MSHDA
MICHIGAN STATE HOUSING DEVELOPMENT AUTHORITY

Office of Rental Assistance and Homeless Solutions

Implementation Guide

Housing and Community Development Fund:

Steps 2 Stability

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EQUAL HOUSING OPPORTUNITY

CONTENTS

MSHDA would like to thank Danielle Cosgrove and Cleveland Mediation with their assistance with the creation of this guidance document.

In 2022, MSHDA received a state budget allocation of $50 million for the Housing and Community Development Fund (HCDF). This has continued to be a funded budget line from the state budget and a $3 million allocation for fiscal year 2025 has been given to improve and expand statewide housing navigation and diversion practices. HCDF is intended to expand housing support for the State of Michigan through a variety of projects and services based on identified needs.

In 2024, it was determined that the success of the initial Shelter Diversion pilot and housing navigation program warranted an allocation of $3 million for a statewide disbursement of funds to support Housing Navigation and Shelter Diversion. This project is formally called "Steps 2 Stability", or S2S, it will begin on September 1, 2025, and will be a non-competitive, formula based, statewide application.

Program Description

The goal of S2S is to end a participant's experience of homelessness as quickly as possible while empowering them to regain control over their situation. The emphasis is on securing safe, appropriate options in community – even temporary options – over an emergency shelter stay, whenever possible. This limits the trauma of homelessness while supporting the availability of limited shelter beds for those most in need.

Shelter Diversion Implementation Guide

Created by Cleveland Mediation Center

Purpose

This implementation guide lays out a consistent protocol for referrals and access to Shelter Diversion conversations. The goal is for providers to have the same level of understanding and knowledge so that there is consistency in implementing the model. Another goal for this guide is to provide important information for community partners to develop a firm understanding of Shelter Diversion conversations, so they can become champions for the approach.

Overview of the Shelter Diversion Model

Shelter Diversion staff work closely with individuals and families facing homelessness using deep listening. Individuals and families then feel empowered to determine their own paths out of homelessness. Through using this model, people who are homeless can return to prior housing, secure their own housing or identify safe, appropriate housing with family, friends, or others in their social networks. This work usually occurs at the very beginning of a person's homelessness so that the individual does not need to enter shelter, but it can also occur at any stage, including once a person has entered shelter.

In this approach it is imperative for staff to be open-minded, non-judgmental, and to trust that individuals you are working with are the experts of their life and best know how to exit homelessness.

FAQs

1. **What is Shelter Diversion?**

   Shelter Diversion empowers persons facing imminent homelessness to identify safe and appropriate housing options (not including the street, car, or shelter) and assisting them in finding housing options that don't rely on a homelessness system response. It is important to stress that Shelter Diversion is not a barrier to shelter. Instead, it stems from the belief that entering the homelessness response system is not always the best outcome if there is a safe, appropriate alternative in the community. The focus is on empowering people in crisis to begin regaining

control over their situation and their lives. It is important to note that staff are not solving the participants' problems; instead, they are helping them to identify alternative solutions.

2. **Examples of appropriate outcomes that can be achieved through Shelter Diversion**

   There are four main outcomes that participants can achieve through Shelter Diversion. These include the following:

   - Moving permanently back with family or friends
   - Returning to their own residence
   - Moving temporarily back with family and friends as they seek new housing
   - Relocating permanently to a safe location out of town with friends or family

3. **Can I use Shelter Diversion with anyone?**

   Shelter Diversion is helpful with most individuals and families seeking homeless assistance. Even if a housing option is not able to be identified and the participant needs to be placed in a homeless shelter, the Shelter Diversion conversation can plant the seeds for future housing options. Staff can also continue Shelter Diversion conversations with participants, and in some cases, participants choose to return to family or friends even after they have been in a shelter.

4. **What does Shelter Diversion engagement look like?**

   Initial Shelter Diversion conversations can vary in length depending on the participant's situation. It is important to ensure that the participant feels heard, and has an opportunity to identify housing options, which can take a varying amount of time depending on the individual participant. Shelter Diversion as a strategy though is not always completed in one session as there may not be a suitable housing option that is available to the participants right away. Staff can continue Shelter Diversion work with participants even as they are placed in emergency shelter or interim housing and may ultimately identify housing that then reduces the length of time in homelessness for the participant.

Best Practices for Shelter Diversion

1. Be clear and transparent with each participant that there aren't enough resources for everyone in the community that needs them. However, through Shelter Diversion, staff will support the participant through the crisis until they find somewhere safe to go.
2. Discuss housing history, income, and safety with participants during Shelter Diversion
   a. Housing history- This can tease out whether participants have had their own housing in the past and how they were able to maintain it. This also can identify other friends and family members the participant has stayed within the past that they could potentially stay with now.
   b. Explore other potential support networks for additional places to potentially stay. Staff can ask participants about their other relationships with family, friends, church members, neighbors, and co-workers for other options.
   c. Current and past income- Explore with the participant their past, current, and potential future income. Do they have a current regular income source that can be used to pay for rent moving forward? Do they have a strong work history that they can leverage to find future work quickly? Does the participant have income that can be used to contribute to a household they are moving into? Use these questions to guide the conversation with the participants to help them determine the best strategy moving forward.
   d. Safety and appropriateness of housing- It is vital to ensure that the potential housing options are safe for the participant and the participant's family members. We want to ensure that we are not moving the participant into a situation where they or their children are in danger. This includes domestic violence situations, unsafe individuals in the participant, overcrowded situations, or an otherwise inappropriate housing situation. In identifying whether a housing situation is overcrowded, it is important to identify

whether all participant members can live comfortably in the housing unit and to ensure that the host participant is not jeopardizing their own housing should they allow the participant to stay with them.

