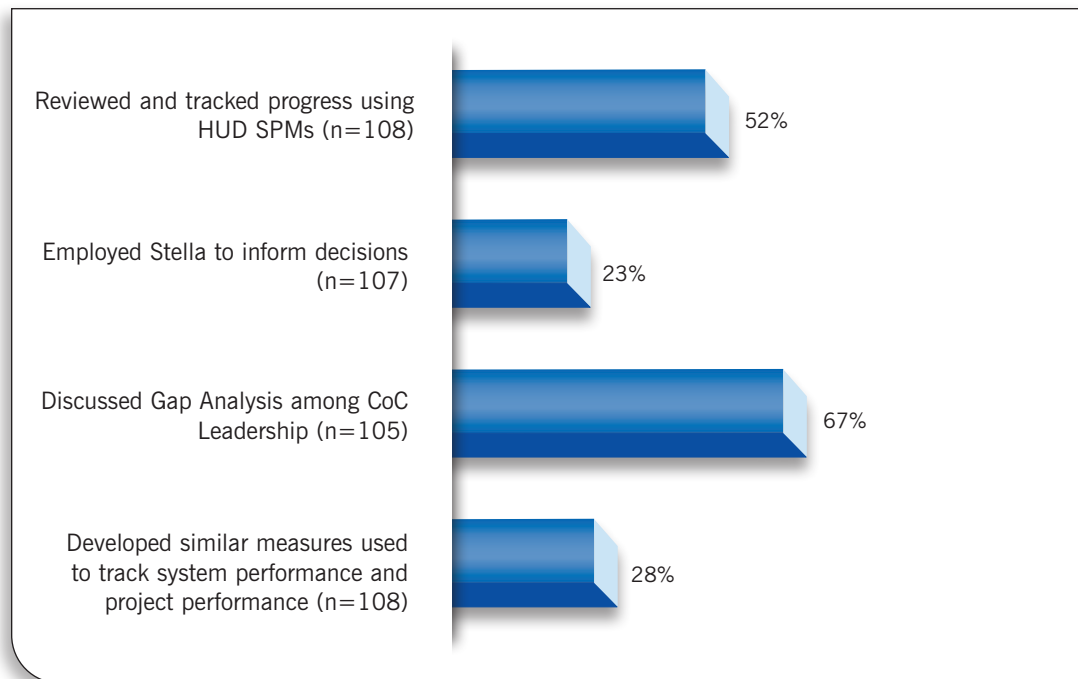


Analyzing returns to homelessness timelines, (we) identified that more returns happen between 3 to 6 months of time and if we stabilize households post one year or two years the numbers of returns drop significantly. This indicated that intensive case management is most needed during the first 6 months of time to reduce returns to homelessness.



