



**MSHDA Shelter Diversion Pilot Proposal**  
**Northwest Michigan Coalition to End Homelessness**  
**(MI-512: Grand Traverse, Antrim, Leelanau Counties CoC)**

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## Proposed Model

### Overview

The Northwest Michigan Coalition to End Homelessness (NWCEH) has a long-standing commitment to providing effective diversion services through the Coordinated Entry Call Center and, more recently, by introducing a dedicated Diversion Specialist position. Over the past year, a Diversion Specialist has been working at the forefront of the homeless response system, successfully diverting individuals from homelessness when safe and appropriate options are identified. This proposal reflects data from the past year's intervention.

It is essential for individuals or families presenting as homeless to be screened using diversion strategies at the first point of contact with the system. First-time homeless individuals are more likely to be successfully diverted than those experiencing chronic homelessness. Consequently, it is crucial for all access points within the Coordinated Entry System to embrace the culture of Diversion throughout the NWCEH Homeless Response System. Embracing the culture of Diversion means that no matter where a person accesses the homeless response system, or for how long they are experiencing homelessness, all staff people throughout the NWCEH are always seeking opportunities to help people end their experience of homelessness.

## Process

The Coordinated Entry Call Center serves as the initial access point for most people requesting services from the NWCEH Homeless Response System. During the initial call, call center staff inquire about the caller's situation, and help them explore safe alternatives outside of the homeless response system; especially if the caller has no prior history of homelessness. This critical step in Shelter Diversion aims to prevent homelessness, as prior homelessness is a key predictor of future homelessness. If the call center staff cannot find a solution using the [Call Center Diversion Framework](#), a referral is made to the Diversion Specialist, who further develops diversion efforts and helps clients identify alternatives to entering homelessness.

Diversion Specialists contact callers within 24-48 hours of receiving a referral and provide on-site support at emergency shelters at least five days per week if emergency shelter access is required while diversion is attempted. Diversion Specialists offer a mix of direct services and limited financial assistance for up to 30 days, resulting in safe and stable housing arrangements. This can eliminate the immediate need for additional services such as initial or prolonged emergency shelter or rapid rehousing intervention.

Diversion Specialists conduct ongoing assessments for health and safety risks to determine if diversion services are appropriate. If a household cannot identify a housing solution within 30 days, or if a new safety or health risk emerges, the case manager collaborates with NWCEH partners to determine the next steps, which may include a referral to rapid rehousing services or placement/continued stay in an emergency shelter.

Current data indicates that most individuals utilizing temporary emergency shelter in the region stay for less than 30 days. This proposal includes two full-time positions dedicated to the front end of the coordinated entry system to help people resolve their housing crises before entering shelter or rapidly exit if temporary shelter entry is necessary. For example, at Safe Harbor (our region's seasonal temporary emergency shelter) around 65% of guests stay for less than two weeks without returning to homelessness. This proposal aims to increase that figure to 85% in the first year. At the Goodwill Inn (our region's year-round temporary emergency shelter), 30% of guests stay for 30 days or less without re-entering homelessness, further demonstrating the need for more diversion services at the front end of the system.

## Proposed Enhancements

To strengthen the impact of diversion services, NWCEH proposes the following enhancements to an already well functioning Diversion program:

1. **Expansion of the Diversion Specialist team:** Increase staffing with two full-time equivalents (FTEs) dedicated to resolving housing crises before clients enter shelters and rapidly exiting shelters if temporary entry is needed.
2. **Improved screening and assessment:** Enhance the process for screening and assessing individuals and families at the first point of contact with the Coordinated Entry System. This improvement aims to identify safe and appropriate housing alternatives, preventing the need for emergency shelter.
3. **Training and capacity building:** Develop and implement training programs for staff and community partners to build capacity and expertise in diversion strategies and to foster a culture of diversion throughout the NWCEH Homeless Response System.

4. **On-site Diversion Specialist support:** Ensure Diversion Specialists are on-site at emergency shelters at least five days per week to bolster ongoing diversion and rapid-exit strategies within the emergency shelter setting.

