

**HOMELESS IN AMERICA: EXAMINING
THE CRISIS AND SOLUTIONS TO
END HOMELESSNESS**

HEARING
BEFORE THE
COMMITTEE ON FINANCIAL SERVICES
U.S. HOUSE OF REPRESENTATIVES
ONE HUNDRED SIXTEENTH CONGRESS
FIRST SESSION

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HOMELESS IN AMERICA: EXAMINING THE CRISIS AND SOLUTIONS TO END HOMELESSNESS

Wednesday, February 13, 2019

U.S. HOUSE OF REPRESENTATIVES,
COMMITTEE ON FINANCIAL SERVICES,
Washington, D.C.

The committee met, pursuant to notice, at 10:02 a.m., in room 2128, Rayburn House Office Building, Hon. Maxine Waters [chairwoman of the committee] presiding.

Members present: Representatives Waters, Maloney, Velazquez, Sherman, Clay, Scott, Green, Cleaver, Himes, Foster, Beatty, Heck, Vargas, Gottheimer, Gonzalez of Texas, Lawson, San Nicolas, Tlaib, Porter, Axne, Casten, Pressley, McAdams, Ocasio-Cortez, Wexton, Lynch, Gabbard, Adams, Dean, Garcia of Illinois, Garcia of Texas, Phillips; McHenry, Wagner, Posey, Luetkemeyer, Huizenga, Duffy, Stivers, Barr, Tipton, Williams, Hill, Emmer, Zeldin, Davidson, Budd, Kustoff, Gonzalez of Ohio, Rose, Steil, Gooden, and Riggleman.

Chairwoman WATERS. The Committee on Financial Services will come to order.

Without objection, the Chair is authorized to declare a recess of the committee at any time.

Today's hearing is entitled, "Homeless in America: Examining the Crisis and Solutions to End Homelessness."

I now recognize myself for 3 minutes to give an opening statement.

Today, this committee convenes for its first hearing of the 116th Congress. This hearing is on an extremely important subject: the national homelessness crisis. Today, there are over a half million people experiencing homelessness nationwide, and nearly 160,000 of them are children, and nearly 38,000 are veterans whom we have failed to support after their service to our Nation.

The number of people experiencing chronic homelessness nationwide increased between 2017 and 2018. In Los Angeles County, there are over 50,000 people experiencing homelessness, nearly 5,000 of whom are children and over 3,800 of whom are veterans. In the richest country in the world, it is simply unacceptable that we have people living in the streets. This is a crisis that requires action.

I had my staff look at this committee's hearing records, and it appears that this is the very first time that the Full Committee has convened a hearing focused entirely on homelessness. So it is long

overdue for this committee to turn its attention to this crisis and consider proactive solutions to ensure that every American has a safe, affordable place to call home. This is a top priority for me as chairwoman.

We need Congress to have the political courage to step up and provide the resources and funding necessary to end homelessness. And the first step is to put forth proposals to address the problem and have a discussion.

My bill, the Ending Homelessness Act, provides \$13.27 billion in new funding over 5 years to Federal programs and initiatives to prevent homelessness. It includes funding for new units of affordable housing, new vouchers, case management, and technical assistance.

Today at this hearing, we will hear directly from experts and advocates regarding the continuing challenges in tackling homelessness in America and their recommendations on solutions.

Before I yield to the ranking member, I would like to just take a moment to note the presence of Representative Katie Hill, the former executive director of the largest nonprofit in California that advocates for people experiencing homelessness. She also served on the governing and oversight body for the Los Angeles Continuum of Care, overseeing the use of Federal homeless assistance funding, and she was instrumental in recent initiatives that will provide substantial new State and local funding to address homelessness in Los Angeles.

The Chair now recognizes the ranking member of the committee, the gentleman from North Carolina, Mr. McHenry, for 4 minutes for an opening statement.

Mr. MCHENRY. I want to thank Chairwoman Waters for hosting and bringing us together to talk about a really important issue for our country, for my home State of North Carolina, and for, I think, everyone's districts represented here on this committee. And so I do think it is important that we highlight the need for a more concerted effort to combat homelessness.

According to the most recent data in 2018 that Chairwoman Waters highlighted from HUD, 552,830 of our fellow Americans are homeless. Of that, nearly 10,000 are from my home State. Every State is touched, every community is touched by this.

And while this represents a significant decrease since the first homelessness count in 2005—that count was 754,000—there is a dramatic reduction in homelessness from the initial count. But, still, until we solve this problem, one is too many.

I also want to highlight another subset of that large group: 194,487. That number represents the total number of people who are also unsheltered, meaning they are living in vehicles, tents, other makeshift dwellings, and in a variety of different places.

And so, I am very interested to hear the testimony, not just on the problem, but on the solutions, what we can do as Federal policymakers, in concert with State and local officials, to make sure that we have a proper response in dealing with this challenge.

There are also other demographic groups in that: the chronically homeless because of alcohol or drug addiction or mental illness; the victims of domestic violence who need a safe haven; the veterans who are down on their luck after serving our country; working fam-

ilies who cannot afford to live in the communities where they work; and the youth, whether those not living with families or those who have recently graduated and are trying to find shelter.

And so today, I hope that this will be the first of a number of robust discussion on this issue where we can review all the programs under the Department of Housing and Urban Development and across our government as much as we can to determine if they are effective in addressing the homelessness challenge that we face across our Nation.

Additionally, we should explore new initiatives to engage the Federal, State, local, nonprofit, and private market shareholders to develop holistic approaches that understand the humanity that is at risk here, the people and the challenges they face, including eliminating State and local barriers to affordable housing and increasing the supply of affordable housing. And where appropriate, we should explore how to allow localities the flexibility to tailor specific solutions to address concerns that may not fit a Federal one-size-fits-all approach.

I look forward to the testimony and the questions today. And with that, I yield back.

Chairwoman WATERS. Thank you very much.

I will now recognize the subcommittee ranking member, Mr. Duffy, for 1 minute.

Mr. DUFFY. Thank you, Madam Chairwoman. It is good to see you.

Welcome, panel. I think this is a great hearing. As the chairwoman knows, and Mr. Cleaver knows, we have spent a lot of time working on homelessness, specifically rural homelessness. And I think we have to have a broader conversation about what programs work and what programs don't work as well and where do we streamline resources into the programs that help the most people. How much money do we spend to eradicate homelessness?

And I am proud that this committee has worked well together. Maybe not on everything, but on homelessness, we actually did work well together. We passed the Family Self-Sufficiency Act. We did the Housing Choice Voucher Program. We did a lot of work trying to help those young people who are foster children, who have a high propensity of becoming homeless. How do we direct them into housing so they don't start their adult lives off homeless?

I want to thank Ms. Roman for coming to my district for a homeless and hunger summit. I am grateful for that. The Secretary of HUD came to my district as well, and I have an open invitation to the chairwoman to also come to my district and discuss rural homelessness.

I yield back.

Chairwoman WATERS. Thank you very much.

I now recognize the gentlewoman from New York, Mrs. Maloney, for 1 minute.

Mrs. MALONEY. I want to thank Chairlady Waters so much for holding this hearing. We have not had a Full Committee hearing on homelessness in many, many years. So I am thrilled that this committee is having its very first hearing on this important issue.

Homelessness is an enormous problem in this country. Nearly one in seven people experiencing homelessness live in New York

City, which I am privileged to represent. And it is a problem that demands immediate solutions. Roughly 78,000 people in New York City are homeless, yet New York City has one of the lowest rates of people who are homeless but are not sheltered; only 5 percent of the 78,000 do not have a sheltered home.

But we need to do far, far more. I am very pleased to be an original cosponsor of the chairlady's Ending Homelessness Act, which would provide over \$13 billion in programs, the same as an aircraft carrier. Let's get our priorities straight.

Chairwoman WATERS. I will now recognize Mr. Cleaver from Missouri.

Mr. CLEAVER. Thank you, Madam Chairwoman. I would like to thank you for having this hearing. And I think Mrs. Maloney mentioned the uniqueness of dealing with this issue. But at the same time, I appreciate Mr. Duffy's work with me on the Housing Choice Voucher Mobility Demonstration Act.

Tragically, I think we are precipitously moving toward the notion that we can do nothing about homelessness. And if we are going to have any discussion about homelessness, it will inevitably lead us to the discussion necessarily about affordable housing.

We are in a crisis on affordable housing. And what I hope everybody understands is that as we remove affordable housing, it leads to homelessness. And so we have to deal with that issue if we are going to deal with homelessness. And this is a good start.

Thank you, Madam Chairwoman, for this hearing.

Chairwoman WATERS. Thank you very much.

We will now move to our witnesses for today. We welcome the testimony of Ms. Carolyn Darley, speaker advocate with the National Coalition for the Homeless; Dr. David Lucas, postdoctoral research fellow with the Institute for an Entrepreneurial Society, Whitman School of Management at Syracuse University; Ms. Nan Roman, president and CEO of the National Alliance to End Homelessness; Ms. Ann Marie Oliva, senior policy advisor with the Corporation for Supportive Housing; Mr. Justin Rush, public policy director for the True Colors Fund; and Mr. Joshua Stewart, director of policy with the National Coalition for Homeless Veterans.

Without objection, your written statements will be made a part of the record.

Ms. Darley, you are now recognized for 5 minutes to give an oral presentation of your testimony.

**STATEMENT OF CAROLYN DARLEY, SPEAKER ADVOCATE,
NATIONAL COALITION FOR THE HOMELESS**

Ms. DARLEY. Good morning, ladies and gentlemen. It is my pleasure to be here. I am from the National Coalition for the Homeless. My name is Candi Darley. And what we do at the National Coalition for the Homeless, through our speakers bureau, which I am a part of, is to tell our stories far and wide, because we break the myths and the stereotypes as to what causes homelessness.

As the gentleman before me said—and I almost nodded my head off—affordable housing or the lack of it is the number one cause of homelessness. And the stereotype is that the lower classes or the uneducated or the mentally ill, we like to call it the “lazy crazy,” and drug-addicted, but I beg to ask any one of you all if you might

know someone who lives in a home and still experiences those three things. It is not a problem that only the individuals who are homeless experience. And I would like to make that a point quickly.

My personal story is such that I never saw homelessness in my future, and I had preconceived notions as to who and what the homeless were, until it happened to me. I happened to become ill and then suffer a divorce in almost the blink of an eye. And before I knew it, I was at a shelter. I didn't even know shelters existed. And the individuals that I thought that I would meet there, let's just say my expectations were shattered.

There was a doctor there who had fallen on hard times, and she went to work every day at Georgetown Hospital. There was a journalist there from The Washington Post and a few other individuals that you would not have expected. Because, see, homelessness does not discriminate against anyone.

I would like to say that the Housing First program is the thing that saved me. In Housing First, it is designed for individuals who are homeless to get a place that is then subsidized until they can do better. Or if they have diagnoses as illnesses or dual diagnoses, such as mental illnesses, they get an opportunity to stay there for life.

Now, the thing that I noticed being a recipient of that program is that we are viable members of society. Many people go on to help work towards advocating for homelessness and poverty in general. And it surprised even me.

I remember speaking to a group of individuals at Villanova University, and a gentleman hearing my story could not contain himself. He said, "She is just like us." And I don't know what he expected, but, yes.

We also shouldn't forget that with the disasters that are befalling our country, these disasters also bear people towards homelessness. I believe the statistic is that 10 percent of the individuals who become homeless from fire, flood, or whatever natural disaster, stay that way. And we have to do something about that. Because when the individuals who make up this country, the middle class, falter, this country falters. And we can't afford that. We really can't afford that.

So I would like to say something that I have always whenever I speak to people: I always believed that the opposite of wealth was poverty. It was not until I experienced this myself, that I understand that the opposite of poverty is justice.

I urge the robust conversation on this topic. I urge it. It is happening to more and more individuals as time goes on. And you would be surprised at the individuals that I speak to all over the world and all over the country who say the same thing. So if we could get a handle on that by starting this conversation, it would be great.

Again, it is my pleasure to be here. I thank you, and I am happy to answer any questions during this hearing or afterwards. Thank you very much.

Chairwoman WATERS. Thank you.

Dr. Lucas, you are now recognized for 5 minutes to give an oral presentation of your testimony.

STATEMENT OF DAVID S. LUCAS, PH.D., POSTDOCTORAL RESEARCH FELLOW, INSTITUTE FOR AN ENTREPRENEURIAL SOCIETY, WHITMAN SCHOOL OF MANAGEMENT, SYRACUSE UNIVERSITY

Mr. LUCAS. Good morning, Chairwoman Waters, Ranking Member McHenry, and members of the committee. Thank you for inviting me to testify today.

My research focuses on analyzing efforts to end homelessness in our Nation, and so I am honored to speak with you on this topic. My present testimony cannot address all of the intricacies of this very important issue, but I can speak to three considerations based on my research and on the available evidence.

The first point is that we do not yet know how to end homelessness. The second point is that the homeless problem varies widely across communities and individuals, reducing the likelihood of a universal solution. And the third point is that allowing service providers more flexibility to experiment, paired with the prioritization of performance data, will facilitate a more compassionate, more effective, and a truly evidence-based response.

It is often said that we know what works to end homelessness, and the premise of this claim is that we have a sufficient evidence base to solve homelessness, specifically via Housing First. It is true that there are at least three acceptably rigorous studies that found that clients entering Housing First programs had higher rates of housing retention; they stayed housed, relative to other shelter programs.

Importantly, however, these studies have only dealt with individual level outcomes. They tell us what happened to individuals or families who enter these programs relative to existing alternatives. But by construction, these studies do not demonstrate whether further implementation of the Housing First approach or related subsidies would end or even reduce homelessness in the aggregate. That is the important policy question. And actually the answers to this question are somewhat less promising.

From 2009 to 2018, the Federal Government significantly increased annual homelessness funding to over \$6 billion a year in 2018. This funding helped double the availability of housing subsidy-based programs for the homeless, adding 142,000 permanent supportive housing beds and 100,000 rapid rehousing beds nationwide. But over this period, unsheltered homelessness only declined by 32,000 people.

Of course, these numbers don't tell us what, if any, causal role these targeted efforts had in reducing homelessness. Economists, including myself, have estimated the effects of Federal homelessness funding and of permanent supportive housing beds on communities nationwide to determine whether they reduce the amount of homelessness, and controlling for other factors like housing market conditions, unemployment, or climate.

Kevin Corinth found that communities required at least 10 additional permanent supportive housing beds to reduce homelessness by just one person. In my research, I found that Federal homelessness funding over this period had no effect on the prevalence of unsheltered homelessness across communities in recent years, de-

spite evidence-based practices mostly and increasingly being funded.

Columbia University's Brendan O'Flaherty recently summarized the state of the literature as follows: "We don't know how to end homelessness. Not in the aggregate, anyway."

So why would large increases in housing subsidy-based programs like Housing First yield small reductions in homelessness? One answer is that supplying permanent housing subsidies to the shelter system tends to increase shelter entries. But another important factor is that local conditions influence the nature of homelessness in the community and, in turn, the effectiveness of different approaches.

Unsheltered homelessness, for example, is largely concentrated in warmer climates, while sheltered homelessness is more prevalent in colder places. These populations are very different, on average.

The prevalence of homelessness also varies considerably in communities with similar climates, suggesting the importance of State and local policies. For instance, land use regulations reduce the availability of affordable housing, and they positively predict homelessness at the local level. Local tenant rules affect the incidence of eviction, which is a common precursor to shelter entry.

On the other hand, strong communities may foster the prevention of homelessness. A recent study found that people with strong social ties to family, friends, and religious groups were 60 percent less likely to experience homelessness in the first place. Formal prevention programs have also been highly successful in New York City and Chicago. These examples suggest further solutions that go untried and untested in a system that focuses solely on long-term housing subsidies like Housing First.

If it were a settled fact that the Housing First approach were the solution to end homelessness, the principal obstacle would be securing enough funding. However, it is unlikely that increasing funding for this or any one-size-fits-all approach will achieve that desired goal. Since many of the barriers to housing stability are local or individual in nature, this suggests the effectiveness of different programs across communities and across homeless subpopulations.

I suggest that rather than mandating the proliferation of a single topdown approach, we increase organizations' flexibility to use existing scarce resources toward innovative efforts to alleviate homelessness in their specific communities. We should continue to invest in the collection of data on organization and community performance at addressing homelessness and allow these data to inform future funding decisions. Together, this would encourage the discovery of innovative solutions to homelessness that are tailored to local conditions and client needs and lead us to a more compassionate and evidence-based response.

Thank you.

[The prepared statement of Dr. Lucas can be found on page 66 of the appendix.]

Chairwoman WATERS. Thank you, Dr. Lucas.

Ms. Roman, you are now recognized for 5 minutes to give an oral presentation of your testimony.

STATEMENT OF NAN ROMAN, PRESIDENT AND CEO, NATIONAL ALLIANCE TO END HOMELESSNESS

Ms. ROMAN. Thank you so much. And thank you, Chairwoman Waters, for convening this hearing. The National Alliance to End Homelessness is honored to appear before the committee today.

Homelessness, as has been stated, is a very serious problem in communities all across the country and of all types, urban and rural. It is a complicated problem, but it is driven by the gap between rental housing costs and what low-income people earn. It is also exacerbated by racism, including in feeder systems such as the criminal justice, child welfare, and health systems.

People often become homeless after a crisis that has economic implications, such as a health emergency, eviction, and divorce. Support networks, including family and friends, are a buffer against homelessness. People often become homeless when they lose their support networks because they move or because those support networks are simply too underresourced to help them.

Given the increasing cost of rental housing and the widening gap between those costs and what lower-income people earn, we might reasonably expect that homelessness would be growing in the Nation. It is the feeder systems into homelessness and people coming into homelessness is the reason the number is going up. And, indeed, there is evidence that more people are becoming homeless, yet the number of homeless people, people who are homeless at a point in time, is not growing, as has been pointed out. It has decreased since 2007 in over half of jurisdictions, including many of the jurisdictions of the members of this committee.

The reason is that we do know what to do to end homelessness, which is basically to get people back into housing as quickly as possible and connected to supports in their communities. And communities are getting better and better at doing that by learning from each other's innovations. There is not a one-size-fits-all approach like Housing First, which is not a single approach, and low barrier shelter and using Federal resources to support those innovative solutions that communities come up with. A good example is the success in cutting veteran homelessness by more than half.

Good things have happened definitely, but so much remains to be done. I want to bring up a few of the issues we see coming.

As was mentioned, 35 percent of people who are homeless are unsheltered, a much higher percentage of adults, single adults. This is completely unacceptable in a Nation such as ours. Recent data show that unsheltered people are much more likely to be disabled and to stay homeless for long periods of time. While shelter is not a solution to homelessness, no one should sleep outside. This is a crisis that we do need to address.

African Americans, Native Americans, and increasingly Hispanic and Latinx people are disproportionately homeless. The homeless system by itself cannot solve that problem of disproportionality, but it shouldn't add to it by treating people differently on the basis of race.

HUD has incentivized communities to examine their homeless systems for disparities and to plan to remediate any disparities they find. Many groups, including our own, are helping with that. This is critical work that needs to continue.

People who are housed are not homeless. The faster people get into housing, the better they do. And that is basically the simple premise of Housing First. It does, however, often take people quite a while in housing to solve their problems. Every homeless program in the country does not have to take a Housing First approach, and HUD does not require that they do so. But not to house people who are still struggling with mental illness, with substance abuse disorders, and with extremely low wages just means returning the most vulnerable people to the streets.

People who receive assistance do have responsibilities, as do the programs that assist them. But Housing First is working to reduce homelessness, and we should continue to support it.

The homeless population is aging fast, and this will generate significant healthcare costs, especially to nursing homes. The committee is urged to consider whether housing support focused on the aging homeless population would not only be right but be cost-effective.

The U.S. Interagency Council on Homelessness (USICH) has done a wonderful job coordinating the 19 Federal agencies that help homeless people across the various dimensions of housing, behavioral healthcare, employment, and more. It leverages far more impact than its budget of less than \$4 million a year. USICH should be permanently authorized and adequately funded.

Finally, several pieces of legislation to address homelessness and/or housing are under consideration by the Congress. The Alliance is generally supportive of all the legislation that we have seen and particularly points out that the Ending Homelessness Act of 2019 introduced by Chairwoman Waters proposes a two-scale level of funding and addresses the problem across-the-board and seeks to end it.

It would be very important for the committee to advance bills that both make fixes and create a vehicle that could make a dent in homelessness. We do know what to do. We just need to do more of it.

Thank you so much to the committee for inviting the Alliance to testify.

[The prepared statement of Ms. Roman can be found on page 75 of the appendix.]

Chairwoman WATERS. Ms. Oliva, you are now recognized for 5 minutes to give an oral presentation of your testimony.

**STATEMENT OF ANN MARIE OLIVA, SENIOR POLICY ADVISOR,
CORPORATION FOR SUPPORTIVE HOUSING (CSH)**

Ms. OLIVA. Thank you so much.

My name is Ann Oliva, and I am the senior policy advisor at the Corporation for Supportive Housing, or CSH. And I want to thank the committee for inviting me to testify today on this incredibly important topic.

We all know that solving homelessness isn't easy. Communities across the country are struggling to make decisions about how to best use their scarce resources and to build the right mix of interventions, from prevention to supportive housing and everything in between, so that they can address the specific needs of their communities. Knowing which types and how much to invest in each

intervention when most communities don't have enough of any single resource can be incredibly challenging.

What we know about people experiencing homelessness today points to both challenges and solutions. In 2018, we saw increases in both unsheltered homelessness and chronic homelessness. And a recent study released by the University of Pennsylvania indicates that the homeless population, as Nan mentioned, is aging. And with an older population comes higher costs.

People experiencing chronic homelessness are particularly vulnerable due to the length of time that they have lived on the streets and the disabling conditions that they face. Research shows that supportive housing, which is permanent housing with services designed to meet the specific needs of tenants, cost-effectively ends chronic homelessness. Costs on average are reduced by 49½ percent when people move from the streets and into supportive housing.

And although as a Nation we have invested in over 300,000 units of supportive housing since 2009, we are not nearly where we need to be to address this growing homeless population that is getting older and struggles with multiple challenges. Decreased Federal investments in supportive housing have made the situation even more difficult for our communities. We must invest more so that we can get back to making the progress we know how to make. And we need to continue to innovate and create avenues for individuals who are ready to move on from these programs.

But implementing these move-on strategies is difficult when affordable housing is scarce. Tight housing markets are impacting both the number of people experiencing homelessness and the ability for homeless systems to exit people successfully.

A recent report by the Zillow Group showed that communities where people spend more than 32 percent of their income on rent can expect a more rapid increase in homelessness. Homelessness is also impacting families across our country. In 2018, there were more than 180,000 persons in families experiencing homelessness on a given night. And for these families, we also know how to end their homelessness.

The Family Options Study concluded that housing subsidies for families experiencing homelessness resulted in increased housing stability and had other significant benefits in family and child well-being. For high need or child welfare-involved families, resources like the family unification vouchers can provide the right level of subsidy and support to help families become stable.

For young people experiencing homelessness, we have to continue to support efforts like the Youth Homelessness Demonstration Program so that we can build systems responsive to youth needs and that provide equal access for young people who are disproportionately compromised of youth of color and LGBTQ youth.

It is clear that homelessness cannot be solved by the homeless system alone. CHS works in communities and across systems because life doesn't happen in silos. People don't interact with just one system. The challenge that local public agencies face requires coordinated and smart approaches. This type of cross-system collaboration is also important at the Federal level. The 47 percent decrease we saw during my tenure at HUD, in homelessness

among veterans was not a coincidence. It was the result of hard work across agencies and in communities to make sure that we were aligned in every way.

The U.S. Interagency Council on Homelessness was a critical partner in this work, and CHS supports the Working Together to End Homelessness Act of 2019 which permanently authorizes USICH. As a country, we can't afford to simply implement short-term fixes or require people experiencing homelessness to be housing ready to qualify for housing. This is why it is so important that we continue to support programs that use a Housing First approach.

Housing First is not housing only. Once the basic need of housing is addressed, then services can work with program participants to help them achieve their health, sobriety, employment, and personal goals. In a Housing First approach, people are treated with dignity and respect and are offered the services that they need and want to become stable.

We know that we must both stem the inflow into homelessness and increase the outflow out of homelessness by making strategic choices like partnering with child welfare and developing solutions for justice-involved individuals. We must also recognize that people of color are disproportionately impacted by homelessness and work to dismantle the structures that lead to these inequities.

Because the Ending Homelessness Act of 2019 recognizes all of this, empowers solutions to homelessness, and commits the Federal Government to many of the smart investments I have discussed, CHS supports it.

Thank you so much for the opportunity to be here today.

[The prepared statement of Ms. Oliva can be found on page 71 of the appendix.]

Chairwoman WATERS. Thank you very much.

Mr. Rush, you are now recognized for 5 minutes to give an oral presentation of your testimony.

**STATEMENT OF JUSTIN T. RUSH, PUBLIC POLICY DIRECTOR,
TRUE COLORS FUND**

Mr. RUSH. Thank you for the opportunity to testify today regarding homelessness in America.

My name is Justin Rush, and I currently serve as the director of public policy at the True Colors Fund, cofounded in 2008 by Cyndi Lauper, which works to prevent and end homelessness among lesbian, gay, bisexual, transgender, queer, and questioning LGBTQ youth, seeking to create a world where all young people can be their true selves.

To put our mission into action, the True Colors Fund provides training and education opportunities for our communities and service providers, engages Members of Congress, State houses, Federal and State agencies, and authentically collaborates with youth who have experienced homelessness to provide innovative solutions to addressing the youth homelessness crisis.

Consideration of the issue of homelessness in the United States cannot be more timely, particularly as it pertains to our Nation's most impacted. An estimated 4.2 million youth and young adults up to age 24 experience homelessness each year in the United

States. Annually, 1 in 30 youth ages 13 to 17, and 1 in 10 young adults ages 18 to 25, endure some form of homelessness. LGBTQ youth have a 120 percent increased risk of experiencing homelessness compared to youth who identify as heterosexual and cisgender.

African-American youth are also overrepresented with an 83 percent increased risk of experiencing homelessness over youth of other races and ethnicities. Additionally, Latino and Latina youth make up 33 percent of 18- to 25-year-olds reporting homelessness, with African-American youth, especially young men aged 18 to 25 who identify as LGBTQ, reporting the highest rates of homelessness. Nearly 1 in 4 African-American young men ages 18 to 25 also identified as LGBTQ reported homelessness in the last 12 months.

According to our service provider report, LGBTQ youth made up 33 percent of young people accessing homeless services. LGBTQ youth of color, particularly transgender youth of color, are more likely to experience violent crime, including sexual assault, police violence, robbery, and murder. Homelessness makes them even more prone to experiencing these traumatic events.

Additionally, LGBTQ youth of color are more vulnerable to discrimination in education, employment, housing, and are more likely to be involved in the criminal justice system. Institutional racism, homophobia, and transphobia contributes to pathways into homelessness for these young people, and it stymies their ability to exit homelessness. Furthermore, transgender people report high rates of discrimination that contribute to their housing instability, which also deters them from accessing services with, according to one study, nearly a quarter of transgender adults surveyed reporting experiencing housing discrimination related to their gender identity.

We are thankful to the committee for undertaking legislation that seeks to address the homelessness crisis within our country. Specifically, we support the Ending Homelessness Act of 2019, which would amend the McKinney-Vento Homeless Assistance Act to make significant additional appropriations available for emergency relief grants, rental assistance for households and individuals who are experiencing homelessness, and homelessness outreach and coordination services. The bill also permanently authorizes the U.S. Interagency Council on Homelessness, which has been integral in coordinating our Nation's response to the crisis.

To be certain, preventing and ending homelessness means that Congress should ensure equal access to HUD-funded programs by providing legal protections based on one's sexual orientation and gender identity and ensuring all Continuum of Care providers receive training for LGBTQ cultural competency and linguistically appropriate services for those most impacted by the homelessness crisis.

Preventing and ending youth homelessness means providing targeted programs with few to no programmatic prerequisites for permanent housing with low barrier admissions policies, rapid and streamline entry into housing, supportive services that are persistently used to engage tenants to ensure housing stability with all tenants having full rights and legal protections, especially transgender and gender nonconforming people. Most importantly, it

means elevating the voices, experiences, and expertise of youth who have experienced homelessness and including them in all aspects of the planning and implementation process of programs and initiatives designed to prevent and end youth homelessness.

Congress has laid the groundwork on this issue and should continue its support of these homelessness demonstration programs which bring together continuums of care and youth who have formerly experienced homelessness to provide technical assistance and capacity building towards implementing local plans to prevent and end youth homelessness.

Thank you for the opportunity to testify today, and I look forward to your questions.

[The prepared statement of Mr. Rush can be found on page 81 of the appendix.]

Chairwoman WATERS. Thank you very much.

And Mr. Stewart, you are now recognized for 5 minutes to give an oral presentation of your testimony.

**STATEMENT OF JOSHUA STEWART, DIRECTOR OF POLICY,
NATIONAL COALITION FOR HOMELESS VETERANS (NCHV)**

Mr. STEWART. Thank you.

Chairwoman Waters, Ranking Member McHenry, and distinguished members of the House Committee on Financial Services, my name is Joshua Stewart. I am the director of policy for the National Coalition for Homeless Veterans, or NCHV.

The good news is that since June of 2014, 66 communities and 3 States have achieved the Federal benchmarks and criteria for ending veteran homelessness. This is an achievable goal. We have seen the annual point-in-time count across the country of veterans experiencing homelessness decrease by 48 percent since 2009. That said, with 37,878 veterans experiencing homelessness on a given night, we still have much work to do across the Nation. We need to maintain our efforts to ensure that homelessness is rare, brief, and nonrecurring for veterans and for all Americans.

We have been making dramatic strides in the last 10 years, and there is every indication that we will continue to make progress if we don't lose focus. For Congress, this means ensuring that key programs that serve veterans experiencing homelessness are sufficiently funded and receiving sufficient oversight. The latter task is being accomplished here today at this hearing, and we thank you for examining the wider issue as well as including the veteran population in that examination.

For the former, we at NCHV do not advocate for the unqualified growth of resources for the sake of expanding programs. Rather, we base our recommendations on evidence from the field and on national level data. For the Administration, this means keeping the issue of veteran homelessness a top priority among the leadership of VA so that they may continue to be a strong partner to HUD. Furthermore, the Administration should strongly support the United States Interagency Council on Homelessness, or the USICH.

From President Reagan to Secretary Jack Kemp on to the leadership of current Director Matthew Doherty, USICH has been at the forefront of strategic planning, effective and efficient resourcing,

and the sheer hard work of interagency cooperation. It has had a long history, but it has never been as effective as it has been over the last decade and as it is now. We must not lose the USICH. NCHV asks that Congress pass legislation in the 116th Congress to make USICH a permanent part of our system.

Another critical aspect of our work to end veteran homelessness is the HUD-VASH program, which pairs a HUD-funded affordable housing voucher with VA case management services. Congress has been very generous with the creation of new HUD-VASH vouchers since 2008 to great effect.

The simple fact remains, however, that there is still much unmet need across the country. A recent survey of NCHV members indicated that 86 percent of our respondent communities still had an unmet need for permanent support of housing and a wait list for HUD-VASH. As such, NCHV is calling for more investment in the HUD-VASH program both on the tenant-based and project-based sides, coupled with improvements to case management and a smart measured approach to recapture and disbursement of underutilized vouchers.

I would also like to say a few words about an often overlooked portion of the veteran population. Veterans who received an other than honorable, or OTH, type of discharge from military service are in practice, though not in law, usually ruled ineligible for VA healthcare or other benefits. This is true even though many studies in recent years have shown that a large portion of OTH discharges are the result of servicemembers' behavioral changes due to repeat deployments or unaddressed post-traumatic stress. Despite a single digit percentage of America's veterans receiving an OTH discharge, they make up 15 percent of the homeless veteran population. NCHV strongly supports the Veteran House Act of 2019 before you today.

In communities where the most progress has been made, several common themes exist. All of those communities made the mission central, prioritized services based on acuity, increased investments aligned with Housing First principles, remade their systems, and created or leveraged affordable housing. The Ending Homelessness Act of 2019 takes those commonalities as the core of the bill's approach to ending homelessness. NCHV can vouch for their successfulness.

Perhaps the two most important things that we have learned from our work to end veteran homelessness is that it is possible to end homelessness in a community, and that it cannot be done without adequate stocks of affordable housing. This bill acknowledges both of those realities and, as such, NCHV is proud to support it.

Thank you for the opportunity to present testimony at today's hearing. We look forward to working with the House Committee on Financial Services to ensure that any veteran facing a housing crisis has access to safe, decent, and affordable housing and the supportive services required to maintain it.

Thank you once again, and I look forward to your questions.

[The prepared statement of Mr. Stewart can be found on page 85 of the appendix.]

Chairwoman WATERS. Thank you very much.

I now recognize myself for 5 minutes for questions. And I am going to direct my first question to Ms. Oliva of the Corporation for Supportive Housing.

Ms. Oliva, the most recent HUD data on homelessness shows that we saw an increase in people experiencing chronic homelessness between 2017 and 2018. These are people who have a mental illness or disability that has contributed to their inability to remain stably housed for an extended period of time. People experiencing chronic homelessness make up about a quarter of all people experiencing homelessness in the Los Angeles metro area, including over 600 children and youth. I am concerned that these families and individuals cannot effectively get access to the support they need without intensive case management.

What do we know about the best strategies for addressing chronic homelessness and the role of social workers?

The U.S. Interagency Council on Homelessness (USICH) plays a critical role in our Federal strategy to end homelessness. But if Congress does not extend its sunset, the authorization for USICH will expire at the end of funding year 2020. Last year, I was an original cosponsor for a bipartisan bill that would permanently authorize the USICH.

Can you talk about why the role of USICH is so important and how the termination of USICH would affect our efforts to end homelessness?

Ms. OLIVA. Thank you so much for that question. I will start with the second part of that question about USICH. This is a point that is very close to my heart. I spent 10 years as a career public servant at the Department of Housing and Urban Development, most recently as the Deputy Assistant Secretary for Special Needs, before going to the Corporation for Supportive Housing. And I will tell you, from my own experience and from the experience of many of my colleagues across the Federal Government, that the kind of progress that we made between 2010 and when I left in 2017 really was contingent on having USICH in the place where they sat.

I mentioned in my testimony that the 47 percent decrease in homelessness among veterans was not a coincidence, because it wasn't. It was the result of hard work and it was the result of—and that kind of progress was made in different areas as well. That is the one that most people know. But it was the result of alignment. And when we are talking about alignment, we are talking about funding alignment, policy alignment, making sure that everybody is sort of marching in the same direction, because if you don't have that within the Federal Government, then you won't have it at the local level as well.

USICH was incredibly, incredibly important in all of those efforts, and remains incredibly important to make sure, again, that folks really understand how to move forward together.

On the issue of chronic homelessness, I have had the opportunity, since I left HUD, to do some work in Los Angeles for the City of Los Angeles. And I agree, chronic homelessness, especially unsheltered homelessness within the City of Los Angeles is tough to see.

We know that supportive housing is the solution for ending chronic homelessness. Back in 2015, I was briefing the U.S. Inter-

agency Council staff and members on the point-in-time count. And we saw for the first time that chronic homelessness, that what progress we had been making was starting to flatten out. And it was really pretty directly tied to the kinds of decreases in Federal funding for supportive housing. You could see—like after sequestration, you could see that the decreases in Federal funding were really having an impact on chronic homelessness.

So we know that supportive housing is the answer for that population, that there is a lot of evidence behind that. And we need to invest more funding in supportive housing for that reason.

Thank you.

Chairwoman WATERS. Thank you very much.

The Chair now recognizes the distinguished ranking member, Mr. McHenry, for 5 minutes for questions.

Mr. MCHENRY. Thank you so much, Chairwoman Waters.

Dr. Lucas, thank you for your testimony. Although homelessness is down over the last decade, according to our government statistics, we know that it still affects every community in this country. So let's start with the hardest question to answer, which is what do you see as the root causes of homelessness?

Mr. LUCAS. Well, one of the big challenges and the reasons that homelessness is a very complex issue is that there are many different root causes. Housing is a very significant explanation, housing affordability. And the factors that affect that can be local in nature.

At the individual level, there are many different causes of homelessness, even if, as I mentioned, if you compare people who are experiencing unsheltered homelessness who are physically living in cars, parks, or places not meant for human habitation, compared to those in shelters. If you compare individuals who are on their own to families, even men and women, and across race as well, there are many different circumstances that are precursors to homelessness.

Mr. MCHENRY. So can homelessness be solved?

Mr. LUCAS. I think that there is likely not a yes-or-no answer to that. I do believe that we have learned a lot about things that work better than previous efforts. We have seen evidence that studies that compare Housing First approaches for individuals with mental illness or disabling conditions do work better at housing retention. However, there is limited evidence that those are: one, cost-effective; or two, actually reduce the incidence of substance abuse, at least in the studies that we have that actually compare outcomes of what would have happened otherwise.

Mr. MCHENRY. So, the question of cost-effectiveness is not just a question of money; it is how you utilize those moneys.

Mr. LUCAS. Certainly. And while there are some claims that permanent supportive housing solutions save significant costs, actually a 2018 report by the National Academies of Sciences, Engineering, and Medicine revealed that actually there is insufficient evidence to demonstrate that permanent supportive housing saves healthcare costs or is cost-effective relative to existing alternatives. And that is likely because the costs vary considerably from community to community.