3. Listen without judgement- It is important for staff to refrain from pushing their own values onto the participant and respect the participant's own judgement regarding their path forward.
4. Use active listening skills
    a. Paraphrase what participants are saying as they tell their story
    b. Use summarizing to organize their narrative
    c. Validate the participant's experience
    d. Listen with empathy and an open heart
5. Normalize their experience
    a. It is important to normalize the participant's experience since this can help the participant relax and have greater ability to problem-solve their situation. Some examples of this follow:
        i. When participants express shame about going to the shelter, tell them that it is understandable, that these things happen and we make the best decisions for ourselves to keep safe, and there is no shame in that.
        ii. When participants share that they think they should be able to do this on their own, share that standing on our own two feet is a good goal to have, but everyone gets to a point where they need support.
6. Display open, responsive body language as appropriate in a culturally sensitive way.
7. Explore participant's strengths and resources
   Individuals who are homeless are feeling overwhelmed and in crisis. It is important to help people identify the strengths, skills, resources, and networks that they already have. Through Shelter Diversion, staff help people go from feeling solely dependent to recognizing that they have interdependent relationships with family, friends, fellow church members, and employers, among others. Staff help participants identify times when they have been of help or support to others and then begin to identify networks and support persons that may be able to help them with income or housing. Even if they recently stayed with a family member, how did they contribute to the participant? Can they increase the amount of work or funds they contribute? What did their situation look like when things were going better? Who have they helped? Who are their friends, family members, and allies?
8. Explain that your role is to help them find housing to keep them out of homelessness or to help them exit out of homelessness more quickly than without the assistance.
9. Look the participant up in HMIS to check what strategies and resources have been utilized in the past with the participant.
10. Only use financial assistance as a last resort

Guided Questions for Shelter Diversion Conversations

1. What brings you here today?
2. Where did you stay last night? What happened to end that situation? Is it a potential place to stay moving forward?
3. Who have you helped in the past?
4. If your friend or relative knew you were homeless, in the shelter, or living in your car, what would they say? Note- Staff will not ask this question in all situations. It will be asked on a case-by-case basis. It is also important to frame this question carefully in order to avoid triggering or stigma.
5. Have you lived in your own housing in past? What did that look like?
6. Let's explore your family and friend connections that can potentially provide support including family, friends, church members, neighbors, work relationships, etc.
7. How do you think your family or friends would react if they knew you were here?
8. Where have you stayed in the past?
9. Now that we have identified some potential places where you can stay, let's problem-solve and identify which place is the most promising that we can explore first.

Defining Successful Outcomes for Shelter Diversion

When new strategies are implemented, particularly when they are implemented at a large scale, it is essential to define what a successful outcome looks like. In Shelter Diversion, any time an individual or family can avoid or reduce an experience of homelessness, this is considered a success. That means that housing with family or friends is considered a success. That also means that even if a family or individual does not enter shelter for one night but enters shelter the following night, this is still a success. One of the philosophies underlying these Shelter Diversion conversations is that if a family or individual can identify a safe, appropriate place to stay, that is infinitely better than entering a homeless shelter.

Both participants and the overall system benefit from being able to identify safe housing options where people are able to reside temporarily or permanently without the use of emergency housing resources. Through these techniques, individuals and families are spared the trauma of prolonged experiences of homelessness through assistance to quickly identify and secure a safe place to live to prevent or rapidly end an experience of homelessness as well as being connected to social and economic supports that may allow them to avoid future experiences of homelessness as well.

There are four main diversion outcomes that participants can achieve. These include diverting:

1. Moving back with family or friends for longer-term period
2. Returning to their own residence
3. Moving temporarily with family or friends as participant seeks new housing
4. Relocating permanently to a safe location out of town

Outcome One: Moving back with friends or family for longer-term period

Participants often move permanently back with friends or family when they have no other option, when they have no housing or income history, and/or when they are unable to sustain housing on their own.

Situations in this category include the following:

- Moving back with a friend or family member they have stayed with in the past- In this case, it is important to determine how this time would be different than before.
- Moving with someone they have not stayed with before- In this case, it is important to set the parameters for the situation and address any potential concerns

For both of the above situations, staff can help the participant identify what they can contribute to the participant and what personal goals the participant can work on to either allow the participant to stay longer or move out faster on their own.

Outcome Two: Return to their own residence

There are several situations when participants are able to return to their own residence. This outcome is often more common in tight rental markets. First, participants are able to return to their own residence when they have walked away from a current lease but are unable to pay their current or back rent. In this situation, staff can use Shelter Diversion to help the participant identify friends or family members who can help them financially so they can pay the rent. If the participant is unable to identify a friend or family member who is able to do this, staff can explore financial assistance.

Second, some participants have relationship issues that are not related to domestic violence and their significant other is still in the home. In these cases, staff can set-up a call with the significant other to explore whether the participant can return to the participant. Finally, some participants have lived in other places that are options, such as returning to live with their parents or other family members. In this last case, it is important to ensure that having the participant move back in does not put the family member in a precarious situation and put their housing at risk.

Outcome Three: Temporarily stay with friends or family as they seek new housing

Participants can choose this outcome when they wish to live on their own, they have prior experience living on their own, and they have current income or could easily gain employment to have income to pay the rent moving forward. This option is best for persons with employment, income, and their own housing history, and they need to go back to live with family or

friends that live locally while they find a new place. Since the participant ultimately wants to live on their own, their friends or family members may be more willing to allow them to stay since it is short-term. This allows time for the application process. In helping participants think through this option, it is important to help participants consider a walk through before moving in, discuss how and when rent is paid, learn how to discuss repairs with the landlord, and develop fallback plans if they have a change in income. We want to empower participants to see themselves as consumers in a business transaction with their landlord. This is a selling point to make with the friends and family since the goal is to have the participant handle their rental situation on their own in the future.

Outcome Four: Relocating permanently to a safe place out of town.

Some participants have a support network that includes friends or family that live out of town or they have employment or educational opportunities. In these situations, it is important to first check in with the participants to determine if the host is safe and appropriate. Next, the staff member can set-up a phone call with the host family to confirm that the participant can stay there and then work out the details. Questions to ask include: How long can the participant stay? (In order to receive transportation assistance, the participant must be able to stay for a minimum stay of 30 days, for example), Where will the participant be staying within the residence, what expectations are there on how the participant will be helping out around the house or contributing financially, etc. The staff will then work with the participant to book the travel arrangements.

Sub-Population Considerations

Survivors of domestic violence, human trafficking, and/or sexual assault

When working with these populations, staff must ensure that housing options are safe locations for the participant. In Shelter Diversion conversations, staff should outreach to local DV Services to help the participant create a safety plan. It is also important to note that offering a participant DV services does not prevent them from accessing traditional homeless services.

