Module 1: Built for Zero Flex Fund Guide

Planning for Flex Funding

Overview + Acknowledgements

Purpose of the Guide

This dynamic guide is designed to assist communities that have recently obtained or are considering applying for Flexible Funding through Community Solutions. Its purpose is not to dictate the use of flexible funding but to provide insights, learnings from other communities, and best practices. Communities are encouraged to think creatively about how flex funding can enhance their local initiatives to fill critical gaps, drive local progress, and achieve their unique goals. Though this guide speaks largely to the use of Flexible Funding granted through Community Solutions, the guidance and strategies can be applied in any community with any combination of private or public funding. Community Solutions encourages all communities to explore flexible funding opportunities to supplement local strategies to prevent and end homelessness.

Orientation to the Guide

This Guide is broken into separate modules

- Background & Introduction to Flex Funds
- Module 1: Planning for Flexible Funding
- Module 2: Preparing for Implementation
- Module 3: Implementation: Putting Your Community Flex Fund to Work
- Module 4: Understanding & Amplifying Impact for Ongoing Sustainability

Acknowledgements

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1.1 PLANNING FOR FLEXIBLE FUNDING

Bringing flexible funding into your community is a key step in enhancing your efforts to address homelessness. Developing a clear strategy and plan for this funding early - even before applying for funding - is crucial, regardless of whether this is a new approach or one your community is already utilizing.

Determining Need and Purpose

To effectively utilize flexible funding in your community, start by determining the specific need and evaluating how flexible funding can make the most significant impact within your system.

Create a collaborative and inclusive process as you plan for Flexible Funding in your community. As you work to identify the need and begin planning for or applying for Flex Funds, be sure to include people who are familiar with the problem you are solving for, as well as people with lived experience of homelessness, to help inform your strategy. For most of the communities interviewed for this Guide, some form of planning group was commonly used to design the use of Flex Funds, typically a committee within the Continuum of Care (CoC), such as a Coordinated Entry Committee, Built for Zero Advisory Group or 100-day Challenge Action Group. When convening partners to help design a local flexible funding strategy:

- ➔ Consider bringing in both your usual partners, as well as non-traditional organizations/partners to collaborate on the development of your flex funds approach, and to ensure Flex Funds are not redundant to other community resources (remember, Flex Funding is intended to address needs and barriers that would otherwise not be an eligible cost by other funding/available resources).
- ➔ Prioritize the inclusion of people with the lived experience of homelessness and housing instability to ensure flexible funding strategies are relevant to the needs of the community.
- ➔ Remember to include your data and HMIS partners early on!

Community Spotlight:

Boulder County, Colorado, relied on the experience and expertise of their community to know where and how to target their Flex Funding. Established working groups within their region had a clear understanding of resource gaps that were inhibiting their ability to house people quickly — willing and engaged landlords with the resources to maintain effective partnerships. Their working group included local service providers, people with lived expertise, and system leaders (some of whom also have lived expertise). Their collective input helped to design their Flex Funding program, utilizing the funds to reduce barriers to housing through landlord incentives and risk mitigation. The region also engaged researchers to inform the specific levels of support that landlords were most likely to need to partner in housing people experiencing homelessness in their community.

Assess your current data, system flow, and capacity gaps to identify where there is a need.

- ➔ In addition to your overall functional zero/reductions goal, consider targeting other system performance metrics, such as reducing returns from homelessness, increasing housing placements, and decreasing length of time on the by-name-list (BNL) dataset.
- ➔ Identify where there are gaps in resources needed to support these outcomes.
  - ◆ Which individuals are consistently "skipped over" for services due to eligibility or prioritization?
  - ◆ What housing barriers do individuals face when looking to secure housing?
  - ◆ What other resource gaps prevent housing placements and increase the length of time people stay on the BNL?
- ➔ Use your BNL data to identify potential pain points that may be alleviated through the use of flex funding:
  - ◆ Length of time on the BNL — is there a common barrier you are seeing for those remaining on the longest?
  - ◆ Is there a way to use Flex Funds to assist people who are matched to housing but still experiencing barriers to move-in?

Community Spotlight:

The **Gulf Coast, Mississippi**, region kept their desired outcomes at the forefront as they designed their flex funding program. Their primary goals for flex funding were to accelerate housing placements and reduce the number of unsheltered persons in their region. To accomplish this, they restricted the use of funding to facilitate housing options only for people who are actively homeless on their BNL. With this targeting, they used their flex funding as a homelessness reduction tool, as opposed to a housing stability tool.

Identify the target population you will focus on for the Flex Funds and what activities will be included.

Based on the overall aim/goal of the Flex Funds, determine the specifics of how the funds will be used in your community and who will be able to distribute them (i.e. for diversion/housing problem-solving, navigation, etc.).