Mr. MCHENRY. You mention innovation is a key part of the solution set for homelessness. But you talk about the one-size-fits-all approach at the Federal level and how that should fit into this continuum of care, as well as where that Federal coordination fits with with State and local efforts.

So to that point, has the Continuum of Care program been effective? And what recommendations would you give this committee to transform this Federal approach?

Mr. LUCAS. One of the really admirable and valuable things that USICH has spearheaded is increasing the collaboration and the creation of databases. They are called Homeless Management Information Systems (HMIS) at the community level. And those allow organizations to share information about client shelter entries, exits, reentry, et cetera, in ways that we didn't know before in a systematic way.

With data like that, we now have the opportunity to identify programs and communities that are much more or less effective in the actual outcomes that we would like to see. And so further investment in that sort of approach allows us more flexibility in the solutions that are being implemented.

Mr. MCHENRY. Through data sharing, is it, in essence? And so you are tracking folks who are perhaps in repeated homelessness cycles or those that are chronically without shelter?

Mr. LUCAS. That is right, which is a much smaller subset of the homeless population. The average shelter stay in 2017 was somewhere on the order of 40 days. So there is a large subset of the homeless population for which homelessness is brief and actually nonrecurring.

Mr. MCHENRY. So, in 30 seconds, how do we leverage this Federal taxpayer dollar to get a better outcome?

Mr. LUCAS. Most of the allocation currently is on the basis of need, and there is also explicit, in the bills being discussed, prioritization of and earmarking for permanent supportive housing and Housing First approach for much of that funding. And rather than requiring that and prioritizing that in the notice of funding availability through HUD and others, allowing results to drive solutions would be better.

Mr. MCHENRY. Thank you for your testimony.

Chairwoman WATERS. Thank you very much.

I now recognize the gentleman from Missouri, Congressman Clay, the Chair of our Subcommittee on Housing, Community Development and Insurance, for 5 minutes,

Mr. CLAY. Thank you, Madam Chairwoman. Let me also thank the witnesses for your testimony today.

Let me start with Mr. Stewart. The number of veterans experiencing homelessness in the U.S. has declined by nearly 46 percent since 2010, with an even greater decline among unsheltered veterans, thanks in large part to increases in funding for veterans experiencing homelessness. More than 600,000 veterans and their family members have been permanently housed, rapidly rehoused, or prevented from falling into homelessness through HUD's and VA's homelessness program.

Can you speak to this progress? And what have we learned from fighting veteran homelessness that we should apply to ending all homelessness?

Mr. STEWART. Absolutely, Congressman. Thank you for that question. And I promise I am not being flip when I say, “everything.” Everything—every lesson we have learned as we have worked to end veteran homelessness can almost be directly applied to ending all homelessness in the United States.

We have learned about funding evidence-based practices. We have learned about collaboration at the local level being crucial. There was just a question about continuums of care. And I would say that the continuums of care—linking CoC programs to VA-funded grant programs in a community is a precursor and a requisite precursor to success in a community.

So joining forces, sharing the same goal, discussing tactics, having a coordinated entry system on the community level, these are all very real tactical things that we have learned that need to be replicated across the system to replicate our successes from the veteran space.

Mr. CLAY. And you think that would work with the chronic homelessness too?

Mr. STEWART. Absolutely, sir. We focused very early on specifically targeting our HUD-VASH vouchers to chronically homeless veterans, so it has been proven to work for that population.

Mr. CLAY. Thank you for that response.

Ms. OLIVA, some communities use zoning or they pack the homeless shelters into just one area. Can you share with us some of the don'ts or the least successful models that you have seen around this country that we should not try to emulate?

Ms. OLIVA. Thank you for that question. I think that communities that are struggling the most, obviously there are external factors that we are all recognizing here. There are affordable housing shortages. There are local land use policy and zoning policies, for example, around density or other things that would really impact the ability to increase the supply of affordable housing and supportive housing in a community.

So in communities that I am working in now, the most success that we are having is when those things are all sort of packaged together. We are talking a lot on this panel about the homeless services system. But I would argue that, obviously, homelessness cannot be solved by that system alone. So rather than saying what the “don'ts” are, I think I can say what the “dos” are.

And what the “dos” are is you have to look at this as a package of policy program data, all of those things together, to really understand how things at the local level interact, how services for people who have substance use disorders or who have mental health issues interact with the homeless services system or how youth access the homeless services system or can access affordable housing, and then wrap that together into really robust policy initiatives that help on a variety of fronts, not just on homelessness.

Mr. CLAY. Sure.

And, Dr. Lucas, can you share with the committee the best practices that address ending homelessness that have reduced numbers in communities around this country?

Mr. LUCAS. Thank you for that question. As I have mentioned and as has been mentioned, one of the dramatic effects of the policy efforts over the last decade has been the expansion of permanent supportive housing, much of that adhering to a Housing First approach.

The estimates of what we have seen at the aggregate level on that suggest that it takes 10 additional permanent supportive housing beds to reduce homelessness by one person. And if the estimated costs of that are about \$20,000, that is about \$200,000 per person, a total of the current homeless population, \$110 billion. So we don't know yet.

Mr. CLAY. Thank you for those responses.

I yield back.

Chairwoman WATERS. Thank you very much.

I now call on the gentlewoman from Missouri, Mrs. Wagner.

Mrs. WAGNER. Thank you, Madam Chairwoman, for holding this hearing today on the heartbreaking crisis of homelessness, which affects every community in America.

Last year, I was honored to visit Loaves and Fishes, the longest operating homeless shelter in St. Louis County. I witnessed firsthand their tremendous work to help those who are experiencing economic hardships. Catholic Charities of St. Louis, St. Patrick Center, and so many other organizations in the St. Louis area are coming alongside disadvantaged and marginalized populations to help people get back on their feet.

I am eager to work with this committee, Madam Chairwoman, this year to advance accessible and affordable housing for those who need it most in the St. Louis region and across the country.

I am proud that the Catholic Charities of St. Louis has just been selected to participate in a 5-year healthy housing initiative to reduce chronic homelessness and frequent ER visits. This multi-million dollar initiative is being led in collaboration with the St. Patrick Center, the Archdiocese of St. Louis, Incarnate Word Foundation, Mercy, DJC Healthcare, and SSM Healthcare.

Dr. Lucas, I believe that local collaboration like this between hospitals and shelters can complement the goals of the Federal programs. What can policymakers learn from these types of collaborative programs?

Mr. LUCAS. Thank you for your question. We certainly have learned that being able to collaborate not just in the efforts but in the sharing of data on what is being done frankly will take a step toward identifying what works. And so there have been some investments in developing systemic responses where there are many stakeholders at the local level involved, and those are the kinds of things that right now only a fraction of resources are being devoted to relative to the \$6 billion that are already being spent each year on this issue.

Mrs. WAGNER. There are so many of these partners who are, in fact, on the front lines, and to share the data, to share the information I think helps all.

Fighting sex trafficking and providing services for women and girls who are trying to piece their lives back together is one of my very, very top priorities here in Congress. I am currently working

on legislation to increase the availability of housing to human trafficking victims.

Ms. Roman, I know your organization, Ms. Darley, or one or the others, have been supportive of legislation to provide housing to runaway and homeless youth. Is there space for local housing authorities to partner with antitrafficking service providers to provide better assistance to victims of trafficking, and can you discuss how we can most effectively provide housing to trafficking victims? Ms. Roman?

Ms. ROMAN. Well, just briefly, and thank you for the question, again, I think housing really is the solution to so many of these problems, and there is absolutely space for housing authorities to be working with organizations that are trying to prevent trafficking, and I think targeting some of the PHA resources more toward the most vulnerable people across-the-board would probably improve a lot of outcomes. It is a tremendously important issue, though, as you point out.

Mrs. WAGNER. Thank you. Ms. Darley, do you concur?

Ms. DARLEY. I would have to agree. Women experiencing homelessness, living in a shelter or out in the open, unfortunately, are the most vulnerable individuals, even sometimes more so than children, but children are a part of the trafficking also. So, of course, there is room for that.

Mrs. WAGNER. Thank you, Ms. Darley.

Dr. Lucas, you wrote in your testimony that the Federal Government has increased its investments in combatting homelessness in recent years, but we unfortunately haven't seen the results we may have expected. Can you briefly discuss local policy decisions that are hindering progress and contributing to the homeless crisis throughout the country?

Mr. LUCAS. Thank you for that question. As I mentioned briefly, there is a fair amount of rigorous evidence that land use regulations that make it more difficult to expand the supply of housing have a very significant effect and are high predictors, very strong predictors of rates of homelessness for one.

Mrs. WAGNER. All right. Thank you. Do you believe that there is a one-size-fits-all Federal approach that is outdated and needs to be replaced, sir?

Mr. LUCAS. In many ways, certain inputs, the types of programs we do have been prioritized, rather than the outputs that they are yielding, so in that sense, yes.

Mrs. WAGNER. Thank you. I appreciate it. I yield back.

Chairwoman WATERS. Thank you. I now yield to the gentlelady from New York, Mrs. Maloney, for 5 minutes.

Mrs. MALONEY. Thank you, Chairwoman Waters, and Ranking Member McHenry, for holding this really important hearing. I would like to ask Ann Marie Oliva a question. In New York City, which I have the privilege of representing, we have one of the highest homeless populations in the Nation, but most of our homeless population lives in sheltered areas, they have shelter. Only 5 percent is unsheltered. Could you give us specific policies that would particularly work in helping the homeless who are in sheltered facilities?

Ms. OLIVA. Thank you for that question. I do have quite a bit of experience looking at New York, looking at their data and their policies over the last, I don't know, 20 years of work that I have been doing in this area, and New York City has a high sheltered population because they have a very unique local policy or local laws around a right to shelter. There are only a handful of communities across the country that have a right to shelter, and New York City is one of them. So that is one of the reasons that there is a very high sheltered population in New York City.

But I think that the answers in New York City are similar to the answers in other places, and that is really the right mix, understanding your data, understanding the intersections between populations that are using other systems, the mental health system, the substance use system, the youth system and the jails, and really understanding those intersections and developing the kinds of interventions that will work for people in those intersections—sometimes it is supportive housing; sometimes it is something else—and allowing for innovation in those areas. I think New York in particular has a really big opportunity and has a history of working in those intersections to understand the needs of people who are using all of those different systems.

Mrs. MALONEY. Thank you, and I thank you for your testimony. I would like to ask all of the panelists the same question starting with Carolyn Darley and just go down the line. Please answer yes or no and/or pass. I want to know, do you think that Congress should prioritize addressing the homeless crisis by passing the Ending Homelessness Act, which would provide \$13 billion to combat homelessness in various programs, and this would be paid for by shifting \$13 billion that has been allocated for an aircraft carrier or some other similar weapon? Just yes or no or pass. Ms. Darley?

Ms. DARLEY. Yes.

Mr. LUCAS. Pass.

Ms. ROMAN. Yes.

Ms. OLIVA. Yes.

Mr. RUSH. Yes.

Mr. STEWART. Yes, with the caveat that I don't care how we pay for it.

Mrs. MALONEY. I was making a point on literature and information that was in our research that showed that some of these weapons cost as much as projected that would end homelessness in our country.

I would like to ask Ms. Oliva again, we see in the research that there are many populations that are more affected than others. We heard testimony that there has been progress made with veterans. Could you comment on what populations are the most in need and any ideas of how we could be more helpful to those populations?

Ms. OLIVA. Thank you for that question. So certainly we need to be able to walk and chew gum at the same time and address the populations that are really high need across all, so families and individuals, people experiencing chronic homelessness, veterans, and youth. I would say right now we are making incredible progress on trying to understand and be able to develop innovation around ending youth homelessness.

You heard from my colleague, Mr. Rush, today about some of the work that the True Colors Fund is doing, as well as some of the work that the Federal Government is doing on ending youth homelessness for a very vulnerable population of young people who started to experience homelessness as children and are now sort of in transition.

I would also say that, again, people who are experiencing chronic homelessness and who are living out on the streets are particularly vulnerable because they have been outside for so long and they have a lot of disabling conditions. So our focus on young people, our focus on people who are experiencing chronic homelessness, as well as on families, we have to be able to do all of those things at the same time. Thank you.

Mrs. MALONEY. Thank you.

Chairwoman WATERS. Thank you very much.

I now yield to the gentleman from Missouri, Mr. Luetkemeyer, for 5 minutes.

Mr. LUETKEMEYER. Thank you, Madam Chairwoman. This is an interesting panel this morning, and I thank you for that. Mr. Stewart, it would seem to me, from the information we have been given and the statistics we have been shown, that it seemed like it would be making a dent in the veterans homelessness, is that a fair statement?

Mr. STEWART. Yes, absolutely, Congressman.

Mr. LUETKEMEYER. And by doing the approach that has been done in your area, it would seem to me that would be an approach that across-the-board, we need to be taking, would that not be a way to start the thought process?

Mr. STEWART. I think that is also a very fair way to think of it.

Mr. LUETKEMEYER. Why are we not doing that for the rest of the homeless groups?

Mr. STEWART. I think to a certain extent we are, Congressman, respectfully.

Mr. LUETKEMEYER. Okay.

Mr. STEWART. The learning that we have done in the veterans space, the development of best practices is directly relatable and it is often times used, is transferred to other sectors of the homelessness population at the community level all the way up to USICH in disseminating those practices.

Mr. LUETKEMEYER. I saw one of the slides we had up a minute ago with regards to veterans, and I think it was, between 2007 to 2017, there were 31,000 people who became homeless and 30 percent of those were veterans, which is a staggering number. Is that number correct? Do you concur with that?

Mr. STEWART. I didn't see the slide, Congressman. I do know there are 37,878 veterans who are experiencing homelessness on a given night this year.

Mr. LUETKEMEYER. Okay. So there are more veterans who are falling into this situation, but yet we are able to get a handle on that more or less, is that what you are saying?

Mr. STEWART. That is always the challenge, Congressman, is every year more people present for care, more people fall into homelessness. That is true for every population, and I used to say that if I could wave a magic wand and solve veteran homelessness,

I would, but then tomorrow morning, there would be new people to serve.

Mr. LUETKEMEYER. Mr. Lucas, you talked a little bit about some of the statistics on this, but I serve some of the rural parts of Missouri as well as the suburbs and exurbs of St. Louis, but I have lots and lots of—a rural area. Can you give me some numbers or describe the situation for rural homelessness, is that a problem, are the causes, the situations, the same, different, would you have a different approach to those folks than you do for urban individuals, can you elaborate on that just a little bit?

Mr. LUCAS. Thank you for that question. Off the top of my head I don't have the relative share of homeless who are rural as opposed to urban, but there is a sizeable subset of the homeless population living in rural areas, and it is an important subset of that population, and in some ways one of the biggest things that is very different across those two are the alternative systems that are available and the costs of use, for example, other systems in urban areas as opposed to rural areas. And so certainly the cost-effectiveness of different solutions and the effectiveness in terms of facilitating housing retention are really—

Mr. LUETKEMEYER. We did have on this panel a gentleman from New Mexico, and over 50 percent of his citizens in his district lived in mobile homes, lived in very, very rural areas of New Mexico, and so housing in rural areas is significantly different than that of urban areas, and so I would think you would have to have a little bit different approach in that respect, but the situation is different. Let me move on.

Also, Mr. Lucas, in breaking down the statistics of homelessness, I know Ms. Darley made the comment a while ago with regards to some of the folks that she experienced in some of the shelters who were employed, with apparently good jobs, and yet still wound up in shelters. Can you tell me the percentage of people who are homeless but have jobs, and those who maybe don't have a job right now but, if you gave them the skill set, could go get a job, because it would seem to me if we are looking at being able to afford to be able to pay rent or afford to be able to buy a house, you are going to have to have a job, or if you are disabled, you have to have a check of some kind probably or a subsidy of some sort. But for those people who are capable of getting a job and the skill sets, what percentage of those people would make up the homeless people today?

Mr. LUCAS. Well, we know that there is some evidence that that percentage is increasing in terms of the people entering shelters, that there are higher rates of people entering.

Mr. LUETKEMEYER. I only have 15 seconds left, so one quick question. If those folks—I realize a lot of different things can hit somebody in that situation, but would a financial management course or class or somebody in a social services setting be able to help them?

Mr. LUCAS. Possibly. We don't know yet.

Mr. LUETKEMEYER. Okay. Thank you.

Chairwoman WATERS. Thank you.

I now yield to the gentleman from Georgia, Mr. Scott, for 5 minutes.

Mr. SCOTT. Thank you, Chairwoman Waters. We are running through a number of very important statistics, but the absolute most glaring statistic is this, that we really ought to put on the table, and that is, 40 percent of all the homeless men, women, and children are African Americans, and they only make up 13 percent of the population.

Now, we can dance around a lot of things, but if we are serious about doing something for the homeless and dealing with this, we have to pull the covers off of this ugly thing called racism. And so I want to ask Ms. Roman, I think you came closest to touching on this, and if there are other witnesses who would like to answer, and here is why: Many of us on this committee are working with Chairwoman Waters on a bill that will bring \$13.27 billion to this issue. However, if we don't get under these covers and pull off the scab of this racism that it is causing—40 percent, just imagine, if 40 percent of all the people in this country were homeless, that is what I am talking about.

So, Ms. Roman, could you tell us, because you touched upon it, your thoughts on this, what must we in Congress do to deal with the racism that is here because it is shameful that 40 percent of all the homeless men, women, and children are African American?

Ms. ROMAN. Of course I wish, and I am sure you wish, that I had a simple answer to that question, but if I could just reflect on two parts of it, one is, how does it come to be that 40 percent of people who are homeless are African American in the first place? The homeless system really has very little to do with that. That is the feeder systems into homelessness. So all of the things that you all are addressing—the disproportionality in the criminal justice system and the disproportionality in the child welfare system are two of the biggest feeder systems into homelessness. Housing discrimination. It goes on and on.

So, those things have to be addressed. They are not going—the homeless system can help to address those, but we don't control those things.

Mr. SCOTT. Okay.

Ms. ROMAN. What we control is what is essentially a crisis system, but we have to look at the homeless system to see, are we entering people into the homeless system at the same rate regardless of race?

Mr. SCOTT. Okay. Ma'am, I only have 1:20 left. I definitely want to get to Mr. Stewart because I think there is a direct application to this. Mr. Stewart, you talked in your—about two things, coordination and funding, working together and that has been what has succeeded with the veterans program, is the fact you are able to coordinate with the Federal agencies and apply the money. Can we do this with respect to being able to deal with this huge disparity among African Americans in homeless?

Mr. STEWART. I believe so, Congressman. I believe a lot of the groundwork has already been laid. A lot of the local-level collaboration that we are talking about that was done in an effort to end veteran homelessness serves multiple purposes.

Mr. SCOTT. How would we be able to apply this big bill that we are working on? Because I think we can put some muscle behind what Chairwoman Waters is leading the effort on and applying

some of this money to addressing the racism factor. We are going to get \$13.27 billion to work on this.

Mr. STEWART. I think we have to, Congressman. If we are really going to solve the issue of homelessness, we have to.

Chairwoman WATERS. Thank you very much. Let me just take this moment to say that, despite the fact that you saw the USS Gerald R. Ford aircraft carrier depicted on the screen, I don't want anyone to go out saying that is where we are going to get the money from, that we have targeted that particular aircraft carrier. We have not targeted any existing funds. We are looking for the government to fund this program without having to target existing programs. Thank you very much.

With that, I will call on the gentleman from Michigan, Mr. Huizenga, for 5 minutes.

Mr. HUIZENGA. Thank you, Madam Chairwoman, and representing part of Gerald Ford's old congressional district, I do appreciate that, and since it is out floating already, I am not sure we can put it up for sale anyway. But Mr. Lucas, I am not a big fan of the yes/no question that was thrown at you earlier. You passed when you were asked about the \$13 billion package that has been proposed, and I just wanted to give you 30 seconds to elaborate on that.

Mr. LUCAS. Well, thank you. My take is that additional spending in the ways proposed is unlikely to achieve the stated goals of the legislation based on the evidence that we have seen at the population level. Despite seeing some decreases in homelessness, the effect of these policy changes on that have been fairly limited to date based on the evidence that we have.

Mr. HUIZENGA. So it is basically effectiveness, right? You are questioning how do we effectively use and succinctly use the monies that are put into the programs?

Mr. LUCAS. Yes.

Mr. HUIZENGA. Okay. I also want to explore a little bit about the influence of local zoning and regulatory structure. Recently, there was a joint study by the National Multifamily Housing Council and the National Association of Home Builders, and to be clear, my family is involved in construction and building, and I have seen this firsthand as well, but that study said that approximately 30 percent of costs associated with building multifamily developments was attributed to local zoning and regulatory requirements. And Ms. Oliva you had said earlier that it is not just—I think this was your quote, not just the homeless services system, but we need a package of all these local services, and I just wanted to give you an opportunity if you looked at that, you mentioned the zoning and what some of those structural barriers might be to having affordable housing being built.

Ms. OLIVA. Well, the first thing I would say is that there has been a decreased Federal investment in affordable housing over the last several years. If you look at the Section 202 Program or the HOME Program, or other types of programs that the Federal Government has historically used to help spur local investment, and that has been a fairly significant decrease over the last couple of years.

Mr. HUIZENGA. Okay. How about the influence of local and State regulations?

Ms. OLIVA. Sure. So I think from the local and State perspective, what we are seeing is localities trying to find creative ways to innovate and to merge types of funding like from Medicaid or the—

Mr. HUIZENGA. So do you believe that there are more barriers or fewer barriers that are being put up by local—I am talking specifically about zoning; I am not talking about taking different pools of money to address this.

Ms. OLIVA. I don't think that is consistent across the entire country. There are communities that are taking a lot of very positive steps towards making zoning changes, so that affordable housing can be developed.

Mr. HUIZENGA. My experience has been the opposite, frankly, that there have been more barriers put in. Dr. Lucas, do you have anything you would like to add on that?

Mr. LUCAS. No, not at this time.

Mr. HUIZENGA. Okay. Quickly, Ms. Roman, I would like you to address—this has been an issue that has come to this committee's attention previously and we have touched on this—a segment of homelessness that I am concerned about which is seeing kids, foster kids who are terming out, and they are not necessarily eligible. We know that there is this event horizon that is happening when they come of age, yet they may not be able to access some of those systems, and I am curious if you could comment on that quickly?

Ms. ROMAN. Well, I think if they are homeless, they can access those systems. There is nothing stopping anybody who is exiting foster care from receiving assistance from the homeless systems. We would hope for better outcomes from the foster care system than to emancipate young people into homelessness. Mr. Rush may also—he works on that issue. He may have more thoughts about that.

Mr. HUIZENGA. I have 30 seconds, so I want to also ask what coordination should happen? There was a little discussion about trying to look at the totality of who folks are—and my colleague brought up financial planning, but we also maybe have substance abuse. We also have mental health services that may be needing access. It seems to me we might have some HIPAA issues as you are having some coordination, and, you know, I am looking at what types of road blocks that we might have structurally that can help that, and my time is up, but maybe we can communicate by letter afterwards, and I appreciate your time.

Chairwoman WATERS. Thank you very much.

The gentleman from Missouri, Mr. Cleaver, is recognized for 5 minutes.

Mr. CLEAVER. Thank you, Madam Chairwoman.

I want to follow up on what Mr. Scott began to talk about, and to some degree Mr. Huizenga just mentioned it, and Ms. Darley, Ms. Oliva, and Ms. Roman—and by the way, thank you for your willingness to come back over these years that I have been here, thank you—and that is homelessness; there are other issues that probably can eliminate homelessness. That is somewhat troublesome, and to be completely contemporary, I read this article about a guy from Rio Dell, California, Michael Thalheimer I think is his

name, who was a Federal employee who was quoted in a Los Angeles newspaper saying, "I am about a week away from homelessness."

This is a guy who gets up and goes to work every day for the United States Federal Government, and because of the shutdown, he is moving toward homelessness, and Zillow, which is one of those online realtors, estimated that 40,000 mortgages were at stake during the government shutdown, 40,000. And so I think it makes us feel a lot more comfortable to just think this is some guy who just doesn't want a house and he doesn't want to work and so forth that that, as Ms. Darley mentioned, that those are the homeless folks. So can you guys talk about the issue of housing instability, which I think is one of the primary factors in creating homelessness? And Ms. Darley, you mentioned that whole issue of people having to live with relatives, sleeping on the sofa—I don't want to go there. I would like for you and Ms. Oliva and Ms. Roman to talk about the housing instability that precipitates, in many cases, homelessness.

Ms. DARLEY. Thank you for that question. Housing instability starts with the very first thing that I mentioned, which is lack of affordable housing. I was surprised to find that so many individuals worked or had some sort of income, i.e., Social Security, when they were in shelters, and I asked why they could not afford rent. They had money, but not enough for rent. Also with gentrification happening in so many of our large cities, there is a saying that if you see the red bicycles, then you know that your neighborhood is going to change. And these neighborhoods which were at one time undesirable all of a sudden become hip and people who have generationally lived there have to move and find housing elsewhere, if they find housing. So that is something that I found. I don't know if I have answered your question—

Mr. CLEAVER. Gentrification, clearly—

Ms. DARLEY. Which was not mentioned.

Mr. CLEAVER. I was in San Francisco earlier last year, and I was with some friends driving, around and we saw a Latino guy walking down the street, and I said, "You know, this is the first time I have seen a Latino."

And my host said, "Well, it is going to be very difficult for you to see them after 5 or 6 o'clock because the population of African Americans in San Francisco is below 3 percent and Latinos is lower than that because they can't afford to live there, so they cross the bay."

Ms. Roman?

Ms. ROMAN. Well, just to say what you know, which is that poor people generally are paying way too much of their income for rent because there is not enough affordable housing, so the majority of people who earn below 30 percent of area median income are spending more than half that income for rent and that causes housing instability and puts them at risk of homelessness. And that is because of the gap, the 7 million unit gap in the number of affordable and available units, and that is what you are seeing in San Francisco. There are no affordable and available units there.

Mr. CLEAVER. Ms. Oliva?

Ms. OLIVA. Yes, paying 30 percent of your income towards rent, that number actually plays out in the report that was done by Zillow recently that you just mentioned. And I said in my testimony as well that when people spend more than 32 percent of their income in rent, then the community sees a more rapid increase in homelessness. So there is a very direct correlation as you are saying between housing instability and homelessness.

Mr. CLEAVER. Thank you.

Chairwoman WATERS. Thank you very much. The gentleman from Kentucky, Mr. Barr, is recognized for 5 minutes.

Mr. BARR. Thank you, Madam Chairwoman. Thank you for hosting this hearing, and thank you to our witnesses for your testimony. We all join you in your desire to combat the problem of homelessness in America. And when it comes to Federal efforts to combat homelessness, Congress and the Executive Branch have had a tendency, I believe, to implement a one-size-fits-all policy, because the causes of homelessness are complex and varied. And while often carried out with good intentions, this one-size-fits-all approach has failed to produce the intended results that we are all seeking, which is, of course, less homelessness.

After working with groups in my district in central and eastern Kentucky who are working and doing great work to combat homelessness and really caring for these people who are struggling and suffering, I have seen the impact that the Department of Housing and Urban Development's overreliance on the Housing First model has had in terms of diminishing the opportunity of creative solutions outside of the Housing First model. These organizations must choose to either change their approach and adopt a Housing First model, or they lose their HUD funding. And while I understand that Housing First may benefit certain portions of the homeless population, I am concerned about the lack of flexibility for Federal funds.

Mr. Lucas, my first question is for you. Through Federal bias and funding decisions, Housing First has largely displaced other approaches, such as those including transitional housing. Is there sufficient evidence to abandon programs like transitional housing—is there sufficient evidence out there to abandon approaches that don't include wraparound services targeting the root causes of homelessness such as addiction and lack of work, lack of skills, lack of education? Shouldn't we be looking at programs that target the root causes of homelessness as opposed to just saying homelessness is the result of a lack of shelter?

Mr. LUCAS. Thank you for your question. In some ways, the short answer is it depends, but as you mentioned, transitional housing is a type of shelter in which we have seen massive reductions in the total supply over the last 10 years. It is cut in half to about 100,000 beds of that type now. And in part that is because organizations that are providing shelter services have now faced strong pressure to adopt certain types of specifically Housing First-type models to increase the likelihood that they can retain funding. And for that reason, there is some evidence that transitional housing is incredibly costly, but there has only been a small number of studies that have actually compared those costs. And it may be that certain transitional housing programs are more effective than others.

There may be other types that we haven't thought of yet. There are prevention programs that cut off homelessness in the first place before it has occurred that have been very successful: in New York City, the Home Base Program; and then in Chicago as well.

Mr. BARR. Let me jump in and ask another question about Section 8. The Congressional Research Service has looked at the Section 8 housing choice voucher program. They have looked at public housing, and what we can identify from the data is that about half of the recipients of public housing or housing subsidies, Section 8 subsidies are disabled or they are elderly, not capable of working, and then another half of the recipients of public housing are able-bodied work-capable adults. And if you look at the data further, you see that about 20 percent, maybe a little bit more than 20 percent of those are prime age work-capable, able-bodied adults with no wage income.

We have more job openings in America today than there are unemployed Americans. People who are struggling in homelessness or who don't have housing are talented people who could contribute their talents in the workforce. What are we doing in terms of combatting homelessness with our HUD programs to require that able-bodied work-capable adults work as a condition of receiving housing benefits? And wouldn't that be the practical route to escaping poverty for those 20 percent of the population that receive housing benefits, to require work as a condition of receiving those Section 8 benefits? Any of you, but, Dr. Lucas, go ahead.

Mr. LUCAS. I will be quick just in case anyone else wants to say anything. The Housing First approach specifically does not require anything like that, and there are certain people who face significant barriers to obtaining employment for which that might not be the solution, but there are many others where that might be an answer.

Mr. BARR. My time is expiring, but I would just say that, before we spend \$13 billion, we should look at more creative solutions like that.

And I yield back.

Chairwoman WATERS. The gentleman from Florida, Mr. Lawson, is recognized for 5 minutes.

Mr. LAWSON. Thank you, and welcome to the committee.

Ms. Darley, I want to ask you a question. When I was a boy growing up in the country, lightning struck, houses would burn to the ground, and I can recall moving with the family 5 times. Was I homeless, or was I in transition?

Ms. DARLEY. Thank you for asking. As far as I know, the definition for homelessness is if you are not on the lease, so maybe you were. You have to consider individuals who couch surf and stay with friends and family. They are still homeless because they don't have a shelter of their own. So maybe you were, but maybe you were also in a community that was able to assist you and help you out whereas this happens mostly in cities and the individuals in cities, I am sorry, are not as either willing or able to help out others in the same way.

Mr. LAWSON. Okay. My other question can be to the whole panel. With the decrease in HUD funding over the past several years, how has the Federal Government, the ability for you all to implement

housing programs that provide safe and affordable housing options for people? Anyone on the panel can answer that.

Ms. ROMAN. I can start. While there have been some small increases for homeless assistance, the Federal housing budget is obviously insufficient to meet the need, and three out of four people who are eligible for assistance are not getting it.

Mr. LAWSON. Would anyone else care to respond?

Ms. OLIVA. And in the homeless programs in particular, the focus really has been on trying to ensure that the funding that is made available from year to year is used as effectively as possible. So I think that is something that is incredibly important for folks to recognize for the homeless programs in particular, that using the money that they have as effectively as possible is a priority.

Mr. RUSH. And just to add to that, I would say that the lack of resources in funding has led to, I would say, a lack of innovation specifically in focusing on particular populations that are disproportionately impacted by experiences of homelessness, and an investment moving forward would allow for some of that innovation to be able to be able to specifically, and thinking about something like the Youth Homelessness Demonstration Project to be able to focus and target strategies towards preventing and ending youth homelessness where they can be applied and most necessary.

Mr. LAWSON. And, Dr. Lucas, quickly, how do you describe the differences between rural homelessness and inner city?

Mr. LUCAS. So, in cities, there is typically much more—the shelter systems are definitely more interconnected historically, and the density of the population certainly has a factor in the nature of homelessness in those places. There are also other opportunities in terms of employment and the rules for expanding housing supply that are maybe much more stringent historically in urban places where the costs of expanding the housing supply, especially for more affordable housing, can be prohibitive in some ways.

Mr. LAWSON. Okay. And this is another quick question, and anyone can respond. I run into a lot of people who really don't have to be in a homeless-type situation, but they want to be in it. How do you distinguish between those groups?

Ms. DARLEY. I am going to try to answer that. If you could clarify, are you saying that people are homeless but they don't have to be?

Mr. LAWSON. Yes.

Ms. DARLEY. I am going to have to beg to differ as far as that is concerned. People do not want to be homeless. As a former RN working in an emergency room in George Washington University Hospital, I had the opportunity to see individuals come in who were homeless and ill and feigning an excuse in the emergency room for somewhere to stay, and the answer to that clearly is “no.”

Mr. LAWSON. Okay. Well, I have seen people who have family resources where they didn't have to be in there, but they say they are homeless because they did not want to be in the situation they were in.

Ms. DARLEY. I have seen that also.

Mr. LAWSON. Okay.

Ms. DARLEY. But I would say that would have to do more with a mental illness, where a lack in judgment is—they are not think-

ing clearly because, who would turn down a place to stay? But I have seen it many, many times.

Mr. LAWSON. Okay. I yield back.

Chairwoman WATERS. Thank you.

I now yield to the gentleman from Colorado, Mr. Tipton, for 5 minutes.

Mr. TIPTON. Thank you, Madam Chairwoman.

Last year, a report from the Department of Housing and Urban Development reported that Colorado is one of the States with the highest levels of homelessness in America. The findings did highlight that homelessness slightly decreased in the last year, but that Colorado's rural areas are experiencing nationally significant levels of homelessness.

Dr. Lucas, I would like you to speak to a couple of issues here. I represent many of the small towns in rural Colorado where affordable housing advocates have suggested the policies that might be relatively simple to implement in larger cities like Denver may not be practical or even accessible for smaller towns with limited resources. At the small-town level, could the lack of resources to be able to parse through the applications, proposals for the Federal and State resources, be a contributing factor to the nationally significant levels of homelessness in the rural areas?

Mr. LUCAS. Thank you for that question. If I may restate, are you asking if it is because of the difficulty of applying for those funds, that that is a barrier?

Mr. TIPTON. Yes.

Mr. LUCAS. I actually don't know that I can speak maybe even the best on this panel relative to others who are actively involved in that grant application process. It certainly is my understanding that there are collaborative efforts to try to help make this application process a little bit easier so that there is a joint application at the CoC community level for most of the targeted homelessness assistance.

Mr. TIPTON. Yes, it is interesting, you know, going through our district, we have homeless in very rural areas, but one of those big challenges is simply applying for the grants, the applications. You simply don't have the resources, the people to be able to fill them out and address really what is a really common concern.

Dr. Lucas, in your testimony, you did advocate for increasing organizations' flexibility to use existing scarce resources toward innovative efforts to alleviate homelessness in the communities. Could you maybe expand a little bit on some of those innovative solutions that you would see to be able to address the homelessness?

Mr. LUCAS. Thank you. So there are two example of programs that I might mention that are sort of in some ways inconsistent with a Housing First-prioritized approach and in that sense haven't received funding in that way. One is the Doe Fund in New York City. This is a program that has employment as an integral part of the rehabilitation process for people who either are leaving incarceration or who have been homeless or who are otherwise struggling. The other is in near Austin, Texas, Community First, which is a program that involves basically tiny houses, if you have heard of sort of these very small units, in a more community setting actually requires the clients who are becoming or trying to create hous-

ing stability and achieve that to interact with one another in more substantive ways where community engagement is a more effective sort of rehabilitation tool that again is not required and not essential in the existing Housing First approach where that is the only requirement.

Mr. TIPTON. And I appreciate that. I had the opportunity to be able to go through the Doe Project, and I think it speaks to my colleague Mr. Barr's point in terms of trying to actually address the root problem of being able to get the employment so that people can actually afford the housing.

But when we start talking about the affordable end of housing, I come from a unique State with some of the richest communities in the country in my district and some of the poorest communities in the country that are in my district.

Under the chairwoman's proposal to be able to limit tenant rent contribution for the Housing Trust Fund to 30 percent of the adjusted income, we have heard some concerns about that. Ms. Roman, would this proposal challenge the flexibility of local areas to be able to respond to the specific needs of the community and potentially challenge the ability of the communities to be able to lock in financing for affordable housing projects?

Ms. ROMAN. I don't know about the financing side. Obviously, there has to be revenue coming in, but I think the 30 percent standard of affordability is pretty important to keep families and individuals from becoming homeless once they are in housing. If they are spending much more on housing, it is very difficult to pay for other things like food, healthcare, transportation, and so forth.

I will just add quickly too that the homeless programs really, except for permanent supportive housing, don't subsidize people for a long time. There are employment programs. People have to work to pay the rent. They are not getting long-term rent subsidies from homeless programs, so they are work programs. People have to get to work to pay their rent.

Mr. TIPTON. Great. Thank you. I yield back.

Chairwoman WATERS. Thank you very much.

The gentleman from Guam, Mr. San Nicolas, is recognized for 5 minutes.

Mr. SAN NICOLAS. Thank you, Madam Chairwoman.

I come from a very unique district that has a much smaller population than a lot of my colleagues. One of the things that we find is program ineligibility actually is a huge factor in the homeless situation that we are dealing with in my district. Does anybody have any input on how much of the homelessness we are dealing with in this country is as a result of actual program ineligibility, and what are some of the recommendations for turning those figures around?