### Project Outcomes

The project aims to achieve the following outcomes:

1. Increase the number of shelter stayers who resolve their homelessness situation in less than two weeks from 65% to 85% in the first year.
2. Increase the number of individuals and families successfully diverted from emergency shelters and homelessness through the enhanced diversion services.
3. Decrease the length of shelter stay for individuals and families who are connected with Diversion services.

### Target Population

The target population for this proposal includes:

- Individuals and families seeking temporary emergency shelter through the NWCEH homeless response system.
- First-time homeless individuals and families
- Individuals and families who returned to homelessness within 6 months after successfully exiting Street Outreach or Temporary Emergency Shelter programs.
- Low to mid-acuity clients re-entering the homeless response system.
- Those on the shelter waiting list.

### Training

The NWCEH maintains a comprehensive training program for Diversion Specialists, adhering to trauma-informed care principles and best practices for this type of intervention. The training requirements listed below are not exclusive to Diversion Specialists, as all staff members within the NWCEH agencies must receive training on the basics of Diversion and the implementation of a "culture of diversion" throughout the homeless response system.

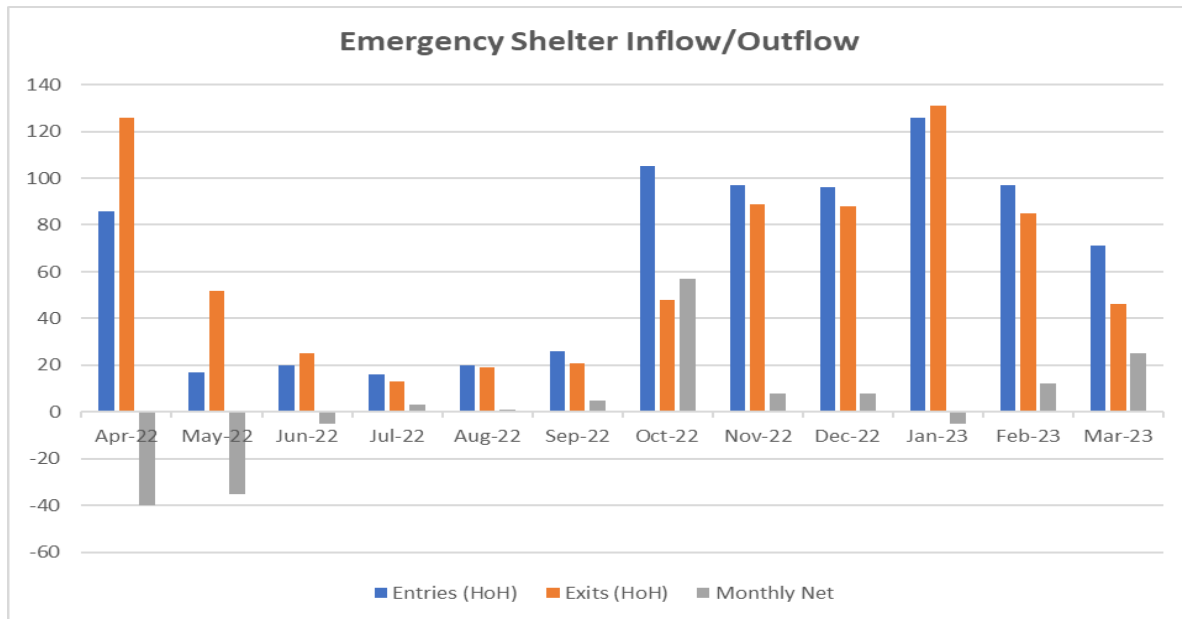
Required Trainings for Diversion Specialists:

- Motivational Interviewing (including active listening, basic empathy, open-ended questions, etc.)
- Trauma-Informed Care in the work to end homelessness
- Neurobiology of Trauma
- Housing First
- HUD Equal Access Rule
- SOGIE 101
- Non-Violent Crisis Intervention from the Crisis Prevention Institute
- Safety planning
- Diversion framework for initial contact
- Cleveland Mediation Center Diversion Training (led by a trained staff member)
- Fair Housing 101
- NW Michigan Coalition to End Homelessness 101
- Diversion Framework for the NWCEH Call Center Staff

