Built for Zero Flex Fund Guide

Background & Introduction to Flexible Funds

Overview + Acknowledgements

Purpose of the Guide

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

Orientation to the Guide

This Guide is broken into separate modules

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

Acknowledgements

Thank you to the many Built for Zero (BFZ) communities who were interviewed and shared their process and learnings implementing flexible funding. Those insights have been instrumental in shaping this guide.

Thank you to: Boulder County, Charlotte/Mecklenburg County, Hennepin County, Washington DC, Maine Statewide, MS Gulf Coast Regional CoC, Pikes Peak, and Nashville.

Community Solutions' Flex Funds

Background: Since 2018, Community Solutions has served as an intermediary funder — receiving funding from private philanthropy to provide targeted grants to communities in the Built for Zero (BFZ) network for the purpose of contributing to ending homelessness. Even with extensive benefits and income, most individuals are not able to cover that entire cost of becoming housed. Flex Funds have allowed BFZ communities to utilize unrestricted dollars to expedite connections to stable housing in ways that were not possible through existing resources alone. Communities have used Flex Funds, along with their by-name data, to decide how, when, and for whom to invest in order to achieve population-level housing outcomes.

The Flex Funding approach showed emerging promise, and with the MacArthur Foundation's 100&Change Award in 2021, Community Solutions scaled up this funding program. Now, with more than 50 communities receiving flex funding, communities have learned valuable lessons, created promising processes and protocols, and utilized Flex Funds to achieve their BFZ goals. This guide reflects the composite wisdom and learning from those communities for the benefit of BFZ communities and beyond.

Across BFZ communities, trends are emerging related to communities' needs and approaches to both fill resource gaps and attempt to shift the system to work in new ways. Many sources of funding to address and prevent homelessness are restrictive or are accompanied by very rigid and burdensome processes. The intent of flexible funds is to address individuals' needs and barriers that are not covered through existing funding sources and to allow communities to be creative in working with people experiencing homelessness to identify solutions that will end or prevent their homelessness.

What do we mean by *Flex Funds*: Core principles of Flexible Funding

Flexible Funds are unrestricted dollars communities can utilize to address individuals' unique barriers to housing and effectively promote stability and prevent individuals from experiencing homelessness.
At the core of our funding strategy is the ability to be flexible, adaptable, creative, and collaborative. The Flex Funds are:

Structured so that each community can be creative in determining the most effective use of the funds with minimal funding restrictions required.

Adaptable so that communities are encouraged to design a process that is unique to the local needs and allows communities to pivot when needed.

Specifically designed to address the housing barriers and resource gaps that other funding or local resources can't cover.

Meant to be **part of an overall approach**, encouraging communities to strategize to maximize the funds to accelerate progress by filling in gaps in local resources and directly addressing barriers to housing.

How are communities using Flex Funds

To date, the allocation of flex funding has varied significantly across communities, with most recipients opting for a focused strategy aligned with specific outcomes and community needs.

Examples include:

- Providing landlord incentives and establishing a risk mitigation fund to secure more units and speed up the move-in rate for people with housing subsidies.
- Removing housing barriers for people currently on the by-name-list (BNL).
- Removing housing barriers for households targeted for assistance during a 100-day Challenge to house families.
- Creating a "landlord support package" to recruit new property owners and secure units to house veterans on the BNL.
- Providing needed resources to stabilize households at imminent risk of experiencing homelessness, and entering onto the BNL.

Module 1: Built for Zero Flex Fund Guide

Planning for Flex Funding

Overview + Acknowledgements

Purpose of the Guide

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

Orientation to the Guide

This Guide is broken into separate modules

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

Acknowledgements

Thank you to the many Built for Zero (BFZ) communities who were interviewed and shared their process and learnings implementing flexible funding. Those insights have been instrumental in shaping this guide.

Thank you to: Boulder County, Charlotte/Mecklenburg County, Hennepin County, Washington DC, Maine Statewide, MS Gulf Coast Regional CoC, Pikes Peak, and Nashville.