Ms. OLIVA. Hi, thank you. I actually lived in Inarajan, Guam, for a period of time in my life, so I have a little bit of insight into how the system works there. And when you say "program ineligibility," are you talking about the homeless programs, or are you talking about access to affordable housing?

Mr. SAN NICOLAS. Just in general, for example, I will encounter homeless individuals in my district, and I will say, "Hey, you have a couple of kids here; you qualify for these programs."

And they will say, "Oh, I'm sorry; we are no longer eligible for those programs."

And so we are finding that oftentimes when it comes to the child homelessness, that is the case where they would have qualified for the program, but unfortunately, due to circumstances that happened previously, they are no longer eligible, and that creates the homeless circumstances that they are in.

Ms. OLIVA. I think that there is a variety of things, the local continuum of care can partner with the housing providers in Guam to identify again those families or individuals who are sort of crossing systems to try and figure out the right intervention for them and where they are eligible. I also remember, and it might still be true, that there really weren't enough resources to go around across the island, so people who might have been eligible weren't actually able to access some of those resources, as well, just because there wasn't enough funding.

The other thing that I might suggest is to request some technical assistance for the island to make sure that everybody understands the current rules and protocols around eligibility because I think what I have seen across the country is that sometimes folks are saying that people are not eligible, and Dan mentioned this, when they, in fact, are eligible.

Mr. SAN NICOLAS. Does anybody else have anything they want to contribute to the ineligibility component of the homeless figures?

Ms. DARLEY. I wanted to say something from a personal experience with a friend of mine who was also waiting for housing, and this young lady found, that, and I found the same thing, that most of the services were geared towards people who were suffering with addictions. And everyone who is homeless is not an addict, though there is a tendency to go that way once the pressure of homelessness comes down upon an individual. But I have seen individuals lie or say that they will take a drug in order to qualify for a program that would help them because they weren't addicted to any drug. So I thought that was really unfair and that more programs need to look at families and individuals who don't have that problem along with those who do. Thank you.

Mr. SAN NICOLAS. Okay. Thank you.

Another question I had was, Dr. Lucas, you mentioned in your remarks creativity as an option for getting more solutions on the table, and, Mr. Rush, you also mentioned innovation. I want to kind of open it up to the panel, does anybody have any specific regulation or specific rule or specific limitation that could be addressed legislatively that would actually unlock this creativity or this innovation that we want to be able to encourage with our service providers? I am sure everybody gets together and sits at the table and says, "Man, if I only I could get to do this, then I would be able to solve that." What is holding back some of this creativity and innovation?

Mr. RUSH. I think that to an earlier point and the question of what we can do to address the disparities that exist as it pertains to homeless, I and my organization are very much advocates of, there needs to be additional training for service providers. And this is a notion that you see across public health, this idea that when someone is coming in to receive service provisions, we need to

make sure that if they are most impacted, that the service providers are able to provide culturally responsive and linguistically appropriate care. And that pertains to LGBTQ individuals. That pertains to people of color. So I think that if we could enact anything from a legislative standpoint, it would be some type of requirement that service providers receive additional training around cultural competency and linguistically appropriate care.

Also, when thinking about—I am not sure there is a legislative approach to this, but a gender—the equal access and gender identity rule was—I think I am running out of time—was implemented in 2016, but I think the actual enforcement of that will get to some of the issues around violence as it pertains to transgender individuals.

Chairwoman WATERS. The gentleman from Texas, Mr. Williams, is recognized for 5 minutes.

Mr. WILLIAMS. Thank you, Madam Chairwoman, and thank you to the witnesses for being here. In full disclosure, I am a small business owner in Texas. I am a capitalist. And Fort Hood, the largest military base in America, is in my district.

Now, a question I have, has anyone here on the committee hired a homeless person before? I have. In my 45 years of Main Street experience, I have found that homeless individuals have always had a positive return on investment, and the people who accepted my job offers didn't want government help. They didn't want government guarantees. They simply wanted an opportunity and a paycheck.

Dr. Lucas, what is the most effective way to provide employment and housing resources to individuals in order to get them back on their feet and providing for themselves?

Mr. LUCAS. Thank you for that question. Certainly, as you mentioned, there are many individuals who are able to make a positive contribution from an employment perspective, absolutely, and that is something that creates value both for communities and also for those individuals, of course, and to facilitate housing stability. And so the easier it is for organizations and small businesses, for example, to hire individuals potentially, for example, for a wage that is—where that is a profitable thing to do, that aligns the incentives of those in need and those looking to hire, as well.

Mr. WILLIAMS. Things like tax cuts, things like training programs and skill training all help, don't they?

Mr. LUCAS. It is possible. I haven't seen the evidence on this.

Mr. WILLIAMS. When it comes down to it, the best way to solve homelessness is to give people a job—we have talked about that—and the skills to succeed. We need our Federal housing policy to work together with our booming economy to unlock human potential. If we continue to build a strong Main Street America, support small businesses, and build wealth through taking risks and reaping rewards it will help immensely, I believe, in solving this problem. The Department of Labor released a report this week that said there were 7.3 million job openings in December. So, again, Dr. Lucas, what are the major hurdles in connecting the homeless population with some of the 7.3 million job openings in this booming economy that we have?

Mr. LUCAS. One of the challenges for labor markets, just like housing markets, is the physical location of those relative to the people in need. It certainly is true that, for the homeless population, this is a very localized situation. For example, California has 47 percent of the unsheltered homeless population in that State alone, and in warmer States there are about two-thirds and the 10 warmest States of the unsheltered population. And so sort of allowing the market system to be flexible in responding to where those needs are greatest and where the opportunities are greatest to provide affordable housing, to provide employment, seems like something that is not as directly a policy outcome in some ways as a functioning society.

Mr. WILLIAMS. Okay. Well, another question, in your testimony you state that the Housing First plan is often cited as the way to solve homelessness. It sounds as if the Federal Government is trying to centralize this function at the top of the Federal Government and stifle innovation. Now, from my experience of 45 years in being in business, the government's one-size-fits-all solutions rarely work for complicated problems. So quickly, can you give us an example of an alternative solution that you believe should be explored in greater detail?

Mr. LUCAS. Thank you for that question, and as was mentioned, there are a range of programs that are funded through this targeted homelessness assistance, so it is not only the Housing First programs that have been funded, however, as was also mentioned, there is increasingly prioritized funding for organizations that are adhering to the Housing First approach that are delivering long-term permanent supportive housing programs.

And so the opportunity that comes with the availability of data at the community level on housing retention and whether programs are working is to actually reward that performance rather than reward compliance with the types of shelter that have been shown to work in certain particular areas.

Mr. WILLIAMS. Okay. One final question, there are legitimate reasons for people who need housing assistance, and there are people with physical and mental health problems. We all know people in between jobs who fell on hard times and for many other reasons. With that being said, Ms. Oliva, is there a point where we should determine that people simply want benefits without having to work?

Ms. OLIVA. There is obviously, as you mentioned, a wide range of people who are experiencing homelessness in any given year, and the implementation of strategies like coordinated entry help communities to determine who can go into what programs or who should go into what programs based on their needs. And the most expensive types of interventions are really for the folks who are most vulnerable.

Mr. WILLIAMS. Thank you. I yield back.

Chairwoman WATERS. The gentlewoman from Michigan, Ms. Tlaib, is recognized for 5 minutes.

Ms. TLAIB. Thank you, Chairwoman Waters.

It is interesting, so my son is home from school, you probably hear about the weather and snow days, and sometimes I send him a link and say, "I am in committee." And he read one of the—you

will appreciate this, Madam Chairwoman—slides and said, “13 billion? Why haven’t we done it yet?”

And I just think that sometimes even a 13-year-old kind of gets it and is coming from, the purest of hearts and understanding the critical importance of it.

But, one of the things coming from the nonprofit sector, I worked over 10 years, from wraparound services around affordable housing, what low-income housing aims—the definition sometimes even on the State level can differ. But it was very clear from those who worked for decades on this issue that jobs won’t solve homelessness; housing does. And looking at my district, which is the third poorest congressional district in the country, we have seen such a hike in the rise of housing costs. You know, a lot of us, you will hear many of my colleagues use the words, “middle class.” For us it is working families, working class. These are individuals that many of us have contact with almost every single day, not realizing the person who is at the coffee shop, the person who is at maybe the parking garage, the person—those are the individuals who really are at jeopardy of being in the cycle of poverty and leading to homelessness.

When President Trump signed what I call the millionaire welfare bill, he weakened the low-income tax credits, which has been the primary tool in promoting affordable housing. Do you all agree?

Okay. Everybody is nodding yes.

So one of the experts estimates that the millionaire welfare plan is leading to a reduction of new affordable housing by 235,000 homes over the next decade. They said just the pause button of 2 years did that of saying and reducing, again, the attractiveness of low-income housing. And they say that 11 million residents, and this is where I think a lot of my residents come in, is most of our fellow Americans are rent-burdened right now because they are spending more than half—11 million of them are spending half of their income on housing for rent. And currently, even with the shortage of, I think it is 7.4 million—of affordable homes—7.4 million affordable homes is needed right now. Again, there hasn’t been this attractiveness to it because of this millionaire welfare plan. It really has shocked kind of the market of the attractiveness. Can any of you speak about that and talk about what that has done in the last 2 years?

Ms. ROMAN. It is complicated what the tax bill did to housing. But I will say that homeowners are very much advantaged in our tax system in terms of the amount and the percentage of them who get assistance through the Tax Code versus the amount that we spend for renters.

And we really are not—even if you have the low-income housing tax credit, you still have to provide rental assistance for the people that we are all here talking about who are at 30 percent of area median income and below.

So anything that affects supply or the cost of capital in addressing the supply of affordable housing is going to result in more people being at risk of homelessness.

Ms. TLAIB. It was actually President Ronald Reagan who passed—did you all know—the low-income tax housing—it is incredible to read that he birthed this approach, this, what I would

call, win-win in many ways. And, again, it supports what you all are trying to do on the front lines of making it attractive to developers, of course, but also creating really safe environments for affordable housing to exist.

And even to some of my colleagues, having one of the most beautiful, Blackest cities in the country, the City of Detroit, where 70 percent of my residents currently are paying over 30 percent of their income towards rent, there truly is increasingly becoming a crisis that is leading to a crisis in education, a crisis in so many other areas because we haven't been able to deal with this homelessness problem in our Nation.

So I just really want to thank all of you for being here. I know I am—time is very limited.

My brother helps veterans through the Earn and Learn Program. Homeless vets come through, and they go through the affordable housing in Detroit. It is amazing. And he will go through this program.

And then my sister, and my colleague would appreciate this, helps victims of sexual assault. I am the eldest of 14, so you kind of get a lot with my family. But one of the experiences they said is, "housing, Rashida, housing, housing," all the time; they are constantly advocating for—

Chairwoman WATERS. The gentlelady's time has expired.

Ms. TLAIB. Thank you so much.

Chairwoman WATERS. The gentleman from Ohio, Mr. Davidson, is now recognized for 5 minutes.

Mr. DAVIDSON. Thank you, Madam Chairwoman.

And thank you to our witnesses. I appreciate your expertise and your passion for helping us deal with this critical issue for our country and for those affected by homelessness.

Ms. ROMAN, in your opening remarks, you mentioned some of the racism that has been a part of that. And I am just curious, if you look at Federal housing policies going back to the New Deal, certainly in the era of segregation, to what extent have they contributed to homelessness?

Ms. ROMAN. Oh, definitely, they have contributed to homelessness. And that is why the housing discrimination and why the Fair Housing Act is so important today. African Americans are still—there is plenty of evidence—being discriminated against in housing.

Mr. DAVIDSON. Thank you for that. And I appreciate the reference.

Do you feel like all the work to reform those programs that needs to be done has been done?

Ms. ROMAN. No, I don't feel that all of that has been done.

Mr. DAVIDSON. Do you feel that Congress is likely to solve that in a collaborative way in the near future?

Ms. ROMAN. I have my fingers crossed.

Mr. DAVIDSON. Well, I do, as well.

I have been a little discouraged about our problem-solving, and so I am working on a bill called The People CARE Act. And it proposes a bipartisan commission, four Republicans, four Democrats. They get a year to work together, and they have to come up with a proposal that Congress must vote yes or no on. So not just a study but really something that would be binding.

And as I worked with social workers across my county and now my congressional district, they were frustrated because when they wanted to help people, they were often in the position where they were simply administering programs. And they were, frankly, by statute sometimes, prevented from doing what they wanted to do, which is person-centered, looking holistically at what are the issues affecting this.

And so, Mr. Lucas, when you say there is no clear answer on a solution, I would say that each solution might be a little bit different. You really do have to get to know the person. So I think it is important that we do this reform, and we enable our local caseworkers to understand how to use the programs.

The other problem is we have 92 means-tested programs. A fair number of those are housing programs. I spoke with one of my colleagues, Mr. Cleaver, about this, and his experience in Kansas City. Some of them work a little better than others. Some of them are easier to get the money spent. And other ones have more rules and restrictions. So the goal here would be to empower the commission to recommend, without launching any new programs and also without cutting any of the spending, to redesign them so that you could make use of the purpose without as many burdens—92 programs, a caseworker looking at a bookshelf of 6-inch binders for each of them.

The other one is some of them come with benefit cliffs, and you could redesign those. So I am not confident that we are going to be able to get—even one program at a time would take 92 years for Congress and a heroic effort. So my hope is that we can find people who are willing to collaborate on that. We found great support through Ohio and our job and family services, through all of Southwest Ohio's United Way efforts.

And the goal here is to use Brookings' data and do what, in the long run, will help people is, yes, a job at a wage above the means-tested line. But homeless people are having a hard time even accessing the assistance programs. I believe passionately that no one should be turned away from these programs simply because they came in through the wrong door. So it is, I think, vitally important we empower caseworkers.

Have you seen anything like that work, Ms. Roman?

Ms. ROMAN. Actually, in Columbus, I think historically on the homeless side, there has been—it has been a very well-organized system that combined sources.

There is a big challenge—homelessness—the homeless system can't solve this problem all by itself. And the mainstream programs that you have referenced have to be part of preventing it and addressing it. And it is very difficult, as witnesses have said, to coordinate those.

So I think your help in simplifying them so they can be coordinated but are still powerful and effective would be welcome.

Mr. DAVIDSON. Okay. Thank you.

And as all of our panel have input, certainly with the housing programs, I think we are on to something.

I do have questions about the idea of simply spending more money. The reality is we are spending \$10 billion more—last year, we spent about \$10 billion more at 3.7 percent unemployment than

we spent back when we had 10 percent unemployment. I do believe that there should be some correlation, where as the economy improves, there would be less need.

And my time has expired, so I yield back.

Chairwoman WATERS. Thank you.

I now call on the gentlelady from California, Ms. Porter. She is recognized for 5 minutes.

Ms. PORTER. Thank you, Madam Chairwoman.

Ms. Roman, what research or recommendations do you have on how best to site both shelters, rapid rehousing programs, and permanent supportive housing? And what kinds of services should be provided in order for these programs to be most effective where Orange County is experiencing—is the second highest homeless rate in the country for a city of its size, and we are in the—we are trying to expand our services, and any insights you can provide on how best to locate those in terms of sizes of shelters, numbers of resources. We are going to put them close to schools, transit, jobs, healthcare, all of the above; I would really appreciate your recommendations.

Ms. ROMAN. Thank you for your question.

I don't have a simple answer for that. There is not, I don't think, a lot of, if any, research on siting. I do think that people—that it is better to site near transportation and not to separate people. I think that is an important thing.

Bigger shelters. There are some okay bigger shelters, but smaller shelters seem to function better. I think one of the one principal thing I would—or two principal things about that, shelters should be low barrier. We are finding that a lot of the unsheltered homelessness is because people won't come into shelters because of the rules we need to get them in.

And at the same time, you are planning the shelter entries to make that more congenial to people and making the shelter more helpful, you have to, at the same time, be planning the exits. So a lot of places put too much emphasis on the front door, and none on the back door. And we don't get anywhere with reducing the numbers.

Ms. PORTER. Thank you very much.

Mr. Lucas, in your general knowledge as an American, do we know how to prevent or stop people from getting breast cancer?

Mr. LUCAS. Not to my knowledge.

Ms. PORTER. Me, either. Okay.

In your general knowledge as an American, do we have treatments that can stop the advance of breast cancer and cure individual people?

Mr. LUCAS. I believe so.

Ms. PORTER. Okay. I fail to see how homelessness is different. So the research seems clear to me that we know, for any given person who is experiencing homelessness, that we know that a Housing First permanent supportive housing approach can aid that person or that family and put them on a path to more productivity and better well-being. It is clear to me that just because we do not know how to cure—how to prevent people from obtaining breast cancer, we would not say we should not treat those who are suffering. And I fail to see the difference here.

I take your point to be—and this is not a question, but I take your point to be that we cannot prevent the occurrence of homelessness merely through supportive housing. We must expand the number of units of affordable housing. And I think that is entirely consistent with what the entire panel has been emphasizing today.

So I would just—my view on this, and I appreciate the witnesses and their thoughtful comments, is we must do both. We must fund, as we do, research to prevent the incidence of cancer but also treat those who are dealing with its hurtful effects. And I see no reason to be different as we think about homelessness.

My question is for Ms. Oliva or Ms. Roman, either one. In Orange County, we are finding that the heaviest service users are costing us about \$450,000 a year. And that is about 10 percent of our population. But if we put those heaviest users into permanent supportive housing, the cost goes down to \$55,000. So that is a nearly \$400,000 per person savings.

When we go to deploy, as I hope we do, a Housing First permanent supportive approach, how can we make sure that as these grants and resources go out, that agencies focus on the heaviest users who will most benefit the system from getting permanent supportive housing? How could we incentivize that?

Ms. OLIVA. I think there are a few ways to do that. And the first is to make sure the folks who need to share data are sharing the data at the local level. I know CHS supports a variety of communities around the country to identify frequent users of systems like the healthcare system or the jails along with homelessness so that they can really identify who those frequent users are and target—what I—I mentioned this earlier. The most expensive resource with the highest level of services should go to the folks who are most vulnerable and have the highest level of needs, so—and you can do that through a process that is called coordinated entry.

Coordinated entry is something that is being implemented across the country so that people have a fair and prioritized kind of access into the homeless service system and that there is a system to identify the needs of any individuals or families coming forward.

Chairwoman WATERS. The gentlelady's time has expired.

The gentleman from Tennessee, Mr. Rose, is recognized for 5 minutes.

Mr. ROSE. Thank you, Chairwoman Waters. I appreciate you calling this hearing and the insightful testimony that we have heard today and the responses to the many questions.

I am new to the Congress, and I want to thank the distinguished panel for taking the time to be here.

My faith is very important to me, and my faith tells me that the homeless, the poor, will always be among us and that I am called to lend a helping hand and to take them in. And so that informs my view of this issue to a great degree.

I also look at the Constitution. And as I ran for this office, I often quoted to the people in my district that Article I, Section 8, enumerates the powers of this Congress. And when I look to Article I, Section 8, I don't find housing or the homeless as one of the areas that the Congress is empowered to deal with. And so then I reach the view that probably that is a power and a duty that is left to the States and to local governments.

So that is where I would start with this issue, that I believe I am personally called, as I believe we all are, to help the poor and to help the homeless. But I am not sure that is a duty of the Federal Government.

However, having reached that point, I do think that there probably is a role for the Federal Government to play. And so, Dr. Lucas, I want to address this to you.

It seems to me, as I look at one of the graphics that has been displayed today, that I see that the rate of homelessness, if the data are accurate, is higher in some areas of the countries than others. And if I look, I see that the West Coast and some areas of the upper East Coast demonstrate higher rates of homelessness. And I wonder if you could speak for just a moment to the accuracy of that data and whether it informs us in any way about the root causes of homelessness.

Mr. LUCAS. Thank you for your question.

The data that you are describing are the annual point-in-time counts that are published by HUD each year and since 2005, as was mentioned.

So what these counts do is they count one at a point in time in January each year how many people are homeless enumerated both in terms of within shelters and then on the street. And that street count occurs through volunteers and social workers and police and communities coming together to attempt to count.

So what it tells us is—it does give us a snapshot of at a point in time with, over time, increasing accuracy—although there are still challenges with that—how many people are experiencing homelessness on one night.

It doesn't tell us anything about the amount of homelessness, the flow of homelessness, if you will, people who are becoming homeless over time. And so those are very two different important parts of the data, and both of them vary considerably across communities, as you mentioned, both the prevalence and the rate at which people might come to experience homelessness.

Mr. ROSE. Is there anything in the data or the research that has been done that would explain the disparities in the rate of homelessness across the country?

Mr. LUCAS. We certainly have several papers that have linked housing affordability and housing market conditions to the prevalence of homelessness both within California and then nationwide in the connections to State use—State land regulations as well. So those conditions are there.

But at the same time, there has also been some recent work trying to understand the uncharacteristic increases in homelessness in Los Angeles and New York City, which those communities have seen much more homelessness over the last several years whereas—even though homelessness has fallen overall.

And the best answers of this based on economist Brendan O'Flaherty summarized the literature basically saying that we don't actually know all the reasons why some of these communities have seen the trends that they have seen despite massive increases in expenditure from Federal and local levels in each of those communities to expand the—at least targeted homelessness programs.

Mr. ROSE. With the time we have remaining—or I have remaining, is there anything in the data collection arena that you might suggest that we do to help to explain those differences or to gather better data?

Mr. LUCAS. One of the things that Ms. Roman mentioned is who is being served in each program and what the barriers are to being served. Certainly, if we have a better understanding of how those programs are operating with the specific people and the needs that are faced by the individuals being served, we can have a better sense of whether or not they are achieving housing retention at rates that are consistent with what we might expect for the challenges that those individuals face.

Mr. ROSE. Thank you, and I yield back.

Chairwoman WATERS. The gentlewoman from New York, Ms. Ocasio-Cortez, is recognized for 5 minutes.

Ms. OCASIO-CORTEZ. Thank you, Chairwoman Waters.

Ms. Darley, I sincerely appreciate how illuminating your testimony was, particularly when you highlighted who was in the shelter system with you.

Did I hear you correctly when you said that there were doctors, and journalists from The Washington Post, in these shelters with you?

Ms. DARLEY. Yes, that is correct. You heard correctly. There were other professions. I remember them because it was so unexpected, but, yes, the 3-month stay that I had there, definitely.

Ms. OCASIO-CORTEZ. So there were people who were gainfully employed, who were in the system with you?

Ms. DARLEY. Actually, 75 percent of the homeless population is employed, believe it or not. But because shelters are 12-hour systems where you are allowed in for 12 hours and out, they are not conducive to work.

Ms. OCASIO-CORTEZ. So 75 percent of the people in these shelter systems already have a job and they are working?

Ms. DARLEY. Yes. A job or an income, i.e., Social Security or something of the like, yes.

Ms. OCASIO-CORTEZ. And so, I think we have identified large causal factors, whether it is the racist legacy of our criminal justice system, whether it is women who are systematically paid less on the dollar than men leaving domestic violence situations that can't afford their own rent, whether it is the great need to invest and improve our child welfare system so that we are not emancipating, as was stated, children into homelessness, and also the great need to acknowledge our Nation's mental health and overall health crisis, especially as it pertains to our country's veterans but really to citizens overall.

But one thing that I see is that one big factor that we are seeing that contributes to homelessness is just that the math doesn't add up, is that wages are too low and rent is too high, for a very large amount of reasons.

I represent New York City, which is currently experiencing the highest rates of homelessness since the Great Depression. And we have heard a lot about the demand for housing, but we have not heard enough about the supply of housing overall. And one thing that I find interesting is that, according to our housing and va-

cancy survey, there were 250,000 vacant apartments in New York City as of March of 2018—250,000 vacant apartments. And even at the highest rates since the Great Depression, 63,000 people experiencing homelessness. So that is four empty apartments for every one person experiencing homelessness in one of the most populous cities in the world.

So, when we break that down, we see about 80,000 of them are being renovated; 75,000 of them are not even being occupied full time. And what we are also seeing is that, due to deregulations in our housing market, deregulations in taxes is that a very large amount of high-income foreign buyers are taking up a large amount of this inventory which is displacing full-time New York City residents, American citizens, permanent residents and so on, people who are actually living in our community.

So my question is—and we are seeing also, since 2008, roughly 30 percent of the condo sales in Manhattan developments have gone to purchasers with overseas addresses. So we have local people, our people, who are not housed, and foreign multimillionaires or billionaires who are buying their third, fourth, or fifth home. So I think this is really a question about priorities and where do we prioritize housing people in America as opposed to giving a foreign multibillionaire or even an American billionaire their fifth penthouse.

So my question is to Ms. Oliva. Where are some of the issues that you think we—solutions that we can point to in addressing that?

Ms. OLIVA. It is a really important topic because there are cities across the country, not just New York, who are—who have a very mismatched vacancy—number of vacancies and the types of vacancies that they have in their city. In the District, we are experiencing that right now. The types of vacancies that are available are well outside of the affordability range for people who are experiencing homelessness in the city.

So communities are doing things like trying to figure out how to do shared housing so that families or individuals can go in together on a two-bedroom unit or a three-bedroom unit and share the cost of that housing.

Other communities are looking at landlord engagement as something that they really have to step up in order to get the number of units that they need over time.

Ms. OCASIO-CORTEZ. Thank you very much.

Chairwoman WATERS. The gentleman from Ohio, Mr. Gonzalez, is recognized for 5 minutes.

Mr. GONZALEZ OF OHIO. Thank you, Madam Chairwoman.

First, I want to say to my colleagues what an honor it is to be serving with you on this committee this Congress, and I look forward to working with you on some of the most pressing problems facing our Nation. My commitment to each of you is to be a productive partner who will always work to find common ground in improving the lives of our constituents whom we are so fortunate to represent.

I want to thank you, Madam Chairwoman, for holding this hearing today. And thank you to our witnesses for their testimony and for so diligently answering these hours of questions.

I believe that every person on this committee, certainly in this room and watching on TV across our country, sincerely wants to see homelessness end in America. In nearly every community in the country, we have people suffering from homelessness while passionate citizens and taxpayers work tirelessly to solve the issue. It is not for a lack of empathy or compassion that we have homelessness today.

Just yesterday, I visited with a constituent in my office who shared the story of her roommate's family who had been driven from their home and now have to shack up in the dorm with the students. So this is a big problem, and I thank the panel for their work in helping resolve this issue.

As with all big problems, I believe we need to start with a compassionate heart and a sound mind that prioritizes evidence and data while addressing root causes as we consider solutions to our challenges.

As I review the legislation before us and I look at the publicly available housing data that we are seeing on the screens around us, I see some troubling signs. From 2014 to the present day, we have increased spending by 15 percent to address homelessness. But homelessness has decreased by only around 4 percent in that time period. That is, it has actually slightly increased in the last few years.

Additionally, we see, in cities with the highest concentration of homelessness, San Francisco, New York, Los Angeles, that homelessness has increased to truly crisis levels, despite good-faith efforts from all levels of government and additional spending. I believe the evidence is clear that simply throwing more money at the problem is not the cure-all that we would probably like to believe. The problem is not purely financial. It is structural. It is systemic. And much of the work we need to do exists outside the purview of this committee.

My hope is that today's discussion is the beginning of a much deeper conversation that does not start with a prebaked solution but that works to identify root causes and impediments that our people face as they seek to avoid and alleviate homelessness across the various communities that we are so fortunate to represent.

So, with that, my first question goes to Dr. Lucas.

Roughly, how much do we spend per year on Federal homelessness programs? And how confident are you that the additional funding being discussed today would permanently end homelessness in America?

Mr. LUCAS. The U.S. targeted homelessness assistance budget was \$6.1 billion in 2018. And that has basically doubled since about 2008 or so when it was in the, sort of, mid—right around \$3 billion a year in spending.

And then the answer to your question, one of the things that is important to remember is that people continue to face challenges and may become homeless in the future. And so even ending it for those who currently experience it will not be sufficient to end homelessness for the rest of our Nation, of course.

Mr. GONZALEZ OF OHIO. Thank you.

A 2016 President Obama White House housing development toolkit highlights the impact that local barriers play in reducing hous-

ing affordability for working families, specifically in New York, Los Angeles, and San Francisco. The report goes on to say that HUD's existing project-based and housing choice vouchers could serve more families if the per unit cost wasn't pushed higher and higher by rents rising in the face of barriers to new development. That is a quote.

In addition, the city of San Francisco, despite a homeless epidemic, built 17 percent fewer homes last year than the year before. The California Department of Housing projects California would need to build roughly 180,000 homes per year to keep prices stable. They built less than half of that. The LA Times wrote an op-ed in May 2018 titled, "California's housing crisis reaches from the homeless to the middle class—but it is still almost impossible to fix." The reason that they cite is because State and local development laws make it incredibly difficult to bring new units online.

Dr. Lucas, what sort of impact do local zoning barriers and land use restrictions have on access to affordable housing? And is it safe to assume that a significant portion of the funding within the proposals discussed today would go to States and localities that have these more stringent local barriers?

Mr. LUCAS. To my knowledge, the funding allocations have no relationship or are not influenced by the State of local regulations on—toward housing. The point that you have gotten to is, as was mentioned earlier, there is a difference between it is worth thinking about the demand for housing but also the supply and the barriers to financing that.

Mr. GONZALEZ OF OHIO. Thank you, and I yield back.

Chairwoman WATERS. The gentlewoman from Massachusetts, Ms. Pressley, is recognized for 5 minutes.

Ms. PRESSLEY. Thank you, Madam Chairwoman. And I thank all of my colleagues for their robust line of questioning. I want to thank the chairwoman for her leadership for making this the first issue that we are tackling as a Full Committee. It is an issue of consequence to all of our districts and certainly to the country. And then I thank each of you for the work that you do every day and for your expert testimony provided.

In my faith tradition, we often say, "There but for the grace of God, go I."

And it seems that increasingly so, certainly in the Massachusetts Seventh, the district I represent, and throughout the country, people are an incident, a circumstance away from experiencing homelessness, a fire away, a medical bill away, a paycheck away, certainly exacerbated by this most recent Federal Government shut-down.

And so it is so important that we—as you have addressed, these are not issues that we can tackle with a silo. There is an intersectionality and a complexity here that does require a holistic and comprehensive response.

It was mentioned earlier that we are in the midst of a booming economy. Although there are more people employed than ever before, most of them are underemployed. So, really, on the precipice of dire straits economically in experiencing homelessness.

Due to the robust line of questioning, a number of my questions have already been asked, so I just want to ask a couple of things

that I didn't hear, and I hope I didn't miss when I stepped out of the room. So, if you have to be repetitive, I do apologize.

I wanted to talk about what we are doing to support those who aim to successfully reenter into society. In Massachusetts, 30 percent of our chronologically homeless are those who were previously incarcerated. In fact, many of them are being released from correctional facilities to shelter. While, at the same time, we know that the number one driver of recidivism is unemployment. And so how can someone make a positive contribution and pursue employment if they do not even have a shelter or a home.

I know there are some models throughout the country that are being explored due to discriminatory housing policies that are often barring those who have previously been incarcerated from reuniting with their families, especially if they are in public housing.

And so I am just curious as to what your thoughts are about how to address the needs of this chronically homeless population to ensure that they can get on track to making a positive contribution and not have their hands forced.

I think New York had a model. I am just curious what you think about housing specifically for those reentering.

Ms. ROMAN. Well, in particular, for people who have mental health issues or mental health and substance—behavioral health disorders, I think targeting people reentering for permanent supportive housing has been a very effective thing. Another dimension of that to recognize is that people are often criminalized for their homelessness. And then they get a criminal record, and those records then stop them from being able to get units and also to get jobs. So some way to address the record's history and so forth I think would also be important.

Ms. PRESSLEY. Okay. And then, secondarily, in terms of while people are in shelter and ensuring that those spaces are safe, I know that Secretary Carson had withdrawn a rule that would have required HUD-funded homeless shelters to uphold certain Federal protections for LGBTQ individuals. So, what can we do to ensure that HUD is upholding its mission to ensure equal access to safe and affordable housing? And then my question on training for staff in terms of linguistics, cultural competency, sexual orientation, gender identity sensitivity, is that something that could be cost-neutral?

Mr. RUSH. To answer your initial question, yes, the equal access and gender identity rule, which went into effect in 2016, I think that there have been some of your colleagues who have made a request to Secretary Carson over at HUD about the enforcement of that. There were some resources that were taken down from the HUD website, and there has been a lack of guidance around what that looks like for creating inclusive spaces.

We as an organization do a lot of work around making sure that gender pronouns are recognized, that intake forms are representative of peoples' gender identity.

I think that in regards to training, there are free trainings that currently exist, specifically my organization has a true inclusion toolkit that addresses how service providers can create more inclusive and safe spaces for LGBTQ individuals. So there are resources that exist.

Chairwoman WATERS. The gentlelady's time has expired.

Ms. PRESSLEY. Thank you, Mr. Rush.

And thank you, Madam Chairwoman.

Chairwoman WATERS. The gentleman from Wisconsin, Mr. Duffy, is recognized for 5 minutes.

Mr. DUFFY. Thank you, Madam Chairwoman.

Welcome again, panel. There are a number of issues that I want to get to, including zoning. I want you to talk about programs that work and don't work. I also want to talk about foster children.

But, first, I know it is not up here right now, but I have to tell you, that beautiful Gerald R. Ford looks a lot like freedom to me, what defends liberty and freedom and democracy for this country and many others in the world. So to say we don't want to have a military to protect that is concerning to me.

But that is a conversation about money, right? And if I ask the panel, would you all say the main theme here is, "We need more money?" You are asking for money? Yes? Is that what you are—

Ms. Roman is saying yes, and no one else is taking me up on that. You guys are saying money? I am from Wisconsin. You are talking about cheddar, right? Yes, you want money.

And so, I looked at Ms. Darley's story, and I thought it was a remarkable story of success, of hardship. I can't imagine the hardship that you went through when you got that kind of world thrown at you, and you made it out. But you are here to tell the story of how hard it is, and I appreciate that.

You think we need more money for these programs, right?

Ms. DARLEY. Not necessarily. I am not saying that money wouldn't help. But I am a strong advocate for innovation, and that is because I get a chance to talk to a lot of the young people around this country, and they give me crazy, awesome ideas—

Mr. DUFFY. I love that.

Ms. DARLEY. —as to how this could have—some have put into their own plan. One young lady did a coat, which turns—she, a 19-year-old, designed it for the homeless. It is a coat that turns into a backpack that turns into a sleeping bag. So I am just saying innovative thinking and the opportunity to do so—

Mr. DUFFY. You are speaking my language.

Ms. DARLEY. —would be the key.

Mr. DUFFY. I totally agree.

Mr. Stewart, are you a veteran?

Mr. STEWART. No, sir, I am not.

Mr. DUFFY. But you represent a veterans group?

Mr. STEWART. Absolutely.

Mr. DUFFY. And do you think we should prioritize veterans over other homeless individuals?

Mr. STEWART. I would say that it has been successful where we have done that across the country.

Mr. DUFFY. So you are saying, yes, we should prioritize veterans?

Mr. STEWART. Yes.

Mr. DUFFY. Would the panel agree with that?

Yes or no, quickly?

Ms. OLIVA. I don't think it is a yes-or-no question. I mentioned earlier I think that we need to be able to walk and chew gum at the same time.

Mr. DUFFY. But if we have homelessness and we only have so many slots and so much money, should we prioritize the men and women who serve this country? Yes?

Ms. OLIVA. Highly vulnerable men and women who serve this country—

Mr. DUFFY. Should be taken care of?

Ms. OLIVA. —should be taken care of.

Mr. DUFFY. So, when we look at our veterans, are they all in homes, or do we have homeless veterans right now?

Mr. STEWART. Our best estimate has that we have 37,878 on a given night.

Mr. DUFFY. Veterans who are homeless?

Mr. STEWART. Yes, sir.

Mr. DUFFY. So I look at the money side of this. And the point I am getting at is we are talking about aircraft carriers, right? Let's not invest any more in liberty, freedom, and democracy, my view. But if we were able to take, let's say, \$45 million and plug it into a State, could that actually do some good for our veterans in a State if we are able to give \$45 million for homelessness?

Mr. STEWART. The history has shown that that has been the case, yes, sir.

Mr. DUFFY. How about \$1.3 billion? Would that help? \$1.3 billion in one State.

Mr. STEWART. Yes, sir.

Mr. DUFFY. So what I am getting at is, do you know how much we spend on illegal immigration?

So why do we prioritize people who don't come here lawfully ahead of our veterans, ahead of people like Ms. Darley who find themselves on hard times?

California alone spent \$45 million on legal services for illegal immigrants, and we have homelessness in America. Veterans are homeless in America. \$1.3 billion, a total cost, for 2 years in California. \$1.3 billion, and we said we prioritize homelessness?

I am all about making sure we have resources to help people out. But when we have veterans on the street, why don't we take the Federal, State, and local money and work on homelessness? You want cheddar. That is where the money is at, isn't it?

Let's make sure that we don't have any Americans who sleep under bridges. Any veterans who serve this country but sleep on the streets, before we give money for all these other programs—does anyone disagree with that? Should we put illegal immigrants ahead of U.S. citizens or veterans? Does anyone disagree with that?

We should put our people first, right?

Who disagrees with that? Mr. Rush, you disagree with that?

Mr. RUSH. Again, I want to reiterate that I don't think that this is an either/or, and I think that we need—

Mr. DUFFY. Oh, it is about money, though, Mr. Rush. It is about money.

Mr. RUSH. It is.