Common Implementation Challenges

1. **Keeping the Shelter Diversion engagement focused on housing**- It is important for staff to focus Shelter Diversion on housing. Sometimes staff have difficulty keeping this focus and they end up working with participants on every issue they present. When this happens, staff are not able to keep up with the inflow of people seeking a solution to their housing crisis. It is important to keep the focus on housing. When staff keep housing as the central focus and trust participants to identify the best path forward, they are better able to help the participant quickly find housing.
2. **Being overly directive with participants-** With this model, we believe that individuals and families seeking homeless services are experts on their own lives and are best able to determine places they can stay as an alternative to shelter. If staff are overly directive, they are not empowering the participants to make their own decisions.
3. **Overly relying on assistance dollars-** When staff are meeting with participants, it is easy to identify all of the areas of need that someone has and to use assistance dollars to address these. This, however, is in conflict with the central focus of the model. The main focus should instead be on the Shelter Diversion conversation where the participant is empowered to determine their own alternatives to shelter. In some cases, no assistance may be needed at all. In others, it may be determined that assistance can open up an alternative to shelter. This focus keeps the decision making in the hands of the participants and can best utilize limited resources for financial assistance.

Trouble Shooting Scenarios

1. Family- A parent with one or more children is living in a doubled-up situation with their parent or other family member. The kids in the family are home during the day because it is the summer, which drains the family's resources since the kids are eating more food. This situation causes extra stress and strain on the family, leading to a fight between the participant and their family member. As the fight escalates, their family member kicks them out of the house. In this situation, a staff member can explore whether the parent and the kids can return to living with the family member through the Shelter Diversion conversation. Some important questions to ask are about where the participant stayed last night, what led to them not being able to stay there, and whether it was a safe

environment to return to. In some cases, it can be appropriate to ask what their family would think or say if they knew that she was in the shelter. If returning to the family member's home is a viable option, the next step would be to facilitate a conversation between the participant and their family member to explore whether this is an option. Other potential situations where participants may be kicked out of a doubled-up situation include space constraints in the unit, children's behavior, damage to the dwelling etc.

2. Youth who was kicked out of their family home- In this situation, it is important to develop rapport with the youth to let them know that you are a safe person to talk to. It will be important to listen to the youth to develop a deep understanding and to communicate empathy. In this type of situation, the staff can explore whether returning to their family is an option. If it is, they can schedule a conversation with the youth and their family to determine if the youth can return.
3. Older adults whose partner has passed away- Older adults often enter the homeless system when their partner has passed away and they experience a loss in income. In these situations, the staff person can explore whether any family members could be a potential resource for housing or other assistance. Staff could then schedule a call with the family member to discuss. Staff can also explore whether there are any community resources that the older adult can connect to.
4. Moving back to city of origin- Individuals and families are often stranded in a new city without a job or other resources. Staff can explore whether returning to their city of origin is an option. Through this discussion it is important to identify whether there is a support network in their city of origin. If there is, it is also important to schedule a phone call to determine if the individual or family can stay there and what the parameters of that situation will look like.

Quick Tips in the Shelter Diversion conversations

1. Ask for emergency contact numbers. Explore whether these could be potential places the participant can stay
2. If a participant mentions that they can get a ride from someone, ask whether that person is open to them staying there.
3. Friends and family are often more open to helping when it is around the holidays.
4. Silence can also be useful at times to give participants time to think and process the situation.

Things not to do:

1. Overly rely on financial assistance dollars
2. Plan what referrals you would like to make for participants while you are talking with them. Deep listening is the key, without planning the next thing you are going to say.
3. Rush the conversation
4. Address every issue that the participant presents. The focus should be on housing.
5. Push your own values and priorities onto the participant. A central tenet of this model is that participants are experts on their own lives.

Reality Testing Decisions

1. The agreements and decisions need to work for the parties (not for us)
2. By starting with what has worked previously, we increase the odds of it working again
3. If you have a concern – do not ignore it – use that as an opportunity to help the client think through their options and decisions
4. Questions to ask:
    - How would this look?
    - What is the timeline?
    - Have you done something like this before?
    - What other options have you considered?
    - What resources do you have to carry this out?
    - In case this does not work out as well as you would like, would you like to explore a back-up plan?

Shelter Diversion Assistance Funds

Financial assistance may be utilized in Shelter Diversion strategies that staff have with adults and families presenting with a housing crisis. Due to both resource limitations and the volume of need, decisions about when to rely on those resources should be made carefully. Financial assistance must be prioritized for those who do not have alternate resources available to them. Staff facilitating diversion conversations must always first utilize deep listening with participants to determine whether participants can identify appropriate, safe housing without utilizing financial assistance.

The cap per household including rent is $2500 over the grant term.

It is imperative that the Shelter Diversion specialists only utilize the least amount of assistance that will directly result in a viable housing option and not address everything that the participant identifies as a need. It is important to be very careful about announcing assistance funds publicly because each decision about financial assistance needs to be made on a case-by-case basis. It is also important to have a clear connection between the financial assistance and where the participant is staying. In order to mitigate all of the above issues, it is important for staff to emphasize with participants that decisions are made on a case-by-case basis. An example for how to frame this follows: "Before we begin to talk about your situation, I want to let you know that each person/family that I meet with will have their own unique outcome. What worked for someone else might not be the best approach for you."

As staff are working with participants, they will fall into three different categories which are:

- Participant is not able to be immediately housed at this time
- Participant may be housed with family or friends through a phone call
- Participant may be housed but the barrier isn't with a relationship. Instead, financial assistance is needed to immediately house the participant.

Important areas to note for financial assistance

1. All financial assistance will be documented in HMIS.
2. There is a maximum of one-time per twelve-month period for relocation assistance and it may only be paid to the transportation provider.
3. Grocery gift cards, utility assistance, etc., may only be given with a minimum of a 30 day stay with family and friends while working toward a permanent housing solution.
4. Utility assistance may only be paid if all other resources have been exhausted and it is a barrier to securing permanent housing.
5. Automobile repair and registration is only allowable if it is related to employment, housing search, or reunification.
6. All service providers are encouraged to take provided Shelter Diversion trainings. This will serve as a check and balance to ensure that the Shelter Diversion conversation is prioritized. When communities who have implemented Shelter Diversion have overly relied on financial assistance, it has resulted in overspending the dollars and in overly relying on "training wheels" at the expense of not emphasizing the true value of this model, the Shelter Diversion conversation. This ensures a consistent implementation of the Diversion model across the state of Michigan.