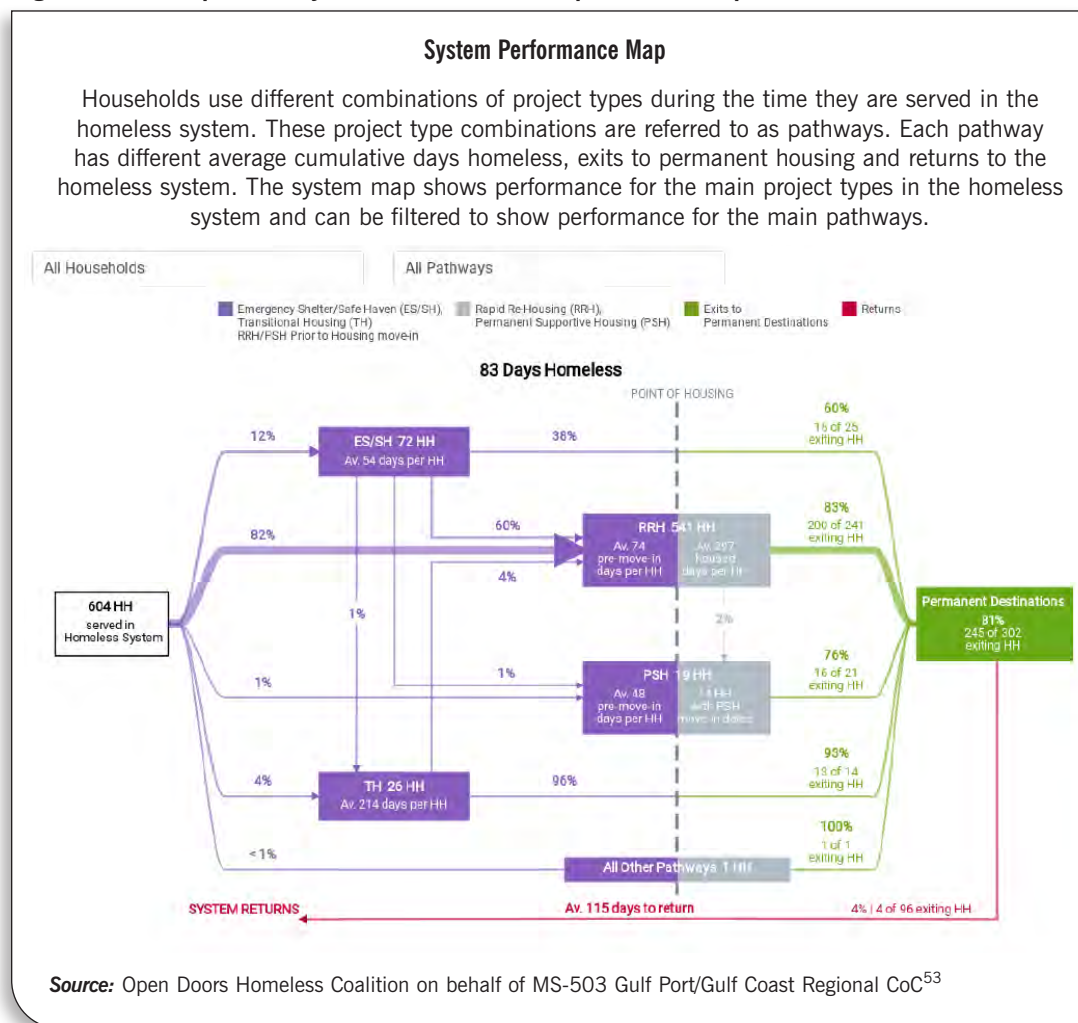
The follow-up interviews suggest that some CoCs will rely heavily on only one or two of the system performance measures to assess progress and may develop additional performance measures or indicators that they track locally. For example, one CoC interviewee tracks monthly utilization rates for projects, i.e., percent leased to percent matched, and attempts to maintain rates at a target of 95 percent or higher. It examines projects that fail to meet this threshold more closely to resolve any issues affecting utilization. Several interview respondents stated that they have difficulty tracking returns to homelessness. Other CoCs that are not responsible for shelter operations find measures such as the length of time individuals and families remain homeless less useful. CoCs operating shelters in metropolitan areas using blended funding from various federal and local sources find it difficult to manage to measures of length of time in the system when facing many factors beyond their control.

Figure 12. Percent of CoCs that Somewhat Agree or Agree with Statements about the Use of Data in Decision-Making and NOFO Process (n=105)



Fewer than one-fourth of survey respondents employed the HUD Stella modeling tool to inform their decisions. Interviewees reported a similar or slightly higher level of usage, a missed opportunity considering the analytic output available with this tool. For example, Figure 13 shows a System Performance Map that a CoC generated using Stella. This summary map shows the average time, in days, a household spends in the homeless system when they accept a specific housing option before being placed in a permanent housing destination or returning to homelessness. Several respondents commented favorably that Stella training is available from HUD TA providers and has been successfully used in their CoC. Based on the interviews and the survey results, Stella is being used by more sophisticated CoCs that are early adopters but has yet to reach a critical mass and may require further enhancements before wider adoption. A number of CoCs stated they had not found either the time or inclination to use Stella.