Mr. DUFFY. What happened to resources? And if we are looking for resources, why don't we spend it on our homeless first, our people first? There's a lot of money there. Let's use it for the right purposes.

I yield back.

Chairwoman WATERS. Thank you.

Since we are talking about money, the Chair takes the opportunity to say that the Trump tax plan added \$1.5 trillion to the debt. And in the last 11 months, we added \$1 trillion to the debt.

Mr. DUFFY. That is because the—

Chairwoman WATERS. If we are going to talk about money, let's talk about the leadership that—

Mr. DUFFY. More money comes in the Federal coffers, Madam Chairwoman. More money comes in with the tax reform.

Chairwoman WATERS. The gentlewoman from North Carolina, Ms. Adams, is recognized for 5 minutes.

Ms. ADAMS. Thank you, Madam Chairwoman. And thank you for convening this important conversation on eliminating homelessness. It is a serious problem and a serious problem in my district in North Carolina, Mecklenburg County, where more than 9,000 people experience homelessness on a single night.

I am concerned about the transitional housing services. In my district, countless transitional sites that provide necessary supportive services for residents combating addiction, opioid use disorder, and other chemical dependencies have seen significant reductions or outright elimination of funding.

And just last week, the CEO of the first licensed transitional housing facility of its kind in North Carolina, maybe even in the country, reached out to my office for assistance. They have been in the Charlotte community for decades serving nearly 300 individuals. And they recently found out that HUD will no longer provide Federal resources because it is not a permanent housing facility. And I am troubled by the shift.

I want to ask Ms. Oliva and Dr. Lucas, having said that, should Congress analyze and reassess HUD's shift away from providing resources for transitional housing in the continuum of care?

Ms. OLIVA. Thank you for that question.

And, I would say that a lot of evidence points to, and a lot of transitional housing programs operate in ways that are high barrier and that are highly expensive. And with the budget the way that it is, especially with the continuum of care program where a large percentage of the funding in each year goes to renewal of projects that are already existing rather than new projects, it is really up to communities to prioritize which projects are most effective, which projects are—should be not necessarily eliminated but put lower on the list. And HUD does fund based on a prioritized list that is provided by each community.

But the movement away from transitional housing and towards supportive housing and rapid rehousing is really about the evidence and the costs related to those kinds of interventions to ensure that, again, Federal funding is being used in the most effective way possible nationwide.

Ms. ADAMS. Thank you.

Briefly, please. I have another question.

Go ahead.

Mr. LUCAS. I will just briefly note that—so the closest substitute to transitional housing in a sense of being a shorter-term solution is rapid rehousing. And in the available evidence that we have, there actually isn't, in terms of housing retention, rapid rehousing.

There is even less evidence on terms of effectiveness relative to permanent supportive, so it is an issue.

Ms. ADAMS. Thank you.

To Mr. Stewart and Ms. Darley, in terms of the importance of destigmatizing the issue of homelessness particularly as it relates to our veterans, despite the overall reduction of veteran homelessness nationwide, the lack of housing for veterans continue to be a major issue in my district in North Carolina which is undergoing rapid gentrification. Based on the work that your organization has done to provide technical assistance to local providers, what would you say are some of the ongoing barriers to achieving an end to homelessness among veterans?

Mr. Stewart?

Mr. STEWART. Yes. Absolutely, Congresswoman. Thank you for the question.

Just quickly, my brain is still on your stigma comment, and I would love to address that.

One of the things that I think sticks out in the public's mind about the image of the homeless veteran is sort of an older gentleman, usually a Vietnam veteran, on the street with a sign in the old BDUs. And while that population exists, that age of population exist, it is also important to recognize that newly entering veterans, post-9/11 veterans, are finding themselves at risk and homeless in increasing numbers every year, and a large section of that population are women veterans. So that is just something I want to put on the record.

As far as barriers go, there were a number of barriers. Affordable housing is an obvious one. The coordination of resources proves to be difficult. We had to do a lot of changing and growing as a field, even in the VA-funded side of things. We are talking about transitional housing, VA-funded transitional housing called the Grant Per Diem Program had some growing pains to go through as well. We found a pretty happy medium there now, and it is part—the smart limited use, the veteran-centric use of transitional housing is part of the Federal benchmarks and criteria.

Ms. ADAMS. Thank you.

I have 15 seconds. Ms. Darley, would you like to add to that?

Ms. DARLEY. —part of a group that helps homeless veterans. We find that PTSD—I have run out of time, but—

Ms. ADAMS. I apologize. I have cut you off.

Madam Chairwoman says I am out of time.

Thank you. I yield back.

Chairwoman WATERS. Thank you.

The gentleman from Wisconsin, Mr. Steil, is recognized for 5 minutes.

Mr. STEIL. Thank you.

I want to start by thanking Chairwoman Waters for calling today's hearing. Homelessness is a serious problem affecting every community in our country. In Wisconsin, by a HUD analysis, we have 5,000 people who are homeless. By the Department of Education's definition, 18,000 youth are homeless.

But despite the Federal Government's sustained and significant investment, homelessness persists at unacceptable levels. I have visited homeless shelters throughout southeast Wisconsin, the

HALO Center in Racine or the Shalom Center in Kenosha, and I have seen firsthand the importance of having a local approach to addressing the homelessness problem.

I had the opportunity to meet a young gentleman at the Shalom Center in the City of Kenosha. And he had arrived there, fallen on hard times, and had been given the opportunity for a job at an Amazon distribution center, a step to get back up on his feet. And that local involvement was critical. It was a local solution that was one of the driving forces for this individual to get back up on his feet, albeit making sure that we have that first step to make sure he had that private-public partnership at the Shalom Center to get there, in particular.

Dr. Lucas, some of the proposals that we are discussing here today involve a significant increase in money that we would spend to address homelessness. We all agree homelessness is a big problem. We should do everything we can to ensure that all Americans have a safe place to live. At the same time, we need to spend taxpayer funds wisely getting at the best impact we can for every dollar. I believe there should also be a look at whether existing rules, regulations, and practices may cause or exacerbate the problems.

I heard from my colleague from New York earlier on the particular high cost of housing in New York City. And it would be amiss to not look at maybe what some of the local housing policies are in certain cities that may be driving those higher costs and having a disparate impact on individuals from those communities that are subject to their own local control and regulations that may be having that negative impact.

Could you comment on what policies or reforms or new flexibilities may help communities better address this situation?

Mr. LUCAS. Thank you, Congressman, for your question.

Certainly, as you suggested, when we are talking about land use regulations, they come in many forms, right? It is not one blanket thing. But a lot of it requires what you are allowed to use property for. That can include development, but it also could include the renovation or the repurposing of existing properties.

So it was mentioned, in New York City, there is a high rate of vacant units. In Syracuse, New York, where I live, there are 1,500 vacant housing units and a comparable number of people in the homeless shelter system, actually.

And so, questions emerge. What are the opportunities? What are the barriers that make it more expensive to expand affordable housing which, in some ways, will price out the development of additional units that are of a lower cost? And other regulations about what you can and can't use property for certainly affect that responsiveness of the supply in local communities.

Mr. STEIL. Thank you very much.

Ms. Roman, in your testimony you highlight some of the differences between rural and urban homelessness. And my district in southeast Wisconsin and the Cities of Janesville and Racine and Kenosha, we have cities, and then there are also rural areas in between and across a lot of the State of Wisconsin.

Do you think the local leaders have the flexibility they need to address some of the challenges in particular in rural areas?

Ms. ROMAN. I would say, actually, while I think the continuum of care works very well in urban areas, there are some improvements that could be made in rural areas, that the urban areas have the full infrastructure, the sort of soups-to-nuts programs. It doesn't make sense to build something like that in every single town.

And I think there have been several proposals to fix the continuum of care to work better in rural areas, but I think rural areas need some more flexibility in terms of resources to probably house people a lot faster and kind of skip these long periods in the homeless system. There also tends to be a little bit more affordable housing in a lot of rural areas.

Mr. STEIL. Thank you.

I think it highlights the importance of some of the local control and local decisionmaking that is required to address this problem.

I would like to ask you one more question. You have highlighted some of the relationship between homelessness and human trafficking. In southeast Wisconsin, there is an Interstate 94 corridor running between Milwaukee and Chicago. Human trafficking is a really significant issue in that area.

Could you just comment, in the seconds that we have, on that relationship?

Ms. ROMAN. Just—

Mr. STEIL. Maybe we will follow up in—

Ms. ROMAN. As Ms. Darley has said, not having housing certainly makes people vulnerable to being trafficked.

Mr. STEIL. Thank you very much. I yield back.

Chairwoman WATERS. The gentleman's time has expired.

The gentleman from Illinois, Mr. Casten, is recognized for 5 minutes.

Mr. CASTEN. Thank you, Madam Chairwoman.

My question is for Ms. Oliva.

During the recent shutdown, I met with a number of service providers who are at risk of not being able to provide their services if the government didn't reopen. And one of the women I met with was the director of a local YMCA that provided both temporary housing and the domestic violence hotline. And she described, in rather heartbreaking fashion, how they are at an annualized all-time high for incoming calls to their domestic violence hotline, which she attributed to the Supreme Court hearings, that that was when they saw the last uptick come last July. And she also noted, in rather clinical fashion, that the lethality of domestic assault is on the rise.

To put it very bluntly, we don't get a second chance to help a lot of people when they have the courage to stand up the first time. And what I am hoping you could comment on in your role in supportive housing is, what more can we do for these communities where housing security is inseparable from personal security and the house they are in is no longer safe? Is there more we can be doing on a Federal front on that front?

Ms. OLIVA. Right.

So the most important thing that we do is that, in the definition of homelessness, there is a whole category of folks who are survivors of domestic violence, and they have different standards to

get into programs. For example, they don't have to provide the types of documentation, because usually somebody fleeing a domestic violence situation doesn't have that documentation with them. So ensuring access to a variety of systems is incredibly important.

We also need to make sure that public housing authorities and other affordable housing developers understand, when domestic violence happens within one of their programs or within one of their buildings, how to address that situation without further harming the survivor of domestic violence.

And then I would say that the other really important thing to do is to ensure that all of the different types of interventions that we talked about, shelter, emergency, safe shelter, rapid rehousing, supportive housing, are available to survivors of domestic violence in different ways and that the services are appropriate for that particular population.

Mr. CASTEN. Thank you.

My next question is for Mr. Rush.

The University of Chicago recently released a report on youth homelessness, I think it was called, "Missed Opportunities," that found that the LGBTQ community, particularly young adults, has a 120 percent higher risk of reporting homelessness compared with youth who identify as heterosexual and cisgender.

Can you help us understand some of the unique needs of LGBTQ youth who are experiencing homelessness, what programs exist, and what we can do particularly but not exclusively at a Federal level to make sure that we get that community the protection it needs?

Mr. RUSH. Sure. And I actually referenced that report in my initial testimony.

I think that one thing that it does a really good job of is it doesn't just talk about people being kicked out of their homes because of their LGBTQ. I think that is one part and one facet of it. I think LGBTQ individuals, yes, they have to deal with transphobia, homophobia, and all of those other things. But when we talk about intersectionality, a Black LGBTQ individual or Latino or Latina individual has to deal with the intersections of race and their being LGBTQ.

And I think that LGBTQ individuals experience housing instability just like everyone else. They have issues with finding affordable housing, just like everyone else.

I can't think of anything specifically on the Federal level as it pertains to HUD that implements programs specifically for LGBTQ individuals. I do know that there—the Youth Homelessness Demonstration Project, which has an approach of leaning on youth who have formally experienced homelessness, a lot of individuals in that are LGBTQ. They work with continuums of care to be able to come up with a strategy to prevent and end youth homelessness in their locality, and that does have a plan generally to focus on addressing homelessness among LGBTQ individuals. But I do think that there needs to be a further investment on the Federal end to target resources just like targeted resources are provided to veterans and families, that there needs to be the same for LGBTQ individuals.

Mr. CASTEN. Thank you. I yield back the balance of my time.

Chairwoman WATERS. Thank you.

The gentleman from Arkansas, Mr. Hill, is recognized for 5 minutes.

Mr. HILL. Thank you, Chairwoman Waters. I appreciate you calling this hearing. I appreciate the opportunity to hear from this excellent panel. Thanks for your fortitude in sitting still for this long. We appreciate your expertise.

I would like to start by talking a little bit about the robust efforts in Little Rock to combat homelessness. It is very well-coordinated, and it has a robust engagement with both the City and Federal resources and our nonprofits. And, really, in the two terms I have served in Congress, I found it very rewarding to see their work where they have an active case work in our office. We go and find veterans where they are. We have solved so many veteran challenges in our homeless shelters. It has been really rewarding work in our office. I have four veterans on my constituent team; three of them are combat veterans. And they spend time in our shelters really helping our vets. They deserve that extra touch. And many of them are really lost in the morass of not only homelessness but also the veteran programs that they might be eligible for. So I thank my staff for that work.

And we have been a vigorous advocate for funding. Just in the last 4 years, we have gotten \$4 million in grant funding for our homeless nonprofits in Little Rock. And they are using that money very wisely. And I have been so impressed by—from just really taking care of that emergency transient housing, the person who loses their lease, that family in crisis, that—or troubling chronic alcohol and drug-addicted population. And then those who are really working their way back to self-sufficiency. All that group works really well together, and that is why I invited Ben Carson to Little Rock to see this work on the ground and see what is happening. And he was really inspired by that work.

And we have one of our nonprofits, Our House, which Dr. Carson really encouraged that they would be a terrific person to lead the EnVision Centers in our public housing that has been an initiative of HUD. And so I hope to see that move forward.

But in all the aspects of it, whether it is The Dorcas House, Union Rescue Mission, St. Francis House, Jericho Way, Salvation Army, Gaines, Lucy's Place, Women and Children First, all these I have been impressed, as a former business person, to see how well they work together looking for that gap and filling it to help all those suffering from this homelessness.

I have a couple of questions. One, I heard Mr. Lawson mention it; my friend from Wisconsin mentioned this issue of definitions. We have all these definitions that are different on homelessness. And it has allowed, I think, the Federal Government to make claims to ending homelessness, with which I don't agree. We had a celebration with a mayor of Little Rock, went up to an event this fall ending veterans homelessness, and I am going: Man, I can take you and introduce to some right now that are homeless.

So how do we get HUD and the VA on the same page about the definition of who is homeless? Does anybody want to talk about that?

Ms. Oliva, you worked at HUD, so we have these multiple definitions of homelessness. Is living in a hotel homeless?

Ms. OLIVA. It depends.

Mr. HILL. Well, it really doesn't. If they are in a hotel for longer than a month, are they homeless?

Ms. OLIVA. So I would say that there is—again, there is a need because of the resources that are available to prioritize folks that are most vulnerable first for the housing resources that are available.

So I don't think that HUD and the VA were on the same page around—and Mr. Stewart might be able to address this based on something more recent. But our work with the VA, our collaborative work with the VA and USICH around veteran homelessness in particular was some of the best work that we did inside of the Federal Government, as far as I am concerned, because we were on the same page. We ensured that we were prioritizing chronically homeless veterans for the HUD-VASH program, for example.

And until no veteran was on the street, then we could start working down the list. And homelessness prevention is a part of those programs that could work with folks who are in hotels.

Mr. HILL. Right. And they do great work in that.

Ms. Roman, talk to me about—for the vouchers that we have in Section 8, how do we make sure that they really are clean and safe places, that our public housing authorities are really putting those vouchers out where they should be?

Ms. ROMAN. I am not an expert on Section 8, but my understanding is that they do inspections on Section 8 units. And, they are supposed to be clean and safe.

I think in the homeless arena, we don't always have those kinds of inspections, and you do have to be concerned about the quality.

Chairwoman WATERS. The gentleman's time has expired.

The gentlewoman from Pennsylvania, Ms. Dean, is recognized for 5 minutes.

Ms. DEAN. Thank you, Chairwoman Waters. And I want to thank you, like the others, for your commitment to ending homelessness. It is, I think, something in which government has an extraordinarily important role to play. We can do it if we just put our will and our resources toward it and if we think in very innovative ways.

I want to thank you, Ms. Darley, also for telling us right up front that homelessness doesn't discriminate, and housing must be first. And I am going to use your quote, if you don't mind, that the opposite of wealth is poverty and the opposite of poverty is justice, because that is what we are here to do. So I am inspired by your words, and we can use that to end homelessness.

Two areas that I wanted to look at have to do with the barriers to identifying those who are homeless and actually successfully getting them out of homelessness. I was a State representative in Pennsylvania before coming here to Congress. We dealt with homelessness in my district. I worry about the data. I will just say this as a statement not as a question, but I do worry about the data. I am sure all of you do too.

We did point-in-time counts in the middle of the night and we know that it doesn't account for everybody. We know there are people who are on a cousin's couch or sleeping in a car in a parking lot where we are not aware, and so many other things. So I worry

about the data and are we actually capturing the number of people who are homeless. And if we can't fully capture it, how can we ever fully solve it? So that is more of a statement.

The two areas that I wanted to talk about have to do with barriers to helping those who fall into homelessness and they have a connection to domestic violence or they have a connection to addiction. In our City of Philadelphia, as I crisscross the City and I am racing about, I am so struck and so sometimes paralyzed by the number of people who are homeless standing on the street begging for a crumb, a dime, a dollar. And that they are in the ravages of addiction.

So I would like to know, what are some of the clear barriers to homeless folks who are suffering from the disease of addiction and how can we break down those barriers, number one? And then the other one, and so I will open this—I am certain Ms. Oliva would be one, but others I am certain, Ms. Roman and others, would help me.

We talked about domestic violence, and in 2017, in Pennsylvania, 117 Pennsylvanians lost their lives to domestic violence: in 2017 alone. The majority of them were women killed with a firearm. In the past 10 years, more than 1,600 Pennsylvanians lost their lives as a result of domestic violence. So what are the obstacles for women in particular fleeing domestic violence situations? How can we serve those victims of domestic violence?

There is this terrible intersection between domestic violence and homicide when there is a weapon present, and how does homelessness actually increase the risk of domestic violence? So I apologize for balling all of that together, but maybe I will start with you, Ms. Roman.

Ms. ROMAN. I will just talk about the addiction issue. I would just say two things about that. One, we just looked at a bunch of data on unsheltered people, people living outside from around the country, actually 30,000 records. And one of the big barriers to them going in or getting help is because the high barriers in the shelter system. So an initial thing is the shelter systems have to really be welcoming to people and not screen out people because of their substance use.

And the second thing is that treatment is only available—I think the national average is half the time, only in 50 percent of cases in which somebody is ready for treatment can they actually access treatment. So that is a second piece of that.

Ms. DEAN. Thank you.

Ms. OLIVA. And I would agree with both of those things that Nan just said, specifically on people with substance use disorders. We don't have enough for outreach and we need the right kind of outreach to get folks into shelter, and we need more recovery housing to help folks who have those kinds of substance use disorders.

On the domestic violence side, technology has made it less safe for programs that have physical shelters. Now you can go on Google maps and you can identify somebody's car that is sitting in front of a shelter. So the domestic violence, you know, sort of group of folks who are working on domestic violence issues nationwide really need to implement new technologies and be innovative. They also have to really work between the domestic violence system and

the affordable housing system and the homeless system. And that can be done, and it is being worked on.

Ms. DEAN. I thank you very much.

And I also want to talk about the problem of qualifying as homeless. In my own county of Montgomery County, Pennsylvania, we have a system that we call into called, "Your Way Home." I sat on the phone with somebody who was struggling and going to be homeless. It was a 60-minute call, and they didn't qualify because their eviction was maybe 2 days away. So I just raise that. Thank you.

Thank you, Madam Chairwoman.

Chairwoman WATERS. The gentlewoman's time has expired.

The gentleman from Ohio, Mr. Stivers, is recognized for 5 minutes.

Mr. STIVERS. Thank you, Madam Chairwoman. I want to thank you for holding this hearing, and I want to thank you for your leadership on fighting homelessness.

And now to the witnesses, I want—Ms. Oliva, I want to do a follow-up on a question that Mr. Hill asked a little while ago, and I am going to do it as a simple yes-or-no question. Are you aware that the Housing and Urban Development definition of homelessness excludes people under the age of 18, while the Department of Education does count homeless folks under the age of 18?

Ms. OLIVA. I don't believe that is correct.

Mr. STIVERS. It is true, sorry. It is true.

Mr. Rush, since you are the only one who has actually mentioned youth homelessness, I would like to ask you about something. Just yesterday, the Department of Education released a report on youth homelessness that showed that homeless youth have actually increased, and, in fact, in 20 States, that homeless youth growth has been 10 percent over the last 3 years. So, obviously, schools identify these folks because they are at risk, and so there is a good reason for them to count them, but the Housing and Urban Development definition of homelessness actually excludes those folks from getting shelter.

Mr. Rush, don't you think those are among some of the most vulnerable people who could be homeless?

Mr. RUSH. I do think that they are—there is a risk of experiencing homelessness, and I think that the HUD-funded programs may or may not be the best solution to address those problems.

Mr. STIVERS. But shouldn't we be counting them?

Mr. RUSH. I am a believer that additional data is needed, yes, specifically as it pertains to most impacted populations, yes.

Mr. STIVERS. And these are potentially some of the most vulnerable population out there. So I have had a bill for the last three Congresses to force Housing and Urban Development to change that policy to count homelessness under the age of 18. And it is a bipartisan bill. We are continuing to work on it. We worked with the chairman on it last cycle. Mrs. Beatty and I are the lead sponsors of that bill. We are going to keep fighting for that, and I hope all of you will pay attention to that. And I really appreciate everything all of you are doing, but it is a very important issue to the future of our country and to a lot of young folks who are very, very vulnerable.

The second issue that I have been focused on is veteran homelessness. And, Mr. Stewart, I do appreciate that your testimony focused on the other than honorable discharges. As a military veteran myself, these are the folks who are most likely to be homeless. They are also most likely to have other conditions that aggravate that, whether it is drug addiction, mental health, or physical health issues.

And you talked about a change last year in the 114th Congress that allows the VA to serve part of that other than honorable population, but can you describe to us, because my understanding is that there are still a bunch of people who are left out who are not eligible even under that expansion?

Mr. STEWART. That is exactly right, Congressman. What the previous bill, PL 114-315, did was make veterans with other than honorable discharges eligible for VA homeless services to include grant and per diem supportive services and the like. But it does not include eligibility for HUD-VASH. Your bill and Mrs. Beatty's bill would do such a thing.

Mr. STIVERS. Correct.

Mr. STEWART. So it is the same group of people for slightly different services.

Mr. STIVERS. Great. And I think the goal is to make sure that even when somebody had a mistake that ended their service, that doesn't mean they should be sentenced to be homeless for the rest of their life.

Mr. STEWART. That is exactly right, sir. These are veterans, these men and women are veterans, and they deserve to not be left behind.

Mr. STIVERS. Thank you. And I appreciate that.

Mr. Lucas, you talked a little bit about, with your perspective as an economist, what is going on in multifamily housing. And I am interested in your thoughts of what is going on with the Americans with Disabilities Act and the Fair Housing Act with regard to some frivolous lawsuits that, frankly, aren't even causing technical fixes, they are just getting money. And is that having any impact on cost of housing? Is it ultimately resulting in tenants paying higher rent? Is it exacerbating a lot of these conditions?

Mr. LUCAS. That is something I will have to follow up on with you, and I would be happy to do so.

Mr. STIVERS. Thank you.

Madam Chairwoman, again, I really appreciate you holding this hearing. Homelessness in America is something we all should care about. It is a bipartisan issue, and we want to work with you to try to find solutions.

I yield back the balance of my time.

Chairwoman WATERS. Thank you very much.

The gentleman from Utah, Mr. McAdams, is recognized for 5 minutes.

Mr. MCADAMS. Thank you, Madam Chairwoman.

And it is great to see those of you with whom I have worked in the past, in my previous capacity. But Salt Lake County, like many urban areas, has struggled to understand and address homeless challenges, and we have made progress in many areas and still struggle, like all metro areas struggle, in other areas.

Our area has largely recovered from the economic hardships largely of the Great Recession and other factors, though, like the opioid epidemic, have meant that thousands of Utahans live on the streets without a safe or a stable place to call home. Many of these families with children are homeless youth, and it is unacceptable that the only home for a young child sometimes is the family car or a homeless shelter, or a teenager is forced to couch surf with friends and relatives, many of them aging out of the foster care system, while trying to make their way through school or to train for a job.

So when I was the mayor of Salt Lake County, I convened a broad group of stakeholders who in one way or another are a part of our homeless service system, whether they are government, city, county, State, supporters of the homeless services system, the businesses and nonprofits, philanthropic supporters, the medical system, education leaders, homeless services providers. And we worked closely with other political leaders, our lieutenant governor, our Speaker of the House, Republicans and Democrats working together to try and move forward solutions.

And for nearly 3 years, we mapped what we called the genome of our local homeless services system. We looked at every aspect of how, when, where, and with what resources our homeless services system interfaced with individuals who were experiencing homelessness and what we might do to help to resolve the situation. And that plan we developed through that process identified specific outcomes and indicators by which we would measure the results of whether we were making progress towards our goals of minimizing homelessness.

We contracted with mental health providers and transitional housing agencies for two pay-for success projects, data-driven and evidence-based contracts funded by the private sector who would only be repaid if participants in the program achieved success. And our coalition, what we were moving to is more of a—rather than a one-size-fits-all solution, but more of a tailored, custom-tailored approach with wraparound services that we help to lift people out of homeless services and identify—I think if you have met one homeless person, you have met only one homeless person. Their situations and challenges differ from person to person, and recognizing that we need to meet them where they are and then help them to move forward and achieve a greater degree of independence, a greater degree of self-reliance. And those outcomes are going to differ from person to person.

So I guess my question for the witnesses—thank you for the excellent written testimony and your work that I am very familiar with over many years. My question would be, and referencing Mr. Stewart and your written comments, you said that—and your comments that Housing First never means housing only. In Utah, we have experience with Housing First, and I think it has been successful, but we are also seeing that it is not housing only. We need other solutions.

Later in the testimony, you go on to elaborate that the HUD and HUD-VASH program utilizes veteran-specific Section 8 vouchers coupled with case management. So I guess my question is, how important has the case management piece been of that? What can we

learn from that that we might extrapolate to other categories of homelessness? And then for all of the witnesses, what have we learned and what more can we do in the area of wraparound services?

Mr. STEWART. I think the HUD part and the VASH part are each equally crucial. The Housing First approach works wonders when you get a person into housing and then wrap those services around them, offer them all the services that they may need. Even if they don't take it right away, studies have shown that they will eventually avail themselves of those services and resolve some of the issues.

The case management support through the VA is critical. Making sure people meet medical appointments, seeking employment if able and willing, qualifying for income supports, broad base of issues and a real model for what we could be doing elsewhere.

Ms. OLIVA. And I think that model is incredibly important, because the VA—and the services don't have to be in the housing program. The housing subsidy can be by itself, and the services can be coming from mainstream resources like Medicaid or the VA or other mainstream services.

Ms. ROMAN. Just briefly, the advantage we have on the veterans' side is we have a partner who delivers the services. HUD is not a particularly good service deliverer, so it would be good for the committee to work on finding a strong partner.

Mr. LUCAS. I would just add one thing—

Chairwoman WATERS. The gentleman's time has expired.

Mr. LUCAS. Thank you, Madam Chairwoman.

Chairwoman WATERS. The gentleman from Illinois, Mr. Garcia, is recognized for 5 minutes.

Mr. GARCIA OF ILLINOIS. Thank you very much, Madam Chairwoman. To all of the panelists who are here, thank you so much for giving us a much better sense of the homelessness challenge that we face as a Nation.

Most of you emphasize the racial disparities that exist in the homeless population across the country, and I want to highlight an important segment of this. Latinos, while comprising about 18 percent of the population nationally, comprise about 22 percent of people experiencing homelessness. So—and I think, Ms. Roman, in your testimony, if I heard you correctly, you stated that Latinos are increasingly experiencing homelessness disproportionately. Can you elaborate on what might be driving this new trend that is being felt acutely in Latino communities in particular?

Ms. ROMAN. I will tell you the truth, I am not certain what is driving it. The Hispanic and Latinx percentage of homeless people has been—it has been disproportionately low in the past, and it is something that has changed. I think we always hypothesized that people were more willing to share housing, and the situation there may have changed. I don't think we have data on why that is changing, that I know of.

Mr. GARCIA OF ILLINOIS. How might we get a better sense of that? What kind of information should we be—

Ms. ROMAN. I think it would be good to ask HUD to actually look into that. It is probably qualitative kind of information we need to get and looking at the types of households that are accessing the

shelter system and so forth. It may have also been that people were just averse to using the shelter system, and for some reason that is becoming a more common thing. I honestly don't—it is a great question. I wish I knew the answer to it.

Mr. GARCIA OF ILLINOIS. Okay. Well, thank you for your candor.

A second question to Ms. Roman, over 64,000 people in Chicago are estimated to be doubling up, and there are huge disparities among this category of people as well: approximately 55 percent African American; and 33 percent Latino. Can you explain the challenges of the so-called doubling up that community faces and why the data is not reflected in some of the HUD estimates that were discussed today?

Ms. ROMAN. The HUD data on homelessness is not perfect. The point-in-time count does not look at doubled-up households because it would essentially have to do a census, which it can't do. So in the HUD definition, if a household is doubled up but imminently the second people have to leave, they are homeless, but they don't necessarily get counted. There are also a lot of doubled-up families who are doubled up trying to not be homeless, not to enter the shelter system, to stay out of homelessness, and there has to be a little bit of a line somewhere there, and exactly where you draw it, we might disagree on. But some people are stably housed in sharing housing and some people aren't and really are homeless.

Mr. GARCIA OF ILLINOIS. Thank you very much.

Madam Chairwoman, I have in my booklet a report from the Chicago Coalition for the Homeless, and I would ask if this can be submitted as a part of the record for the purposes of sharing this with people who are following the hearing today.

Chairwoman WATERS. Without objection, it is so ordered.

Mr. GARCIA OF ILLINOIS. Thank you, Madam Chairwoman.

Chairwoman WATERS. The gentlewoman from Iowa, Mrs. Axne, is recognized for 5 minutes.

Mrs. AXNE. Thank you, Chairwoman Waters and Ranking Member McHenry, and to our distinguished panel for being here. I appreciate it.

I would just like to start by mentioning that earlier in this hearing, my distinguished colleague, Mr. Rose, questioned the constitutionality of Congress to assist with housing of the homeless. I would state the opposite. Article I, Section 8 of the Constitution grants Congress the power to lay and collect taxes, duties, imposts, and excises, to pay the debts and provide for the common defense and general welfare of the United States. By and large it is for Congress to determine what constitutes the general welfare, and I would say that adequate housing benefits are general welfare.

So on to my questions here. Earlier in the hearing, Ms. Oliva mentioned that there has been decreased Federal investment to address homelessness over the last several years. Further, according to the U.S. Department of Housing and Urban Development in 2018's Annual Homeless Assessment Report, homelessness increased for the second year in a row.

So my question is to you, Dr. Lucas. In your paper, "The Impact of Federal Homelessness Funding on Homelessness," you said on page 1, "I find that funding increases the incidence of total homelessness." This is diametrically opposite to what the data suggests.

So could you provide us with the evidence you have that supports your theory?

Mr. LUCAS. Sure. So that is actually just a statistical econometric finding and not a theory at all. The question that I asked in that paper was whether or not we could discern using econometric methods from a research standpoint, whether or not communities that get more Federal funding through the CoC and ESG grants had lower rates of unsheltered homelessness or of total homelessness. And typically, and the result that I found using the methods that allow me to identify actually a causal affect rather than just a correlation, was that communities that got more funding had higher rates of homelessness as counted by the point-in-time counts.

Mrs. AXNE. Can you give me an example of that?

Mr. LUCAS. A big portion of that result is driven through the sheltered population, in part because Federal funding has allowed communities to expand their shelter supply.

Mrs. AXNE. I appreciate that. Would you be able to cite a specific example, a city, a location? As you mentioned, you went through the formula, and that is what your evidence found. So what would be a specific exact location where you saw this happen?

Mr. LUCAS. Well, New York City is a place that has significant Federal and City level funding for the shelter system. It is a bit of a unique system, but that is an area that has seen increases over time, not just at a single point in time in sheltered homelessness over this period, despite increases in funding on the—over time.

Mrs. AXNE. Okay. So you are suggesting that your theory says that the increase in support of helping our homeless population in New York has increased the homeless population in New York?

Mr. LUCAS. What I have—it is not a theory at all, again, it is just a finding of a statistical relationship over all communities at a given point in time. And certainly, it has been the case that we have seen over time in the aggregate at the national level reductions in homelessness, according to our point-in-time counts. But the evidence that we have suggests that the role of funding that is being targeted to, especially, for example, permanent supportive housing units, has had a relatively small effect at reducing those homeless population numbers, so there may be other reasons.

Mrs. AXNE. Okay. You also suggested that local community involvement and support is key, and I obviously would agree that we need to have multiple avenues to help us address this issue. And I am from Iowa. A lot of people wouldn't think we have a major homeless issue there. I represent one of the biggest metro areas, and we actually do.

I am very involved with our Catholic charities, our Saint Joseph's Family Shelter, our Hope Ministries. I also contribute to those organizations. And we have a very serious issue with our police force as well. We are understaffed and they are consistently helping out with our homeless population.

So as much as I would agree that we need to make sure that we have a systemic approach to homelessness, how would you address those police officers who say that—when you tell them that we need to remove aspects of the homeless safety net?

Mr. LUCAS. I think I would have to get back to you on that question. I thank you for your involvement with this issue.

Mrs. AXNE. Thank you.

Chairwoman WATERS. The gentlewoman's time has expired.

The Chair wishes to advise Members that Floor votes have been called. We do have another hearing at 2 p.m., so I am so pleased that we had such robust attendance today. And to all Members who did not get the opportunity to ask questions, you will get the first priority at the next Full Committee hearing on housing. I don't want you to miss three votes plus a moment of silence.

So I would like to thank our witnesses for your testimony today. We are not going to attempt to hold you over for another hour while we go vote these three votes on the Floor.

The Chair notes that some Members may have additional questions for this panel, which they may wish to submit in writing. Without objection, the hearing record will remain open for 5 legislative days for Members to submit written questions to these witnesses and to place their responses in the record. Also, without objection, Members will have 5 legislative days to submit extraneous materials to the Chair for inclusion in the record.

I thank you so much. And this hearing is adjourned.

[Whereupon, at 1:26 p.m., the hearing was adjourned.]

A P P E N D I X

February 13, 2019

Testimony before the
Committee on Financial Services¹
U.S. House of Representatives
by
David S. Lucas
Postdoctoral Research Fellow
Institute for an Entrepreneurial Society
Whitman School of Management
Syracuse University²
February 13, 2019

Good morning, Chairwoman Waters, Ranking Member McHenry, and members of the committee. Thank you for inviting me to testify. My name is David Lucas, and I am a Postdoctoral Research Fellow with the Institute for an Entrepreneurial Society in the Whitman School of Management at Syracuse University.

My research focuses on analyzing efforts to end homelessness in our nation, and I am honored to speak with you on this topic. My present testimony cannot address all of the intricacies of this important issue, but I can speak to three considerations based on my research and the available evidence.

1. We do not yet know how to end homelessness.
2. The homeless problem varies widely across communities and individuals, reducing the likelihood of a universal solution.
3. Allowing service providers more flexibility for experimentation, paired with the prioritization of performance data, will facilitate a more compassionate, effective, and truly evidence-based response.

¹ Prepared for the hearing, "Homeless in America: Examining the Crisis and Solutions to End Homelessness."

² The opinions expressed here are my own and should not be attributed to Syracuse University nor to any other institution with which I am affiliated.

WE DO NOT YET KNOW HOW TO END HOMELESSNESS

It is often said that “we know what works” to end homelessness.³ The premise of this claim is that we have a sufficient evidence base to “solve” homelessness—i.e., via Housing First.

It is true that at least three acceptably rigorous studies have found that clients entering Housing First programs had higher rates of housing retention compared to other shelter programs.⁴ Importantly, however, these studies only deal with client-level outcomes. They tell us what happened to individuals or families in particular programs relative to existing alternatives. By construction, these studies do *not* demonstrate whether further implementation of Housing First (or related housing subsidies) would end or even reduce homelessness in the aggregate. That is the important policy question, and the answers to this question are far less promising.

From 2009 to 2018, the federal government significantly increased annual homelessness funding, to nearly \$6 billion a year. This funding helped to double the availability of housing subsidy-based programs for the homeless, adding 142,000 additional permanent supportive housing beds and 100,000 rapid rehousing beds nationwide. However, unsheltered homelessness only declined by 32,000 people.

Of course, this does not tell us what (if any) causal role these targeted efforts had in reducing homelessness. Economists, including myself, have estimated the effects of federal homelessness funding and of permanent supportive housing on the amount of homelessness in

³ David S. Lucas, *Evidence-based policy as public entrepreneurship*, 20 PUBLIC MANAGEMENT REVIEW 1602–1622 (2018).