Financial assistance vignettes

Situations when financial assistance can be utilized:

1. A parent with two kids had been staying with a relative. The participant finances became strained because the kids are getting older and are eating more food in the house. This led to a fight and the relative kicked the parent out. Staff facilitated a phone conversation between the parent and their relative and the relative agreed to allow the parent and her kids to return to participant for a few months in exchange for a $100 grocery gift card.

2. A single adult male came to Michigan looking for work. He had a bus ticket back to Brooklyn, NY but both the ticket and his wallet were stolen. The participant has family that he can stay with in Brooklyn. Staff call the family, and they state that he can stay with them until he can find work. Staff uses financial assistance dollars to purchase a Greyhound bus ticket so that the participant can return home.

3. A parent had been living in their own apartment with their son until they were evicted after losing their job. During Shelter Diversion, they shared that if they could find a place to stay for a few months, they would be able to find another job and move back into their own place. They mentioned that they might be able to stay with a cousin, but they knew that the participant finances were tight. Staff called the cousin who confirmed that he would be happy to have his cousin and son stay but that he was concerned about the finances. Staff offered to pay an outstanding utility bill for the cousin, and he agreed to allow the parent and his son to stay for two months.

4. A single mom with three kids was living with her child's father at his parent's house. The woman and her boyfriend got into a physical altercation. The participant stated that she is frustrated with the situation and can't go back. Through Shelter Diversion the participant identified a family member in a nearby city where she could stay. The participant had a car that she could use to drive there but her car needed $200 in repairs to make the trip. Staff facilitated a phone call between the participant and her family member and confirmed that she and her children could stay there for a couple of months. The staff then utilized financial assistance to have the participant's car repaired so that she could drive to her family member's house.

Situations when financial assistance should not be utilized:

1. Participant engages with staff in Shelter Diversion and identifies that they can move in with their brother. Staff facilitates a phone call with the participant and their brother, and the brother agrees. Earlier in the conversation the participant stated that he would like to eventually get his own place and asks about a security deposit. Later the participant identifies that once he begins staying with his brother that he will be able to start working again and can save up money for a security deposit on his own. Since the participant can stay with his brother without assistance and can save up for the deposit on his own, this would not be an appropriate situation for financial assistance.

2. During Shelter Diversion, the participant states that she would like to access financial assistance dollars to move to New York City, because that is a place she has always wanted to live. Upon further discussion, the participant shares that she has no family, friends, or other connections or job opportunities in New York City. This would not be an appropriate situation for financial assistance since it is not sustainable. It is suggested that staff further explore the connections that the participant has locally for potential housing options.

3. During Shelter Diversion, the participant lists several areas of need including repairs to their car, assistance with a utility bill, along with several other areas. It is important for staff to focus on the financial assistance needs that are connected to housing for the participant and not on every area of need. In this case, assistance with the utility bill would be the area to focus on for financial assistance since paying the bill would allow the participant to return to their former housing. The repairs to the car would not be an appropriate use of financial assistance since they are not using it for employment, housing search or reunification.

4. Through Shelter Diversion, the participant identifies a family member they could stay with. During the phone call with the family member, they state that the participant can only stay for a week, but they are concerned about having enough money for groceries. This would not be an appropriate situation for financial assistance for a grocery gift cards since it may only be given with a minimum of a two week stay with family and friends. Staff could explore whether the family member would allow the participant to stay for longer and/or explore other possible housing situations with the participant.

Flexible Financial Assistance

Flexible financial assistance plays a critical role in allowing Diversion Specialists/ Housing Navigators the ability to provide unique supports for each participant based on individually identified needs. All flexible financial assistance should take into consideration as to how the funds will help in the stabilization of the current living situation, how it will help divert from shelter use and how it will contribute to the long-term housing plan for the participant.

Program staff are encouraged to see if the participant can be diverted without assistance. Financial assistance should be used only when the participant cannot be diverted without the assistance. The assistance should also be the least amount needed.

NOTE: S2S funds may not be used to provide monetary payments (cash) directly to participants. Flexible Financial Assistance can be provided directly to participants via gift cards in alignment with the general categories noted in this implementation guidance.

The cap per household per grant year is limited to $2500 including rental assistance.

Rental Assistance:

Participants can receive up to three (3) months of rental assistance. This is capped for the grant term (i.e. participants can be assisted with rent payments more than once but cannot receive more than 3 months of rental assistance). All participants should be evaluated for the ability to sustain their rent following their exit from the program. Utilizing FMR and/or rent reasonableness will enable participants to access additional resources should the need arise.

Shared housing is allowable under this project

- Reality testing is important to ensure the shared housing (roommate) situation is sustainable
- If sharing rental housing, client must be included on the lease to ensure appropriate tenant protections
- If shared housing is an owner occupied property other wise known as a single room occupancy, an occupancy agreement must be made.

Subleases are allowable only under these circumstances:

- You have acquired the original lease and can confirm subleasing is allowable
- Both the original landlord and the sublessor are named in the sublease
- Payments as the sublessee can be made directly to the landlord to avoid eviction for non-payment

** please utilize www.bsaonline.com to confirm ownership and rental certification***

The participants being served are to be at or below 30% Area Median Income. The income to rent payment ratio should be taken into consideration when obligating rental assistance and are not to exceed 30 – 50% of the participant's income. For the purposes of Diversion, alternative housing options should be sought if the established rent is not sustainable for the income of the participant being served.

Steps 2 Stability is not eviction diversion. Rental assistance is primarily for future rent not back rent or rent owed to prevent eviction. All other funding sources related to eviction diversion and homeless prevention should be utilized.

In specific instances, funds may be utilized for back rent. This is assessed case by case and approved by MSHDA before application of funds for back rent. To avoid always being in consultation with MSHDA regarding use of the rent assistance for back rent, this option should only be used in specific cases:

Example: A participant is referred through legal services for Diversion assistance. Through the legal services process, the participant's Housing Choice Voucher (HCV) is restored, and their portion of the rent is $0 due to family circumstances. There is no future rent to be assisted with, however, working in conjunction with other funding sources, MSHDA approves Diversion funds to assist in paying the back rent to stabilize their housing and prevent entry into shelter.

A long-term budget plan should be a component of all Shelter Diversion interactions to ensure that the participant remains stable for the foreseeable future and avoids a return to homelessness or housing instability.

Housing Navigation

Housing Navigation is focused on identifying housing within the community and assisting referred individuals and families to secure the housing that works best for them. Housing Navigators help to build relationships with landlords with the intention of opening doors for participants who are searching for housing with a resource in hand. This includes partnering with participants to complete paperwork, supporting in the search for housing, and assisting with Housing Choice Voucher (HCV) retention (ex. support the completion of annual recertification paperwork).