1.1 PLANNING FOR FLEXIBLE FUNDING

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

Determining Need and Purpose

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

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

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

Community Spotlight:

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

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

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

Community Spotlight:

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

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

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

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

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

Community Spotlights:

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

Understand the impact you are aiming for.

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

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

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

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

Identify Potential Risks and How to Mitigate Them

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

Key Areas of Risk and Mitigation Strategies

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

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

Questions to ask during planning:

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

Module 2: BFZ Flex Fund Guide

Preparing for Implementation

Overview + Acknowledgements

Purpose of the Guide

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

Orientation to the Guide

This Guide is broken into separate modules

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

Acknowledgements

Thank you to the many Built for Zero (BFZ) communities who were interviewed and shared their process and learnings implementing flexible funding. Those insights have been instrumental in shaping this guide.

Thank you to: Boulder County, Charlotte/Mecklenburg County, Hennepin County, Washington DC, Maine Statewide, MS Gulf Coast Regional CoC, Pikes Peak, and Nashville.

2.1 PREPARING FOR IMPLEMENTATION

Once you have determined the “what” (need) and the “who” (target population) and you've secured flexible funding, you need to figure out the “how.” Implementation planning should include identifying a Fiscal Agent, building an outreach plan, and determining how to reach the intended audience. It should also include determining who will provide services and engage with participants, what specific needs are most likely to emerge, what limitations need to be set, and what communication strategy is needed.

Identifying a Fiscal Agent & Defining Roles

The Fiscal Agent is the person/organization in your community who will administer (distribute and manage) the funding. To identify the Fiscal Agent (FA) and their role in relation to BFZ and flexible funding planning, communities should consider the capacity, experience, and community relationships needed to carry out the core FA responsibilities.

Organization Type and Connection to the Homelessness System: The FA should ideally be an organization with a strong understanding of the local homelessness system and experience in financial management. Consider if access to HMIS or experience with financial assistance programs is necessary.

A strong connection between the FA and the broader homelessness system is crucial for several reasons:

- **Understanding the Needs:** It ensures the FA has a deep understanding of the specific challenges and needs of the population experiencing homelessness, enabling them to make informed decisions about fund allocation and utilization.
- **Collaboration and Coordination:** It fosters collaboration and coordination between the FA and various stakeholders in the homelessness system, such as service providers, housing agencies, and community organizations. This coordination helps to streamline processes, avoid duplication of efforts, and maximize the impact of the flexible funding.
- **Efficient Resource Allocation:** It allows the FA to leverage existing resources and expertise within the homelessness system, ensuring that the flexible funds are used efficiently and effectively to address the most pressing needs.
- **Data-Driven Decision Making:** It enables the FA to access and utilize relevant data from the homelessness system, such as HMIS data, to inform decision-making and measure the impact of the flexible funding.
- **Community Buy-in:** It promotes transparency and accountability in the management of flexible funds, fostering trust and support from the broader community.

Specific Roles and Expectations of an Effective Fiscal Agent: To ensure the Fiscal Agent is well-prepared to manage the flexible funding program effectively, it is crucial to define their responsibilities, expectations, capabilities, and the time commitment required. This clarity will enable the FA to handle the administrative and financial aspects of the program efficiently. As the Fiscal Agent is a central role to administering flexible funding, be mindful of the support this organization will need from other community partners. To support effective administration, it is important not to overload any one organization with more than their capacity can sustain.

Key Responsibilities of the FA may include:

- **Financial Management:** Receive, manage, and disburse funds in accordance with established guidelines and regulations.
- **Record Keeping and Reporting:** Maintain accurate and transparent financial records, and provide regular reports on fund utilization and program outcomes.
- **Compliance and Accountability:** Ensure compliance with all relevant rules, regulations, and reporting requirements.
- **Collaboration and Communication:** Work closely with community partners, service providers, and stakeholders to ensure effective coordination and communication.
- **Evaluation and Monitoring:** Monitor program performance, track outcomes, and make data-driven adjustments as needed.