Figure 13. Example of a System Performance Map in a LSA Report



In summary, while respondents noted areas in which there is room for improvement, the research suggests that HUD has developed a set of policies and management practices that place the CoC homeless assistance program on a sound footing. The key strengths of HUD’s approach include:

- Using the grant-making process to align local level program goals and outcomes with HUD policy priorities and strategies over time
- Employing a portion of program funds to incentivize grantee adoption of projects that support emerging priorities, i.e., addressing unsheltered homelessness
- Increasing the emphasis on achieving performance targets and system outcomes in program award criteria and scoring
- Developing an HMIS data infrastructure and analytical supports to enhance the performance measurement capabilities of grantees

53. Open Doors Homeless Coalition (n.d.) LSA for presentation.pdf, p. 6, <https://www.opendoorshc.org/wp-content/uploads/2023/01/LSA-for-presentation.pdf>.

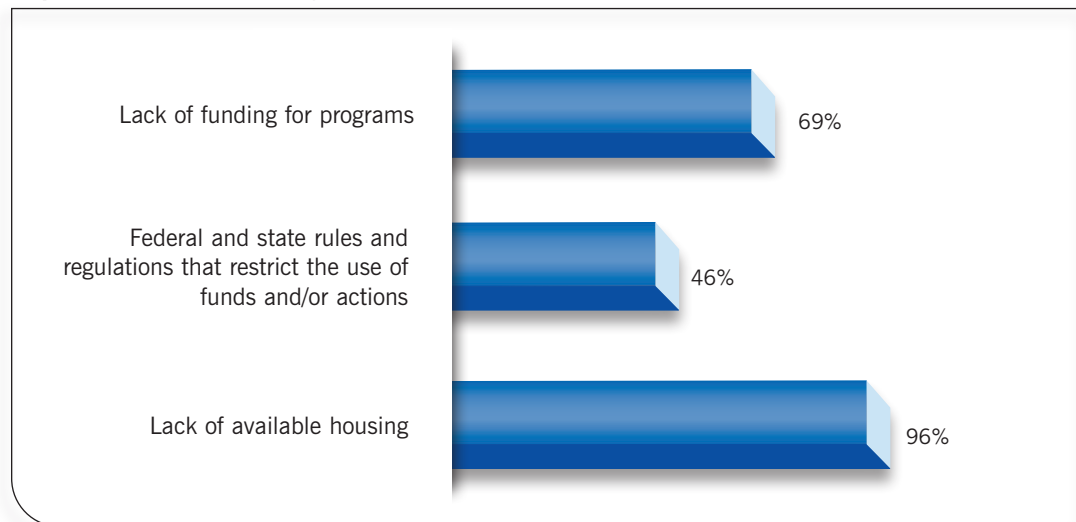
- Building grantee capacity by providing technical support and training to CoC grantees, working directly with grantees to address administrative challenges, and coordinating peer groups of grantees to share lessons learned
- Encouraging program coordination between grantees and sharing of information with other government agencies and nonprofits at the community level

These strengths and achievements notwithstanding, respondents noted a number of system barriers and environmental challenges that constrain their ability to manage effectively for performance. These are addressed in the next section.

Barriers and Challenges

Considering the challenges of resolving homelessness, it is not surprising that CoCs confront a number of system barriers and environmental challenges to implementing performance and achieving outcomes. From an operational standpoint, CoC respondents most frequently reported constraints around staffing, administrative burden, and communication challenges. The CoCs also face local contextual challenges, most notably lack of accessible and affordable housing. Figure 14 displays the three most significant impediments to addressing homelessness according to survey respondents: lack of funding, federal and state rules and regulations, and lack of available housing.

Figure 14. Most Frequent Mentions in Responses from CoC about their Three Most Significant Impediments to Addressing Homelessness (n=105)



System Barriers

Interviewees frequently cited problems related to staff shortages and high turnover rates. Turnover is an acute problem among service providers in CoCs, attributed by interview participants to an array of factors, including the emotional demands of the job, low wages, and staff burnout from the stress of the pandemic. Facing these staffing constraints, some CoCs have turned to other funding sources to provide salary increases, but government employees face limits on pay and bonuses. The CoCs find it difficult to recruit staff that have highly specialized expertise, such as mental health case managers and information technology specialists, because of a noncompetitive salary structure. An interviewee posited that noncompetitive salaries result in underqualified hires that require extensive training and are likely to leave after a short period of employment:



They're low paid, have no background in this. So not only are you trying to teach them the fundamentals of things like HUD priorities, but you are also trying to teach them all the successful strategies to help a household. And more often than not, as soon as they find something that pays a little bit better they're gone, and then we're starting over again.