⁴ These are the Pathways to Housing program in New York City, the At Home/Chez Soi program in Canada, and the multi-city Family Options Study. Sam Tsemberis, Leyla Gulcur & Maria Nakae, *Housing first, consumer choice, and harm reduction for homeless individuals with a dual diagnosis*, 94 AMERICAN JOURNAL OF PUBLIC HEALTH 651–656 (2004); Daniel Gubits et al., *Family options study: Short-term impacts of housing and services interventions for homeless families*, US DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT, OFFICE OF POLICY DEVELOPMENT AND RESEARCH (2015); Tim Aubry, Geoffrey Nelson & Sam Tsemberis, *Housing First for People with Severe Mental Illness Who are Homeless: A Review of the Research and Findings from the at Home-- Chez soi Demonstration Project*, 60 CAN J PSYCHIATRY 467–474 (2015).

communities nationwide, controlling for other factors like housing market conditions, unemployment, and climate. Kevin Corinth found that communities required at least *ten* additional permanent supportive housing beds to reduce homelessness by a single person.⁵ In my research, I found that federal homelessness funding had no effect on the prevalence of unsheltered homelessness across communities in recent years.⁶ Columbia University’s Brendan O’Flaherty recently summarized the state of the literature as follows: “We don’t know how to end homelessness. Not in the aggregate, anyway.”⁷

A SINGLE, UNIVERSAL SOLUTION IS UNLIKELY

Why would large increases in housing subsidy-based homeless programs (like Housing First) yield small reductions in homelessness? One answer is that supplying permanent housing subsidies through the shelter system tends to increase shelter entries.⁸ But another important factor is that local conditions influence the nature of homelessness in a community—and, in turn, the effectiveness of different approaches.

⁵ This would imply the need for over 5.5 million additional permanent supportive housing beds to end homelessness for the 550,000 people who are currently homeless—not including those who may become homeless in the future. See Kevin Corinth, *The impact of permanent supportive housing on homeless populations*, 35 JOURNAL OF HOUSING ECONOMICS 69–84 (2017). Furthermore, the effectiveness is likely to become even smaller as permanent supportive housing becomes more prevalent and the remaining homeless tend to be increasingly “hard to house.” See David S. Lucas, *Federal homelessness policy: A robust political economy approach*, 30 THE REVIEW OF AUSTRIAN ECONOMICS 277–303 (2017).

⁶ I captured funding under the Continuum of Care and Emergency Solutions Grants in 2011, 2013, and 2015. I also found that federal funding was positively related to rates of sheltered and totals homelessness. See David S. Lucas, *The Impact of federal homelessness funding on homelessness*, 84 SOUTHERN ECONOMIC JOURNAL 548–576 (2017).

⁷ Brendan O’Flaherty, *Homelessness Research: A Guide for Economists (and Friends)*, JOURNAL OF HOUSING ECONOMICS, 80 (2019).

⁸ Researchers have indicated that shelter “quality” matters significantly for shelter demand. In a well-functioning Housing First system, the quality of shelter increases, because shelter entry leads quickly to short or long-term housing assistance. See Brendan O’Flaherty, *Need and generosity: how markets for free goods equilibrate*, 54 JOURNAL OF URBAN ECONOMICS 157–172 (2003); Brendan O’Flaherty & Ting Wu, *Homeless shelters for single adults: Why does their population change?*, 82 SOCIAL SERVICE REVIEW 511–550 (2008).

For example, unsheltered homelessness is largely concentrated in communities with milder climates, while sheltered homelessness is more prevalent in colder places.⁹ These populations are very different on average. The prevalence of homelessness also varies considerably in communities with similar climates, suggesting the importance of state and local policy.¹⁰ Local land use regulations reduce the availability of affordable housing and positively predict homelessness.¹¹ Local tenant rules affect the incidence of eviction—a common precursor to shelter entry.¹²

On the other hand, strong communities may foster the *prevention* of homelessness. A recent study found that people with strong social ties to relatives, friends, and religious groups were 60% less likely to experience homelessness.¹³ Formal prevention programs have also been highly successful in New York City and Chicago.¹⁴ These examples suggest further solutions that go undiscovered (and untested) in a system focused solely an approach like Housing First.

TOWARD A MORE COMPASSIONATE AND EFFECTIVE RESPONSE

If it were a settled fact that the Housing First approach—or simple housing subsidies—were *the* solution to end homelessness, the principal obstacle would be securing enough funding.

⁹ The ten states with the warmest winter temperatures accounted for 67% of the unsheltered homeless population in 2017. The ten states are Alabama, Arizona, California, Florida, Georgia, Hawaii, Louisiana, Mississippi, South Carolina, and Texas. Based on December, January, and February average temperatures from 1971 to 2000 provided by the National Oceanic and Atmospheric Administration and the 2017 Point in Time counts published by the U.S. Department of Housing and Urban Development.

¹⁰ Kevin Corinth & David S. Lucas, *When warm and cold don't mix: The implications of climate for the determinants of homelessness*, 41 JOURNAL OF HOUSING ECONOMICS 45–56 (2018).

¹¹ John M. Quigley & Steven Raphael, *Regulation and the High Cost of Housing in California*, 95 THE AMERICAN ECONOMIC REVIEW 323–328 (2005); Steven Raphael, *Housing market regulation and homelessness*, HOW TO HOUSE THE HOMELESS 110–140 (2010).

¹² Robert Collinson & Davin Reed, *The effects of evictions on low-income households*, WORKING PAPER, NEW YORK UNIVERSITY, WAGNER SCHOOL (2018); Gubits et al., *supra* note 4.

¹³ Kevin Corinth & Claire Rossi-de Vries, *Social Ties and the Incidence of Homelessness*, 28 HOUSING POLICY DEBATE 592–608 (2018).

¹⁴ Sarena Goodman, Peter Messeri & Brendan O'Flaherty, *Homelessness prevention in New York City: On average, it works*, 31 JOURNAL OF HOUSING ECONOMICS 14–34 (2016); William N. Evans, James X. Sullivan & Melanie Wallskog, *The impact of homelessness prevention programs on homelessness*, 353 SCIENCE 694–699 (2016).

However, it is unlikely that increasing funding for this, or *any* one-size-fits-all approach, will achieve the desired goal. Many of the barriers to housing stability are local or even individual in nature, suggesting the effectiveness of different programs across communities and homeless subpopulations.¹⁵

I suggest an alternative to mandating the proliferation of a single, top-down approach. Increase organizations' flexibility to use existing, scarce resources toward innovative efforts to alleviate homelessness in their communities. Continue to invest in the collection of data on organization and community performance at addressing homelessness. Allow these data to guide further evaluation and inform future funding decisions. Better performance data and increased program flexibility would encourage the discovery of innovative solutions to homelessness that are tailored to local conditions and client needs—leading toward a homelessness infrastructure that is more compassionate, effective, and truly evidence-based.

Thank you for your time, and I look forward to answering your questions to the best of my ability.

¹⁵ Notably, the two main research studies on Housing First's effectiveness at housing retention focus on individuals with disabilities or mental illness. Whether their results (and cost-benefit analyses) extend to other subsets of the homeless population remains to be seen. See Tsemberis, Gulcur, and Nakac, *supra* note 4; Aubry, Nelson, and Tsemberis, *supra* note 4.



**Testimony of Ann Marie Oliva
Senior Policy Advisor, CSH
To the House Committee on Financial Services**

**"Homeless in America: Examining the Crisis and Solutions to End Homelessness"
February 13, 2019**

Good Morning. My name is Ann Oliva and I am Senior Policy Advisor at the Corporation for Supportive Housing (CSH). CSH is a national non-profit organization that works with communities to ensure that people experiencing homelessness can access affordable housing and services like healthcare that will keep them housed and healthy, and end their homelessness once and for all. CSH does this work through training and education, policy reform efforts, consulting and lending.

CSH is honored to participate in today's hearing. Thank you to the Committee for inviting me to testify today on a topic that is not only incredibly important, but one that is close to my heart both professionally and personally. I have worked in the homeless assistance field for more than 20 years, and I am proud to say we have consistently striven to learn more, improve our approaches and hold ourselves accountable to the people we serve.

The solutions we implement have evolved to be responsive to emerging research, to incorporate more strategic investments, to become human-centered, and to work with the systems that often feed into or interact with people experiencing homelessness, including affordable housing, child welfare, medical and behavioral health, and the justice system.

Solving homelessness is not easy. Communities across the country are struggling to make decisions about how to best use scarce resources, and to build the right mix of interventions to address the specific needs of their communities. Knowing which types and how much to invest in each intervention from outreach to supportive housing, when most communities don't have enough of any single resource, can be challenging.

What we know about people experiencing homelessness today is alarming. In 2016, for the first time since 2010, HUD reported an increase in the number of unsheltered persons nationwide. The 2017 and 2018 Annual Homeless Assessment Reports show a continuation of that increase. We also are seeing an increase in chronic homelessness. And maybe most troubling, based on a recent study released by the University of Pennsylvania, we know that the homeless population is aging, and with an older population come higher costs.

Hints of an increase in chronic homelessness could be seen as far back as 2015, when we began to feel the effects of a decreased federal investment in supportive housing – a consequence of forced budget reduction measures like sequestration.

Today, people experiencing chronic homelessness make up about 16% of the homeless population on a given night. This is the only subpopulation of people experiencing homelessness nationally where the number of unsheltered persons is greater than the

number of sheltered persons. This population is particularly vulnerable due to the length of time they have lived on the streets and the disabling conditions they face.

Extensive research and work in the field show supportive housing – permanent housing with services designed to meet the specific needs of tenants – cost-effectively ends chronic homelessness and has positive impacts in communities where it is located. Costs on average are reduced by 49.5% when we help people get out of homelessness and into supportive housing.

Although as a nation we have invested in over 300,000 units of supportive housing since 2009, we are not nearly where we need to be to address the growing homeless population that is getting older and struggles with multiple challenges.

We must invest more into supportive housing and other interventions so we can get back to making the progress we know how to make. And we need to continue to both improve the quality of our programs and innovate to create avenues for individuals who are ready to move on from these programs. But implementing these strategies is difficult when affordable housing is scarce.

Tight housing markets are impacting both the number of people experiencing homelessness and the ability for homeless systems to exit people successfully. The real estate firm Zillow Group recently reported that communities where people spend more than 32 percent of their income on rent can expect a more rapid increase in homelessness. Further, the areas that are most vulnerable to circumstances that would lead to an increase in the percentage of income going towards rent hold 15 percent of the U.S. population – and 47 percent of people experiencing homelessness.

Homelessness is also seriously impacting families across our country. In 2018 there were more than 180,000 persons in families experiencing homelessness on a given night. And for these families, we also know how to end their homelessness.

The Family Options Study concluded that housing subsidies for families experiencing homelessness resulted in increased housing stability, and had other significant benefits in family and child well-being. For child welfare involved families and other families with high levels of need, resources like Family Unification Vouchers can provide the right level of subsidy and support to help families become stable, and to thrive in their communities.

For young people experiencing homelessness, we must continue to support efforts like the Youth Homelessness Demonstration Program so that we can build systems responsive to youth needs, and that provide equal access for young people who are disproportionately comprised of youth of color and LGBTQ youth.

It is clear that homelessness cannot be solved by the homeless system alone. CSH works in communities and across systems like child welfare, mental health and substance use treatment, affordable housing and the justice system because life doesn't happen in silos. People don't interact with just one system. People

experiencing homelessness and housing instability are complex, and the challenge public agencies face require coordinated, smart approaches.

One community tackling this challenge is Palm Beach County Florida, where the behavioral health system conducted a data match with jail and homeless services data, and used the results to attract resources from HUD and the philanthropic sector to develop a supportive housing initiative for the intersecting population of homeless frequent users of the jail and behavioral health services. The effort was led by the county's criminal justice coordinating council, rather than the homeless system, and illustrates the kind of impact these types of cross-system and sector efforts can make.

Cross system collaboration is also important on the federal side. During my tenure at HUD, the best progress we made was when we worked with our partners in other agencies to align resources, policy and data collection. The 47% decrease in homelessness among veterans between 2010 and 2016 was not a coincidence – it was the result of hard work across government agencies and in communities to make sure we were aiming at the same goal, that we were using the same data, implementing aligned and complementary policies, and that we had a process to review progress and make adjustments regularly. The U.S. Interagency Council on Homelessness (USICH) was a critical partner in this work, and CSH supports the Working Together to End Homelessness Act of 2019, which permanently authorizes USICH. Without USICH guiding collaboration and alignment across federal agencies, we run the risk of going back to fragmented and inefficient approaches at every level.

As a country, we cannot afford reverting to bad policy or embracing a business-as-usual attitude. I worry that with increases in unsheltered homelessness a sort of "compassion fatigue" is prompting some leaders to go back to approaches that failed in the past. In particular, we must remain vigilant and not encourage communities to simply implement short-term fixes or require people experiencing homelessness to be "housing ready" to qualify for housing.

No one should have to deserve housing. This is why it is so important that we continue to support programs that use a housing first approach – which means that housing is the first intervention provided, without preconditions.

We know that once the basic need of housing is addressed, services can then work with program participants to help them achieve their health, sobriety, employment and personal goals. Housing first is not housing only. It does not mean that the health and safety of tenants is ignored. What it does mean is that people who are experiencing homelessness are treated with dignity and respect, and are offered services that they need and want, to help them become stable.

We know that we must both stem the inflow into homelessness and increase the outflow out of homelessness and into permanent housing. That means making strategic choices so that youth aging out of foster care are not entering the system, that justice-involved persons have work and housing options so they can become stable, and that

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we are using the resources available in the health system to address health, mental health and addiction needs of individuals and families. It also means recognizing that people of color are disproportionately impacted by homelessness, and that we must work to dismantle the structures that lead to these inequities.

Because the Ending Homelessness Act of 2019 recognizes all of this, empowers the solutions to homelessness, and commits the federal government to many of the smart investments I've discussed, CSH supports it.

We urge this committee to approve strategic action that makes it easier for communities to address housing instability and homelessness at the local level, that promotes cross-system collaboration, and that provides the resources needed to continue the type of progress we know can be made towards ending homelessness.

Thank you for your time today.

Testimony
of
Nan Roman
President and CEO
National Alliance to End Homelessness

to the
House Committee on Financial Services

“Homeless in America: Examining the Crisis and Solutions to End Homelessness”
Hearing: February 13, 2019

The National Alliance to End Homelessness (the Alliance) is a nonpartisan, mission-driven organization committed to preventing and ending homelessness in the United States. The Alliance analyzes policy and develops pragmatic, cost-effective policy solutions as we work collaboratively with the public, private, and nonprofit sectors to build state and local capacity to help homeless individuals and families make positive changes in their lives. We provide data and research to policymakers and elected officials in order to inform policy debates and educate the public and opinion leaders nationwide.

The Alliance is honored to be asked to appear before this Committee to discuss where we stand in the effort to end homelessness, what remains to be done, and the role of Congress in achieving the goal.

An overview of homelessness and its effects on people and communities

Size of the problem. There are a few sources of nationwide data showing the extent of homelessness. While none are perfect, together they provide a clear understanding that too many people in our country are experiencing homelessness, the worst form of housing crisis. An annual point-in-time count found that in 2018 over 550,000 people were sleeping each night on the streets or in shelters or temporary housing programs designed for homeless people. In the course of a year, 1.4 million people use federally-funded homeless assistance programs.

Patterns of experience. Homelessness is driven by the national shortage of affordable housing. People who have very low incomes, a disability, or weak social support networks may be vulnerable to homelessness if they experience an economic or other crisis. The types of crises that can lead to vulnerable people becoming homeless include eviction, job loss, injury or illness, and domestic violence, among others.

A substantial majority of people who become homeless do not stay homeless long. They enter emergency housing (shelter for example), find a new place to live, exit homelessness and do not return, or return only once. A smaller number, often people with chronic disabilities like mental illness or substance use disorders, stay homeless longer. The term “chronic homelessness” refers to this group, usually single adults but sometimes families. A similarly small number of people enters and exits homelessness repeatedly.

Some racial minorities are significantly over-represented in the homeless population, reflecting not only the disproportionality with which they experience poverty, but also racial inequity in feeder systems into homelessness including the criminal justice system, the child welfare system, the health care system, and others. While African Americans are 13 percent of the US population, 40 percent of people who are

homeless are African American. Native Americans are less than one percent of the US population, yet they are almost three percent of the homeless population. Other groups over-represented in the homeless population include Hispanic and Latinx people, very young children, people with mental illness, transgender people, and those who are young and LGBTQ.

Effects on people experiencing homelessness. Homelessness is a dangerous and devastating experience for people experiencing it. It leads to worse physical and mental health and early death. People who are homeless are much more likely than others to become victims of crime. It creates long-term trauma. Particularly for young people, it can lead to depression, failure to attach to the labor market, and labor and sex trafficking. It disrupts the education of children, and makes it nearly impossible to secure employment.

Effects on other systems. Homelessness increases costs and undermines outcomes for health care, including behavioral health care -- housing instability and homelessness have been linked to increased risk of depression and mental illness for adults and children over their lifetimes. People who exit jail or prison and become homeless are more likely to recidivate than are people who exit to a home. Not only does homelessness impact children's performance in school, that impeded performance can undercut overall school performance. Homelessness among families can make it difficult for child welfare systems to reunite children with their parents. Homelessness and lack of housing impedes the ability of other human and social services to achieve their goals.

What works to end homelessness

Homelessness is driven by the lack of housing that is affordable to people with very low incomes. As long as there is a multi-million-unit shortage of affordable housing, people who are poor will continue to experience homelessness. The homeless system is a crisis system. By itself it cannot eliminate the shortage of affordable housing or provide everything -- education, employment, services, family support, treatment, health care, etc. -- that people need to achieve well-being. What it CAN do is help people quickly return to a home and connect them with supports so that they can begin or resume their paths to well-being. In that sense homeless assistance is like a hospital emergency room: it can triage people, address their immediate crisis, and if emergency aid is not enough, put them in a position to receive more appropriate help.

The number of people who are homeless has gone down in the last ten years because -- with the strong bipartisan support of Congress and the federal government across numerous Administrations -- communities have gotten better at addressing the crisis of homelessness and getting people into housing and attached to services. More people have been entering the homeless system. But the number of people homeless at any given time has gone down because they are being returned to housing faster. If Congress were to fund proven crisis response solutions at the scale needed (as it has done for veterans through the Supportive Services for Veteran Families [SSVF] and HUD-VASH programs) the number of people who are homeless would go down substantially faster.

The key elements of this homeless system are as follows.

Outreach. Forty-eight percent of homeless people are unsheltered. They live on the streets, in cars or vans, in abandoned buildings, and in other places not meant for human habitation. Outreach programs scour communities to find people who are unsheltered and ensure their safety. Increasingly, effective

outreach efforts are those that go beyond this, locate and assess all those unsheltered, and work to get them not only into shelter, but sometimes directly into housing.

Diversion. Increasingly, when people request shelter, staff members work to help them find other, more supportive and safe alternatives. This may include returning to the place they lived previously (many entries into shelter are precipitated by disagreements with family or roommates and can be resolved relatively quickly and safely), sharing housing with a friend, or quickly renting a new apartment. Avoiding a shelter stay is better for the people experiencing a crisis, and is cost-effective.

Low-barrier, supportive, housing-focused shelter. While every shelter does not have to be the same, the most successful shelters have removed many of the common barriers to entry. They allow people to enter with their possessions, partners, and pets. They reduce the requirements and rules so that people have more agency and the environment is not enforcement- and rule-oriented. And they focus on being supportive and helping people return to a previous housing situation or find a new one.

Housing and connection to services. Several housing strategies have excellent outcomes. Permanent Supportive Housing (subsidized housing with services) works well for people with chronic health or behavioral health problems. Rapid re-housing (short term rental assistance coupled with housing navigation and services to help people secure jobs and keep their housing) is effective for many people as well. Critical Time Intervention is an evidence-based practice that helps people exiting homelessness connect to services and supports in the community. Full rental subsidy such as Section 8 Housing Choice Vouchers, if available to everyone, would essentially eliminate homelessness, which as mentioned is a housing affordability problem. However, it is not available to everyone.

Supporting this crisis response is largely the work of targeted homelessness programs: the Continuum of Care and the Emergency Solutions Grants at HUD, as well as targeted homelessness programs at the Departments of Veterans Affairs, Health and Human Services, and Labor. The homeless programs are largely effective, but they are not funded to scale.

Housing to prevent and end homelessness

The homelessness crisis response system can at best make homelessness a brief experience. To prevent people from becoming homeless, a broader commitment to housing that is affordable is necessary. An agenda for achieving this has been laid out by the Opportunity Starts at Home campaign, of which the Alliance is a founding member. It includes rent subsidies for anyone who needs them; investment in building more affordable housing; and short-term crisis assistance for people whose housing stability is threatened.

Recently, there have been legislative proposals to address the shortage of housing that is affordable to the lowest income people. The Ending Homelessness Act, discussed below, would provide substantial new resources for housing, in addition to its provisions funding homeless services. Other bills introduced in the last Congress included substantial increases in rent subsidies, and improvements to federal programs that provide for additional development of affordable housing stock. The National Alliance to End Homelessness supports those proposals that address the needs of very low-income people.

Current policy challenges

People who are unsheltered. As stated, 35 percent of people who are homeless are unsheltered. However, nearly half (48 percent) of homeless individuals are unsheltered. While the homelessness experience of unsheltered people is not well understood, there is some information emerging on their characteristics in comparison to those of people in shelters. Most are male and white. Many have been homeless for longer periods of time than people in shelter. They appear to be much more disabled – a factor which may have caused their homelessness or resulted from it. They are at least twice as likely to have had contact with police or to have been to a hospital emergency room. West Coast cities have a high percentage of unsheltered people. Our nation is allowing a lot of extraordinarily vulnerable people to live outside. This is a crisis that must be addressed.

Challenges to the Housing First approach. Fundamentally, the Housing First approach is based on the understanding that it makes more sense and works much better to get homeless people into a stable home where they can take on challenges such as addiction, poverty and mental illness rather than require them to address their vulnerabilities while they are homeless. Housing First recognizes that addressing these challenges can take a long time and is a path that may include many failures along with its successes. The core principles of Housing First were first adopted by the George W. Bush Administration through its commitment to end chronic homelessness, and since then Housing First has been a major contributor to reductions in homelessness. Its newer iteration, for people whose homelessness is more economic in nature, is rapid re-housing, which has already shown that once housed, the majority of people are successful at getting jobs and staying housed.

Every homeless program does not have to take a Housing First approach. However, if none do, people who have the most serious disabilities and challenges will end up back on the street – or never leave it. Apparently there is discussion within the federal agencies about allowing a Housing First approach as people enter programs, but requiring that they demonstrate change (presumably sobriety, compliance with mental health services, work) to receive assistance once they are in the programs. People who receive assistance do have responsibilities, and homeless programs that are successful, as most are, incorporate that responsibility into their work. But we must be careful not to return people to homelessness because they are unable to achieve a level of progress that is judged to be sufficient. The Housing First approach should be supported and continued.

Racial disproportionality and disparity. African Americans, Native Americans and increasingly Hispanic and Latinx people are disproportionately homeless. The homeless system, itself, cannot solve all the problems that lead to this disproportionality, but it can work with mainstream feeder systems such as criminal justice and child welfare to address it. And the homeless system can look at itself to ensure that it does not treat people of different races differently, and that its outcomes are the same for everyone. HUD has given communities a way to do this by incentivizing them to examine their data for disparities and plan to remediate any they find. The Alliance and many other organizations, national and local, are working to assist communities to respond, and take the next steps. This critical work must continue.

Ageing. Homeless people are getting older along with the entire US population. As with the rest of the population, their aging comes with increased health care costs. However, in this case, because homelessness increases poor health, these costs are exacerbated. Add to this the fact that homeless people's physical age is different than their chronological age: in effect they

become “elderly” at age 50, but are not eligible for senior benefits at that age. The number of older homeless people is expanding and will do so exponentially over the coming years. The homeless programs must adjust accordingly by improving access to health care for older people. And policymakers should explore providing housing subsidies to older homeless people. Such subsidies would more than pay for themselves in savings from nursing home and other expensive health care interventions.

Definition of homelessness. There has been much discussion and numerous efforts over the past years to expand HUD’s definition of “homeless” to be the same as the Department of Education’s much broader definition. The Education definition encompasses people who are literally homeless and also those doubled up with others for economic reasons. HUD’s definition encompasses people who are literally homeless, but only those doubled-up people who have to leave imminently, or whose safety is threatened. The majority of people who are doubled up for economic reasons (per the Education definition) have a housing affordability problem – they double up to AVOID becoming homeless. They need housing assistance, not a shelter bed. The Education definition makes sense for the services that the Department provides, but not for the shelter and housing help HUD has on offer. The HUD definition should not be altered.

Accessing resources not targeted to homelessness. Much of what homeless people ultimately require to achieve well-being is not available through the homeless system, but rather through “mainstream” systems such as Temporary Assistance to Needy Families (TANF) for employment services, home visiting for parenting support, Substance Abuse and Mental Health Block Grants for treatment, and Section 8 Housing Choice Vouchers for housing. We urge Congress to seek ways to incentivize the various Departments of the federal government to work together more productively (as HUD and VA have done for the veteran housing program) to meet the needs of vulnerable homeless families, individuals and youth.

The U.S. Interagency Council on Homelessness (USICH). USICH is the only agency at the federal level with the sole responsibility of ending homelessness, and it pursues that goal by coordinating the federal agencies behind key strategies and assisting states and localities to employ best practices. Its budget (less than \$4 million) is a prudent investment to achieve the coordination of 19 federal agencies spending over \$6 billion to address homelessness. The original legislation to establish USICH included a sunset date for the Council, and on-going uncertainty about its existence impedes its continued effectiveness. USICH should be permanently authorized and adequately funded.

The Continuum of Care program is essential. HUD’s Continuum of Care program provides communities with approximately \$2 billion a year for their homeless system. It is a competitive program that incentivizes communities to achieve outcomes and reduce homelessness by using strategies that work such as rapid re-housing, permanent supportive housing, Housing First and coordination. Strengthening this role is an important consideration for the future and the Alliance recommends an appropriation of \$3 billion in 2020 for Homeless Assistance, the appropriations account that includes the Continuum of Care and the Emergency Solutions Grant program, which supports shelter and other important crisis activities.

Proposed legislation

There are several pieces of legislation that are being considered or discussed in this Committee and that would address some of these issues with respect to homelessness. While the bills are at various stages and have not yet been introduced, the Alliance's preliminary assessments are below.

- HR___: The Ending Homelessness Act of 2019 introduced by Chairman Waters. This bill would provide \$13.27 billion for a variety of housing and homelessness activities with the goal of ending homelessness. **The Alliance is supportive of this bill.**
- Working Together to End Homelessness Act of 2019. Discussion Draft from Chairman Waters. This bill would permanently reauthorize the US Interagency Council on Homelessness. **The Alliance is supportive of this bill.**
- Homes for Our Heroes Act of 2019. Discussion draft from Rep. Peters. This bill would improve the HUD-VASH program. **The Alliance is supportive.**
- Veteran Housing Opportunity and Employment Support Extension Act of 2019. This bill would require more information on the HUD-VASH program. **The Alliance is supportive.**

RECOMMENDATIONS

Homelessness is a complicated problem and homeless people have a variety of needs including for health care, employment, treatment, support and more. But the one thing that ends people's homelessness is housing. Without housing, no matter what other assistance they may have received, people will still be homeless. With housing, no matter what help they may still need, they will not be homeless.

Homeless people should be returned to housing as rapidly as possible and connected to any other services they need. Congress should support this to-scale with tailored rental assistance, short term crisis services, and connection to longer term supports if needed. It should support enough crisis shelter that no one need be unsheltered. Of course this is also the responsibility of local and state jurisdictions and federal support should be linked to those governments' use of best practices and their achievement of outcomes. In particular, racial disproportionality in the experience of homelessness should be addressed by local homeless programs working together to ensure that there are no racial disparities in entries into homeless programs, exits from them into housing, or returns to homelessness.

The Alliance is supportive of the direction of the bills described above and in particular notes the intention of Chairman Waters' Ending Homelessness Act to go to scale in solving the problem. Without a significant national effort to reduce the seven-million-unit shortage of affordable housing, vulnerable residents of our nation will continue to experience homelessness at great human, social and economic cost to them and to society. This need not happen in a country like ours.

Thank you to the Committee for holding this important hearing and for inviting the National Alliance to End Homelessness to contribute to it.



Justin T. Rush, JD
Public Policy Director
True Colors Fund

Before the
Committee on Financial Services
United States House of Representatives

Public Testimony
"Homeless in America: Examining
the Crisis and Solutions to End Homelessness"

Chairwoman Waters, Ranking Member McHenry, and Members of the Committee.

Thank you for the opportunity to testify today regarding Homelessness in America: Examining the Crisis and Solutions to End Homelessness. My name is Justin Rush, and I currently serve as the Director of Public Policy at the True Colors Fund, Co-Founded in 2008 by Cyndi Lauper, which works to prevent and end homelessness among lesbian, gay, bisexual, transgender, queer, and questioning (LGBTQ) youth, seeking to create a world where all young people can be their true selves. To put our mission into action, the True Colors Fund provides training and education opportunities for communities and service providers, engages members of congress, state houses, federal and state agencies, and authentically collaborates with youth who have experienced homelessness to provide innovative solutions to addressing the youth homelessness crisis.

Consideration of the issue of homelessness in the United States could not be more timely, particularly as it pertains to our nation's most impacted. An estimated 4.2 million youth and young adults up to age 24 experience homelessness each year in the United States. Annually, one in 30 youth ages 13 to 17 and one in 10 young adults ages 18 to 25 endure some form of homelessness.¹ LGBTQ youth have a 120% increased risk of experiencing homelessness compared to youth who identify as heterosexual and cisgender. African American youth are also overrepresented, with an 83% increased risk of experiencing homelessness over youth of other races or ethnicities. Additionally, Latino and Latina youth make up 33% of 18- to 25-year-olds reporting homelessness. African American youth—especially young men aged 18 to 25—who identify as LGBTQ reported the highest rates of homelessness. Nearly one in four African American young men, ages 18 to 25, identifying as LGBTQ reported homelessness in the last 12 months.² Such findings are consistent with the disparities that have been found among in-school suspensions, incarceration, and foster care placement.³

According to our service provider report, LGBTQ youth made up 33% of young people accessing homeless services.⁴ LGBTQ youth of color—particularly transgender youth of

¹ Morton, M.H., Dworsky, A., & Samuels, G.M. (2017). *Missed opportunities: Youth homelessness in America*. National estimates. Chicago, IL: Chapin Hall at the University of Chicago.

² *Id.*, see also Morton, M. H., Samuels, G. M., Dworsky, A., & Patel, S. (2018). *Missed opportunities: LGBTQ youth homelessness in America*. Chicago, IL: Chapin Hall at the University of Chicago.

³ *Id.* at *Missed Opportunities*.

⁴ Choi, S.K., Wilson, B.D.M., Shelton, J., & Gates, G. (2015). *Serving Our Youth 2015: The Needs and Experiences of Lesbian, Gay, Bisexual, Transgender, and Questioning Youth Experiencing Homelessness*. Los Angeles: The Williams Institute with True Colors Fund.

color—are more likely to experience violent crime, including sexual assault, police violence, robbery, and murder.⁵ Homelessness makes them even more prone to experiencing these traumatic events. Additionally, LGBTQ youth of color are vulnerable to discrimination in education, employment, housing, and more likely to be involved in the criminal justice system. Institutional racism, homophobia, and transphobia contributes to pathways into homelessness for these young people, and it stymies their ability to exit homelessness.⁶

Furthermore, transgender people report high rates of discrimination that contribute to their housing instability which also deters them from accessing services, with - according to one study - nearly a quarter of transgender adults surveyed (N=27,715) reporting experiencing housing discrimination related to their gender identity. Providers are also more likely to report longer periods of homelessness for the transgender youth they serve.⁷

We are thankful to the committee for undertaking legislation that seeks to address the homelessness crisis within our country. Specifically, we support the Ending Homelessness Act of 2019, which would amend the McKinney-Vento Homeless Assistance Act to make significant additional appropriations available for emergency relief grants, rental assistance for households and individuals who are experiencing homelessness, and homelessness outreach and coordination services. The bill also permanently authorizes the U.S. Interagency Council on Homelessness, which has been integral in coordinating our nation's response to homelessness.

Conclusion

We have the opportunity today, as a nation, to effectively address and ultimately end youth homelessness. Experience has shown that when Congress invests in efficient and effective homeless assistance, as it does through CoCs, federal dollars are subsequently leveraged to great effect by community leadership and local dollars. As a result of these investments, we have seen remarkable nationwide progress toward ending homelessness when our efforts are targeted. To be certain: preventing and ending homelessness means that Congress should ensure equal access to HUD-funded programs by providing legal protections based on one's sexual orientation and gender identity and ensuring that all

⁵ National Coalition of Anti-Violence Programs (NCAVP). (2016). *Lesbian, Gay, Bisexual, Transgender, Queer, and HIV-Affected Hate Violence in 2016*. New York, NY: Emily Waters.

⁶ Price, C., Wheeler, C., Shelton, J., & Maury, M. (Eds.). (2016). *At the Intersections: A collaborative report on LGBTQ youth homelessness*. True Colors Fund and the National LGBTQ Task Force.

⁷ James, S. E., Herman, J. L., Rankin, S., Keisling, M., Mottet, L., & Anafi, M. (2016). *The Report of the 2015 U.S. Transgender Survey*. Washington, DC: National Center for Transgender Equality

Continuum of Care providers receive training for LGBTQ culturally competent and linguistically appropriate services for those most impacted by the homelessness crisis. Preventing and ending youth homelessness means providing targeted programs with few to no programmatic prerequisites for permanent housing, with low barrier admission policies, rapid and streamlined entry into housing, supportive services that are persistently used to engage tenants to ensure housing stability, with all tenants having full rights, and legal protections, especially transgender and gender non-conforming people. Most importantly, it means elevating the voices, experiences, and expertise of youth who have experienced homelessness and including them in all aspects of the planning and implementation process of programs and initiatives designed to prevent and end youth homelessness. Chairwoman Waters, Ranking Member McHenry, and Members of the Committee thank you for the opportunity to testify today and I look forward to your questions.

Testimony of the



United States House of Representatives
Committee on Financial Services

**“Homelessness in America: Examining the
Crisis and Solutions to End Homelessness”**

February 13, 2019

Chairwoman Waters, Ranking Member McHenry, and distinguished members of the House Committee on Financial Services:

I am Joshua Stewart, the Director of Policy for the National Coalition for Homeless Veterans (NCHV). On behalf of our CEO, Board of Directors, and Members across the country, we thank you for the opportunity to share our views with you this morning.

NCHV is the resource and technical assistance center for a national network of community-based service providers and local, state and federal agencies that provide emergency, transitional, and supportive housing, food, health services, job training and placement assistance, legal aid and case management support for hundreds of thousands of homeless, at-risk, and formerly homeless veterans each year. We are committed to working with our network and partners across the country to end homelessness among veterans.

The good news is that since June of 2014, 66 communities and three states have achieved the federal benchmarks and criteria for ending veteran homelessness. This is an achievable goal. We have seen the annual point in time (PIT) count of veterans experiencing homelessness decrease by 48 percent since 2009, largely a testament to the dedication and hard work of local service providers, PHA's, community partners, and federal staff. While in the abstract this is progress toward the goal of ending veteran homelessness, in real terms it is life changing for the veterans and families of veterans that were able to access housing and assistance as a result.

That said, with 37,878 veterans experiencing homelessness on a given night according to the latest PIT count, we still have much work to do across the nation. From NCHV's perspective, even one veteran is one too many to be homeless. We need to maintain our efforts to ensure that homelessness is rare, brief, and nonrecurring, for veterans and all Americans. Luckily, as this testimony will show, we have learned many lessons about what works – and what doesn't work – from those communities which have reached the goal of an effective end to veteran homelessness. Not only are those lessons learned replicable for other communities fighting to end veteran homelessness, they are replicable for anyone fighting to end all homelessness in this country.

NCHV has long shared the view of most homelessness advocates that our national work to end veteran homelessness was the first test-bed of a wider move to end all homelessness in the United States. We decided as a nation to focus on a discrete section of the homeless population, increase resources, improve services, build community-level systems, involve all levels of government, and implement evidence based best practices. The result is a dramatic, historic, and unprecedented level of reduction in veteran homelessness. We have proven that there is a successful way forward to ending homelessness, and we have learned valuable lessons along the way. Though there is much work to be done on the issue of veteran homelessness, we have been making dramatic strides in the last ten years and there is every indication that we will continue to make progress if we don't lose focus.

For communities and providers, this means looking at community-level data to identify acuity and ensure that service providers across the community have the resources, expertise, and the will to partner to meet these needs. Providers must continue to implement evidence-based strategies like Housing First that help homeless veterans quickly access permanent housing, employment, and any resources they may need for housing stability. We also need to recognize that successful implementation of this model also includes access to health and mental health care, and wraparound services like benefits assistance and employment and training services to ensure that a placement is sustainable. This also means partnering with other providers to create a system effective at connecting veterans to the most appropriate resources to meet their needs. Housing First never means Housing Only.

For Congress, this means ensuring that key programs that serve veterans experiencing homelessness are sufficiently funded and receiving sufficient oversight. The latter task is being accomplished today at this hearing, and we thank you for both examining the wider issue and including the veteran subpopulation in the examination. For the former, we at NCHV do not advocate for the unqualified growth of resources for the sake of expanding programs. Rather, we base our recommendations on evidence from the field and national level data. As such we will make a recommendation for increasing the federal investment in the Housing and Urban Development -- Veterans Affairs Supportive Housing (HUD-VASH) program later in this testimony.

For the Administration, this means keeping the issue of veteran homelessness a priority among the leadership of the Department of Veterans Affairs (VA), so that they may continue to be a strong partner of the Department of Housing and Urban Development (HUD) as we all work to end veteran homelessness. Furthermore, the Administration should strongly support the United States Interagency Council on Homelessness (USICH) which has proven to be an invaluable leader and resource for the work to end veteran homelessness.