Expectations and Capabilities

- **Financial Expertise:** Possess strong financial management skills and experience in handling grants or funding programs.
- **Organizational Capacity:** Have the necessary infrastructure and staffing to manage the administrative and financial aspects of the program.
- **Community Knowledge:** Understand the local context, needs, and resources related to homelessness.
- **Commitment to Transparency:** Maintain transparency and accountability in all financial transactions and decision-making processes.

Time Commitment

- The time commitment required will vary depending on the size and scope of the flexible funding program. However, the FA should be prepared to dedicate sufficient time and resources to ensure effective program management.

Ongoing support for the FA

- **Provide Training and Support:** Offer training on program guidelines, financial procedures, and data management to enhance the FA's capabilities.
- **Establish Clear Communication Channels:** Maintain open communication and collaboration between the FA and other stakeholders for effective coordination and issue resolution.
- **Monitor and Evaluate Performance:** Regularly review the FA's performance, including financial management, compliance, and program outcomes, to ensure accountability and identify areas for improvement.

By clearly outlining the FA's role and responsibilities, communities can ensure that the flexible funding program is implemented efficiently and effectively, ultimately contributing to the goal of preventing and ending homelessness.

Community Spotlights:

In **Nashville, Tennessee**, to ease in getting assistance issued quickly, the community's FA identified a set of common types of payments (security deposits, securing IDs, and transportation, etc.) and "pre-approved" those items so partners could act quickly to support participants in getting into housing. Other costs were likely to be approved, but required approval before moving forward. ***See Nashville's process and workflow [here](#).*** They used this guide to inform providers and front-line staff about the funding opportunity and process.

Outline and Document the Process

Establishing a streamlined and efficient process for flexible funding requests and payments is crucial.

- **Fiscal Processes:** Determine the necessary financial procedures, including how and where to submit requests, documentation required, etc.
- **Turnaround Time Expectations:** Set clear expectations for how quickly requests will be reviewed and approved, aiming for a rapid response to address urgent needs (set a community standard).
- **FA Requirements for Check Issuance:** Identify the specific information and documentation the FA needs to process payments promptly, such as vendor invoices, recipient eligibility verification, and supporting documentation (keeping documentation requirements as minimal as possible).
- **Approval Process:** Designate who will be responsible for reviewing and approving requests, ensuring a streamlined process with appropriate checks and balances.
- **Documentation and Reporting:** Clearly define the required documentation, including vendor verification, data collection, and reporting requirements, while minimizing unnecessary paperwork to expedite the process.

Community Spotlights:

Administration of Flex Funding may take different forms depending on how funds are being targeted, what type of payments are being issued, and the types of partners engaged in requesting assistance and supporting participants. For example, **Hennepin County, Minnesota,** chose a centralized administration model. In a centralized model, the county managed a central pool of funds, received requests from providers through a web-based form, and approved and processed those requests. ***See their online form [here](#).***

The **Gulf Coast, Mississippi**, region took a similar approach when first implementing their Flex Fund program, but in their experience, found that, based on how they were using funds and who was submitting requests, they could be much more efficient and increase system-wide capacity by subcontracting those funds out to service providers directly.

Establishing a Decision-Making Process

Beyond the Fiscal Agent's role, a clear decision-making and communication structure is vital for effective Flex Fund management. You will need to determine who/where/how decisions about the flex fund will be made (eligibility, process, allowable costs, timeline, etc.) and how communication will happen between the decision-maker (or decision-making body) and other key partners.