While HUD contracts allow fair market rents to increase annually to reflect market conditions, an interviewee stated that CoCs are essentially locked into funding amounts for staff and other contractual stipulations based on the original agreement award date.⁵⁴

Another system constraint is the administrative burden to grantees of complying with rules and regulations. As shown in Figure 14, nearly half of the survey respondents perceived these restrictions to be among the top three constraints to addressing homelessness. This includes the time CoC staff take to prepare an application in response to a NOFO, or time used to identify and correct errors in HMIS data. For example, several CoCs stated they diverted time from assisting service providers in existing program delivery to assist in administering housing voucher programs that were awarded funding without concomitant increases in staff. The administrative burden associated with developing schemes for blending various federal and state funding streams and maintaining compliance can also be an obstacle. While appreciative of the support for housing, an interviewee lamented that the time available to oversee and assist service providers suffers because of the volume of federal housing vouchers and regulatory requirements, as well as lack of coordination within HUD and across federal agencies providing targeted homeless assistance.

Many interview respondents volunteered that the annual NOFO process was burdensome, identifying it as a key constraint on their ability to work on direct service provision and system improvement. Several suggested that an important way that HUD could free up more staff-time and support their success would be to move to a multi-year competition in the design of the grant cycle. Most did perceive that the NOFO's listing of policy priorities and selection criteria signal the strategic foci that CoCs need to set their priorities among projects and activities that are submitted for federal funding each year. But some CoCs shared that the list of priorities changes from year to year and that HUD needs to provide more lead time for CoCs to respond to these changes. Several respondents stated that by the time they have learned the outcome of the current year's NOFO process, they have already begun preparing for the next year. And, with an annual funding cycle and changing HUD priorities, some interview respondents feel that they are constantly having to play catch-up with HUD priorities. Additionally, some CoCs expressed confusion as to why they lost points in scoring for particular areas of the prior-year NOFO application. While most of the funding results in renewal of existing projects, HUD provides only limited feedback, which one interviewee referred to as "canned feedback," on the scores CoCs receive in the post-award period. Several interviewees shared that they had difficulty improving performance without clearer understanding of the reason for lost points.

54. Fair Market Rents are estimates of 40th percentile gross rents for standard quality units within a metropolitan area or nonmetropolitan county. See HUD (n.d.) Fair Market Rents, <https://www.huduser.gov/portal/datasets/fmr.html>.

Environmental Challenges

The environmental context within which CoCs operate varies considerably. The CoCs that work in rural and some suburban areas face constraints trying to serve outlying areas and locating individuals experiencing homelessness who are not as readily visible as individuals camping on city streets. There is also wide variability in the political context, which can affect access to funding as well as the presence of related homelessness policy supports, such as commitments to the construction of affordable housing. In some states, the funding that the CoC receives from HUD is significantly less than revenue from local or state resources. Often nonfederal funding sources have different reporting standards, diminishing incentives for local compliance.

The most commonly mentioned challenge faced by grantees involves the high cost and limited availability of housing. As shown in Figure 14, virtually all survey respondents stated that lack of available housing was the most significant impediment to addressing homelessness in their community. The lack of accessible and affordable housing was also cited by all but one interviewee as a severe constraint. Availability of land, the costs and time to develop new permanent supportive housing, the conversion of hotels and other existing facilities to non-congregate shelters, the depopulation of congregate shelters, and the limited amount of investment capital available all contributed to a lack of available options for housing and shelter placements. In addition, in major cities and rural communities alike, interview participants noted that landlords in the tight housing market are increasingly reluctant to accept individuals using HUD vouchers when presented with increasing numbers by renters on the private market, even when CoCs designed landlord incentive and retention programs. They attributed this issue to the fact that fair market rents are not keeping pace with actual rents.