The United States Interagency Council on Homelessness (USICH)

Interagency collaboration has been and continues to be absolutely critical to success, as homelessness is a multifaceted and complex problem that differs for each veteran experiencing it. One of the best ways we can do that is to ensure the authority for the USICH does not sunset. This body must be made permanent. The small professional staff of policy experts and analysts at USICH is directed by a Council comprised of Cabinet Secretaries and agency heads, and their work cuts across these agencies and departments. USICH is the body which brings together different agencies with different missions, but which all have potential impacts in the attempt to end homelessness; USICH is able to convene them and set policy priorities and shared objectives to actualize the plan to end homelessness. Furthermore, from their unique cross-cutting position, USICH is able to identify and prevent duplication of services that would otherwise waste effort and resources. Finally, USICH is focused on cost-effective solutions to ending homelessness which drives them to identify and support policies that best economize tax-payer money while still achieving superior results in our efforts to end homelessness among veterans and for everyone.

From the early days of the USICH under the direction of President Reagan and Bush, and HUD Secretary Jack Kemp, to the recent leadership of its Director Matthew Doherty, the USICH has been at the forefront of strategic planning, effective and efficient resourcing, and the sheer hard work of interagency cooperation. It has had a long history, but it has never been as effective as it has been in the last decade – and is now. We must not lose the USICH. NCHV asks that Congress pass legislation in the 116th making USICH a permanent part of our system. The

legislation before you today cited as the “Working Together to End Homelessness Act of 2019” would accomplish exactly that goal, and as such NCHV supports it fully.

**Housing and Urban Development – Veterans Affairs Supportive Housing (HUD-VASH)
Program: Background**

The outstanding example of interagency collaboration is the HUD-VASH program. It is the only federal program specifically designed to end chronic homelessness for veterans and their families. The men and women who enroll in the program become eligible for placement in permanent housing through the award of veteran-specific HUD Section 8 housing vouchers, and receive comprehensive VA case management and other supportive services to remain stably housed. HUD-VASH has proven to be a successful interagency program, allowing VA to focus resources more efficiently by pairing VA-funded case management with a HUD-funded Section 8 voucher for the most vulnerable veterans. Right now, more than 85,000 veterans and their families are residing in HUD-VASH funded housing.

The case management they receive is an integral part of the permanent supportive housing program. The vast majority of veterans who receive HUD-VASH vouchers have serious mental illness, substance abuse disorders, physical disabilities, or co-occurring disorders. Veterans create individualized "Housing Recovery Plans" with their case managers, focusing on long-term recovery and full integration into their communities. These plans involve health care, resolving legal and financial issues, and addressing employment needs and other income supports for which they may be eligible.

Veterans who receive HUD-VASH vouchers rent privately owned housing and generally contribute up to 30% of their income toward rent. VA case managers foster a therapeutic relationship with veterans and act as liaisons with landlords, PHAs, and community-based service providers. In some instances, these case management services are contracted through service providers who have already established relationships with participating veterans.

When a veteran no longer needs the program's supports or has exceeded its income limits, these vouchers become available for the next qualifying veteran. In 2014, 71% of veterans admitted to the HUD-VASH program met chronic homeless criteria and 91% of allocated vouchers resulted in permanent housing placement.

**Housing and Urban Development – Veterans Affairs Supportive Housing (HUD-VASH)
Program: Priorities and Issues**

While the HUD-VASH program has been overwhelmingly successful and impactful, there are a number of areas where improvements need to be made. The recommendations below are aimed at making HUD-VASH more effective, efficient, equitable, and accessible.

Amount of HUD-VASH, and Project-based Vouchers

First is the basic issue of quantity: Congress has been very generous with the creation of new HUD-VASH vouchers since 2008, sometimes even running counter to Administration requests. NCHV applauds the foresightedness of this move, and thanks Congress for these vouchers on behalf of the tens of thousands of veterans who have been housed. The simple fact remains however, that there is still much unmet need across the country. A recent survey of NCHV members indicated that 86% of our respondent communities still had an unmet need for permanent supportive housing and had a wait-list of veterans for HUD-VASH. As such, NCHV is calling for more investment in the HUD-VASH program, both on the tenant-based and project-based sides of the program, coupled with improvements to case management aspects and a smart, measured approach to recapture and disbursement of under-utilized vouchers.

The affordable housing crisis in the US is widespread. It is most acute in urban areas, and in particular the coastal regions. The effects of the crisis are compounded in the areas of the country with the highest concentration of homeless veterans, specifically the states of California, New York, and Florida. In certain areas of the country with extremely low rental housing vacancy rates, the ability to locate housing is the single biggest barrier to housing veterans. For many communities experiencing this crisis, the only way to find affordable housing in which to place formerly homeless veterans is to create it.

The HUD-VASH program, usually in combination with VA's Enhanced Use Lease (EUL) program, has been a successful driver of new affordable housing development since 2008. The EUL program allows VA to turn over the costs of operating excess property to a developer who in turn turns a vacant building or vacant land into housing for homeless veterans. Project-basing a group of vouchers allows a developer to demonstrate guaranteed long-term operating income to banks during their search for the capital required to construct or remodel existing buildings into multi-family residences.

FY	HUD Requested	I/HUD Appropriated	Voucher Equivalent	VA Requested	MilCon/VA Appropriated
2008	\$75,000,000	\$75,000,000	~10,000	\$5,718,000	\$5,718,000
2009	\$75,000,000	\$75,000,000	~10,000	\$8,082,000	\$8,082,000
2010	\$75,000,000	\$75,000,000	~10,000	\$75,332,000	\$75,332,000
2011	\$0	\$50,000,000	-6,900	\$75,332,000	\$151,069,000
2012	\$75,000,000	\$75,000,000	~10,000	\$201,500,000	\$201,500,000
2013	\$75,000,000	\$75,000,000	~10,000	\$244,602,000	\$244,602,000
2014	\$75,000,000	\$75,000,000	~10,000	\$278,183,000	\$278,183,000
2015	\$75,000,000	\$75,000,000	~10,000	\$373,668,000	\$373,668,000
2016	\$0	\$60,000,000	-8,000	\$373,668,000	\$373,668,000
2017	\$0	\$40,000,000	~5,500	\$496,099,000	\$496,099,000
2018	\$0	TBD	TBD	\$542,893,000	\$542,893,000

Figure 1 Presidential Budget Requests vs Appropriations for HUD-VASH Program FY08 to FY18

In order to project-base a group of vouchers, HUD must set-aside a portion of vouchers. These vouchers are then allocated to the states who enter into relationships with developers to get them online. This process takes much longer than putting a tenant-based voucher into circulation. However, the benefits of the creation of affordable housing exclusively for veterans for decades to come outweigh the added delay. The last set-aside of vouchers occurred in 2016. A new set-aside of 5,000 vouchers is needed to spur the development of affordable housing for veterans across the country, in particular in high cost, low vacancy rental markets.

Newly created vouchers are not the only candidates for project-basing, however. Though never yet utilized, the authority exists to recapture unused vouchers and re-provision them to a different state. HUD and VA should identify the few areas of the country that have excess

vouchers (due to low-cost rental housing, fewer chronically homeless veterans than anticipated, or decreased need) and recapture a portion of their unused vouchers. This should be done conservatively, and should in no way harm the ability of those communities to effectively carry out their own work to end veteran homelessness. Once the vouchers are recaptured by HUD, they too should be project based and redistributed to the communities in desperate need of affordable housing.

“Other Than Honorable” discharges and HUD-VASH eligibility

Veterans who received an “Other Than Honorable” type of discharge from military service (the third of five main types, after “Honorable” and “General”, but before “Bad Conduct” and “Dishonorable”) are in practice, though not in law, usually ruled ineligible for VA health or other benefits. This is true even though many studies in recent years have shown that a large portion of “Other Than Honorable” (or, “OTH”) discharges are the result of service members behavioral changes from repeat deployments or unaddressed Post Traumatic Stress (PTS). Even the Department of Defense has acknowledged PTS as a vector to OTH discharges, and has directed review boards for discharge status upgrades to take it into account. NCHV was proud in the 114th Congress to champion ultimately successful legislation that ended a two-decades-long regulatory issue which was preventing OTH veterans from receiving VA homeless services such as the popular Supportive Services for Veteran Families (SSVF) program or the Grant and Per Diem (GPD) program. The reason for our support of that bill (PL 114-315) was simple: despite a single-digit percentage of America’s veterans receiving OTH discharges, they make up 15% of the homeless veteran population nation-wide. In some urban locales the percentage of OTH veterans among the homelessness population can rise to nearly 30%. In either case, their presence in the homelessness population is wildly disproportionate. Following the same reasoning for our support of PL 114-315, NCHV strongly supports Representative Scott Peters’ recently introduced legislation to expand HUD-VASH eligibility to veterans with “Other Than Honorable” discharges, cited as the “Veteran Housing Opportunities and Unemployment Support Extension (Veteran HOUSE) Act f 2019”. We have committed as a nation to ending veteran homelessness – these men and women are veterans, and we must not leave them behind.

Making Tribal HUD-VASH Permanent

While the HUD-VASH program has been transformative since its revitalization in 2008, its effects on all veterans has not been equitable. Until recently, veterans living on tribal lands were not able to access this resource due to different administrative pathways to Tribal Housing Authorities. NCHV was proud to support the creation of a pilot program to make “Tribal HUD-VASH” a real possibility. The early days of the pilot have exposed and solved many issues, and have proved that we can get this critical resource to Native American veterans – who, by the way, serve in our military in disproportionately high numbers. Due to these successes, NCHV is strongly supportive of making Tribal HUD-VASH a permanent program. We are furthermore committed to ensuring that it grows in step with the wider HUD-VASH program going forward. A number of bills in the previous Congress would have addressed this issue, and NCHV looks forward to working with the Committee in this Congress to ensure that Tribal HUD-VASH remains permanently available to the Native American veterans who deserve to access it.

Other HUD-VASH Priorities and Issues

To reiterate, though HUD-VASH is an extraordinarily successful program it does have room for improvement. Some of those areas have been delineated in this testimony already, others which deal more with the VA case management side have not. Though these areas of improvement are the responsibility of VA, the improvements would have a positive impact on a shared program. The proposed reports and studies in the “Homes for Our Heroes Act of 2019” get at the core of some of these areas of improvement, and as such NCHV supports passage of the bill. Requiring reports on issues such as caseload, geographic distribution, and recidivism would allow Congress and advocates to better understand the scale of a problem, or to decide that there are in fact no problems in those areas. Furthermore, the calls for study in the bill on areas with high housing costs can help us identify where the most common and serious roadblocks to the construction of new housing for veterans exist, and how to surmount them.

Recent events have exposed a fault line in the HUD-VASH program; not at the local level where PHA’s and VA staff work in concert as always, but at the leadership level. Following the proposal of a dangerous financial policy by then-Secretary David Shulkin, some VA Medical Centers began to draw back from the mission to end veteran homelessness. One concrete effect

of this drawback was the rejection of new HUD-VASH vouchers – in spite of the need evidenced in said communities. Most of these problems have been overcome following intense intervention by Members of Congress, the press, and/or national organizations like NCHV. However, these types of issue will continue to present themselves going forward, as long as the leadership of local VA Medical Centers do not believe that ending veteran homelessness is a priority for the leadership at VA's Central Office. To continue the successes of the HUD-VASH partnership, and to continue to make progress toward ending veteran homelessness, VA must be a fully committed partner.

The final issue with HUD-VASH not yet addressed in this testimony is with landlord engagement. Make no mistake, there are best practices which can mitigate this issue – but the task of identifying building owners willing to rent to formerly-homeless veterans is a challenging one, especially in tight rental markets. We rely on promises by the federal government to landlords that federal programs will be there to support a formerly-homeless veteran *and* a landlord if the landlord agrees to accept a HUD-VASH voucher. One of those promises is that HUD will be there to pay for the housing. The whole relationship between landlords, veterans, and program staff is predicated on trust that the promises will be honored. The recent government shutdown approached as closely as ever to the possibility of HUD not being to honor its rental assistance payments in a timely manner. That has scared landlords across the country. Long shutdowns, and their impacts on HUD's perceived ability to honor those promises, drastically erode trust. The federal government has some serious work to do to build that trust back up, or we will have even more trouble identifying landlords willing to help. Whether that work be advanced appropriations to prevent shutdowns impacting programs, an administration driven trust building program of landlord engagement, or some other initiative – we must not allow lapses in appropriations to endanger the lives of veterans who receive rental assistance through HUD.

The “Ending Homelessness Act of 2019”

Chairwoman Waters’ bill, the “Ending Homelessness Act of 2019” takes several of the lessons that we as a field have learned from the work on veteran homelessness, and expands them to apply to the task of ending all homelessness in America. The critical importance of affordable housing creation, the pressing need for more rental assistance, and the crucial step of building community capacity through technical assistance are all lessons learned through years of success in addressing veteran homelessness.

In communities where the most progress is made – such as those that have met the federal benchmarks to an effective end to veteran homelessness – several common themes exist. All those communities made the mission central, prioritized services based on acuity, increased investments, aligned with Housing First principles, re-made their systems (often with help from technical assistance providers), and created or leveraged affordable housing. This Ending Homelessness Act takes these commonalities as the core of the bill’s approach to ending homelessness. NCHV can vouch for their successfulness.

One of the greatest remaining hurdles to ending veteran homelessness all across the country, as has been mentioned repeatedly in this testimony, is the lack of affordable housing in this country. Whether it has been the difficulty in finding affordable units for HUD-VASH recipients, the near impossibility in some communities of finding “regular” Section 8 vouchers for veterans who have graduated out of HUD-VASH case management, the generalized pressure on homelessness that a lack of affordable housing creates, or the need to create affordable housing stock, the common theme of this testimony and of the work is that affordable housing is both the magic wand *and* the missing piece. The kind of large investments proposed in this bill would allow communities across the country to finally build affordable housing stock that is desperately needed. In the absence of this bill, there is no large-scale help coming for these communities – they will continue to have a critical piece missing from their homelessness response system. As such, veterans who are homeless or at-risk of homelessness in those communities will continue to suffer.

If we have learned anything from our work to end veteran homelessness, it is two things: 1) ending homelessness in a community is possible, and 2) it can't be done without adequate stocks of affordable housing. This bill acknowledges both of those realities, and as such NCHV is proud to support it.

In Summation

Thank you for the opportunity to present this testimony at today's hearing. It is a privilege to work with the House Committee on Financial Services to ensure that every veteran facing a housing crisis has access to safe, decent, and affordable housing paired with the support services needed to remain there.

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Written Statement for the Record

Submitted By

Steve PonTell

President & Chief Executive Officer

National Community Renaissance (National CORE)

Before the

Financial Services Committee

U.S. House of Representatives

Hearing on:

**HOMELESSNESS IN AMERICA:
EXAMINING THE CRISIS AND
SOLUTIONS TO END HOMELESSNESS**

February 13, 2019

Washington, DC

National Community Renaissance (National CORE) is pleased to submit this written statement for the record for today's hearing on homelessness in America. National CORE commends Chairwoman Waters and the Committee for making the important issue of homelessness one of the first hearings convened by the Committee in the 116th Congress. The witnesses are experts in what has been a longstanding federal commitment to reducing homelessness and the bills highlighted at this hearing merit serious consideration.

We would like to share with the Committee our organization's experiences, which we believe provide useful lessons about the importance of quality affordable housing coupled with services for residents. In particular, we believe it is critical for Congress to recognize the interrelationships between homelessness and poor health.

National CORE is one of the nation's largest and most effective non-profit affordable housing developers, with a 25-year track record in community revitalization. Headquartered in Southern California, with a strong presence in Florida, Texas, and Arkansas, National CORE produces quality affordable housing and provides a wide range of supportive services for residents. Nationwide, National CORE has 84 developments, with 8,475 units of affordable housing, serving approximately 28,000 residents. Projects include mixed-income and mixed-use models.

Our organization has been particularly innovative when it comes to partnerships that demonstrate the benefits and cost savings of linking affordable housing with supportive services onsite for residents. Our properties serve working families, seniors, the disabled, and individuals and families at-risk of homelessness. By providing affordable housing and onsite social services, National CORE is positioned to positively impact special needs populations, including the homeless and persons and families at-risk of homelessness. In addition to health and wellness, National CORE provides a range of family self-sufficiency services, including financial literacy, asset-building tools, and pathways to homeownership for its residents.

More Federal Funding is Needed for Affordable Housing Production

Study after study concludes that the supply of affordable housing is not keeping pace with the need. The problems of homelessness simply can't be adequately addressed without additional funding for new construction of affordable housing units and new project-based housing assistance. *For these reasons, National CORE strongly supports the key provisions from the "Ending Homelessness Act of 2019," which authorize \$2.5 billion a year in total new funding each of the next five years for a combination of permanent supportive housing for the homeless, the Housing Trust Fund, and special purpose vouchers.*

Stable Housing Improves Health

As the Committee considers solutions to homelessness, it is important to recognize the importance of housing to an individual's health. Numerous studies show that safe and affordable housing is a social determinant of health. When individuals are adequately housed, they live healthier lifestyles, and in turn, health care costs are reduced. Statistics show that homeless individuals do not get regular health checks and only go to the hospital once they are critically ill.

According to a research summary by the Center for Housing Policy, stable, long-term housing increases one's sense of control over one's environment and greatly reduces negative health outcomes related to prolonged stress. When housing is affordable, it frees up family resources for nutritious food and health care. Well-constructed housing can also reduce exposure to environmental risks, including lead poisoning, asthma, and accidental injury. Neighborhood conditions also matter, as safety impacts the likelihood of exercise such as walking or running, usage of drugs and alcohol, and exposure to traumatic events that can increase daily stress levels.

For individuals with chronic conditions, housing plays a crucial role in determining the direction of their health trajectory. At the most basic level, healing requires a secure place to rest, to store medications, to attend to personal hygiene, and to enable nurses to deliver care.

Therefore, we strongly support the section in the “Ending Homelessness Act of 2019” authorizing \$20 million in technical assistance to integrate and coordinate HUD McKinney-Vento homeless program funding with health care funded by federal programs, in collaboration with the U.S. Interagency Council on Homelessness and the Department of Health and Human Services.

National CORE’s Experience

National CORE has created an innovative model that combines safe, stable housing with supportive health and social services, which has led to positive outcomes for thousands of residents. This approach begins with quality, affordable housing, which serves as the foundation, and is augmented by supportive services tailored to the needs of the residents in that housing.

A good example of this is Marv’s Place - the first permanent supportive housing development in the City of Pasadena for formerly homeless families, which provides a safe haven for families to begin rebuilding their lives. Union Station Homeless Services has an office onsite to provide case management, career development, money management classes, mental health services, substance abuse services and health care. Marv’s Place also received first of its kind funding from First Five LA to set aside seven units for families with children under five.

National CORE has also established strategic partnerships with health care systems, insurance providers, and educational institutions – which recognize that housing is a determinant of health and are willing to invest dollars to better serve their community. By doing so, National CORE is able to help carry out innovative models for health care delivery.

For example, National CORE recently established a partnership with the Inland Empire Health Plan (IEHP) to set aside 15 housing units in a new seniors community in Rancho Cucamonga, CA. IEHP is a nonprofit Medi-Cal and Medicare health plan headquartered in Rancho Cucamonga, that provides comprehensive managed health care coverage to more than 1.2 million residents in San Bernardino and Riverside Counties.

Separately, as part of the master-planned Arrowhead Grove Neighborhood Revitalization, in the City of San Bernardino, CA, National CORE has worked with community leaders and residents to pass a Specific Plan to establish a “complete community” which incorporated health as one of the five goals. Upon completion, the development will replace an aging 252-unit public housing complex – in desperate need for repair -- with a 38-acre, mixed-income community with approximately 400-units of affordable and market-rate housing.

Based on the success of the first two phases, Dignity Health, one of the largest health systems in the U.S., recently offered a \$1.2 million bridge loan to help move the next phases forward. The commitment followed \$20 million in funding from the California Strategic Growth Council through their Affordable Housing and Sustainable Communities program, demonstrating that with clear priorities and collaboration, developments such as Arrowhead Grove can attract new resources and deliver investments that are in alignment with community priorities and support community health.

Reducing Homelessness By Dedicating Federal Health Care Funding to Housing

These and many other National CORE developments show how health care dollars can close the gap in funding needed to build affordable housing, how affordable housing can improve health outcomes, and how the integration of housing and services can reduce health care expenditures.

However, this approach is not replicable on a large scale without new sources of federal funding. It is time for federal policies to more fully recognize that quality housing is a key component of health and that more flexible use of federal health care dollars can both reduce homelessness and reduce health care expenditures.

Los Angeles County, California has carried out a program that demonstrates such savings. The Housing for Health program has housed and provided health care for more than 3,400 people since it launched in 2012. According to a recent study, public spending was reduced, which was attributed to understanding the connection between homelessness and health. For every dollar invested, the County saved \$1.20 in health care and other social services, according to the study. Participants' inpatient days dropped 76 percent and emergency room visits dropped 67 percent. Public service costs declined by nearly 60 percent, from an average of \$38,146, per person, per year, before housing, to \$15,358, after. Even after accounting for program costs, the county saved 20 percent.

In the case of Los Angeles County, this innovative approach to saving health care costs by providing housing and services to persons at-risk of homelessness only works financially because Los Angeles County is a closed system. Since the County reaps the direct benefit of health care savings arising investing in affordable housing, it is a good investment. Affordable housing owners and service providers do not realize these same savings, and therefore do not have the same financial incentives or access to funds to carry out this approach.

Federal agencies and states can better coordinate between low-income housing programs and federal health programs, including Medicaid. For example, while there is some flexibility in Medicaid in terms of using funding to pay for supportive services in coordination with low-income housing developments, and the use of funds for housing rental assistance, such options are currently underutilized in spite of the evidence that demonstrates the efficacy of such an approach.

It has long been established that alternatives to nursing homes can save Medicaid costs. The same can be true for Medicaid funds used for rental assistance and services for the homeless and those at risk of homelessness – a class that has a pattern of more extensively using emergency and other high-cost health care services. A study by the American Hospital Association (AHA) provides evidence supporting such an approach. AHA found that when homeless individuals were provided with stable housing, their health choices improved, and overall healthcare costs declined. Specifically, they observed a 33 percent reduction in emergency room visits, a 42 percent reduction in days spent in nursing homes, and Medicaid expenditures declined by 12 percent.

Significant opportunities exist to expand resources for affordable housing units and for services to residents living in such units – while at the same time reducing health care costs (and improving health care) for those same residents. In particular, in the same way that Medicaid funds have for decades been used to help seniors to age in care – thereby reducing Medicaid costs otherwise spent on nursing homes - innovative approaches to using federal health care funds to provide housing assistance and related services to the homeless and those at risk of homeless should be pursued.

Medicaid is beginning to approve waivers to allow states to take advantage of waivers to use Medicaid funds to carry out this strategy of reducing health care costs through investments in connection with affordable housing rental housing. Examples include:

- California allows for pilot/demonstration projects to provide wrap-around services and support for housing for homeless and very low-income individuals in order to control runaway health care costs of at-risk families and individuals (but does not allow funds to be used for affordable housing construction or rental assistance).
- New York and Ohio have implemented waivers that allow Medicaid funds on a limited basis to be directly utilized for housing for such target populations.
- Arizona has launched an initiative to house residents diagnosed with severe mental illness (SMI), which uses a type of voucher program (but does not permit the use of Medicaid funds).

HHS Secretary Azar recently acknowledged that public reimbursement for housing costs is under consideration as a part of forthcoming proposals from CMS. We urge the Committee to encourage and help expedite and implement such proposals.

Supportive Services Are Critical in Reducing Homelessness

We are also pleased to see that \$100 million is authorized in the “Ending Homelessness Act of 2019” for grants to provide outreach and to coordinate services for persons and households who are homeless or formerly homeless, and to provide supportive services to other targeted populations, such as seniors, the disabled, children, and teens.

For more than 20 years, a cornerstone of HUD McKinney Vento homeless strategies and programs has been to support permanent supportive housing, through programs such as the Shelter Care Plus program. Providing site based, affordable housing for the homeless facilitates the provision of a wide range of services to help individuals address the underlying problems that can contribute to homelessness (such as mental health and alcohol and drug addiction problems) and to provide other services in the areas of employment and education to help facilitate self-sufficiency. The track record of this 20-year effort shows that this approach is extremely successful.

Unfortunately, this approach is generally not used and funding for this is not generally available for the vast majority of HUD-assisted affordable housing units. Grants are provided for such housing services through HUD programs such as \$35 million a year for HUD ROSS service coordinator grants and \$75 million a year for HUD Family Self-Sufficiency (FSS). However, these programs have limited funding and are generally limited to assisting residents in public housing. *Therefore, we suggest expanding the availability of the use of HUD ROSS grants and Family Self-Sufficiency grants to other types of subsidized affordable housing, such as tax credit properties.*

Conclusion

Thank you again for the Committee’s focus on the important topic of combating homelessness. The connection between stable housing and healthy living is undeniable. National CORE would be pleased to work with the Committee to redirect federal health funding to focus resources on providing stable, affordable housing.

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Statement of Maria Foscarinis, Esq.

Founder and Executive Director

National Law Center on Homelessness & Poverty

United States House of Representatives,
Committee on Financial Services

Homelessness in America:
Examining the Crisis and Solutions to End Homelessness

February 13, 2019

Introduction

Chairwoman Waters, Ranking Member McHenry, members of the committee: On behalf of the National Law Center on Homelessness & Poverty, (the "Law Center") thank you for the opportunity to submit written testimony on the critical issue of homelessness in America. The Law Center appreciates the efforts of the members of this committee to combat this ongoing and expanding crisis.

The Law Center is the only national organization dedicated solely to using the power of the law to end and prevent homelessness. We believe that housing is a basic human right that must be secured for all, and that homelessness in a country with the resources of the United States is a travesty. We work for the day when safe, decent, affordable housing will be a right enjoyed by all.

I have worked towards this vision since the 1980s, when homelessness was first becoming a national issue. As a young lawyer in private practice at a major corporate law firm, I took a pro bono case representing homeless families in a class action suit. Inspired by the impact the law can make in the lives of vulnerable people, I left the firm to advocate for a national response to the emerging crisis. I played an instrumental role in drafting and securing passage of the original Stewart B. McKinney Homeless Assistance Act of 1987, now known as the McKinney-Vento Homeless Assistance Act ("McKinney-Vento Act"), the first and still only major federal legislation to address homelessness in America. I founded the Law Center in 1989 to build on and enforce that landmark law.

Since its founding, the Law Center has worked to strengthen the McKinney-Vento Act, enforce its provisions, and secure enactment of additional legal protections and resources. Based in Washington D.C., we work with local-level advocates, service providers, and government agencies across the country, including Los Angeles and North Carolina. Partnering with pro bono attorneys, we bring high-impact litigation, lead and support federal, state and local advocacy campaigns, and educate providers, advocates and the public. Our work creates homes and communities for families, children, veterans, the elderly, and disabled individuals experiencing homelessness using surplus government property; improves access to housing for domestic violence survivors and their children; secures education rights for children experiencing homelessness; and protects human rights and dignity by challenging laws that prevent people experiencing homelessness from voting and punish them for their homelessness.

Congress Must Fulfill its Promise to End and Prevent Homelessness

With the passage of the McKinney-Vento Act, Congress recognized its responsibility to protect our country's most vulnerable populations and the benefits that the reduction of poverty and homelessness bring to American society. But the McKinney-Vento Act was intended to be only a

first, emergency step in the federal response to homelessness; it was not intended to be the only response. Indeed, it was part of a larger legislative proposal that included measures to prevent and end homelessness. And while the McKinney-Vento Act has been enhanced significantly since 1987, those longer-term, broader measures were never enacted—and as a result the homelessness crisis has not ended and, indeed, has recently worsened. The fact that this crisis has escalated to its current levels demonstrates and reflects significant failings of federal, state, and local policy.

Close to 1.4 million school children were homeless during the 2016-2017 school year, a number which has gone persistently upward, despite the end of the recession—and almost 2.5 million children overall—1 in 30—were homeless in 2013.¹ Reports of homeless encampments grew 1,342% between 2007 and 2017, again persistently trending upward despite the end of the recession.² And according to the Department of Housing & Urban Development, which itself admits this number is an undercount, on a single night in the United States, 553,000 individuals were sleeping in shelters, transitional housing, and in outdoor locations not meant for human habitation. Of that total number, approximately one-third were in the latter category: they were without any indoor shelter. .³ The number of those unsheltered had increased since the previous year, and this point, combined with the fact that there were only 286,000 beds available on the same night, demonstrates the need for the federal government to act immediately to ensure at a minimum that each and every people in our country have access to safe, affordable, and decent housing.⁴

Addressing homelessness also means addressing the structural discrimination in our laws and policies. African Americans made up approximately 40 percent of those counted by HUD in 2018, as compared to 13 percent of the entire population, and Native Americans also experience homelessness at double their percent of the national population.⁵ It is quite clear that homelessness and poverty are not just stand-alone issues—they are an amalgamation of intersectional civil and human rights and economic issues that demand the attention of Congress. One study showed that African-American youth under the age of five were 29 times more likely to end up in homeless shelters than their white counterparts.⁶ Equitable solutions to homelessness must ensure that the appropriate resources reach these extremely vulnerable populations.

¹ National Center for Homeless Education, National Overview (2018), <http://profiles.nche.seiservices.com/ConsolidatedStateProfile.aspx>; American Institutes for Research, AMERICA'S YOUNGEST OUTCASTS: A REPORT CARD ON CHILD HOMELESSNESS, 6 (2014), <https://www.air.org/resource/americas-youngest-outcasts-report-card-child-homelessness>.

² National Law Center on Homelessness and Poverty, TENT CITY USA: THE GROWTH OF AMERICA'S HOMELESS ENCAMPMENTS AND HOW COMMUNITIES ARE RESPONDING (2017), https://www.nlchp.org/Tent_City_USA_2017.

³ U.S. Department of Housing and Urban Development, THE 2018 ANNUAL HOMELESS ASSESSMENT REPORT (AHAR) TO CONGRESS Part I: POINT IN TIME ESTIMATES OF HOMELESSNESS, <https://www.hudexchange.info/resources/documents/2018-AHAR-Part-1.pdf>.

⁴ *Id.*

⁵ *Id.*

⁶ Culhane, D. & Metraux, S. Population Research and Policy Review (1999) 18: 219, <https://doi.org/10.1023/A:1006187611323>

In order to solve the homelessness crisis in the United States, we must look for solutions that address safe, decent, affordable housing as a human right, not a charitable benevolence subject to the whims of appropriations. Currently, the U.S. has a shortage of 7.4 million affordable and available rental homes for extremely-low-income (ELI) renter households, resulting in only 35 affordable and available units for every 100 ELI renter households.⁷ The trend is worsening: close to 90% of new apartment buildings constructed in 2017 and the first half of 2018 were luxury buildings.⁸ And of those ELI households that could find housing, more than 70 percent paid more than half their income on housing and utilities, leaving little for necessities such as food, medicine, transportation, or childcare, and putting them one missed paycheck or financial emergency away from homelessness.⁹ The time has long since come to adopt President Franklin Delano Roosevelt's "Second Bill of Rights" to ensure the economic and social security of every American.

In addition to being denied the right to housing, people experiencing homelessness face unjust criminalization of basic human activities such as sleeping, resting, self-sheltering, and asking for help, which only exacerbates the challenges they face. The Law Center has found that communities increased these punitive ordinances by double- and triple-number percentages from 2006 to 2016.¹⁰ The criminalization of homelessness does not help break the cycle of poverty. Instead, these policies perpetuate the crisis of homelessness and poverty by further burdening homeless families and individuals with fines, fees and jail time, and the collateral consequences of a criminal record, and saddling communities with expensive and unnecessary law enforcement and penal costs. Studies show that providing housing actually costs one-half to one-third of constantly cycling homeless persons through the criminal justice system and emergency rooms.¹¹ Instead of looking to punish those taking care of their basic survival needs, we should instead focus on a housing-first solution that ensures a stable living environment for those experiencing homelessness.

Measures Congress Can Implement to Solve the Crisis

In order to combat the crisis of homelessness, Congress must take concrete action that prioritizes and implements the human right to safe, decent affordable housing. Any legislative approach must also account for the decriminalization of basic human activities. Combining these two areas of public policy would provide for a holistic and legislatively responsible response to this crisis. Our top policy recommendations to end and prevent homelessness and affirm housing as a human right include:

⁷ National Low Income Housing Coalition, THE GAP: A SHORTAGE OF AFFORDABLE HOMES (March 2017), https://nlihc.org/sites/default/files/Gap-Report_2017.pdf

⁸ Nadia Balint, *8 Out of 10 New Apartment Buildings Were High-End in 2017, Trend Continues in 2018*, Rent Café Blog (Sept. 21, 2018), <https://www.rentcafe.com/blog/rental-market/luxury-apartments/8-out-of-10-new-apartment-buildings-were-high-end-in-2017-trend-carries-on-into-2018/>.

⁹ *Id.*

¹⁰ National Law Center on Homelessness and Poverty, HOUSING NOT HANDCUFFS: ENDING THE CRIMINALIZATION OF HOMELESSNESS IN U.S. CITIES (2016), <https://www.nlchp.org/documents/Housing-Not-Handcuffs>.

¹¹ *See, id.*

- Stopping the cycle of poverty by proscribing legislation that criminalizes basic human activities of those experiencing homelessness—
 - Congress should use its funding authority to prevent state and local jurisdictions receiving federal funds from adopting and enforcing harmful laws that criminalize homelessness, such as those:
 - Restricting the First Amendment rights of those soliciting for assistance in public places
 - Denying the right of individuals to sleep in their vehicles
 - Preventing individuals from resting in public places
 - Federal funding should incentivize state and local governments to protect the rights of those experiencing homelessness and promote constructive, housing-based solutions instead of punitive laws and policies.

- Preventing homelessness by strengthening housing and other rights for people at risk --
 - Congress should use its authority (including its funding authority) to prevent discrimination in housing based on source of income, housing status, or status as a victim of domestic violence, and on the basis of criminal, eviction, or credit history unrelated to an individual's current and future ability to abide by reasonable terms of tenancy
 - Congress should use its authority (including its funding authority) to ensure tenants in poverty are not evicted without just cause, and guarantee and incentivize states and local governments to provide counsel for tenants in poverty who are facing eviction
 - Congress must ensure that domestic abuse survivors are not forced to choose between homelessness and abuse by reauthorizing and strengthening the Violence Against Women Act, in particular the housing section of that Act
 - Congress should require that institutions and systems of care receiving federal funding ensure that persons in their custody are discharged into affordable housing, instead of being released without any supports and resources.
 - Congress should protect homeless children and youth by strengthening their education rights under Title VII of the McKinney-Vento Act, including fully funding it, and requiring closer coordination between state and local education and housing agencies.

- Ending the crisis of homelessness by affirming the fundamental human right to housing through increases in access to and availability of affordable housing—
 - Congress should fund housing vouchers sufficiently so that all who are eligible receive them
 - Congress should raise the federal minimum wage and index it to actual housing costs to ensure that working people are able to afford housing
 - Congress should index Supplemental Security Income and Social Security Disability Insurance payments to local housing costs so that those who are disabled can afford housing

- Congress should ensure that a sufficient supply of housing affordable to extremely impoverished households exists, specifically by providing sufficient funding for the National Housing Trust Fund and through Low-Income Housing Tax Credits
- Congress should strengthen Title V of the McKinney-Vento Act to make more vacant federal properties available to homeless service providers at no cost

The Ending Homelessness Act

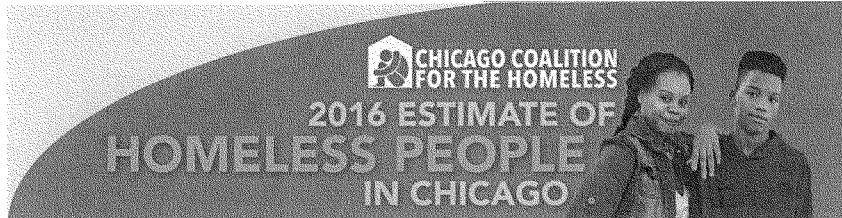
The Law Center applauds the leadership of Chairwoman Waters in introducing the Ending Homelessness Act and supports her intention to reintroduce it in the current Congress. The Law Center supports the legislation and stands ready to work with Chairwoman Waters and the Committee to secure its passage as a critical step towards ending and preventing homelessness in America.

Conclusion

Congress has recognized that the federal government has a “clear responsibility and . . . existing capacity to meet the basic needs of all the homeless.”¹² For more than 30 years, the McKinney-Vento Act has been a standing commitment by Congress to allocate resources and supports to those experiencing homelessness and poverty. But it is long past time for Congress to take the needed next steps to address this ongoing crisis in the United States.

We welcome the opportunity to serve as a resource for and to continue working with the House Committee on Finance Services. Thank you for allowing us to submit this statement.

¹² McKinney-Vento Homeless Assistance Act of 1987, 42 U.S.C. §11301(a)(6) (2010).



INTRODUCTION

Chicago Coalition for the Homeless (CCH) has developed a new methodology for estimating the homeless population in Chicago throughout the year. CCH uses a definition of homelessness which incorporates all those considered homeless under the U.S. Department of Housing and Urban Development's (HUD) definition, and also incorporates portions of the U.S. Department of Education (DOE) McKinney-Vento definition of homelessness. The DOE definition includes people who are living "doubled-up," which means staying with others due to loss of housing or economic hardship. CCH includes doubled-up households in our definition because it more accurately captures the way most people experience homelessness.