Key Points:

- **Decision-Making Body:** Determine if decisions will be made by a group or an individual. If a group, define its composition, meeting frequency, and decision-making procedures. If an individual, establish clear communication channels for transparency and feedback.
- **Parameters and Policies:** Clearly document eligibility criteria, processes, allowable costs, timelines, and other relevant parameters. Ensure these are accessible and communicated to all stakeholders.
- **Transparency and Communication:** Foster open communication between the decision-maker(s) and key partners. Regularly share progress updates, challenges, and outcomes to ensure alignment and collaboration.
- **Adaptability and Continuous Improvement:** Design a decision-making process that can be adjusted as needed. Regularly review and update policies and procedures based on data, feedback, and evolving community needs. This may involve removing unnecessary restrictions or adding new parameters to better target specific populations or address emerging challenges.

A well-defined and transparent decision-making process promotes accountability, efficiency, and effectiveness in flexible funding allocation, ultimately maximizing its impact on addressing homelessness in the community.

Tips from Flex Funding Recipients:

- Plan for data collection and capacity needs early on! Many communities operating flex funding programs are still struggling with data collection/tracking as well as time and capacity needed to successfully implement their flex fund.
- All communities coordinated their flex fund with other system resources to varying degrees, some embedded within coordinated entry (CE), some set up

partnerships with longer-term assistance should that be needed (Youth Homelessness Demonstration Project (YHDP), vouchers, mental health services)

Designing a Referral Process

When planning for the implementation of flexible funding, it's essential to design a referral process that is efficient, equitable, and aligned with your community's needs and goals.

Key Considerations:

- **Collaboration:** Work with partners and providers to determine the most effective and expedient referral pathways for your target population and intended use of funds.
- **Eligibility:** Clearly outline eligibility criteria and any restrictions, ensuring they are communicated effectively to all partners involved in the referral and application process.
- **Streamlined Process:** Keep the referral and eligibility process simple and user-friendly. Avoid unnecessary complications or stipulations that could hinder access to funds.
- **Documentation:** Outline the steps and procedures in a clear and accessible document for both those referring individuals and those administering the funds.
- **Integration:** Explore opportunities to integrate flex funding referrals with existing systems like coordinated entry or case conferencing, depending on your specific use and desired outcomes.

By incorporating these considerations, communities can develop a referral process that maximizes the impact of flexible funding and facilitates timely and equitable access to resources for individuals experiencing homelessness.

Community Spotlights:

The **Hennepin County** Office to End Homelessness took on the role of the centralized administrator of their flex funding, leaning on their role as the backbone agency for addressing homelessness in the region and their partnerships with service providers across the continuum. They created a simple Google form which providers used to submit funding requests and leveraged that form to also educate service providers on the use and availability of funds, ensuring equitable access to funds for all service providers and fidelity to serving the target population of people experiencing literal homelessness.

Community Spotlight: Leveraging Existing Referral Systems

Charlotte/Mecklenburg County utilized their flex funding to shift their eviction prevention efforts to a targeted homelessness prevention approach. ***See their eviction prevention and diversion referral workflow here.*** Key in making this shift was the development of a targeting tool, to identify households most likely to experience homelessness without assistance, which was incorporated into their coordinated entry assessment and referral processes. The tool was developed collaboratively with local partners and outside experts, and was continuously improved over time.

Module 3: BFZ Flex Fund Guide

Implementation: Putting Your Community Flex Fund to Work

Overview + Acknowledgements

Purpose of the Guide

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

Orientation to the Guide

This Guide is broken into separate modules

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

Acknowledgements

Thank you to the many Built for Zero (BFZ) communities who were interviewed and shared their process and learnings implementing flexible funding. Those insights have been instrumental in shaping this guide.

Thank you to: Boulder County, Charlotte/Mecklenburg County, Hennepin County, Washington DC, Maine Statewide, MS Gulf Coast Regional CoC, Pikes Peak, and Nashville.

3.1 Getting Started with Flex Funds

Your community flex fund is established, it's time to put it into action! Implementation is where you begin testing your hypotheses on how flexible funding can have the greatest impact on individual and system outcomes. At the time of implementation, it is important to establish a means for continuous improvement, ensuring that your data collection and decision-making processes are utilized to support informed adjustments as you go.