Ideas to consider as you are determining the use the funds:

- ➔ Do a deep dive on the data specific to your target population to guide the Flex Fund strategy — looking at driver metrics to understand what is enabling and/or blocking progress toward functional zero.
- ➔ Target Flex Funds where individuals are experiencing the highest barriers and are not able to access other resources.
- ➔ Determine how the requested Flex Funds will be leveraged in conjunction with case conferencing practices for the target population(s) and/or other local initiatives, such as a 100-day Challenge or housing surge.
- ➔ Consider using your case conferencing to understand what the immediate needs are and how Flex Funding may positively impact Actively Homeless numbers.

Community Spotlights:

Some communities have elected to apply the use of flex funds directly to a specific project or initiative. For example, **Nashville, Tennessee**, leveraged flex funds to support housing outcomes for families on their BNL during a 100-day Challenge. Combining the flex funds with the 100-day Challenge made the outcomes very visible and helped rally the community around the shared cause and accelerated progress. Similarly, in **Maine**, they were embarking on a statewide landlord engagement initiative to house veterans. They applied their flex funding to this initiative, allowing them to offer a very clear package of support to potential landlords, including incentives and risk mitigation. The funds were not only used to bolster the support package, but also for marketing this opportunity to landlords through a web-based portal.

Understand the impact you are aiming for.

Identify which of the following metrics you anticipate will change as a result of receiving Flex Funding and ensure you design a process and capacity to collect data necessary to evaluate progress:

- ➔ Reduce the number of people returning from housing
- ➔ Reduce the number of those newly identified as experiencing homelessness
- ➔ Decrease length-of-time on BNL
- ➔ Increase (monthly) housing placement rate
- ➔ Overall reductions to the BNL

➔ Based on the data and projected use, estimate the amount of funding you will request and the number of people/households you will be able to assist.

Flexibility is key! Once you have identified the need and the desired impact, determine what is in/out of bounds for the Flex Funds. It is not unusual to revert to being "overly" prescriptive when developing a new project or resource. For these funds, however, the goal is to avoid any extra layers of red-tape or hoops to jump through. Too many restrictions or eligibility requirements will limit utilization and the nimbleness with which these funds are intended. Many of the communities who are successfully implementing some type of "flexible funding" report little to no restrictions or eligibility requirements on the funds with the exception of parameters that have been established with the purpose of reaching a target population. In order to lean into the flexible and creative nature of flex funds and avoid overplanning, consider testing your desired approach at a small scale and using a continuous improvement approach to making adjustments over time.

Identify Potential Risks and How to Mitigate Them

As part of your planning process, it's important to proactively identify potential risks and barriers that may arise during the implementation of Flex Funds. By addressing these risks early on, you can increase the likelihood of success and minimize potential negative impacts.

Key Areas of Risk and Mitigation Strategies

	Potential Risks	Mitigation Strategies
Strategic Risks	Misalignment with community goals	Ensure that the use of Flex Funds aligns with the overall community goals and priorities for addressing homelessness. Engage key stakeholders in the planning process to ensure buy-in and shared vision.
	Ineffective targeting	Use data and community needs assessments to identify the target population and ensure that the funds are reaching those most in need.
	Lack of sustainability	Develop a plan for long-term sustainability beyond the initial funding period. Explore potential funding sources and partnerships to ensure continued support for the program and gather data that will assist in making the case for sustained funding.
Operational Risks	Inadequate capacity	Assess the staff capacity required to administer the funds effectively. Ensure that the Fiscal Agent and other partners have the necessary resources and expertise.
	Inefficient processes	Streamline the application, approval, and disbursement processes to minimize delays and ensure timely access to funds
	Data management and reporting challenges	Develop a robust data collection and reporting system to track program outcomes and demonstrate impact. Utilize existing HMIS systems or other technology solutions to manage data effectively.
	Lack of community awareness	Ensure that case managers and other front-line providers are aware of the flexible funding resources. Often these staff are most aware of the acute needs and barriers to housing and can be effective partners for connecting individuals to flexible funding. However, if they do not know who is eligible for and how to access funds, flexible dollars can go underutilized.
Financial Risks	Misuse of funds	Implement strong financial controls and oversight mechanisms to prevent inappropriate use or waste.
	Insufficient funding	Regularly assess the adequacy of funding levels and explore additional funding sources if needed.
	Unforeseen costs	Develop contingency plans to address unexpected expenses or changes in program needs.

By proactively identifying and addressing these potential risks, communities can enhance the effectiveness and sustainability of their flexible funding programs, ultimately contributing to their efforts to prevent and end homelessness.

Questions to ask during planning:

- ☐ Have you engaged the right partners to inform the approach and identify potential risks?
- ☐ Have you intentionally involved people with lived experience in the planning early on
  **Consider utilizing existing groups — such as local Lived Experience Advisory Boards or other entities to inform the process and use of funds.*
- ☐ Could clear messaging and training address potential risks?
- ☐ What additional support (technology, infrastructure, etc.) might you need?
- ☐ What data will you need to collect and track to measure progress towards intended results?
- ☐ Can existing HMIS systems be utilized to manage the data?
- ☐ What staff capacity is required to administer funds, and who is best situated to provide that capacity?