## Inflow/Outflow Data

The NWCEH Homeless Response system evaluates inflow and outflow data monthly. Program managers and the NWCEH HMIS System Admin collaborate to reconcile this data. The NWCEH Data and Standards Committee then reviews the reports on a monthly basis. System-wide inflow and outflow data can be found on our website at [www.endhomelessnessmi.org/monthly-reports](http://www.endhomelessnessmi.org/monthly-reports).

In addition to the system-wide data, the NWCEH also measures shelter-specific inflow and outflow. The information for the past year, along with explanations of the results, can be found below:



## Emergency Shelter Inflow-Outflow Analysis

The data above represents the inflow and outflow trends for our year-round shelter Goodwill Inn, and our seasonal shelter, Safe Harbor. Notable spikes in outflow during January and April can be attributed to Safe Harbor's closure at the end of the season in April, and data cleanup in January to prepare for the Point-in-Time (PIT) count. During the summer months when Safe Harbor is not in operation, the shelter utilization rates are lower due to the limited shelter capacity available.

## Performance Management Outcomes

The NWCEH has demonstrated the ability to measure outcomes related to Diversion and possesses the infrastructure to continue monitoring these outcomes in the future. At present, the NWCEH operates and maintains a monthly data dashboard that evaluates system inflow-outflow for general homelessness as well as for specific subpopulations (Veterans, families, youth, chronic). This dashboard also assesses overall Diversion performance. Moving forward, our system will develop and maintain a separate diversion dashboard to complement our overall system measures dashboard. The responsible parties for data entry, collection, and analysis are as follows: Data Entry - Provider (Goodwill or NMCAA), Data Pull – NWCEH HMIS System Admin, Data Analysis - NWCEH Data and Standards Committee and NWCEH Steering Committee. More information related to this can be found below:

Outcome	NWCEH Metric (April 2022-Current)		Reporting Mechanism
Percentage of households who have a diversion interaction and identify an alternative to emergency shelter	22%		Monthly HMIS Reporting on NWCEH Dashboard
Percentage of households who identify an alternative to ES and do not return to homelessness within 30, 60, 90 days	30 days	4%	Monthly HMIS Reporting on NWCEH Dashboard Jayce Complete, (4% 30 days, 0% 60 days, 0% 90 day)
	60 days	0%	
	90 days	0%	
Racial equity analysis of diversion outcomes	White	159	Annual HMIS reporting - Diversion Dashboard
	Black	13	
	Amer. Indian	12	
	Asian	3	
	Client refused	1	
Household type analysis	See attached spreadsheet		Monthly HMIS Reporting on NWCEH Dashboard
Avg. length of ES stay following diversion interaction	41 Days		Monthly HMIS reporting on NWCEH Diversion Dashboard
Avg. amt. Of flexible funding assistance/household served and nature of assistance provided	<ul style="list-style-type: none"> <li>This project served 190 Households.</li> <li>This project saw 53 Households Successfully Diverted.</li> <li>This project used flexible funding assistance for 9 Households totaling \$8,543.48.</li> <li>For Households requiring flexible funding assistance to be diverted on average this assistance was \$949.27. (\$8,543.48/).</li> <li>This assistance ranged from an \$8.00 bus fare to \$3,600 Rental Deposit.</li> </ul>		Monthly HMIS reporting on NWCEH Diversion Dashboard

Avg. # of days a household is engaged in diversion services	17 Days	Monthly HMIS reporting on NWCEH Diversion Dashboard
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## Organizational Capacity