The methodology uses the U.S. Census Bureau's American Community Survey data to estimate the number of doubled-up individuals in Chicago in 2016. It also uses data from the city's Homeless Management Information System (HMIS) from 2016 to count those served in the shelter system. It then removes duplicates by identifying individuals who experienced both forms of homelessness during the year.

(See pages 3-4 for a more detailed explanation on the definition and methodology.)

SPOTLIGHT ON DOUBLING UP: HOW THE MAJORITY OF HOUSEHOLDS EXPERIENCE HOMELESSNESS

This new analysis looks at households accessing the shelter system and also those who are doubled-up, which is defined as those who are sharing the housing of others due to loss of housing, economic hardship, or a similar reason. Our analysis found that in 2016, 80% of people experiencing homelessness in Chicago were living doubled-up. For homeless people living in families with children, that number was 90%.

Families that access the shelter system and those living doubled-up lose their housing for similar reasons: domestic violence, divorce, loss of a job, medical bills. But the majority of families will choose to move in with others when possible, rather than taking their children to a shelter. However, these situations are temporary and frequently break down due to overcrowding, tensions that develop, and fear of the primary tenant losing their housing. Many doubled-up families move multiple times, going in and out of the shelter system.

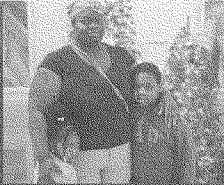
→ 50% of homeless families that were served in the shelter system in 2016 had been living doubled-up with friends or family either prior to or after entering the shelter system within that same year. (HMIS 2016)

→ 56% of homeless families surveyed by CCH in 2015 reported staying in 2-3 places over the span of three years and nearly 20% stayed in 4-6 places.

"DOUBLED-UP IS BEING HOMELESS, BECAUSE ANYTIME THE PERSON YOU ARE STAYING WITH CAN DECIDE TO PUT YOU OUT, IT IS LIKE LIVING ON THE EDGE."
—MARK REELEE, 17



DOMINIQUE MOORE



Dominique Moore and her children lived doubled-up with two cousins. The difficult experience eventually led them to move to a family shelter.

"I found out that I would be treated better by strangers than I would by my own family. You're trying to progress and get on your feet, but people make you feel obligated. You realize you can be put out at any moment."


Dominique, 27, slept on a couch with her children, ages 4 and 7. She bought groceries the cousins shared and he'd pay household bills. After four months, Dominique turned to Madonna House.

Looking back, being doubled-up proved more stressful than 18 months in a shelter. The shelter even gave Dominique a key to her family's bedroom. When living with her cousins, "we had to wait at the library or sit on the front porch" because Dominique was locked out when they weren't home.

"Being doubled-up has the same impact on a child. My son wasn't happy staying in someone else's home, knowing we weren't being treated well. It was obvious - he kept saying he wanted to go to his own house."

With help from Catholic Charities, Dominique's family received a year-long rent subsidy to move into a west suburban apartment. She found a new job with a housecleaning service, and finished a two-month program to train as a personal banker.

EMILIA RENDON



After losing their lease, Emilia Rendon's family was forced to double-up with relatives throughout her four years at Schurz High School.

Emilia, 19, tried to remain strong for her mom and younger brother, but her living situation was "uncomfortable and stressful."

Thirteen people crowded into a 4-bedroom house. Emilia's family slept in the living room. With so many people, they often ran low on food, and it was too noisy to do homework - people would come and go, TVs were playing.

"We lived in a public space. There was nothing we could do," she said.

Emilia's grades and school attendance suffered. "We would get three to four hours of sleep, sometimes one."

Emilia's mother worked 12-hour shifts at a factory, a job that did not get her home until 3 a.m. Coping with health issues, her mother quit the factory, instead supporting the family by selling bracelets and babysitting. Emilia helped her mom with a fast-food job.

Better yet, when Emilia graduated last spring, her mother surprised them with an apartment of their own. Emilia helps pay the rent and utilities through her new job at a women's clothing store, and recently began school to train as a certified nursing assistant. "I've been really happy in my life," she said.

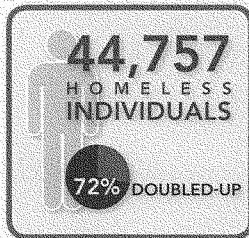
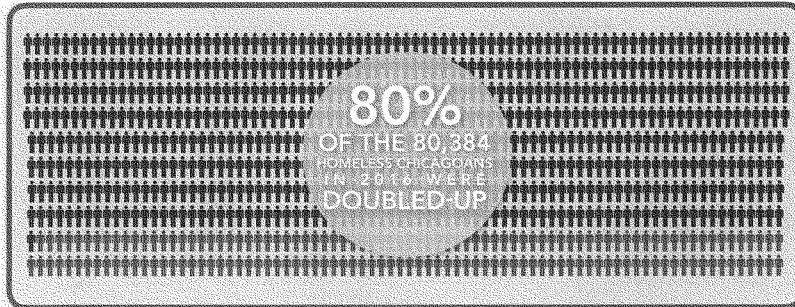
THE NUMBERS

The total unduplicated count of people homeless in Chicago throughout 2016 is **80,384**. **80% of them were living doubled-up.**

- According to data from the American Communities Survey, **64,114** people were living doubled-up in Chicago in 2016. Of those, **55.5%** were black, **6.5%** white, **33.1** Hispanic/Latino, and **4.9%** other groups.
- According to 2016 HMIS data, **23,808** people were served in the shelter system. Of those, **7,538** had been living doubled-up with family or friends at some point that year. **76%** of shelter residents were black, **19%** white, and **5%** other. **11%** reported being Hispanic/Latino.
- Of the **35,435** homeless people living in families with children, **90%** (31,923) were doubled up.
- Of the **8,860** homeless family households, **88%** (7,821) were doubled-up.
- Of the **44,757** homeless individuals, **72%** (32,191) were doubled-up.
- Unaccompanied homeless youth ages 14-24 totaled **11,067**. Of those, **85%** (9,455) were doubled up.

BEEN DOUBLED-UP? MOST OF US DON'T KNOW HOW TO ASK FOR HELP. AND THE QUESTION IS: ARE YOU ASKING?

New data for this section was provided by Chicago's Homeless Management Information System (HMIS), administered by All Chicago. All Chicago was not involved in the data analysis included in this report, and the conclusions in this report do not represent the views of All Chicago. American Communities Survey data provided by IPUMS-USA, University of Minnesota. www.ipums.org



DEFINITION

The definition of homelessness for the purposes of this estimate is as follows:

From the HUD definition

For purposes of this Act, the term "homeless" or "homeless individual" includes—

- (1) an individual who lacks a fixed, regular, and adequate nighttime residence; and
- (2) an individual who has a primary nighttime residence that is—
 - (A) a supervised publicly or privately operated shelter designed to provide temporary living accommodations (including welfare hotels, congregate shelters, and transitional housing for the mentally ill);
 - (B) an institution that provides a temporary residence for individuals intended to be institutionalized; or
 - (C) a public or private place not designed for, or ordinarily used as, a regular sleeping accommodation for human beings.

And

From the DOE definition

(Note: The Department of Education definition refers specifically to children and youth, but we modified the definition to apply to people of all ages. For the full definition, see: <http://nche.ed.gov/legis/mv-def.php>)

- (1) those who are sharing the housing of other persons due to loss of housing, economic hardship, or a similar reason; are living in motels, hotels, trailer parks, or camping grounds due to the lack of alternative adequate accommodations; are living in emergency or transitional shelters; or are abandoned in hospitals

LIVING
 ED-UP
 LIFE IT'S
 BEING
 YOU
 YOURSELF

METHODOLOGY

AMERICAN COMMUNITY SURVEY (ACS)

The American Community Survey (ACS) is a survey given nationally each year to households throughout the country by the U.S. Census Bureau in order to track changes in the U.S. landscape on a yearly basis between the years they do the full census. Recently, an analysis of ACS data by the national Bureau of Labor Statistics found an increase in what they described as “doubled-up” households in the aftermath of the housing bubble and resulting recession. They defined doubled-up as any additional adult in the household who was not the head of household or their spouse or partner. After reading these reports, CCH realized that with a more refined definition, ACS data could be used to estimate those who met the homeless definition of doubled-up. Of note, however, is that the ACS does not explicitly ask if members of the household are living there due to loss of housing or economic hardship. Therefore, our methodology was designed to determine who was most likely living in a doubled-up homeless situation. Because we could not know for certain, when the data was ambiguous, we erred on the side of not including someone as homeless, which resulted in a conservative estimate.

This analysis defines doubled-up as additional family members or non-relatives in a household who are not minor children, step-children, spouses or unmarried partners of the head of household and the household is at 125% or below of the federal poverty level.

We created a number of exclusions that we thought would not typically be viewed as a homeless situation:

- Single adult children living with parents who often move back home for reasons other than economic hardship
- Relatives of the head of household who were over 65 who often live with family due to health reasons
- Grandchildren living with grandparents for whom the grandparent claims responsibility for basic needs
- Roommates, lodgers, and people in institutions or group lodgings

We did include adult children living with parents who had children of their own, but if they were under the age of 25, we only included them if they were living in an overcrowded situation (more than two people per bedroom).

HOMELESS MANAGEMENT INFORMATION SYSTEM (HMIS)

A Homeless Management Information System (HMIS) is the information system that is federally mandated by the U.S. Department of Housing and Urban Development (HUD) and is locally-administered to record and analyze client, service, and housing data for individuals and families who are homeless or at risk of homelessness.

For the analysis, we requested an unduplicated count of people served in the homeless service system in the calendar year 2016. This included everyone served in all program types, with the exception of people who were exclusively served in Permanent Supportive

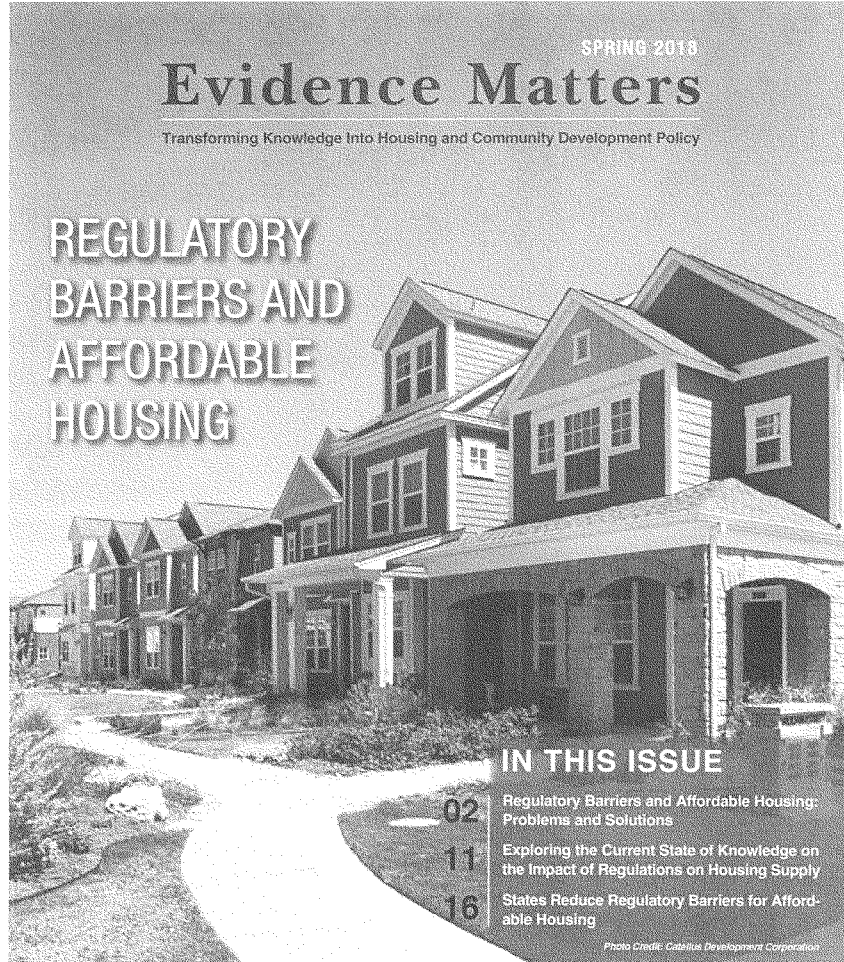
Housing for the entire year. Those people would not be considered homeless at any time during that year. However, we did include people in programs with temporary rental subsidies. The HMIS data also included anyone living on the street who had been in contact with a service provider.

We also obtained data that showed whether any of the above households had lived with friends or family at any time during the calendar year that they were served in the shelter system.

UNDUPLICATED TOTALS

For the total figures for the analysis, we added the number of doubled-up individuals from the ACS analysis to the number served in the shelter system. We then subtracted anyone who had been sheltered but also had been living with friends and family at any time during the calendar year to avoid duplication. The data includes people living on the street who were in contact with service providers and therefore entered into HMIS. We did not attempt to estimate those living on the street or other places not meant for human habitation who had no contact with service providers. This estimate also does not include data on those living in institutions such as jails or mental institutions who were homeless prior to entering.

BEING
DOUBLED-UP
IS LIKE WALKING ON
GLASS WITHOUT
BREAKING IT
(ESTERLINE, 1)



FD&R

Regulatory Barriers and Affordable Housing: Problems and Solutions

Speaking to the policy advisory board of the Joint Center for Housing Studies of Harvard University, HUD Secretary Ben Carson underscored “how vitally important it is to develop more affordable housing,” referencing the center’s findings that 21 million U.S. households are cost burdened — spending more than one-third of household income on housing expenses — and that 11 million of those households are severely cost burdened — spending more than one-half of household income on housing expenses.¹ Affordability is a function of both income and housing costs, and the relative importance of each factor varies by location and market.² Recently, important gains have been made in employment and wages, but these increases have been modest and in many markets have not kept up with increasing housing costs.³ As Secretary Carson

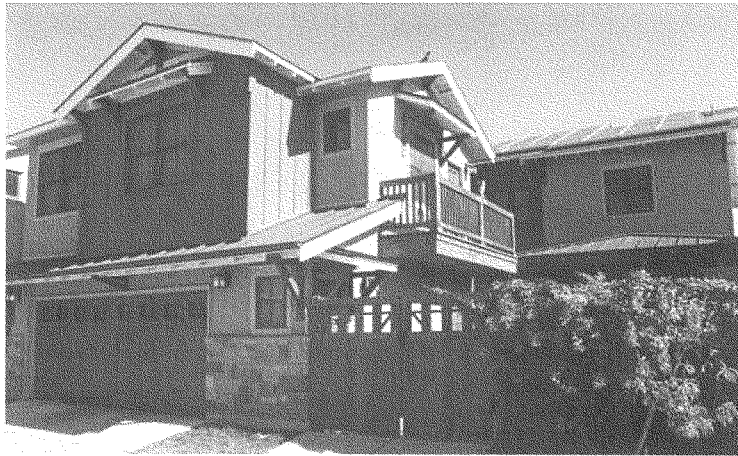
emphasized in his speech, one aspect of the problem is an inadequate supply of new affordable housing. He suggested that, among other responses, HUD should “identify and incentivize the tearing down of local regulations that serve as impediments to developing affordable housing stock,” including “[o]ut-of-date building codes, time-consuming approval processes, restrictive or exclusionary zoning ordinances, unnecessary fees or taxes, and excessive land development standards [that] can all contribute to higher housing costs....”⁴

Although affordability challenges in some areas of the country result primarily from low incomes and poverty, in other areas, particularly those with strong job and population growth, a constrained housing supply generates affordability challenges. In the latter locations, regulatory barriers such as

HIGHLIGHTS

- Research points to local zoning and regulations, lengthy permitting processes, and “not in my backyard” opposition as primary causes of restricted housing supply and rising housing prices.
- An insufficient supply of affordable housing contributes to homelessness, housing cost burdens, and reduced economic growth.
- Local communities in the United States have struggled to combat regulatory barriers, but state and local governments can adopt several promising approaches that can reduce barriers and increase the supply of affordable housing.

density limitations, height restrictions, parking requirements, lengthy permitting and approval processes, and “not in my backyard” (NIMBY) opposition are the primary reasons for housing supply restrictions and increased housing



A carriage house unit is a type of accessory dwelling unit that allows multiple residences to share the same lot.

Editor's Note

Local zoning and land use regulations, as well as “not in my backyard” opposition, the focus of this edition of *Evidence Matters*, increase development costs and contribute to a shortage of affordable housing in many places that desperately need it. Density limitations, height restrictions, and parking requirements, among other rules, limit the amount of land available for development, driving up land prices. Lengthy permitting and approval processes and community hearings create costly delays and uncertainty for developers. Consequently, less affordable housing is constructed, and the price of the housing that is built increases. Not only do renters end up paying higher prices, many becoming cost burdened, but economic growth is also stifled when workers cannot afford to live in places where they can be most productive. This issue examines some of the policies and practices that state and local governments are implementing to address the many regulatory barriers to affordable housing.

The lead article, “Regulatory Barriers and Affordable Housing: Problems and Solutions,” discusses the history and purpose of zoning and land use regulations, how these regulations have contributed to increased housing costs, and the local strategies and policy responses aimed at overcoming these barriers. The Research Spotlight, “Exploring the Current State of Knowledge on the Impact of Regulations on Housing Supply,” by Regina C. Gray, discusses research on the costs of regulatory barriers to date and recommends issues deserving further inquiry. Finally, the In Practice article, “States Reduce Regulatory Barriers for Affordable Housing,” looks specifically at legislative efforts in Massachusetts and California to streamline permitting processes and ease restrictive zoning laws that hinder affordable housing development.

We hope this edition of *Evidence Matters* provides a helpful overview of this critical topic. Our next issue will focus on the connections between housing and employment. Please provide feedback on any of our issues at www.huduser.gov/forums.

— Rachel Levitt, *Director of Research Utilization Division*

costs. Local governments can pursue various strategies and policy responses to address these barriers, and state governments can encourage and empower local governments to do so.

The History and Purposes of Zoning

Land use zoning is the division of land into areas in which certain activities or uses, or certain building types, sizes, and features, are permitted or prohibited.³ In the United States, the authority for zoning comes from state governments rather than the federal government, and this authority is typically passed on to local municipal governments. In some “home rule” states, local governing bodies have wide latitude to innovate and implement land use policies, whereas other states require state-enabling legislation

that specifically sanctions the policies available to the locality.⁶

Regulation of building construction and certain uses of private property to protect the public welfare date back to the late 19th century, as concerns rose about living conditions in growing cities. For example, in the 1890s, at least two U.S. cities — Chicago and Washington, DC — passed laws restricting building heights. Modern zoning practices — distinguished by the categorization of land use as residential, commercial, or industrial and the physical separation of those uses — emerged in the early 20th century. A 1916 New York City ordinance is generally considered to be the first comprehensive zoning law.⁷ Hirt calls the period of 1910 to 1930 a turning point during which “the United States

changed from a place where the public control of private land and real-estate property consisted only of rudimentary nuisance and building laws to a place where practices related to private land, property, and construction were subject to tight public supervision in hundreds of municipalities around the country.”⁸ She argues that health and safety, welfare, convenience, prosperity, racial and class prejudices, and the protection of property values — especially those of single-family homes — all contributed to the emergence of zoning practices.⁹ The Supreme Court affirmed the legality of local zoning authority in 1926 in *Euclid v. Ambler*.¹⁰ Initially, most zoning was hierarchical, with residential use at the top of the hierarchy and industrial use at the bottom, meaning that residences could be built in industrial



Overly restrictive land use regulations prevent communities from building housing at the density needed to promote affordability.

or commercial zones, but industrial or commercial buildings could not be built in residential zones. In the middle of the 20th century, flat zoning, in which buildings of any type could be built only in zones of the same type, became more common, and the zones themselves became larger.¹¹ A proliferation of regulations in the 1970s began to restrict the elasticity of the housing supply and place upward pressure on development costs.¹² Throughout the 20th century, zoning and other regulations have given preferential treatment to single-family detached homes, which are typically the most expensive type of housing, says Brookings fellow Jenny Schuetz. This preference presents a substantial obstacle to achieving the

density needed for more affordable housing.¹³ Indeed, compared with the rest of the world, the United States is unique in its proportion of residential land designated for single-family detached homes and in the size of homes and lots.¹⁴

Costs of Regulatory Barriers and NIMBYism

Evidence supports the contention that zoning and land use regulations increase housing prices (see "Exploring the Current State of Knowledge on the Impact of Regulations on Housing Supply," p.11). Although researchers Joseph Gyourko and Raven Molloy note that "it is challenging to identify the effects of regulation," they find that most

studies, including their own, support the conclusion that "regulation appears to raise home prices, reduce construction, [and] reduce the elasticity of housing supply..."¹⁵ Over the past several decades, housing prices have increased even though construction costs have remained relatively flat. This relationship points to land prices as the driver behind rising housing prices. Geographic limitations can constrain the supply of land; in many cases, however, restrictions on land use and density cause an increase in land prices, which lead to a constrained supply of housing and, in turn, higher housing prices.¹⁶ Research suggests that more highly regulated jurisdictions tend to have higher housing prices, with regulations

discouraging new development or making it less dense while making the housing that is built more expensive.¹⁷ Paula Munger, director of industry research and analysis for the National Apartment Association, finds a strong correlation, for example, between the severity of a city's barriers to apartment construction and the percentage of households spending at least 35 percent of their income on rent.¹⁸ A study by the National Association of Home Builders estimates that government regulations account for nearly a quarter of the price of a home, with approximately 15 percent of the price attributable to land use regulations and 10 percent to regulations that apply after a builder has acquired land.¹⁹ A study of California development finds that each additional land use regulation reduces residential permits by an average of 4 percent, affecting both single-family and multifamily development.²⁰

categorizes regulations that can lead to higher housing costs, such as those that limit density, impose design standards, or shift cost burdens onto developers.²²

Land use and zoning regulations may include explicit density restrictions; requirements for parking, setbacks, and side yards; minimum lot sizes; height limits; and open space requirements that limit the amount of housing that can be built, either through caps or by assigning space that could be used for housing to other uses. Builders typically want to maximize the number of units in a given tract of land; limitations reduce the profitability of development, which may discourage development in certain areas and result in fewer units built or higher rents for the units that are constructed.²³ Jurisdictions with a preference for single-family detached housing may not even have zones that allow multifamily housing.²⁴ In other cases, large

Local regulations may include restrictive design guidelines and dwelling unit mix requirements. Localities may also have rules that prohibit accessory dwelling units or smaller units that would otherwise expand affordable residential options. Zoning that excludes manufactured housing also contributes to affordability challenges, because manufactured housing potentially offers a more affordable alternative to traditionally built housing without compromising building safety and quality.²⁵

In addition, regulations such as flat impact fees shift cost burdens onto developers.²⁶ Impact and other fees increase overall development costs and may influence builders' decisions about where, how much, and at what price point to build.²⁹

Permitting and Approvals. Beyond meeting the standards and requirements of local land use regulations, developers must go through permitting, review, and approval processes that can increase development costs. In addition to the hard costs for the permits themselves, permits may also lead to additional soft costs resulting from delays and uncertainty.³¹ Some of these processes also include forums for community input, which open developments to potential opposition. Abt Associates reports that in some cases, approvals can take years, while builders incur carrying costs such as interest payments. In addition to being lengthy, these processes can be complex and confusing, and they can differ widely from jurisdiction to jurisdiction — a particular problem for builders who work in many different areas and have to learn the requirements for each. Even within a single jurisdiction, the permitting process may require interacting with several public agencies.³²

NIMBYism. NIMBY opposition can take many forms, including public pressure on elected officials, such as members of a city council, who may have authority over funding applications or other approvals that developers need

Research suggests that more highly regulated jurisdictions tend to have higher housing prices, with regulations discouraging new development or making it less dense.

Regulations. Local land use regulations have accumulated in municipalities' code and statute books over many decades. Although governments originally adopted each regulation for some rationale or purpose, those rationales may not apply to present conditions.²³ In most cases, regulations are implemented to provide some benefit to existing homeowners, if not the general public. Although some basic public health and safety regulations are accepted as necessary and nonnegotiable, others exist in a gray area of tension between their public benefit and public cost — their negative impact on affordability. Localities must weigh these costs and benefits, which in some cases may be difficult to measure or compare in terms of monetary value. C.J. Gabbe

minimum lot size requirements in certain zones severely restrict density, effectively excluding affordable housing. Research suggests that minimum lot size regulations have a particularly strong effect on limiting supply and increasing prices.²⁵ Required parking can be both expensive to construct (costing up to thousands of dollars per surface spot or tens of thousands per underground spot) and take up land that could otherwise be used for greater housing density.²⁶ Developers attempting to meet minimum parking requirements for high-density development often incur higher costs to construct structured parking, particularly if it is built underground. These added costs likely result in higher housing prices.²⁷

to start building or to make a project financially viable. To foster public participation, many localities have formalized venues and processes for community input. Community opposition can thwart projects, reduce a project's density, or cause delays that create uncertainty and add costs for developers who often have little financial flexibility.³⁵ Fischel explains that a residential

overcome opposition, but such efforts can be costly and time consuming.³⁶

Land use regulations and NIMBYism not only increase the costs of individual developments but can also incur broader social and economic costs. A restricted supply of affordable housing increases the number of cost-burdened households and contributes to home-

approval processes, and NIMBYism through various policies and strategies, including general approaches as well as responses that target specific barriers. As a start, says Lisa Sturtevant, senior visiting fellow at the Urban Land Institute's (ULI's) Terwilliger Center for Housing, local communities can review their existing policies, many of which were written decades ago, to ensure that they still apply under current conditions. She cites parking ratios as an example of regulations that may reflect dated assumptions about automobile use in places that have since expanded public transit options or where residents have different needs and preferences for how they use cars.⁴¹ A systematic review may reveal many requirements that should be revised or repealed to better reflect a community's current housing needs.

Community opposition can thwart projects, reduce a project's density, or cause delays that create uncertainty and add costs for developers who often have little financial flexibility.

zone might allow construction of single-family homes and duplexes "as of right" or without requiring a review and approval, whereas multifamily housing in the same zone might require a special exception by the zoning board that is presumed to be granted if certain criteria are met. But, Fischel continues, "one of the specific criteria is often that the use not adversely affect the 'character of the neighborhood,' which often invites open-ended discussion and negotiation with established residents of the neighborhood."³⁴

Land use rules are largely determined, directly or indirectly, by existing homeowners desiring to keep their property values high, and the potential beneficiaries of looser restrictions do not (yet) live or vote in those jurisdictions.³⁵ Strong NIMBY opposition in places of opportunity may have the overall effect of reducing the amount of newly constructed affordable housing built in these areas.³⁶ Developers want community involvement, says Munger, but community opposition can disrupt the timing of complicated financing and planning processes, ultimately resulting in higher development costs and higher rents.³⁷ Developers tend to use formal or informal public information sessions to try to address community concerns and

lessness and housing insecurity, which in turn affect residents' health, education, and employment, among other things. A dearth of affordable housing options, particularly in markets experiencing population growth, can also displace existing residents as a tight housing supply with few affordable alternatives pushes rents higher. Exclusionary zoning and NIMBYism also keep affordable housing out of places of opportunity, restricting the potential benefits for low-income households that would ultimately benefit the economy and society as a whole. Evidence also suggests that such restrictions suppress economic growth. Research by Chang-Tai Hsieh and Enrico Moretti models the costs to aggregate U.S. economic growth from the misallocation of labor caused by housing supply restrictions in centers of productivity. They find that from 1964 to 2009, constraints on the supply of new housing reduced economic growth by more than 50 percent.³⁸ Although Glaeser and Gyourko estimate a smaller impact on economic growth, they nevertheless find that land use restrictions significantly lower national output.³⁹

Local Strategies and Policy Responses

Local jurisdictions can address zoning and regulations, permitting and

Another general approach that communities can take is to establish by-right development, meaning that proposed developments that meet zoning requirements are administratively approved without public hearings or local legislative approval. This policy could be tied to other desirable goals such as encouraging transit-oriented development or increasing affordability. Similarly, adopting form-based codes can reduce NIMBY opposition by "putting the argument up front," says Sturtevant. A locality can invite substantial community input into code requirements, adopt those requirements, and subsequently allow buildings that meet those standards to proceed without additional reviews subject to community input.⁴² Localities can also coordinate all of the public hearings required for the various permits and approvals of a single development so that they are held together.⁴³

Local governments can also address specific regulatory barriers. Reducing minimum parking requirements, for example, can free up land for development, permit greater density, and reduce development costs. The drawback, and likely associated pushback from

residents, is that reducing the number of parking spaces may inconvenience residents with cars and increase traffic congestion. Parking reductions, however, can be targeted to situations in which the negative effects will be minimized. The city of Seattle, for example, reduces minimum parking requirements by up to 50 percent for developments in multi-family zones that are within 1,320 feet of a street with frequent transit service.⁴⁴

Localities can also streamline or expedite permitting processes. In some cases, governments can offer faster approvals as an incentive to develop projects that meet desirable goals such as increasing affordability. The city of

San Diego, for example, expedites permitting for projects meeting specified standards of sustainability or affordability. The program also allows certain deviations from standard regulations. Developers do pay additional fees to participate in the program; however, the city waives those extra fees for projects that are 100 percent affordable. In addition to the fees, developers participating in the program must be prepared for several reviews and applications up front.⁴⁵ Communities such as Denver, Colorado; Leesburg, Virginia; and Goodyear, Arizona, have set up one-stop administration of permitting to consolidate and streamline processes to the benefit of developers. Short of a

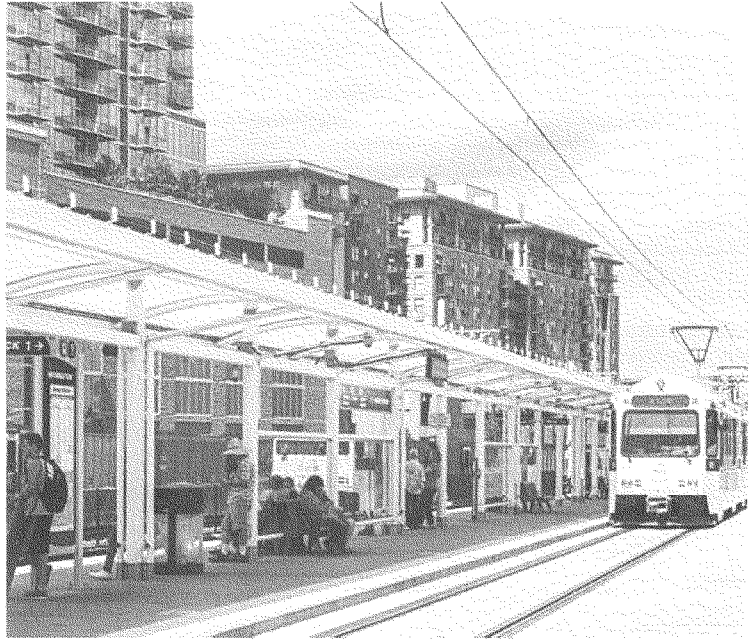
one-stop system, localities can proactively improve interagency coordination among all the entities responsible for permitting within a jurisdiction.⁴⁶

Orlando, Florida, offers numerous incentives for developers of affordable housing and for developers who make in-lieu contributions to the city's trust fund for low- and very low-income housing. Developers meeting these criteria may be eligible for federal or state funds, reduced or waived impact fees, density bonuses, alternative development standards, and expedited permitting. Each of these incentives can potentially reduce development costs or, in



Construction of Folsom & Dore Apartments, which houses 130 low-income individuals, including those with a history of homelessness, benefited from reduced parking requirements.

Luis Thomas, courtesy of the Transition Neighborhood Development Corporation



Some jurisdictions have relaxed parking requirements for housing located near public transit.

the case of a density bonus, increase the revenue and profitability of a development.⁴⁷

Zoning and regulations can be loosened to allow multifamily housing, manufactured housing, homes with footprints that are significantly smaller than average, accessory dwelling units (ADUs), and garage or basement rental units, all of which can expand affordable housing options. The California state legislature has adopted statutory changes to encourage construction of ADUs and increase the supply of affordable housing (see "States Reduce Regulatory Barriers for Affordable Housing," p.16).

Cottage housing, modestly sized homes on smaller lots that are either used as infill development or clustered with other cottage homes around a common area, can increase the density of single-family detached housing.⁴⁸ A handful of cities such as Kirkland and Lakewood in Washington have adopted codes or ordinances to allow cottage housing.⁴⁹ Another strategy is to allow tandem housing — two detached homes on a lot.⁵⁰ To foster greater density and affordability, the city of Portland has allowed lot sizes that are less than 36 feet wide on which developers can build homes with preapproved "permit-ready" plans. This approach

combines zoning rules that encourage density with a streamlined approval process to provide a dual incentive to builders.⁵¹

Some cities have implemented inclusionary zoning (IZ), requiring developments of a certain size to include units with affordability restrictions, typically in exchange for density bonuses. In some instances, as in the Orlando case mentioned above, developers can pay in-lieu fees (to support affordable housing construction) or build affordable units offsite. Research shows that these options can be effective in creating affordable units while avoiding some

of the likely costs and controversies from building the affordable units onsite.⁵² IZ policies have produced a modest number of affordable units.⁵³ Some critics argue that IZ is ultimately counter-productive. Calder, for example, argues that, as with other land use regulations, IZ requirements weaken economic incentives for development.⁵⁴ One study that compares jurisdictions with IZ to those without concludes that IZ increases the prices of single-family homes and reduces their average size, but it also increases multifamily construction.⁵⁵ Another study, however, finds no statistically significant adverse effect on housing supply in markets with IZ.⁵⁶ Noting that it is difficult to generalize the many studies of IZ in particular locations at particular times, Sturtevant concludes that "the most highly regarded empirical evidence suggests that inclusionary housing programs can produce affordable housing and do not lead to significant declines in overall housing production or to increases in market-rate prices."⁵⁷ She says that the effectiveness of IZ ultimately is determined by local conditions and implementation.⁵⁸ Williams suggests that, in particular, localities need flexibility to adjust to changing market conditions.⁵⁹ Local governments can evaluate the tradeoffs of such policies to determine whether they result in a net benefit.

A Role for States

States have authority over zoning, which they typically grant to local governing bodies. States, however, can set parameters and encourage certain practices. Bratt and Vlodeck note three categories of state interventions to address land use and zoning policies that exclude affordable housing: a statewide affordable housing goal that applies to all jurisdictions, a fair-share mandate that allocates affordable housing according to need, and a statewide requirement that local communities include a housing element in their comprehensive plans.⁶⁰ A recent ULI housing policy report identifies strategies for states and local communities to increase their supply

of affordable housing by reducing barriers related to land use and other regulations. The report's authors view the state's authority over land use policies and their resources for supporting localities in planning as underutilized and potentially significant levers for expanding housing choice and opportunities.⁶¹

The ULI report offers five specific, complementary strategies that states can pursue to reduce barriers to an

2016, the policy had resulted in more than 7,000 affordable units in Seattle.⁶⁵ Finally, states can authorize localities to combat or moderate NIMBY opposition to new development.⁶⁶

When states adopt zoning parameters or requirements that preempt those of local governments, they can help facilitate development that may be unpopular with existing residents but that ultimately benefits the state and local economies.⁶⁷ States can also

States can support local communities by providing technical assistance and financial incentives to implement zoning frameworks that encourage denser development.

expanded housing supply. First, states can require local and regional housing needs assessments that could prompt communities to be more thoughtful about land use policies.⁶² Sturtevant says that combining planning for housing with that for schools and other services may help localities better understand and address housing needs.⁶³ Second, states can support local communities by providing technical assistance and financial incentives to implement zoning frameworks that encourage denser development. Third, they can reduce regulatory barriers and streamline processes that increase development costs. Fourth, states can empower localities to align their own resources to create incentives for development, which may require states to grant these localities additional flexibility or authority to deploy their resources more effectively.⁶⁴ For example, Washington state gave local jurisdictions the power to exempt developers that build multifamily housing from property taxes for 8 to 12 years when they meet certain criteria. For developers to get the benefit for 12 years, the property must allocate 20 percent of its units to low- or moderate-income residents. As of

coordinate state-local and interjurisdictional requirements to streamline processes and reduce paperwork for developers.⁶⁸ Developers may have to prepare applications and meet requirements for multiple jurisdictions (for example, at the state level and the local level) with different standards instead of a simpler, uniform framework.⁶⁹

Conclusion

Evidence suggests that regulatory barriers and NIMBY opposition are significant factors in affordable housing challenges, particularly in markets with strong job and population growth. Housing supply restrictions contribute to high rates of housing cost burdens, homelessness, displacement, and housing instability. Broader implications include spatial mismatch of housing and jobs that depress economic output and growth and exclude low-income households from areas of opportunity. Generally, local communities in the United States have struggled to combat regulatory barriers effectively. However, state and local governments can take numerous approaches to shape zoning and regulation in a way that increases the housing supply and drives

down prices to better meet the housing needs of their communities. EM

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- ² Interview with Lisa Sturtevant, 22 February 2018.
- ³ Joint Center for Housing Studies of Harvard University. 2017. "America's Rental Housing 2017," 4. Bureau of Labor Statistics. 2018. "The Employment Situation—March 2018," 6 April press release; Sewin Chan and Gita Khun Jush. 2017. "2017 National Rental Housing Landscape: Renting in the Nation's Largest Metros," NYU Furman Center, 3, 20.
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- ⁵ William A. Fischel. 2015. *Zoning Rules! The Economics of Land Regulation*. Cambridge, MA: Lincoln Institute of Land Policy, 28.
- ⁶ The latter group are commonly referred to as "Dillon's rule" states. Sonia A. Hirt. 2014. *Zoned in the USA: The Origins and Implications of American Land-Use Regulation*. Ithaca, New York: Cornell University Press, 34.
- ⁷ Hirt, 34-5.
- ⁸ *Ibid.*, 155.
- ⁹ *Ibid.*, 120-1.
- ¹⁰ *Ibid.*, 34.
- ¹¹ *Ibid.*, 34-5, 39-40.
- ¹² Matthew Resseger. 2013. "The Impact of Land Use Regulation on Racial Segregation: Evidence from Massachusetts Zoning Borders." Harvard University; Joseph Gyourko and Raven Moller. 2015. "Regulation and Housing Supply." *Handbook of Regional and Urban Economics* 5B, 1289.
- ¹³ Interview with Jenny Schuetz, 3 January 2018.
- ¹⁴ Hirt, 22-3.
- ¹⁵ Gyourko and Molloy, 1289, 1293.
- ¹⁶ *Ibid.*, 1297.
- ¹⁷ Sanford Hleda and Emily Washington. 2015. "How Land-Use Regulation Undermines Affordable Housing." Mercatus Center at George Mason University, 7.
- ¹⁸ National Apartment Association. 2017. "United States Needs 4.6 Million New Apartments by 2030 or It Will Face A Serious Shortage." *Unita Magazine*, June.
- ¹⁹ Paul Emrath. 2016. "Government Regulation in the Price of a New Home: Special Study for Housing Economics." National Association of Home Builders, 1.
- ²⁰ Kristoffer Jackson. 2016. "Do land use regulations stifle residential development? Evidence from California cities." *Journal of Urban Economics* 91, 45.
- ²¹ Edward Glaeser. 2017. "Reforming land use regulations." *Brookings Series on Market and Government Failure*, 24 April.
- ²² C.J. Gable. 2015. "Looking Through the Lens of Size: Land Use Regulations and Micro-Apartments in San Francisco." *Cities: A Journal of Policy Development and Research* 17(2), 224-5.