Spreading the Word

Now that you've defined the purpose of the Flex Funds, your target demographic, the Fiscal Agent, and your process, it's time to initiate your outreach to begin using the funds. **Develop an outreach and marketing plan** tailored to your target population and the intended use of the Flex Funds.

- ➔ Consider the most suitable platforms and channels to reach your audience and promote the funding opportunity.
- ➔ Remember that outreach and marketing efforts might need to be focused on specific groups, such as outreach and shelter providers or case conferencing participants, depending on how the funds are intended to be used.
- ➔ Ensure the appropriate providers/community partners know how and where to access funds (and/or to connect the target population with the funds).

By strategically targeting your outreach efforts, you can ensure that the flex fund reaches those who will benefit from it the most.

Community Spotlight: Two Examples of Marketing Strategies

Maine Statewide utilized flex funding to support an ongoing initiative working to house veterans experiencing homelessness. This initiative was focused on securing housing units through a robust landlord engagement and recruitment strategy. The flex funds were used to support security deposits, application fees, and rental assistance, and also landlord incentives and risk mitigation. Marketing strategies were key to effectively reaching landlords and property owners, which included the development of a website portal promoting new partnerships and allowing system leaders and elected officials to spread the word about how landlords could contribute to housing veterans in their community.

Using a very different strategy, the **Gulf Coast, Mississippi,** region made an explicit decision NOT to openly market or advertise the availability of their Flex Funds. The community used their flex funding as a homelessness reduction tool, rather than a housing stability tool, and designed their program accordingly — using the funds as a resource solely to house people actively homeless and on their by-name-list (BNL). Because the community had a quality BNL, they were able to work with their local service providers in case conferencing to determine when there was a need for flex funding to connect someone on the BNL to housing. Marketing the availability of resources would only invite more requests than the funds could support.

Testing and Learning (Continuous Improvement)

You have the funds, you know what you want to do and how you want to do it, now it's time to start TRYING IT! As you begin rolling out your Flex Fund, it's important to capture lessons learned and remain adaptable. This is a new initiative, and flexibility will be key to its success.

- **Prioritize Speed and Efficiency:** Don't get bogged down in a process that may not work as you planned. Remember, timely referrals, decisions, and payments are essential. Strive to be nimble and responsive by streamlining processes and eliminating unnecessary documentation or procedural steps that hinder serving the intended audience.
- **Foster Collaboration and Knowledge Sharing:** Encourage open communication and collaboration among providers utilizing the Flex Fund. Establish a "learning circle" or similar platform where partners can regularly meet with the Fiscal Agent to discuss the process, troubleshoot challenges, share insights, and exchange ideas.
- **Maintain Focus on Intended Goals:** As you continue to test your strategy ensure that the community's intended outcomes are still central to the use of flex funds and inform any changes or adjustments.
- **Celebrate and Share Successes:** Acknowledge and celebrate even the small victories along the way. Sharing these successes can inspire others and promote a better understanding of how to effectively utilize the funding.

Ongoing Improvement and Adaptation

This process requires ongoing learning and adaptation. By staying proactive, collaborative, and focused on continuous improvement, you can ensure that your Flex Fund makes a meaningful impact in your community.To ensure your Flex Fund's ongoing effectiveness, establish a clear Continuous Quality Improvement framework to evaluate what's working well and identify areas for adjustment.

- **Regular Progress Reviews:** Using your chosen decision-making structure, schedule consistent intervals to assess the core aspects of your Flex Fund implementation.
    - Are you reaching and serving the intended population?

    - Is the funding being utilized at the expected pace?
    - Do partners fully understand the purpose and eligible uses of the Flex Fund? (Look for patterns like repeated ineligible requests or unexpectedly low request volume.)
    - Is the request, approval, and disbursement process efficient and timely? Are there opportunities to streamline or clarify procedures?
    - Have any unforeseen needs emerged within the target population?