In many areas, severe housing constraints create a backlog in the homeless assistance system that impacts CoC performance. Individuals and families eligible for housing are unable to find a unit, limiting performance even when assistance such as a rental voucher is available. As one interviewee noted:



Just how long it takes to find a unit that is acceptable and affordable means that the amount of time people are experiencing homelessness is much longer. Even the folks that have the ability and desire to move out of the street or out of a shelter into a unit of their own. They also can't find anything, so the whole thing is kind of backlog [and] we've seen huge increases in the time homeless. We've seen a lot of returns because people are taking units that they can't really afford, and then losing those units. So there's just less stability and more flux across the entire gamut of housing, and it's causing enormous delays in every step of the process.



This is a critical issue considering that research has demonstrated the efficacy of the Housing First model, in which stable housing is a foundation for addressing other health, social, or behavioral issues contributing to homelessness.

Several CoCs stated that the number of individual and families experiencing homelessness and entering the homeless services system in their area exceeds the number who exit the system. An interviewee stated:



We have double the amount of people coming in as we do going out, and so we need to figure out how to stop the inflow but also increase our outflow, and it has to be through more flexible funding sources. We can't just say housing placements are the answer. We have to increase our diversion and our prevention funding. . . . But that is also harder.



Rents in the area of this CoC have increased substantially and the minimum wage has not kept pace with the cost of living. In this case, the CoC hired an independent company to assist in finding rental units and engaging with prospective landlords.

In addition, the COVID-19 pandemic has had a negative impact on the ability of CoCs to achieve performance goals. For example, during the pandemic, many CoCs opened non-congregate shelter units or structured campsites, which led to an increase in homeless individuals in the system and worsening trends for system performance measures. Interviewees expressed concern that the positive trends in system performance measures that were recorded in 2018-2019 reversed after the onset of the pandemic, when the number of individuals and families entering the homeless assistance system increased. Many of the interview respondents expect the impact of the pandemic on performance to continue into the near future. While federal resources enabled many to remain in their homes and allowed communities to open more non-congregate housing, CoCs anticipate a further increase in homelessness due to the lifting of the national moratorium on foreclosure and evictions and the depletion of the remaining federal rental housing assistance from CARES and ARP funds.⁵⁵ The grave shortage of affordable housing in many communities makes it difficult to meet the increased demand for housing coming out of the pandemic.

55. Congressional Research Service (2021 August). The CDC's *Federal Eviction Moratorium*. <https://crsreports.congress.gov/product/pdf/IN/IN11673>.

Recommendations and General Considerations



Strategies to Enhance Performance

This section briefly summarizes insights into how HUD and its local partners implement the grant program in the current operating environment and relates them to strategies that HUD and CoCs should consider to enhance the performance and benefits from the program. The discussion then turns to the generalizability of these strategies for other federal grant-in-aid programs, with specific identification of next steps in improving the intergovernmental management of grant programs in the homelessness arena. As noted above, the focus is specifically on performance systems, taking as given the current governance structure and program service delivery approaches of HUD and CoCs. Future research might consider the extent to which it would be appropriate to modify or incentivize changes to CoC governance, or to reform the complex federal approach to supporting homelessness services.

Extend the Competitive Cycle and Enhance Interactions with Grantees.

Requirements for HUD funding to CoCs are explicit in the annual NOFO process, and HUD uses supporting guidance to provide the policy and technical information grant recipients need to implement program activities and report performance. In addition, HUD uses supplemental or special NOFOs to target funds and direct efforts to subpopulations, such as homeless youth, and communities with special needs, to serve an expanding population of unsheltered homeless individuals and families. However, CoC grantees experience the annual competition as burdensome, express that they have to be reactive rather than proactive about responding to priorities, and are unsure as to why they are losing points in the grant process. Staff at HUD are aware of these concerns, but cite the volume and length of NOFO applications as a constraint on their ability to respond within the timeframe provided.



Strategy #1. Consider extending the annual grant cycle.