The NWCEH has a strong track record of effectively coordinating services for households experiencing homelessness or at risk of homelessness. The NWCEH offers strong backbone support for the work to end homelessness in NW Michigan. The Steering Committee of the NWCEH has selected Goodwill Northern Michigan to act as service provider for the Shelter Diversion Pilot. With a history of implementing and managing successful programs, Goodwill has demonstrated its capacity to adapt and innovate, making it well-suited to implement and expand shelter diversion efforts. The Northwest Michigan Community Action Agency (NMCAA) will continue to provide fiduciary support for this project. NMCAA will also continue to provide staffing for one additional Diversion Specialist who will work as a teammate to the new specialists. Goodwill was chosen as they operate the Emergency Shelter in the region and have staff time each night at the seasonal shelter Safe Harbor. Goodwill is also the service provider for all Street Outreach services throughout the region, and therefore provides most of the front-end system provision within the NWCEH.

A 501(c)3 non-profit agency established in 1974, Northwest Michigan Community Action Agency, Inc. (NMCAA) has a productive history of serving as a community change leader, essential services provider, and resource hub for community members in need. For nearly a half-century, NMCAA has served as a primary grantee, Housing Assessment and Resource Agency (HARA) for five-counties, fiduciary, and currently administers over fifty (50) federal, state, and local grants across a ten-county service area in Northwest Lower Michigan.

Due to the extensive history of grant administration and good standing with all grantors, subgrantees and community partners, NMCAA demonstrates the organizational history, leadership capabilities, and the fiscal capacity required to effectively implement the proposed HCDF Diversion model, as well as leveraging and utilizing federal, state, and private sector funds. In addition to NMCAA financial policies/procedures following GAAP standards (which serve as the agency's comprehensive accounting methods and practices), the collective experience, knowledge, and collaborative partnership between accounting and program staff adds additional checks and balances that aid in ensuring financial stability and compliance. The financial management and compliance of NMCAA program operations are also evaluated externally, via monitoring visits completed by the U.S. Department of Housing and Urban Development (HUD), Michigan State Housing Development Authority (MSHDA), Supportive Services for Veteran Families (SSVF), et al. Combined with grant/program monitoring, as a recipient of federal awards that expends more than \$750,000 annually, the U.S. Office of Management and Budget (OMB), 2 CFR part 200 Uniform Administrative Requirements, Cost Principles and Audit Requirements Subpart F §200.501, also requires NMCAA to have an annual single or program audit to verify compliance with federal regulations.

### Shelter Diversion Experience

The NWCEH has an extensive history implementing Diversion practices across the homeless response system. Both Goodwill and NMCAA have been either practicing diversion as part of existing service delivery or have been directly responsible for implementing standalone diversion projects. These initiatives have informed and prepared the organizations to successfully implement a comprehensive shelter diversion program. The Shelter and Diversion workgroup, active for over three years, has been instrumental in gathering insights, identifying best practices, and understanding the needs of the target

population. The workgroup's involvement with community stakeholders has further strengthened the agency's ability to design and execute shelter diversion strategies.

Goodwill has also been instrumental in implementing a Shelter Diversion Program for families in our region. Due to a large philanthropic grant, Goodwill has been able to implement flexible funding available to families to either avoid entering the homeless response system, or to quickly re-enter housing once in shelter or on the streets. Being able to rapidly address barriers is a key component in getting families into housing, and not losing out on housing inventory when it is available. Through these efforts, the NWCEH is proud to report that on average over the past 11 months, we have had more families exiting homelessness than are entering—with an average system net of negative 5 families.

Other Shelter Diversion experience of the NWCEH can be found throughout the application and data attached herein. The current operating scope of the Diversion Program can also be found in the Michigan Department of Health and Human Services Prevention and Shelter Diversion Toolkit (Appendix B).

### **Experience Serving Households Experiencing Homelessness or At Risk of Homelessness**

The NWCEH has extensive experience serving households experiencing homelessness or at risk of homelessness through various programs and services, including targeted eviction diversion programming, homelessness prevention programs, access to temporary emergency shelters, rapid re-housing, and supportive services. More information regarding NWCEH experience and program offerings can be found on the Coalition website at [www.endhomelessnessmi.org](http://www.endhomelessnessmi.org).