Housing Navigation is unique from Diversion, so it is important to consider how this work is staffed at each agency.

In the timeline of each person's housing journey, Housing Navigation typically occurs at a later point than Diversion efforts. It is possible, though, that individuals and families that have received Diversion services may also receive Housing Navigation support when they have a housing resource in hand.

The following activities are supported as part of the staffing costs under this program:

- Assisting participants with:
  - Required documentation for applications
  - Required documents for voucher retention
  - Housing search
- Engaging landlords for the purpose of recruitment and retention

Participant Eligibility

Participants served by S2S must be at or below 30% Area Median Income for their participant size and meet the HUD Definitions of Homeless Categories CoC and ESG Homeless Eligibility - Four Categories in the Homeless Definition - HUD Exchange There are no age restrictions on these funds. Youth may be served through Diversion where other dollars may not be available.

MSHDA has created an income eligibility spreadsheet for easy assessment of participant eligibility. It can be found Steps 2 Stability

Participants who are already in shelter may be eligible for S2S services, which aligns with, "Always be Diverting". When participants settle in and become more comfortable in the space, opportunities to discuss resources, and options tend to open. When an opportunity arises to divert a participant out of shelter, it should be taken. 14 days for an S2S activity is a recommendation and not a rule. *It is recommended that all staff are trained in basic Diversion practices to support S2S activities.*

Regarding–persons without state identification and those with no legal status presenting for S2S services: A lack of identification/documentation will not exclude a participant from S2S services. Please proceed as you would with other programs in your organization regarding participants with no identification/legal status. Within the scope of S2S, flexible financial assistance may be used to aid persons in getting identification cards or working with Legal Aid.

All participants that meet the HUD definitions of homelessness are eligible for S2S.

As your organization provides S2S services, it should always be with an eye toward stabilizing housing. If the interaction will not stabilize housing or not ultimately lead to a transition from temporary to permanent housing, the specialist should reconsider utilizing S2S funds and seek alternative funding and supports for the participant need.

Performance Measures

Because S2S is a combination project serving the needs of participants through Diversion and Housing Navigation, the following will be utilized to assess the success of the program:

- Number of participants served
- Percentage of positive exit destinations. Goal: at least 25% of participants served will have a positive exit destination. Please see Page 18 for exit destination guidance and what MSHDA considers a positive exit destination. Current Diversion pilot participants have about a 40% positive exit destination rate.
- Recidivism Rate – please see page 19 for guidance on how to track recidivism for reporting.
- Anecdotes. Quarterly reports ask for projects to report on successes and challenges of S2S. Those are read, recorded and shared.

The following requirements begin during the program planning phase and will continue throughout the duration of the program.

Fair Housing Training: HCDF program administrative staff and community partners will participate in one Fair Housing training approved by the MSHDA Office of Equity and Engagement within the first 60 days of working directly within an HCDF program and annually for the duration of the program. Approved trainings found on the MSHDA Fair Housing webpage include virtual and recorded trainings.

Program Accessibility: All program documents, trainings, webinars, and services must be ADA accessible and translation services must be provided. Key program documents must (to the extent possible) be published in English, Spanish, and Arabic and any other language/dialect based on local community needs. Below are ***technical assistance tools*** from the US General Services Administration Section 508.gov ADA Accessible Guides and Video Trainings: Word Document, PowerPoint, Excel Worksheet, PDF, Meeting/Webinar

Affirmative Marketing: All program materials must include the Fair Housing logo, the ADA Accessible logo, and the Michigan Statewide Housing Plan Affirmative Statement:

> *Michigan State Housing Development Authority is committed to providing meaningful access. For accommodations, modifications, translation, interpretation, or other services, please contact (grantee program email, phone number, mailing address)*.

Fiscal Reporting

Reporting will be done via Financial Status Reports (FSR) which will be uploaded to IGX, MSHDA's grant management system. FSR spread sheets for each organization will be provided by MSHDA and are available in the miscellaneous document tab in the grant in IGX. This will follow the same schedule as the quarterly State reporting timeline. FSR's for this program may be submitted more often than quarterly to initiate more frequent reimbursement for expenditures. Please see this video for an explanation on how to submit FSR's in IGX. HALO IGX System Training | Financial Status Reports

FSR's **MUST** include the following items:

- General Ledgers for the months of the FSR that include all of the expenditures for the listed expenses.
- Scan of original receipts for non-invoiced items – ie: Wal-mart receipts, hotel payment receipts
- Detailed invoices for services rendered such as vehicle repair.
- Employee timecards designating time spent on S2S if the employee is splitting time between projects.
- Screen shots of utility bills being paid, cancelled checks with the service address and participant name would also be acceptable.

FSR and Reporting Deadlines

Year	Quarter	Period Covered	Authority's Due Date
2025	3	July 1 – September 30	October 14, 2025
2025	4	October 1 – December 31	January 14, 2026
2026	1	January 1 – March 31	April 14, 2026
2026	2	April 1 – June 30	July 14, 2026

2026	3	July 1 – September 30	October 14, 2026 **FINAL FSRs DUE**

* *Support for Organizational Accountants.*

The Flexible Funding for S2S and its predecessor Shelter Diversion are intended to be a quickly deployable resource with an eye toward stabilizing a participant. To that purpose, there are few limitations around how/why the flexible financial assistance can be utilized. It is in the organization's best interest to evaluate accounting processes against the flexibility of this project to ensure that the flexible funds can be readily accessible to the Diversion Specialist/Housing Navigator. MSHDA has best practice resources including sample forms to be used by organizations for this purpose.

Each organization/fiduciary may have their own required documentation in addition to the minimum required by MSHDA. All Flexible Financial Assistance must be submitted with the MSHDA provided request document OR an internal document of like kind and quality.

Grant Amendments

Grant amendments will be evaluated on a case-by-case basis. Grant amendment requests can be sent to Jennifer McNeely, Program Specialist mcneelyj2@michigan.gov

Grant Amendment requests should include a chart like this identifying how an organization intends to move resources:

Budget line	Current amount budgeted	New budget amount
Staffing		
Flex/Rental		
HMIS (if designated)		
Admin		
Total		

Subject Line: S2S Amendment Request

HMIS

Please contact Lyn Raymond (lraymond@mihomeless.org) or Jill Shoemaker (jshoemaker@mihomeless.org) for issues with HMIS. Organizations will see much of the same information collection that happens with Coordinated Entry. We have added a list of service transactions with the understanding that each organization may run into a service transaction that may not fit into the line item. As a cohort, we will be able to make ongoing adjustments to the HMIS project page.