An important change suggested by this research is to extend the competitive cycle beyond a year. Doing so would reduce the staff time required to respond to the NOFO with an application in a short timeframe, providing CoCs with greater capacity to plan for and effectively implement program activities.⁵⁶ HUD could also release the list of policy priorities for the upcoming fiscal year planning cycle at the earliest date possible prior to the NOFO announcement. This would allow CoCs more time to become aware of HUD and local stakeholders' expectations and prepare their application. An extended cycle would also allow HUD staff more time to consult with CoCs about how they can improve upon their scores.



Strategy #2. Provide CoC grantees more feedback to improve program implementation.

HUD and its TA partners could engage CoCs using different communication media and develop additional electronic means (i.e., voice recordings) to share more specific suggestions as to how a CoC can improve upon future scores.⁵⁷ Also, HUD should consider developing exemplary NOFO applications, using redacted narratives in response to key questions that can be shared before the next cycle begins. A number of CoCs already post the annual NOFO application to their websites, and HUD can provide additional guidance by sharing examples of higher scoring CoC applications.⁵⁸

56. A provision extending the the NOFO cycle to two years is included in the FY 2024 Senate THUD appropriations bill. See p. 122, https://www.appropriations.senate.gov/imo/media/doc/fy24_thud_report.pdf.

57. HUD (2023 May). FY 2022 Continuum of Care Program Competition Debrief. YouTube HUD Channel, <https://www.youtube.com/watch?v=Zd9CgibvINO>.

58. Several CoCs stated that they regularly review the publicly available NOFO applications of other CoCs for insights and ideas.

Revise the Performance Management Reporting System in Consultation with CoC Grantees.

HUD has introduced system performance measures and sophisticated data systems, which are commendable and gaining more widespread acceptance among the CoC community—providing the foundation for measuring outcomes in the grant-making process. While requiring the information in HMIS, HUD could add flexibility in reporting by allowing CoCs to submit qualitative comments and share best practices for program implementation and measurement targets as part of the annual performance report and/or application.



Strategy #3. Allow CoCs to report additional performance measures based on grantee experience.

While continuing to require CoCs to enter results for performance measures in HMIS, HUD could enable CoCs to submit comments for an expanded group of related outcomes (i.e., equity, community engagement, use of evidence and other indicators). It could also share best practices for program implementation and evaluation as part of the annual performance report and/or NOFO application.⁵⁹ This information could then be compiled and shared with all CoCs via the HUD website, in various sponsored forums, and other media channels. The CoCs would also benefit from the ability to submit information to HUD about additional measures and context for understanding existing system performance.

While compliance with uniform measures (such as percent exits to homelessness) are necessary from a grantor perspective, many CoCs expressed that changes in system performance measures did not adequately reflect the level of effort or local conditions and constraints that grantees face. This approach may move reporting away from an exercise in compliance, and encourage CoCs to focus on data useful for demonstrating results and managing program funds more effectively. Allowing for some additional performance measures to reflect local conditions, while still reporting on system performance measures that support comparison for funding awards, will make the exercise more meaningful at the local level.



Strategy #4. Encourage CoCs to explore integrated regional, statewide or multistate approaches to HMIS.

Integrating HMIS data collection and reporting across regions could assist CoCs in benefiting from economies of scope and scale. This could happen within a larger region, an entire state, or at a multistate (i.e., tristate) level. Technical assistance supports these approaches through standard or customized HMIS training, support of working groups, or provision of help desk support to members in all the CoCs within a state or region. For example, HUD could invite CoCs to seek an exemption to undertake PIT and HIC of their homeless population across state or regional CoC boundaries. HUD would need to allow this on a state-by-state basis under an agreement where CoCs would not lose their autonomy and responsibility for other functions such as coordinated entry.

Assess the Impact of Technical Assistance and Capacity Support.

The interview findings suggest mixed reviews of HUD Technical Assistance (TA). Several CoCs were appreciative of TA support received from HUD and, in particular, targeted TA focused on solving local challenges. Others perceived that TA is inadequate to meet their needs, and some contract for services outside HUD TA offerings. Some CoCs, particularly those that are smaller with fewer resources, had little contact with their HUD regional contact, and limited capacity to seek assistance from consultants.

