

Homelessness Prevention Challenge Grant Program

A Partnership between the Council of Michigan Foundations (CMF) and the Michigan State Housing Development Authority (MSHDA)

Initially, MSHDA committed \$1,000,000 to work with CMF members on homelessness prevention projects with distribution to local Continuum of Care/Community Foundation partnerships. There were additional grants as the program gained momentum. The goal of this pilot program was to enhance homelessness prevention services that were reflective of local realities and responsive to local needs.

Using a competitive proposal process, twenty-eight communities were funded in Phase I. Phase I funding was a targeted process with invitations to submit a proposal to communities identified as having the greatest promise for success in developing local endowments and demonstrated capacity in the Continuum of Care process. One community with a population of 150,000 or more was awarded \$50,000. Four communities with populations under 150,000 were awarded either \$15,000 or \$25,000, for a total of \$137,500. Endowment size had to equal the grant amount.

For Phase II, all CMF member community foundations were invited to participate. Sixteen communities were awarded grants from the minimum of \$10,000 to the maximum of \$50,000. Endowments of \$10,000 were required.

In the third phase, over \$270,000 was awarded to 14 communities, eight of them new to the Project. Phase IV included \$244,000 awarded to 16 communities, many of whom used the funds to continue projects started in earlier phases.

MSHDA's funds were dedicated to the support of direct costs of prevention activities and programs as identified by the Continuum of Care Committees. These funds were matched by community foundations with funds used to create new or enhance existing permanently endowed homelessness prevention and emergency-services funds.

The impetus for this special pilot was based on the following rationale:

- Community based homeless service providers have consistently identified substantial need for additional homelessness prevention funding and services to assist highly vulnerable and at-risk households in maintaining housing permanency.
- Increased investment in prevention-related activities for at-risk families would help reduce the still growing, and very costly, demand for emergency shelter and crisis services.
- Strategies were needed for building *sustainable* local capacity for prevention services in order to assure long-term continuity of cost-effective aid for homeless and at-risk households.

This CMF/MSHDA partnership to help address homelessness issues was a first for both organizations. It presented an important opportunity to assist local communities in providing a safety net and build support for homelessness prevention in Michigan.