Data Quality Issues:

Data quality is very important to the success of this pilot. Data Quality errors must be below 5%. Please refer to the Instructional Guide from the HMIS Learning Center entitled "Finding and Fixing Data Quality Errors: CoC Annual Performance Report (APR) and ESG Consolidated Annual Performance and Evaluation Report (CAPER) for guidance." HMIS Finding and Fixing Data Quality Issues

1. Universal Identifier Elements (One and Only One per Participant Record)

3.01 Name
3.02 Social Security Number
3.03 Date of Birth
3.04 Race

3.05 Ethnicity
3.06 Gender
3.07 Veteran Status

2. Universal Project Stay Elements (One or More Value(s) Per Participant or Participant Project Stay)

3.08 Disabling Condition
3.10 Project Start Date
3.11 Project Exit Date
3.12 Destination
3.15 Relationship to Head of Participant
3.16 Participant Location
3.20 Housing Move-In Date – For the purposes of this grant, this date will indicate when a participant utilizing Shelter Diversion Funds moves from temporary housing to permanent housing.
3.917 Prior Living Situation

3. Common Program-Specific Data Elements

4.02 Income and Sources – Income will have to be verified utilizing a short form found in the appendix of this document
4.03 Non-Cash Benefits
4.04 Health Insurance
4.05 Physical Disability
4.06 Developmental Disability
4.07 Chronic Health Condition
4.08 HIV/AIDS
4.09 Mental Health Disorder
4.10 Substance Use Disorder
4.11 Domestic Violence
4.12 Current Living Situation
4.13 Date of Engagement - For the purposes of this grant, this date is the engagement date of SD services
4.14 Bed-Night Date – For the purposes of this grant, this date is to track shelter entry while involved with Diversion services. This is also a key success indicator as organizations are also tasked with tracking status 30, 60 and 90 days following SD interaction.
4.19 Coordinated Entry Assessment
4.20 Coordinated Entry Event

4. **Service Transactions for Shelter Diversion**

Basic Needs – Hygiene, clothing, food

Case Care/Mgt – Every client served through S2S regardless of exit should be accounted for here. Did you spend time with a client and enter them into this project, they are entered here too.

Information and Referrals – Referrals to Legal, DHS, etc

Child Care Expenses – Costs associated with a child utilizing a day care.

Household Goods storage – when renting a storage facility for a client to store their personal goods while awaiting the opportunity to move into permanent housing.

Housing Expense Assistance – Assistance provided for household expenses that are NOT utility expenses or rent.

Landlord Tenant Assistance – expenses related to tenant/landlord needs NOT related to Rent assistance.

Material Goods – Good needed to ensure the client has the necessities to move into their permanent housing. This can include dishes, silverware, pots, pans, bedding, beds, furniture, cleaning supplies, towels, wash rags.

Mediation – general mediation is an activity meant to ensure housing stability – mediation between landlord and tenant, family mediation. The costs associated with necessary legal mediation for the purposes of housing stability would be billed here.

Relocation Assistance – the financial support to move/relocate into stabilized housing or reunification with friends/family

Rent Payment assistance – costs associated with the payment of rent

Rental deposit assistance – costs associated with payment of the deposit to move into permanent housing

Temporary Financial Assistance – would be utilized in the case where a client is at risk of loosing their temporary housing an you assist that household with needs so they might keep the client housed for an additional 30 days while working through a permanent housing plan. (this could be rent payment to the landlord, direct utility payment or assistance with food – not directly related to Client need – those are logged in the transactions above)

Utility assistance – direct payments to a utility provider to assist a client with stabilizing their housing. Is often used in cases where a client cannot connect utilities in their new housing situation because of a balance on the old address utility bill.

5. Transactions related to Housing Navigation Services

Housing Search and Information – Provide information (pulled from the agency's community "available housing" data) to participants who would prefer to search for housing independently.

Housing Search Assistance - Assist individuals needing more 1-on-1 support through finding housing, including locating vacant units, scheduling appointments, viewing apartments, and negotiating with landlords.

Information and Referral - Provide information and referrals to other services the participant may need (i.e., Food Banks, Job Services, etc.)

Transportation - Providing transportation (drive-time) to assist participants with viewing apartments in the community.

Mediation - Landlord-Tenant Mediation aims to increase housing stability for tenants, avoid court filings, and improve relationships between landlords and tenants.

Landlord/Tenant Assistance

- Assistance with eligibility paperwork.
- Assistance with the annual recertification paperwork.
- Completing home inspections to assist participants in moving into homes at a faster rate.

Case/Care Management

- Help participants with issues related to budgeting and planning, repairing credit or rental histories, and understanding the rules and responsibilities associated with renting an apartment.
- Participant retention and stabilization: maintain tenancy in the affordable housing unit.

MSHDA Steps 2 Stability
Basic Workflow

!!IMPORTANT PREREQUISTE NOTICE!!

This workflow requires users have a FIRM understanding of the Client Module as well as basic Community Services functionality. Individuals who are either new to the system or are unfamiliar with any aspect of those things mentioned above MUST complete the appropriate prerequisite training before continuing. Please see www.hmislearningcenter.org for more information.

Complete on Steps 2 Stability Project Page

*REMEMBER **BACK DATE** AND **ENTER DATA AS** MODE (IF NECESSARY)

1. **Search** for client in **Client Module** (Create **Household** if not already done)
2. Add **ROI**

Program Entry

3. Add a **HUD** type **Program Entry** (spread to all HH members).
   - **Entry Date** = Intake date
   - **Complete S2S assessment questions on entry** for **ALL HH members**
   - **Return to HoH Record** before proceeding.
4. Add **Service Transactions**** (spread to all HH members) –*See Service Transaction Addendum for more information.*
   - **Start Date** = Start of Service**.**
   - **End Date** = Same as Start Date.
   - **Choose Service Type**
   - **Service Costs:**
     - Add number of units
     - Add cost per unit
   - **Click Arrow next to Apply Funds for Service**
     - Click Add Funding Source**:** Search for **MSHDA Steps 2 Stability**
     - Click green Plus sign
     - Add amount
     - Click Calculate
   - **Need Information**
     - Status of Need, Outcome of Need & If Need is Not Met, Reason = Responses will vary

Services may include:

- **Basic Needs**
- **Case/Care Management**
- **Housing Expense Assistance**
- **Rent Payment Assistance**
- **Rent Deposit Assistance**
- **Relocation Assistance**
- **Household Goods Storage**
- **Material Goods**
- **Utility Assistance**
- **Mediation**
- **Landlord/Tenant Assistance**
- **Child Care Expense Assistance**
- **Temporary Financial Assistance**
- **Information and Referral**

NOTE: You must cost out services where dollars are appropriated. **Use the MSHDA Steps 2 Stability funding source**.