59. An example of this format is found on pp. 34-39 in the Treasury Department Compliance and Report Guidance for State and Local Fiscal Recovery Funds Guidance, <https://home.treasury.gov/system/files/136/SLFRF-Compliance-and-Reporting-Guidance.pdf>.



Strategy #5. Evaluate the efficacy of technical assistance and determine the need (and costs) for additional support funding.

TA support could be evaluated by assessing the needs of CoCs and considering additional funds to ensure more equitable provision of TA, regardless of CoC size and the population of targeted homeless persons. Funding cost estimates could be included as part of an overall assessment of the effectiveness of HUD TA for the CoC program.



Strategy #6: Enhance opportunities for CoC sharing of analytic practices and approaches to data collection and evaluation.

Some CoCs already participate in peer-to-peer networks to troubleshoot issues and share effective practices. However, such networks may be difficult for lower-capacity CoCs to access. According to HUD, there is a new peer-to-peer technical assistance network for rural CoCs. Providing additional institutional and/or resource support for such peer-to-peer sharing could allow CoCs to learn how others are using data for decision making.

Expand Operational and Regulatory Flexibility.

A number of CoCs with constrained funding and limited staff resources stated that certain operational and regulatory aspects of the CoC program design undermine efforts to increase service provider participation in programs. Those CoCs that rely almost exclusively on federal funding find these constraints particularly restrictive.



Strategy #7: Modify CoC program requirements to enhance performance.

Raising the limit in spending of grant funds for planning activities would give greater administrative flexibility to CoCs that receive smaller annual grant awards.⁶⁰ This would also benefit CoCs through greater flexibility to use of funds for general operations (i.e., supportive services)⁶¹ and set a higher spending threshold for project administrative costs.⁶² In addition, CoCs would find it easier to recruit service providers if it were possible to exempt projects or reduce the 25 percent match. It would be valuable for HUD to review CoC program requirements and seek modifications that remove barriers to participation and promote enhanced performance.

General Considerations for Federal Grant-Making Agencies

This study revealed several strategic themes that may be generalizable to other federal discretionary grant programs that seek to improve performance among grantees and achieve outcomes for targeted populations in an intergovernmental setting. The four main themes are:

- **Extend Grant Competition Cycles and Enhance Communication between Federal Agencies and Grantees.** The considerable administrative burden of an annual grant cycle diverts resources from local administration and direct service delivery. Extending the competitive cycle would reduce these administrative costs at all levels, and also provide opportunities for longer planning horizons and improved communications between federal agencies and grantees.

60. HUD staff recently announced that Congress has authorized an increase in the minimum allowable amount to \$50,000 for annual planning in the case where a CoC award, or Final Pro-Rate Need (FPRN) amount, results in less than this minimum under the Interim Program rule, para. 578.39. The FY 2024 Senate Appropriations bill includes a \$25 million inflationary adjustment so that supportive service projects can hire and retain qualified personnel. See pp.122-123, https://www.appropriations.senate.gov/imo/media/doc/fy24_thud_report.pdf.

61. Code of Federal Regulations (2017), Housing and Urban Development, Title 24, Subtitle B, Volume 3, Part 578.73.

62. Ibid. (2017), Part 578.59.

- **Tailor Performance Management Reporting Measures in Consultation with Grantees.** Performance reporting should not be an exercise in compliance, but rather a collection of data useful for decision making at all levels of government. Collaborative efforts to tailor measures to local conditions, or provide information for additional performance measures, may improve local commitment to reporting and enhance local program management.
- **Assess the Impact of Technical Assistance and Capacity Support to Grantees.** Operation of a robust performance management system requires a configuration of factors that include leadership commitment, organizational engagement, strategic planning, interagency goal alignment, and staff with the technical capability to manage systems in the face of rapidly changing technology. Federal agency technical assistance to grantees can play a role in developing needed capacity, but quality may vary and requires ongoing assessment and strategic investment.
- **Expand Operational and Regulatory Flexibility for Grantees.** With highly variable local conditions, providing more funding and flexibility regarding use of supportive services, administrative and other operational details may enhance the ability of grantees to manage grant-in-aid programs in an efficient manner that is more responsive to local constraints.