- **Designing small tests of change** allows for iteration and re-strategizing to increase effectiveness.
    - Design small, targeted interventions or "tests of change" to impact specific measures.
    - Experiment with different approaches and strategies to see what works best for your community.
    - Iterate and re-strategize based on the results of your tests to increase effectiveness or pivot your approach if necessary.

By actively monitoring and evaluating these key areas, you can proactively address challenges, refine your strategies, and ensure your Flex Fund continues to meet the evolving needs of your community.

Community Spotlights: Using Improvement Science to Increase Efficiency

Upon initial implementation of flex funds, the **Gulf Coast, Mississippi, region** adopted a centralized administration approach to their Flex Fund program, but in their experience, found that, based on how they were using funds and who was submitting requests, they could be much more efficient and increase system-wide capacity by subcontracting those funds out to service providers directly.

To ease getting assistance issued quickly, **Nashville, Tennessee,** identified a set of common types of payments (security deposits, securing IDs, and transportation, etc.) and "pre-approved" those items so partners could act quickly to support participants in getting into housing. Other costs were likely to be approved, but required approval before moving forward.

3.2 MEASURING IMPACT

Tracking Outcomes & Progress

Determining how you will measure the impact of your Flex Fund program and what success looks like for your community is a key step in setting up your Flex Fund for success and ongoing sustainability. Here's how you can approach it:

- ➔ **Track your progress from the start** by establishing clear goals and objectives.
  - ◆ Define specific, measurable, achievable, relevant, and time-bound (SMART) goals for your project.
  - ◆ Identify key performance indicators (KPIs) that align with your goals.
  - ◆ Consider both participant-level and system-level objectives.
  - ◆ Set baseline data at the outset to measure progress against.
- ➔ **Measuring system level impact using Built for Zero metrics** (length of time on the by-name-list dataset, housing placement rates, actively homeless, etc.) can indicate whether or not to shift the Flex Fund strategy.
  - ◆ Use broader framework metrics to watch for indications of impact and shift your Flex Fund strategy if needed.
  - ◆ Monitor systemic changes, such as policy shifts or resource allocation, that may be influenced by your program.
  - ◆ Collaborate with partners across the system to align efforts and maximize impact.

Some specific examples of KPIs that a community could use to measure the impact of their Flex Fund program include:

- ➔ **Individual-level indicators:**
  - **Number of individuals or households receiving assistance:** This could include the number of people receiving financial assistance, housing assistance, or other services through the program.
  - **Amount of financial assistance distributed:** This could include the total amount of money distributed through the program, as well as the average amount of assistance provided per individual or household.
  - **Increase in housing stability:** This could be measured by tracking the number of people who are able to maintain stable housing after receiving assistance through the program.
  - **Improved access to housing and other services:** This could be measured by tracking the number of people who are able to access or maintain the housing and services needed for stability.
  - **Participant satisfaction:** This could be measured through surveys or interviews with program participants, asking about their satisfaction with the services provided and the overall impact of the program on their lives.
- ➔ **System-level changes:**

- **Population-level reductions in homelessness:** This could be measured by tracking the number of people entering and exiting homelessness, as well as the overall rate of homelessness in the community.
- **Policies, procedures, and resources:** This could include changes in policies, procedures, or resource allocation that are implemented as a result of the program.

Tracking and Reporting on Flex Fund Usage

Establish a comprehensive tracking system to monitor both Community Solutions' requirements and other relevant data points identified by your community. Capture essential information such as:

- **Request volume and assistance:** Track the number of requests received and the average amount of assistance provided per participant.
- **Fund allocation:** Document how funds are being used and for what specific purposes.
- **Demographics:** Gather demographic data on the individuals and families receiving assistance.
- **Individual outcomes:** Measure the impact on individuals, such as changes in housing status before and after receiving support.
- **System-Level Outcomes:** Assess broader community impacts, such as reductions in first-time homelessness or the average length of time on the by-name dataset..
- **Qualitative Feedback:** Collect qualitative data through surveys, interviews, or focus groups with participants and community partners to gain valuable insights and perspectives.
- **Process Improvements:** Track changes in processes, policies, or procedures that have been implemented through continuous improvement.