****Important –** Continue to **update services** while client is still in the program

Interim Update

Create an Interim Update

- When the client 30-, 60- and 90-day check-ins.

1. Click Interims on the Entry/Exit tab

2. A new window will open, click Add Interim Review
3. Choose 30, 60, 90 Day review and complete updated information
4. Save and Close

Add Housing Move-in Date on Interim Update

Create an Interim Update

- When the client moves into permanent housing

1. Click Interims on the Entry/Exit tab

2. A new window will open, click Add Interim Review
3. Choose the appropriate interim review type and complete the Housing Move in Date
4. Save and Close

Program Exit

Create a program Exit:

- When the client is housed and has ideally completed 30-, 60- and 90-day check-ins.
- When the client has left the program without an exit interview. Close using the date of last contact.
- When the client is unable to be diverted and is referred to other resources.

5. Update **Service Transactions** (if applicable)
6. Add a **Program Exit** (spread to all HH members)
    - **Exit Date = Date client leaves project**
    - **Reason for Leaving and Destination** must be completed.

NOTE: You must cost out services where dollars are appropriated. Use the MSHDA Steps 2 Stability funding source.

****Important –** Continue to **update services** while client is still in the program

1. Update **Service Transactions** (if applicable)
2. Add a **Program Exit** (spread to all HH members)
    - **Exit Date = Date client leaves project**
    - **Reason for Leaving and Destination** must be completed.
    - Unknown/Disappeared – Even if your last interaction indicated some sort of +/- destination or living arrangement, if the data was not collected upon exit of the project or an exit interview was not completed, we cannot make assumptions that the last known destination is the same location the participant went back to.
        i. No exit interview completed
    - Completed Program
        i. Rental by participant, with ongoing housing subsidy (HUD)
        ii. Staying or living with family, permanent tenure (HUD)
        iii. Staying or living with family, temporary tenure (e.g., room, apartment, or house) (HUD) *
        iv. Residential project or halfway house with no homeless criteria (HUD)
        v. Staying or living with friends, temporary tenure (e.g., room, apartment, or house) (HUD) *
        vi. Staying or living with friends, permanent tenure (HUD)
        vii. SUD or Detox Facility (when assisted by SD)
        viii. Safe Haven
    - Needs Could Not Be Met
        i. Jail, prison, or juvenile detention facility (HUD)
        ii. Emergency shelter, including hotel or motel paid for with emergency shelter voucher, Host Home shelter (HUD)
        iii. Participant prefers not to answer (HUD)
        iv. Place not meant for habitation (e.g., a vehicle, an abandoned building, bus/train/subway station/airport or anywhere outside) (HUD)
    - Non-Compliance with the Program
        i. Not a viable option for S2S. Please select Unknown/Disappeared or Needs Could Not Be Met
    - Other
        i. Not a viable option for S2S. Please select Unknown/Disappeared or Needs Could Not Be Met
    - Reached Maximum Time Allowed or Time Allowed Expired
        i. Not a viable option for S2S. Projects should utilize Needs Could Not be Met. Reached Maximum Time Allowed or Time Allowed Expired is generally reserved for projects that are time limited.

In Shelter Diversion, temporary tenure and entry into SUD and detox facilities are regarded as a positive exit destination.

Tracking Recidivism

The following process is a recommendation and not a required process. We are offering this for communities who may not have a process in place to track recidivism.

1. Once a participant has a Positive Exit from Diversion, they are placed on a Positive Exit List for a monthly check the next 3 months.
2. Update the By-Name List monthly with everyone currently experiencing verified homelessness in the CoC.
3. Monthly use an Excel formular to search the HMIS numbers from the Positive Diversion Exit List against the monthly By-Name List to see if any of those participants who previously had a positive exit returned to homelessness.
4. After 90 days participants drop off the monthly checklist.

This entire process is done in Excel, as one step to the overall monthly dashboard updates in the community. This step in the process takes about 10 minutes total per month assuming the By-Name List has already been updated.

For communities who don't update the BNL on a monthly basis, a similar approach could be adopted but just run a 1-month CoC (or LPB) wide roster of all shelters/Outreach Programs (i.e. Verified Cat. 1 participants) and compare their positive Diversion exits from previous months against that roster.

Using a vlookup formula in Excel or a "Highlight Duplicate Values" for HMIS numbers between the two lists makes this a really quick process.

Thank you to Lyn Raymond with the Michigan Coalition Against Homelessness, Jayce Ashwill, Goodwill of Northern Michigan, and Northwest Michigan Community Action Agency for their contributions to these HMIS policies and recidivism tracking.

MSHDA Steps 2 Stability Resource Request Form

Organization _____

Staff Requesting _____

Staff email _____

Name of client _____

Request Amount _____

To be used for: _____

If utilizing funds to support a temporary living arrangement, is there a commitment of at least 30 days? _____

Budget line

☐ Flexible financial Assistance (including deposits)

☐ Rent Assistance

Source

☐ Check request

☐ mail

☐ hand deliver

☐ credit card

Vendor _____ W-9 needed? _____

Date _____

How will this support the client in resolving their homelessness?

_____

_____

_____

Requesting Staff Signature _____

Approval Signature _____

Manger _____

**** This is a form being provided if your organization does not have a similar form. You may choose to augment your current internal forms to adapt to this project. MSHDA is requesting that all forms contain the short narrative on how the utilization of these funds will support the client in resolving their homelessness. All projects are required to submit this document or something similar with their FSR documentation.**

All documents for this project can be found at

Steps 2 Stability

This includes the quarterly reporting document, Self-Certification of Income, and Income verification chart.