Through the NWCEH Basic Needs Coalition, strong partnerships with local service providers, such as Father Fred, Salvation Army, Central United Methodist Church, and St. Vincent DePaul, have enhanced our ability to coordinate resources and deliver effective support to clients. Providers of the Basic Needs Coalition are always ready and willing to help coordinate with Goodwill or NMCAA on preventing homelessness whenever possible. For example, over the past 3 months, at least 3 individuals have been diverted away from homelessness due to financial and coordination support from Basic Needs Coalition providers. Additionally, the NWCEH's involvement in monitoring and analyzing data related to homelessness has enabled it to make informed decisions and implement evidence-based interventions.

### **DEI Self-Assessment**

The Shelter Diversion program aims to improve services and supports at the beginning of the homeless response system to reduce the number of people entering homelessness and temporary emergency shelters. To achieve the goal of making homelessness rare, brief, and non-recurring, we need to allocate resources to the front end of the system while also ensuring that those already in the system can transition to permanent housing. At the NWCEH, we are committed to using a "systems thinking" approach to ending homelessness, which involves recognizing how well-intentioned efforts might inadvertently undermine the system's ability to achieve its goals. For example, without sufficient resources at the front end of the system to help people identify safe alternatives to homelessness, the system's capacity will be continuously strained, and appropriate outflow measures will be unattainable as the system becomes increasingly overwhelmed.

The NWCEH structure encourages community stakeholders to participate, inform, and assist with the implementation of shelter diversion efforts system wide. The Shelter and Diversion workgroup of the NWCEH has been active for over three years and is open to any community stakeholder connected to

this intervention type. Agencies offering ancillary services often refer households to the homeless response system, who could benefit from comprehensive shelter diversion programs. These agencies are currently members of the NWCEH Basic Needs Coalition and can coordinate resources to prevent homelessness whenever possible. For example, agencies such as Father Fred and St. Vincent DePaul have supported the homeless response system by providing bus fare for clients who identified safe and suitable housing options outside the region, as well as offering utility assistance and funding for rental arrears to keep individuals in housing and prevent them from entering homelessness. This strong history of collaboration and coordination will enhance this programming.

Transparency is a key value throughout our work to end homelessness in NW Michigan, which is rooted in collaboration, accountability, equity, and data-driven decision-making. We prioritize transparency around funding decisions, collaboration opportunities, and systems change work. Decision-making for the NWCEH begins with the Steering Committee, which comprises agencies directly involved in the work to end homelessness and people with lived experience of homelessness. These decisions are informed by the committees and workgroups that make up the Coalition membership. Information is shared with the community through monthly newsletters and bi-annual membership meetings. The NWCEH also designates participating members of local workgroups to attend community-wide meetings, such as local community/county collaboratives, to share important updates and solicit feedback on the work to end homelessness. Workgroup meeting schedules, notes, agendas, and virtual attendance links are listed on the NWCEH website. In addition to meeting agendas and notes, the NWCEH website contains funding proposals, budget information, performance scorecards for each HUD-funded project, monthly data reports, PIT and HIC data, and system performance measures. Please visit our website at [www.endhomelessnessmi.org](http://www.endhomelessnessmi.org) for more information on our commitment to community-based transparency.

Our dedication to equity is founded on the principle of continuously seeking feedback from those closest to the problem, i.e., those experiencing homelessness, and committing to making changes based on their input. To achieve this, the NWCEH conducts quarterly listening sessions with people with lived experience of homelessness related to areas of the system identified as needing improvement. This data is then shared with appropriate programs throughout the NWCEH, and performance monitoring is conducted by NWCEH staff. We also compensate people with lived experience of homelessness for their participation on the Steering Committee and hold weekly meetings with representatives to ensure they receive adequate support, education, and compensation. One of our representatives with lived experience has a unique history that aligns with this current Shelter Diversion Pilot and has contributed significantly to the service delivery model planning based on her experience.

## **Reasonable Costs, Budget Justification, and Leverage of Funds**

The NWCEH is requesting a budget of \$500,000 over two years for the implementation and expansion of the Shelter Diversion program. This budget will ensure the efficient delivery of services while maintaining a high level of program quality. The following budget justification outlines the allocation of funds and leveraged resources to support the program's objectives.