A starting point in extending the findings from this study would involve similar discretionary grant programs that target homelessness in agencies charged with improving the delivery of social services to local communities. As noted earlier, USICH has identified more than 30 federal programs administered by eight different federal agencies that target homelessness. There is an effort underway among USICH member agencies to develop a framework for implementing the cross-agency “Federal Strategic Plan to Prevent or End Homelessness” by adopting HUD system performance measures to assess their progress.⁶³ The CoCs will be a critical intergovernmental partner in this implementation effort.

These agencies administer some of the targeted programs through discretionary grants. For example, the Veteran’s Administration announced in 2022 a NOFO for the Supportive Services for Veteran Families (SSVF) program, designed to enhance the housing stability and independent living skills of very low-income families. This NOFO encouraged applicants to provide letters of support from the CoCs in the geographic location where they plan to deliver services, to demonstrate their engagement in efforts to coordinate services with HUD.⁶⁴ Grantees will be required to enter information on the participants served and types of supportive services provided into the HMIS managed by the CoC in their local geographic area.⁶⁵

A comprehensive assessment of targeted discretionary grant programs and their performance-oriented components will require an extensive review of management practices in the federal agencies mentioned above, as well as other agencies that administer grants for low-income and vulnerable populations. A focused review of homelessness assistance grant programs would constitute a first step towards understanding the extent to which the strategies presented in this study may apply to programs with similar designs. Such an analysis might lead to better coordination between USICH member agencies in the scheduling and release of NOFOs, to enable:

63. USICH (December 2022), P. 71.

64. VA (2022 November 1), VA Supportive Services for Veteran Families Program, NOFO 64.033, <https://www.va.gov/homeless/ssvf/grants-management/>.

65. VA (n.d.). FY 2022 VA Data Guide: Data Collection and Reporting Guidance for VA Grantees, https://www.va.gov/HOMELESS/ssvf/docs/SSVF_VA_Data_Guide.pdf.

- Allowing more local governments and nonprofits with limited staff resources to respond to additional grant opportunities
- Sharing of information common to all applications to develop a standard application that reduces redundancy and burden on grant applicants in preparing project proposals
- Assessing the current state of performance measures and outcome reporting across these programs, and other federal programs that support performance improvements in local government and communities⁶⁶

The study findings suggest that HUD's homeless assistance grants program has demonstrated progress, particularly since the mid-2010s, in building technical capacity and supports in CoCs. While some CoCs continue to struggle with challenges of limited capacity and environmental constraints, HUD and many of its grantees have gained expertise and demonstrated an increased maturity in intergovernmental performance management practices.

The federal government can build toward greater success—in this and similar programs—by reducing administrative burden, improving communications, investing in improved technical assistance, and resource support to develop the ground-level organizational capacity of grantees, and to provide greater flexibility regarding both performance measurement reporting and use of funding. In particular, agencies can focus on reducing administrative costs of an annual competitive grant process with substantial reporting requirements. Ultimately, federal agency coordination can improve through actions such as those proposed here, both internally and with grantees—which would support development of a performance measurement-driven, outcome-based grants approach for intergovernmental grant programs.

66. HUD and other member agencies in USICH might consider pursuing this approach on a pilot basis using the Exceptions provision in 2 CFR 200.102, <https://www.ecfr.gov/current/title-2/subtitle-A/chapter-II/part-200/subpart-B/section-200.102>.

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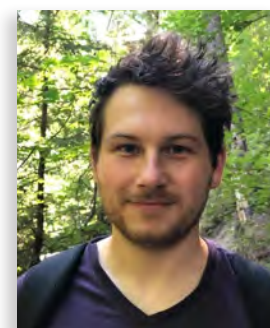
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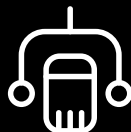
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