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Flexible Financial Assistance Program Guidebook

FLEXIBLE FINANCIAL ASSISTANCE PROGRAM OVERVIEW

The intention of the flexible funds are to address housing related needs for individuals and participants at risk of or at the point of enter shelter including: transportation, basic furniture and participant items, a variety of fees, hotel stays while waiting for housing (in very specific instances), storage, utilities assistance, and moving assistance. . If not met, these needs may prevent them from ending their homelessness quickly and permanently. The idea of Flexible Financial Assistance is simple. A minor but impactful expenditure impedes an individual from (making progress in) ending their homelessness. Flexible Financial Assistance exists to pay for those one-time fees/needs. While it is not the primary monetary solution to ending homelessness in the State of Michigan, it is a funding source for singular bills that stand in between participants and housing.

AGENCY PARTICIPATION

Agencies that that are grantees or subgrantees to the Steps 2 Stability program have access to this resource.

ELIGIBLE INDIVIDUALS AND PARTICIPANTS

Flexible Financial Assistance is designed to assist those who are at the point of entering the homeless response system or at risk of homelessness. The Homeless Emergency Assistance and Rapid Transition to Housing (HEARTH) Act of 2009, generally defines an individual or family as homeless if that individual/family, “lacks a fixed, regular, and adequate nighttime residence,” or “has a primary nighttime residence that is a public or private place not designed for or ordinarily used as a regular sleeping accommodation,” or lives, “in a supervised publicly or privately operated shelter designated to provide temporary living arrangements (including hotels and motels paid for by Federal, State or local government programs for low-income individuals or by charitable organizations, congregate shelters, and transitional housing)…” Eligible participants must:

There are 4 criteria for a participant to be eligible to receive Flexible Financial Assistance:

1. Households income must be at or below 30% Area Median Income (AMI)
2. Individual must be enrolled in HMIS under the Steps 2 Stability Program
   - NOTE: Survivors of domestic violence do not have to be in HMIS
   - Individuals who do not sign the HMIS Release of Information, can be entered anonymously
3. The request ends (or makes progress in ending) the individual's homelessness.
4. The request ends (or makes progress in ending) the individual's homelessness

ELIGIBLE EXPENDITURES (The list of eligible items is NOT exhaustive.)

Application Fee

- Attempt to utilize other dollars first. If unsuccessful, then can utilize Flexible Financial Assistance.
- Invoice

Security Deposit

- Attempt to utilize other dollars first. If unsuccessful, then can utilize Flexible Financial Assistance.
- Invoice
- Signed lease agreement

Utility Deposit/Arrears

- Invoice
- Attempt to utilize other dollars first, such as State Emergency Relief or Utility specific relief options first. If unsuccessful, then can utilize Flexible Financial Assistance

Hotel stays

- Invoice/receipt
- Proof of move in date – signed lease agreement
- No other option but to enter shelter
- The participant has a housing voucher
- Only to be utilized under this program if there is a positive and permanent exit destination, otherwise, alternative funding sources for hotel must be utilized

Greyhound to confirmed permanent or temporary housing destinations

- Receipt/invoice

Bus passes for transportation to and from place of employment

- Receipt/invoice

Ride Share

- Receipt/invoice

Gas Cards for transportation to confirmed temporary or permanent housing destination

- Receipt/Invoice

Vehicle Registration

- Receipt/Invoice
- Proof of Insurance
- Proof of valid license

Vehicle Repair

- Licensed and insured vehicle repair companies only
- There is no requirement for multiple quotes – develop a solid relationship with a local, reliable mechanic
- Invoice/repair
- If repair exceed participant cap, utilize other vehicle repair grants

Grocery gift cards

- Receipt/invoice

Groceries/Water/Dog Food/Hygiene items

- Receipt

Boarding House/Single Room Occupancy

- Receipt/invoice

- Occupancy agreement

Payments to enable a participant to extend their stay at their current arrangement (doubled up, for instance)

- Direct payment of utility
- Grocery gift cards
- Direct payment of rent to landlord
- Used in instances where a participant is at risk of losing their safe accommodations due to lack of resources while working toward a permanent housing resolution.

Government/State ID/Driver's license

- Utilize Secretary of State Fee Waiver Program first Vital Documents - MCAH

Birth certificates

- Utilize MDHHS Reimbursement Program for Category 1 Homeless Microsoft Word - MDHHS-5832 Homeless Vital Document Request for Reimbursement

Furniture, and other needs to move into permanent housing, including televisions

- Signed lease required.
- Utilize other resources whenever possible

Required Documentation

Application Fees	Invoice/Receipt
Security Deposit	Signed Lease Agreement Invoice/Receipt
Utilities	Invoice
Hotel	Invoice/Receipt Move in Date Resource such as a Housing Choice Voucher in hand
Greyhound	Invoice/Receipt
Ride Share	Invoice/Receipt
Gas Cards	Invoice/Receipt
Vehicle Registration	Invoice/Receipt
Grocery Gift Cards (NOT general store gift cards)	Invoice/Receipt
Groceries and personal needs	Invoice/Receipt
Boarding House/SRO	Invoice/Receipt Occupancy Agreement
Birth Certificates	Cat 2 – 4 only utilize free options for Cat 1 Invoice/Receipt
ID's	Cat 2-4 only utilize free options for Cat 1 Invoice/Receipt
Furniture and other needs to move in	Signed Lease Invoice/Receipt

Accounting Departments: each organization/fiduciary may have their own required documentation in addition to the minimum required by MSHDA. All Flexible Financial Assistance must be submitted with the MSHDA provided request document OR an internal document of like kind and quality

MAXIMUM AWARDS

Individuals are eligible for up to $2,500 per year in assistance. For requests that exceed this amount, please seek additional approval from MSHDA.

This includes security deposits and rent assistance.

FUNDS OF LAST RESORT

Agency staff wishing to access the fund are expected to have utilized or attempted to utilize all applicable existing funds and resources and be able to state that no other existing community resources can meet the specific need.. Case managers are expected to research and have knowledge of other available community resources and use good judgment when submitting a Flexible Financial Assistance request.

PAYMENT PROCESS

All organizations are responsible for having the adequate support in place to pay for necessary services provided by this program. Fiduciary Agencies are responsible for submitting all reimbursement requests at least quarterly through the MSHDA Financial Status Report Process in IGX. Agencies may request an advance of funds up to 25% in support of this project.

Not every complex case is a candidate for Diversion.