Sample report form

Module 4: Flex Fund Guide

Understanding & Amplifying Impact

Overview + Acknowledgements

Purpose of the Guide

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

Orientation to the Guide

This Guide is broken into separate modules

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

Acknowledgements

Thank you to the many Built for Zero (BFZ) communities who were interviewed and shared their process and learnings implementing flexible funding. Those insights have been instrumental in shaping this guide.

Thank you to: Boulder County, Charlotte/Mecklenburg County, Hennepin County, Washington DC, Maine Statewide, MS Gulf Coast Regional CoC, Pikes Peak, and Nashville.

4.1 UNDERSTANDING IMPACT

Using Data to Tell the Story

Collecting quantitative data is important, but has its limitations. It is critical to also actively monitor and evaluate your progress using qualitative data to ensure that your Flex Fund program is effectively working towards its intended goals and objectives. Data-driven measurement using both quantitative and qualitative data is key to understanding the impact of the work.

- **Quantitative data:** Collecting individual-level data such as the number of participants served, hours of service provided, and resources distributed, are key, as well as population-level data like changes to actively homeless, length of time on the BNL, or increased housing placement rate. These data points can be a powerful indicator of how flex funds have contributed to population-level impact.
- **Qualitative data:** In addition to collecting quantitative data, gather qualitative data such as testimonials, case studies, and success stories to capture the human impact of your program and to inform continuous improvement.

By systematically measuring the impact of your Flex Fund program, you can demonstrate its value, secure continued support, and make informed decisions for continued impact for those in your community.

Some examples of qualitative data that can be collected to measure the impact of a Flex Fund program include:

- **Testimonials and stories** from program participants about how the program has helped them. This can include stories about how the program has helped them find housing, access services, or improve their overall well-being.
- **Case studies** that provide in-depth examples of how the program has made a difference in the lives of individuals or families.
- **Focus group discussions** with program participants, staff, and other stakeholders to gather feedback and insights about the program's strengths and weaknesses.
- **Observations of program activities and interactions** to gain a deeper understanding of how the program is being implemented and how it is affecting participants.

Check out this Case Study about the Washington DC Flex Fund.

4.2 AMPLIFYING IMPACT

Planning for sustainability

Thinking about long-term success, start planning for ongoing funding and sustainability early on. Track your progress and share your learnings and outcomes as you go.

Consider the **long-term viability** of this strategy. Create a budget that outlines needs/costs and develop a funding strategy that outlines potential sources of longer-term funding, such as grants, donations, sponsorships, and community fundraising.

Share your learnings and outcomes. Reporting and communication of progress, findings, success stories, and lessons learned to stakeholders and the community will help secure continued support and inform future initiatives.

- ➔ Demonstrate impact to funders and government entities
  - ◆ Quantify the impact of your Flexible Funds on the people in your community.
  - ◆ Highlight specific outcomes and improvements that have been tested and achieved.
  - ◆ Provide evidence of the positive changes and the impact the Flexible Funds have had on the people in your community.
  - ◆ Use storytelling and data visualization to communicate the impact of your program in a compelling way.
  - ◆ Include funders in planning conversations and bring them into designing and iterating your Flex Fund.

Tips from Flex Funding Recipients

- ★ Don't underestimate the power of storytelling.
- ★ Provide specific examples and case studies to illustrate the impact of your work.
- ★ Use visuals such as charts, graphs, and images to make your data more engaging.
- ★ Consider combining the flex funding with a specific initiative like the 100-day challenge to make the outcomes very prominent and public, creating momentum and buy-in to continue.
- ★ Regularly celebrate your successes with your team, partners, and community members.