### **Budget Justification**

#### *Staffing- \$257,325*

The personnel budget includes salaries for 2 full-time Diversion Specialists as well as providing additional HMIS support in terms of reporting, data analysis and compliance. This allocation will ensure sufficient



staffing to manage the increased demand for diversion services and maintain a high level of support for clients. One of these positions is slated to start 6/1/23 and the second position will start 9/1/23. We are aiming for a staggered approach due to the opening of our seasonal shelter in the fall of 2023. Please find the budget template attached to this proposal as Appendix A.

#### *Flexible Financial Assistance- \$122,500*

Flexible financial assistance will be provided to households who identify a need that if resolved through flexible financial assistance will result in securing housing outside of the homeless response system. This budget was built based on data gathered over the past year from our existing Diversion program. Financial assistance was provided to 17% of all successfully diverted households in the past year, 5% of which fall under the flexible financial assistance category. We estimate serving 24 clients in year 1 and 25 clients in year 2 with flexible financial assistance.

#### *Rental Assistance- \$70,175*

Rental assistance will be provided to households who identify a need that if resolved through rental assistance will result in securing housing outside of the homeless response system. This budget was built based on data gathered over the past year from our existing Diversion program. Financial assistance was provided to 17% of all successfully diverted households in the past year, over half of which fall under the rental assistance category.

#### *Administrative Costs- \$50,000*

Administrative costs will be utilized to distribute the financial assistance allocated within this program in addition to operating the project in general. These funds will be split between the lead agency for the pilot, Goodwill Northern Michigan, and the fiduciary for flexible financial assistance and rental assistance, Northwest Michigan Community Action Agency.

#### **Leverage of Funds**

In addition to the requested budget, the NWCEH will leverage existing resources and partnerships to support the program. Agencies such as Father Fred and St. Vincent DePaul have a history of providing support to the homeless response system, including bus fare, utility assistance, and rental arrears funding. These agencies, as members of the NWCEH Basic Needs Coalition, will continue to contribute to the program's success by coordinating resources and collaborating on prevention efforts. Additionally, the NWCEH will continue to seek other funding opportunities and partnerships to further enhance the program's effectiveness and sustainability.

NWCEH is leveraging philanthropic dollars as well as MSHDA Emergency Solutions Grant funding to support Diversion programming.

The requested budget of \$500,000 over two years will enable the NWCEH to efficiently implement and expand the Shelter Diversion program, providing critical support to individuals and families at risk of homelessness.

#### **Conclusion**

In conclusion, the NWCEH's organizational capacity, combined with its experience in serving households experiencing homelessness or at risk of homelessness, positions it well to successfully implement and

expand the Shelter Diversion program. The organization's commitment to collaboration, data-driven decision-making, and continuous improvement will ensure that the program effectively addresses the needs of the target population and contributes to the goal of making homelessness in NW Michigan rare, brief, and non-recurring.

**Appendix A: Budget Template**

Shelter Diversion Budget Template			
Total Grant Request	\$500,000.00		
<b>Cost</b>	<b>Year 1</b>	<b>Year 2</b>	
Staffing (greater than or equal to 40% of the requested grant)	\$120,225	\$137,100	TRUE
Flexible Financial Assistance (greater than or equal to 20% of the total grant allocation)	\$60,000	\$62,500	TRUE
Rental Assistance (greater than or equal to 10% of grant request)	\$35,075	\$35,100	TRUE
Administrative (less than or equal to 10% of grant request)	\$25,000	\$25,000	TRUE
Totals	\$240,300	\$259,700	
<b>Total Grant Request</b>		<b>\$500,000</b>	<b>TRUE</b>
<p>Column D is the test that your budget amounts conform to the percents and max grant allocations that are dictated in the RFP. IF the budgeted amount conforms, the boxes in Column D will say TRUE. If they do not conform, they will say FALSE and will need corrected.</p>			