- ²³ Interview with Jenny Schuetz.
- ²⁴ Rachel G. Bratt and Abigail Vladeck. 2014. "Addressing Restrictive Zoning for Affordable Housing: Experiences in Four States." *Housing Policy Debate* 24(3), 594.
- ²⁵ Mercatus Center at George Mason University. n.d. "How Land-Use Regulation Undermines Affordable Housing." Mercatus Center Research Summary, 2.
- ²⁶ The White House. 2016. "Housing Development Toolkit," 16.
- ²⁷ Hleda and Washington, 13.
- ²⁸ Daniel R. Mandelker. 2016. "Zoning Barriers to Manufactured Housing." *The Urban Lawyer* 48(2), 238-4.
- ²⁹ Gable.
- ³⁰ Interview with Paula Munger, 22 February 2018.
- ³¹ Paul Emrath. n.d. "How Government Regulation Affects the Price of a New Home." National Association of Home Builders, 1.
- ³² Abt Associates. 2015. "Development Process Efficiency: Cutting Through the Red Tape." National Association of Home Builders, 1, 7.
- ³³ Corinne Fayton Scally and J. Rosie Tighe. 2015. "Democracy in Action: NIMBY as Impediment to Equitable Affordable Housing Siting." *Housing Studies* 30(5), Interview with Lisa Sturtevant.
- ³⁴ Fischel, 38.
- ³⁵ Edward Glaeser and Joseph Gyourko. 2018. "The Economic Implications of Housing Supply." *Journal of Economic Perspectives* 32(1), 3, 27.
- ³⁶ Interview with Lisa Sturtevant.
- ³⁷ Interview with Paula Munger.
- ³⁸ Scally and Tighe.
- ³⁹ Chang-Tai Hsieh and Enrico Moretti. 2017. "Housing Constraints and Spatial Mismatch." *Ibid.*
- ⁴⁰ Glaeser and Gyourko, 5.
- ⁴¹ Interview with Lisa Sturtevant.
- ⁴² *Ibid.*
- ⁴³ Abt Associates, 12.
- ⁴⁴ City of Seattle Municipal Code Title 23 - Land Use Code, Subtitle III - Land Use Regulations, Chapter 23.54 Quantity and Design Standards for Access, Off-Street Parking, and Solid Waste Storage, Section 920 - Parking Quantity Exemptions.
- ⁴⁵ City of San Diego Development Services Department. 2018. "Expedite Program for Affordable, In-Fill Housing & Sustainable Buildings." Information Bulletin 538, May.
- ⁴⁶ Abt Associates, 7-9.
- ⁴⁷ City of Orlando. "Incentives for Affordable Housing Development." www.cityoforlando.net/housing/development/incentives/. Accessed 16 February 2018.
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- ⁴⁹ Municipal Research and Services Center. "Cottage Housing." (mrsc.org/Home/Explore/Topics/Planning/Specific-Planning-Subjects-Plan-Elements/Cottage-Housing.aspx). Accessed 28 February 2018.

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- ⁵³ Jenny Schuetz, Rachel Melrose, and Vicki Reen. 2011. "Shew Boies or Trojan Horse? The Effects of Inclusionary Zoning on Local Housing Markets in the United States." *Urban Studies* 48(2), 297-320.
- ⁵⁴ Vanessa Brown Calder. 2017. "Zoning, Land-Use Planning, and Housing Affordability." *Cato Institute Policy Analysis* No. 823, 18 October.
- ⁵⁵ Antonio Bento, Scott Lowe, Gerrit-Jan Knapp, and Amal Chakraborty. 2009. "Housing Market Effects of Inclusionary Zoning." *Cities: A Journal of Policy Development and Research* 11(2), 7.
- ⁵⁶ Vinit Mukhija, Lara Regus, Sara Shovin, and Ashok Das. 2010. "Can Inclusionary Zoning Be an Effective and Efficient Housing Policy? Evidence from Los Angeles and Orange Counties." *Journal of Urban Affairs* 32(2), 220-52.
- ⁵⁷ Lisa A. Sturtevant. 2016. "Separating Fact from Fiction to Design Effective Inclusionary Housing Programs." Center for Housing Policy, 1.
- ⁵⁸ *Ibid.*
- ⁵⁹ Stockton Williams, Ian Carlton, Lorelei Junonen, Emily Fuchs, and Mike Wilkerson. 2016. "The Economics of Inclusionary Development." Urban Land Institute, Terwilliger Center for Housing, 19.
- ⁶⁰ Rachel G. Bratt and Abigail Vladeck. 2014. "Addressing Restrictive Zoning for Affordable Housing: Experiences in Four States." *Housing Policy Debate* 24(3), 596-7.
- ⁶¹ Stockton Williams, Lisa Sturtevant, and Rosmarie Hejny. 2017. "Yes in My Backyard: How States and Local Communities Can Find Common Ground in Expanding Housing Choice and Opportunity." Urban Land Institute, 4-5.
- ⁶² *Ibid.*, 7.
- ⁶³ Interview with Lisa Sturtevant.
- ⁶⁴ Williams et al., 7.
- ⁶⁵ *Ibid.*, 15-6.
- ⁶⁶ *Ibid.*, 7.
- ⁶⁷ Interview with Lisa Sturtevant.
- ⁶⁸ Andrew Jakabovics, Lynn M. Ross, Molly Simpson, and Michael Spotts. 2014. *Bending the Cost Curve: Solutions to Expand the Supply of Affordable Rentals*. Urban Land Institute, Terwilliger Center for Housing, 22.
- ⁶⁹ *Ibid.*, 20.

Exploring the Current State of Knowledge on the Impact of Regulations on Housing Supply

Although local and state housing regulations are usually passed with good intentions, they often serve as barriers instead, impeding the development and availability of affordable housing without providing residents with a commensurate health and or safety benefit. Many of these regulations prolong the completion of new construction and rehabilitation and exacerbate the high housing costs that burden residents of certain communities. This article will review early research on the cost of regulatory barriers, discuss how this research has evolved since the Great Recession and the ensuing housing crisis, and offer recommendations for further inquiry.

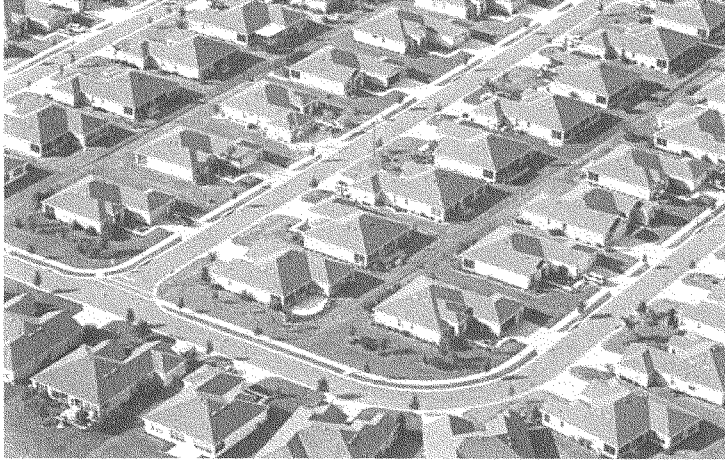
Environmental requirements and other regulations, including those that

respect and preserve historical and cultural tradition, are necessary. Significant regulatory trends over the past 10 years, however, have exacerbated an already serious affordability problem. Both anecdotal and empirical research indicate that in the suburbs, NIMBYism (Not in My Back Yard, or resistance to unwanted development in one's own neighborhood) may have worsened; many suburbs have enacted restrictions on affordable housing development, employed exclusionary zoning, imposed restrictive subdivision controls, and established complex review processes and requirements for permit approvals. These barriers can effectively exclude rental and affordable housing developments from a community. In addition, some environmental protection regulations have increased in complexity,

HIGHLIGHTS

- Researchers have developed analytical tools to test the effect of regulations on housing costs and have found that the stricter the regulatory environment is, the greater its impact on the cost of housing.
- Density requirements limit housing options for low- and moderate-income families seeking quality housing in high-cost markets.
- Researchers can determine both costs and benefits of land use regulations and make empirical distinctions between necessary regulations that enhance public health and safety but increase cost, and regulations that are burdensome without offering commensurate public benefits.

creating new mitigation requirements, lengthy approval processes, and added consultant expenses that raise development costs and restrict development opportunities. Schill argued that



Large-lot zoning limits or prevents the development of affordable housing.

researchers should carefully consider regulations that, while costly, are effective at promoting the health and safety of community residents versus those that respond to demand for additional development beyond what is necessary to maintain a high quality of life for those residents. He examined changes in the median sales price of new residential housing starts over time and found that from 1990 to 2002, the cost of new development rose by 52 percent, driven in part by the costs associated with restrictions on design and building type.⁷

A growing number of communities have introduced poorly conceived growth management and growth containment strategies without also implementing policies to ensure a stable supply of land to accommodate community growth. Communities are also increasingly imposing impact fees that are intended to cover the upfront infrastructure costs of development; in some cases, these fees have exceeded the actual costs generated by growth and have had a regressive impact. Urban barriers such as slow and burdensome permitting and approval systems, obsolete building codes, and difficulties associated with infill development are also significant impediments to the development of affordable housing in cities. For example, Quigley and Raphael created an analytic tool to test the effect of regulations on housing costs. Applying the hedonic pricing method to California housing costs between 1990 and 2000, they found that the more strangled the regulatory environment, the greater the impact on the cost of housing, increasing prices by nearly 5 percent for single-family homes and 2.5 percent for rental units.⁸

Regulations also restrict the supply of housing by depressing housing starts. Quigley and Raphael found evidence that land use controls such as minimum and maximum allowable densities, delays in the permitting process for residential construction, and growth containment strategies such as urban growth

boundaries are all strongly associated with high-cost housing.⁹ Increasing evidence suggests that many communities, particularly those in growing suburbs, are engaging in practices that limit the construction of high-density multifamily housing, particularly affordable rental housing. These practices may persist even when high-density housing is legally permitted in the community and demand for such housing exists.

Indeed, residents of growing suburban communities are demonstrating strong demand for low-density housing. Renowned economist Ed Glaeser and his colleagues' seminal work involved an analysis of land use restrictions on rental housing supply in New York City, Boston, San Francisco, and Washington, D.C., between 1980 and 2000. They hypothesized that competition among builders to respond to consumer preferences for certain housing options drives down development costs in the absence of regulations. The argument is that the home building industry exerts considerable influence on the decisionmaking process, as elected officials often take cues from builders who are attuned to the preferences of voters who put them in office. If voters are unhappy with a development plan that does not reflect these preferences, they can and often do "vote with their feet." As such, decisionmakers respond by finding ways to strike a balance between satisfying voter preferences and reasonable land use regulations that address larger community health and safety needs while reducing the development cost burden and negative spillover effects. The researchers rely on American Housing Survey (AHS) data to estimate the marginal value of available land and compare it with rising construction costs in these areas. Their analysis indicates that height restrictions on buildings, imposed to prevent overcrowding and congestion, could be responsible for increased housing costs. Their conclusion confirms that density requirements limit the available choices for low and moderate-income

families in search of quality housing in these high-priced markets.⁴

Although multifamily rental housing is not automatically or exclusively affordable, it makes up a substantial portion of the nation's affordable housing stock. AHS data indicate that growing suburban communities throughout the country are experiencing severe shortages of affordable housing, and many of these communities likely have a substantial amount of land zoned for multifamily housing development. Empirical evidence, however, suggests that these communities are engaging in practices that severely restrict the development of high-density multifamily housing despite the existence of as-of-right zoning laws that permit its development.

In addition to these regulatory trends are extensive regulatory barriers, including high infrastructure costs, restrictive and obsolete local building practices, bureaucratic inertia, exclusionary zoning practices, protracted project reviews, and excessive property taxes and fees as well as public opposition to affordable housing. These barriers significantly raise development costs; prevent the development of affordable housing in areas with high job growth, forcing lower-income households to live far from job opportunities; and limit available market-rate and affordable housing options, including higher-density housing, multifamily rental housing, accessory units, and manufactured homes.⁵

Several researchers have measured the effects of housing regulations. Joseph Gyourko and his team developed the Wharton Residential Land Use Regulatory Index, an analytical tool to quantify the impact of regulations on the amount of housing built and the cost of housing. The researchers created a national survey of more than 2,500 municipalities across the country to understand variations in regulatory policies, practices, and procedures and their effects on the land development process. From the data,



Slow and burdensome permitting processes add to housing development costs.

they developed an aggregated index that tests for “regulatory stringency” to estimate the cost of development over time for state and local governments, ranking states based on their degree of regulatory strictness. They concluded that the more stringent a state’s regulatory environment, the higher the cost of its housing, which prices low- and middle-income Americans out of high-opportunity communities.⁶ Their continued work to measure the effects of the local, regional, and state regulatory environment on housing development has been used by researchers nationwide.⁷

Dalton and Zabel developed a fixed-effects model that accounts for the endogeneity of local land use regulations and controls for cross-jurisdictional spillover. Their analysis of unit characteristics and lot size requirements in San Francisco and the greater Boston area from 1987 to 2006 found that policymakers implemented most zoning regulations in response to political pressure to keep taxes low and to meet the communities’ demands for public

goods and amenities. These pressures, however, also resulted in negative externalities, including the unequal distribution of public services and increased housing costs, that adversely affect low-income families. The findings themselves are not surprising, but they confirm and quantify a well-known but unverified observation: that large-lot zoning and various site development requirements limit or prevent the development of affordable housing.⁸ These requirements, therefore, can harm a community’s ability to provide moderate-income residents with broad access to homeownership and rental opportunities.

Current Research on Regulatory Barriers to Housing Affordability

More recently, scholars have attempted to update their analyses on the regulatory impacts on availability of affordable housing. For example, Haifang and Tang studied housing price fluctuations by examining market trends in 300 large cities before and after the Great Recession. Holding all else

constant, they found that governments impose more regulation on less developable land, resulting in higher housing prices after the recession.⁹ Hilber and Robert-Nicoud confirmed that land use restrictions increase the cost of housing, especially in high-demand markets.¹⁰

On the positive side, Furman noted that housing starts have recently increased and existing housing has appreciated in value, which has generated wealth for middle-income families. Land use restrictions, however, have not only continued unabated but have also become more expansive.¹¹

The evidence is clear that land use regulations disproportionately affect low- and moderate-income families by limiting housing options and driving up housing costs.¹² And, as Gyourko and Molloy pointed out, most researchers agree that the costs of regulations are quantifiable.¹³ However, more studies are needed to empirically measure the efficiency and public benefits of regulations. Reaffirming this point,

Reeves et al. confirmed that land use regulations still pose significant challenges for low-income families searching for quality neighborhoods with access to good schools, job opportunities, and attractive community amenities.¹⁴ Even though post-recession household incomes have improved as low- and semiskilled workers take advantage of employment opportunities, the authors found that in modest and high-cost housing markets, local governments use their zoning powers to price out low-income families, bowing to pressure from upper-middle-income households to preserve or increase home values.

The United States continues to grapple with rising inequality in housing. Lens and Monkkonen examined the regulatory environment of the 95 largest U.S. cities and found that the number of local approvals for new residential

development is highly correlated with income segregation. In addition, they found that only specific types of land regulations, most prominently, density requirements, result in high levels of income segregation. They argued that local governments require more assistance from state governments to address increasing inequities resulting from fragmentation and burdensome bureaucratic requirements that slow down the permit approval process.¹⁵

Recommendations for Further Inquiry

With the rising demand for quality, affordable housing choices, regulatory reform has reemerged as a prominent issue at the federal, state, and local levels. As states and municipalities grapple with the challenges involved in meeting this demand, researchers should respond by advancing evidence-based research on regulatory barriers.

Researchers could, for example, continue to develop measures of the degree and intensity of the effects of regulatory restrictions on housing outcomes at the local and regional levels and update existing measures as needed. Researchers are also documenting local and state regulatory practices to help understand how the regulatory environment affects the supply elasticity of housing. This research could eventually be compiled into a data repository that could be used to create indices or for further investigation.

Researchers should also make empirical distinctions between necessary regulations that enhance public health and safety but may increase the cost of housing and regulations versus those that are simply unnecessary or burdensome. More evidence is needed to determine both the costs and benefits of land use restrictions on housing development.



Higher density for single-family housing can be achieved through reduced setback requirements or zero lot line development.

More research is needed to quantify the impact of minimum-parking requirements on housing development. Ikeda and Washington, for example, suggested that minimum-parking regulations themselves, rather than the public demand for additional parking spaces, are associated with the high cost of housing in urban areas.¹⁶

In addition, ample evidence confirms that the permitting process is often slow and burdensome.¹⁷ Researchers should continue to review procedural practices, such as the use of special permits rather than the as-of-right permitting process, that may impede the development of affordable housing. Studies on the availability of fast-track permitting are also needed for a richer analysis of impacts. To understand how certain types of regulations affect development decisions, researchers should compare the ways that residential regulations and commercial and industrial regulations affect land values and housing outcomes. Planning decisions that will greatly affect a community's future built environment could be driven, in part, by policymakers' inability to anticipate the community's needs.

Finally, studies are needed to examine incentive-based strategies employed at the state level to strengthen local and regional capacity to respond to regulatory challenges to housing. Williams, Sturtevant, and Harper's review of state policies that allow for enhanced jurisdictional reviews of housing needs, evaluation of state housing requirements that align with local and regional goals, and examination of how states can offer communities technical advice and assistance, for example, considerably improves our knowledge base in these areas.¹⁸

Conclusion

Between 2000 and 2030, the United States will develop approximately 213 billion square feet of homes, offices, and other commercial and industrial building — two-thirds the amount built

as of 2000.¹⁹ Adopting a path that favors more compact forms of development can lead to greater environmental quality and social equity as well as create more housing choices for American families.

The evidence demonstrates that a positive relationship exists between land use regulations and the cost of America's housing. State and local land use regulations still constitute a significant part of the review process for housing development projects, representing a significant investment of resources and time by applicants, who must respond to these requirements, and by the public agencies who administer the reviews. To ensure that local and state policies significantly reduce the regulatory cost barriers associated with land and site development standards, policymakers would have to focus on the most significant land use controls identified by researchers: excessive zoning regulations and house size requirements. Researchers who commit to further investigation of the costs and potential benefits of regulations would be making a critical contribution to evidence-based research on affordable housing policy. **EM**

— Regina C. Gray, HUD Staff

¹ Michael H. Schill, 2005. "Regulations and Housing Development: What We Know." *Citiescape: A Journal of Policy Development and Research* 8:1, 5–19.

² John Quigley and Steven Raphael, 2005. "Regulation and the High Cost of Housing in California." *American Economic Review* 95:2, 323–8.

³ *Ibid.*

⁴ Edward L. Glaeser, Joseph Gyourko, and Raven Saks, 2005. "Why is Manhattan So Expensive? Regulation and the Rise in Housing Prices." *Penn IER Publications* 8, 333.

⁵ Glaeser and Ward (2009) noted that the lack of affordable housing is not necessarily a national epidemic; the problem is subject to local housing market conditions. To illustrate the point, they examined housing supply elasticity in Boston during the past 25 years and found that the greater Boston area has been facing a land shortage because of increasing demand for low-density development. However, they were against assuming that the lack of available land alone drives up the cost of new construction. Rather, they found evidence that land use regulations — primarily subdivision requirements such as minimum lot sizes — drove both the decline in construction starts and the rise in housing costs through the mid-2000s. Edward L. Glaeser and Bruce A. Ward, 2009. "The causes and consequences of land use regulation: Evidence from Greater Boston." *Journal of Urban Economics* 65, 263–78. Also note that Gyourko and Saks (2006) argued that regulatory impositions on where and

how housing is built greatly affect the total costs of land acquisition and construction. Joseph Gyourko and Albert Saks, 2006. "Construction Costs and the Supply of Housing Structure." *Journal of Regional Science* 46:4, 661–80.

⁶ Joseph Gyourko, Albert Saks, and Anita Summers, 2008. "A New Measure of the Local Regulatory Environment for Housing Markets: The Wharton Residential Land Use Regulatory Index." *Urban Studies* 45:5, 693–729.

⁷ See, for example, Turner's (2013) seminal analysis of the acquisition process, how land is parceled out for different types of housing, and the "degree of restrictiveness" of regulations across borders. Matthew Turner, 2013. "The Economics of Land-Use Regulations." *PERC Reports* 33:2.

⁸ Maurice Dalton and Jeffrey Zabel, 2009. "The Impact of Minimum Lot Size Regulations on House Prices in Eastern Massachusetts," discussion papers series, Department of Economics, Tufts University.

⁹ Huang Haifang and Yoo Tang, 2012. "Residential Land Use Regulation and the US Housing Price Cycle between 2000 and 2009." *Journal of Urban Economics* 71:1, 98–9.

¹⁰ Christian A.L. Hilber and Frédéric Robert-Nicoud, 2013. "On the Origins of Land Use Regulations: Theory and Evidence from US Metro Areas." *Journal of Urban Economics* 73, 29–43.

¹¹ Jason Furman, 2013. "Barriers to Shared Growth: The Case of Land Use Regulation and Economic Rents," remarks prepared for proceedings at the Urban Institute, Washington, DC, 20 November, 3.

¹² Sanford Ikeda and Emily Washington, 2015. "How Land-Use Regulation Undermines Affordable Housing." Mercatus Center, George Washington University.

¹³ Joseph Gyourko and Raven Mulloy, 2015. "Regulation and Housing Supply," in *Handbook of Regional and Urban Economics* 3B, Gilles Duranton, J. Vernon Henderson, and William C. Strange, eds. Oxford, UK: Elsevier, 1289–337.

¹⁴ Richard V. Reeves and Dimitrios Hatakis, 2016. "How Land Use Regulations are Zoning Out Low-Income Families." Social Mobility Memo, Brookings Institution, 16 August.

¹⁵ Michael C. Lens and Paavo Monkkonen, 2016. "Do Strict Land Use Regulations Make Metropolitan Areas More Segregated by Income?" *Journal of American Planning Association* 82:1, 8. See also Calder's (2017) work examining variations in regulatory environment across states. Specifically, she used a dataset containing zoning decisions affecting land use activities in 44 states, then compared them with the distribution of federal aid. She found that more restrictive zoning regulations are associated with increased average housing prices in 36 states, thus limiting housing options for low- and middle-income families and increasing those families' reliance on federal rental subsidies. Vanessa Brown Calder, 2017. "Zoning, Land-Use Planning, and Housing Affordability." *Policy Analysis* 823, 1–15, CATO Institute.

¹⁶ Ikeda and Washington, 14.

¹⁷ Leslie Braunstein, 2016. "Increased Use of Wood, Reduced Parking May Reduce Multifamily Construction Costs." *Urban Land Institute*, 16 November; Vicki L. Been, 2016. Testimony Prepared on behalf of the Department of Housing Preservation and Development City Council Subcommittee on Zoning and Franchises Hearing on the Zoning for Quality and Affordability Proposal, 10 February.

¹⁸ Stockton Williams, Lisa Sturtevant, and Rosemarie Harper, 2017. "Yes in My Backyard: How States and Local Communities Can Find Common Ground in Expanding Housing Choice and Opportunity." Urban Land Institute, Twissinger Center for Housing, Washington, DC.

¹⁹ Arthur C. Nelson, 2004. "Toward a New Metropolitan: The Opportunity to Rebuild America," 7.

States Reduce Regulatory Barriers for Affordable Housing

Although the authority to regulate land use is delegated primarily to local governments, states have the constitutional authority to reduce, or remove regulations that drive up housing costs, offer financial and technical support for local communities to zone for affordable housing, and empower municipalities to use their own resources to create incentives for development. States can also help address community opposition to new housing developments and encourage regular assessments of housing needs at the local level.¹ This article discusses efforts by Massachusetts and California to streamline permitting processes and ease restrictive zoning laws that hinder the development of affordable housing. More than any other state, Massachusetts has taken steps to supersede local development decisions and overcome neighborhood resistance to produce affordable housing.² The state adopted legislation to remove requirements for affordable housing developers to secure multiple permits, allow by-right development, and increase density. California demonstrates how a state can support efforts that lower the cost of affordable housing construction and make implementing regulatory changes easier for local governments.³ California enacted legislation allowing fewer parking spaces in housing developments to increase affordability in areas close to public transit and promote the construction of accessory dwelling units (ADUs) in single-family and multifamily residential neighborhoods.

Overcoming Regulatory Barriers in Massachusetts

In the late 1960s, Massachusetts recognized the need to simplify approval processes for local permits for affordable housing and limit exclusionary zoning practices hindering the production of affordable housing in the suburbs, which are typically zoned for single-family residences.⁴ To this end, in

1969 Massachusetts enacted the Comprehensive Permit and Zoning Appeal Law (Chapter 40B), which encourages all cities to set aside at least 10 percent of their housing units as affordable. The law reduces barriers to affordable housing production by granting local zoning boards of appeal (ZBAs) the authority to approve housing developments if 20 to 25 percent of the units remain affordable for a period of 30 years to households with incomes at or below 80 percent of the area median income (AMI).⁵ As Rachel Heller, chief executive officer at the Citizens' Housing and Planning Association, noted, the law supports mixed-income housing and the production of multifamily rental housing.⁶

Chapter 40B also simplifies the permitting process for developers by allowing them to apply to a single authority: the local ZBA. Qualified developers can appeal denials of housing permits to the state Housing Appeals Committee when less than 10 percent of the housing stock in a municipality is affordable.⁷ Once a municipality meets the 10 percent goal, however, it has the right to deny further applications for comprehensive permits under Chapter 40B. In this case, developers can still apply for a permit, but they cannot appeal the decision.⁸

Several years later, Massachusetts took additional steps to reduce the high cost of housing and address the restrictive zoning practices that kept housing out of reach for the state's most vulnerable residents. In 2004, Massachusetts adopted the Smart Growth Zoning Overlay District Act (Chapter 40R), a voluntary program offering financial incentives to foster affordable housing production that was the first state-level program of its kind.⁹ According to Heller, the main goal of Chapter 40R was to spur "compact, smart growth development to meet the state's housing needs

HIGHLIGHTS

- Massachusetts spurred the production of affordable housing with its Comprehensive Permitting and Zoning Appeal Law and Smart Growth Zoning Overlay District Act, which streamline approval processes for local affordable housing permits and allow by-right development in smart growth locations, respectively.
- California's parking reduction law allows developers to construct fewer parking spaces for affordable housing developments located within a half-mile of transit.
- California's planning and zoning laws require local governments to adopt ordinances for accessory dwelling units to increase the supply of affordable housing in areas occupied predominantly by single-family homes.

while also preserving open spaces."¹⁰ Chapter 40R eliminates the need for multiple permits by making compact, mixed-use developments allowable by right in smart growth locations.¹¹ The legislation sets minimum densities for developable land at 8 units per acre zoned for single-family homes, 12 units per acre zoned for two- or three-family buildings, and 20 units per acre zoned for multifamily housing.¹² Housing projects with 12 or more units in a smart growth district must make at least 20 percent of the units affordable to those earning up to 80 percent of AMI and maintain this standard for 30 years.¹³ In addition, 2016 revisions to Chapter 40R incorporate starter home districts of at least 4 units per acre with 20 percent or more affordable to households earning up to 100 percent of AMI.¹⁴ The law requires that Chapter 40R districts be in "highly suitable" areas with public transit, concentrated development, and amenities.¹⁵ The state allocates density bonus payments and production bonuses based on the number of housing units that will be produced, with the Smart Growth Housing Trust Fund as the funding source.¹⁶

A Chapter 40R project typically begins with a public hearing to gather community input on a developer's proposal. Municipalities have three years to adopt a Chapter 40R district ordinance through a two-thirds majority vote by the local council. The state's Department of Housing and Community Development (DHCD) can also request data from local municipalities for annual progress reports that explain trends in affordable housing production and projects awaiting approval. The law's "claw-back" provision requires the community to repay incentives to the DHCD, which returns them to the trust fund, if housing construction has not begun within three years of approval.¹⁷

Achieving Positive Outcomes

Heller notes that Chapter 40B has been the most successful tool in Massachusetts to reduce the state's dire affordable housing shortage, producing more than 70,000 homes by forcing communities to think about how to meet the 10 percent goal.¹⁸ The program has produced far more affordable housing outside of major cities than would have been developed without it.¹⁹ As of September 2017, 65 communities reached the 10 percent goal and several more are continuing to make progress, with 39 communities between 8 and 9.99 percent and an additional 55 communities at 6 percent or higher. According to Heller, "75 percent of

the state's population lives in municipalities that are above 6 percent, and less than 1 percent of residents live in the 42 smaller communities that have zero subsidized housing."²⁰ Chapter 40R continues to build on these successful trends. Currently, 37 municipalities have approved 42 smart growth districts under Chapter 40R. Of these municipalities, seven have expanded their original districts.²¹ The success of Chapter 40B — most notably for establishing an appeals process at the state level for affordable housing developments — has made it a model for other states such as Rhode Island, Connecticut, and Illinois that are working to alleviate barriers to affordable housing production.²²



Under Chapter 40R, cities receive financial incentives for constructing affordable housing developments in smart growth districts such as Atlas Lofts in Chelsea, Massachusetts.

The Neighborhood Directors



Developers of Japantown Senior Apartments in San Jose, California, unbundled parking from overall development costs to meet GreenTRIP standards and further lower the cost of housing.

Bernard Aude, courtesy of First Community Housing

Mitigating Challenges

Resident opposition to affordable housing development in the form of “not in my backyard” sentiments is a significant barrier for communities trying to satisfy the requirements of Chapter 40B. Common arguments are that affordable housing will increase school costs, traffic congestion, noise, pollution, and crime. Communities may also fear that Chapter 40B housing developments will cause property values to decline. Through archival research, site visits, and semistructured stakeholder interviews at four Chapter 40B housing developments, DeGenova et al. determined that these concerns were “unrealized” and “overstated.” Negotiation between municipalities

and developers helped calm fears and improve the developments.²³ According to Karki, such concerns can also motivate communities to pursue Chapter 40R to receive incentive payments while satisfying Chapter 40B’s 10 percent threshold.²⁴

Tension can also arise when communities have not yet reached the 10 percent goal, giving a developer the ability to appeal permit denials to the state and proceed with a housing project. To alleviate this tension, the state encourages communities to create a housing production plan that identifies housing needs and strategies for future development. Communities that can show progress on implementing the

plan have more leverage to approve or disapprove a planning proposal. Heller indicated that following through with the goals outlined in the housing production plan can make communities appeal-proof if they can show they have planned for development and made progress on those plans.²⁵

Despite efforts to expedite the permitting process and adopt local ordinances, approval can be time consuming. One study that collected permit data from 144 towns between 1999 and 2005 found that ZBA approval took about 10 months, and the time needed to receive a building permit for a Chapter 40B project was about 2 years from the date the developer submitted

the application.²⁶ Achieving consensus through the local two-thirds vote can also delay the approval of 40R projects.²⁷ Moreover, the state capital budget currently funds the Smart Growth Housing Trust Fund, but one constraint is that municipalities can spend the funds only on capital improvements rather than at their discretion.²⁸ The voluntary nature of Chapter 40R also requires communities to be motivated to develop affordable housing.²⁹

Recent Progress

In 2017, Governor Charlie Baker announced the Housing Choice Initiative Program to grant municipalities additional incentives and technical assistance with the goal of constructing 135,000 new housing units by 2025. Along with the Housing Choice Initiative Program, the state legislature is considering a complementary piece of legislation, House Bill 4073, An Act to Promote Housing Choices, which

Parking costs are bundled with the cost of development, and additional parking drives up overall development costs, which can translate into higher housing costs per unit for residential properties.

allows municipalities to reduce restrictive zoning through a simple majority vote rather than the current supermajority two-thirds vote. The bill encourages municipalities to adopt zoning best practices, including the development of ADUs, increased density, Chapter 40R smart growth zoning districts, and reduced parking requirements. Communities that do so can receive Housing

Choice Designation, which makes them eligible for financial benefits.³⁰ Two additional bills addressing zoning barriers to housing production are currently under consideration by the state legislature. House Bill 673, An Act Relative to Housing Production, requires communities to zone for multifamily housing in smart growth locations and to allow, by right, ADUs and clusters of single-family homes that preserve surrounding open spaces.³¹ House Bill 2420, An Act Building for the Future of the Commonwealth, reforms the state's planning, zoning, and permitting laws to expand housing choice in smart growth locations.³²

Flexible Zoning Laws in California

In California, the supply of affordable housing is not keeping pace with population growth.³³ Since 1969, California has required local municipalities to create a general plan every five or eight years that identifies current and future housing needs based on the state's projections for household growth.³⁴ Unlike population projections, which look at the number of individuals, household growth projections account for changes in household size, which make them more useful for identifying housing needs.³⁵ Although California's Regional Housing Needs Allocation process encourages local allocation of housing, it has not substantially closed the affordable housing gap.³⁶ From 2009 to 2014, 467,000 units were added to the housing stock — not enough to accommodate the increase in the number of households (544,000).³⁷

California has enacted several laws to address its shortage of affordable housing. In 2015, the state adopted its parking reduction law, which allows developers seeking a density bonus to request lower minimum parking requirements contingent on constructing affordable housing near transit.³⁸ Meea Kang, director of the Council of Infill Builders and lead advocate for the law, explained that the projects she proposed typically required regulatory

changes, and "parking made sense to reduce, especially if it was an infill project close to transit."³⁹

As a cosponsor of California's parking reduction law, Transform — a Bay Area transportation nonprofit organization — has supported policy discussions through its publicly accessible GreenTRIP Parking Database, which offers information such as rental costs, building characteristics, affordability, and parking occupancy.⁴⁰ A 2015 GreenTRIP analysis found that at 68 affordable housing developments in the Bay Area, 31 percent of the 9,387 total parking spaces were empty at night. In 2015, construction costs for these spaces stood at approximately \$139 million; nationally, the average construction cost per space was \$24,000 for aboveground parking and \$34,000 for underground parking.⁴¹ An underground space in San Francisco costs about \$50,000.⁴² Parking costs are bundled with the cost of development, and additional parking drives up overall development costs, which can translate into higher housing costs per unit for residential properties.⁴³ According to Williams et al., reducing unnecessary parking can lower development costs "by \$20,000 to \$50,000 per unit in high-cost areas."⁴⁴ This reduction can make it easier to construct affordable housing for seniors, people with special needs, and low-income households, who may be less likely to drive.⁴⁵

The ministerial approval embedded in the parking reduction law bypasses the need for planning commissions to weigh in on local decisions, which can stall projects. For developers constructing housing within a half-mile of public transportation, the parking reduction law sets the minimum parking requirement at 0.5 spaces per unit for senior housing and 0.3 spaces per unit for special needs housing. The parking law encourages market-rate developments to provide affordable housing by requiring 0.5 spaces per bedroom for mixed-income housing with up to 20 percent of units for low-income

households or 11 percent for very low-income households.⁴⁶ Currently, California still requires two parking spaces per unit for a two-bedroom apartment, and municipalities have the freedom to increase this ratio, but if developers want to build affordable housing near transit, this law allows them to construct fewer parking spaces. The parking legislation speeds up the project approval process and has helped cities reach their affordable housing goals.⁴⁷

Facilitating the Production of Accessory Dwelling Units

California also sees the potential for ADUs to accommodate future population growth. ADUs are an innovative way to increase affordable housing supply in high amenity areas that are occupied primarily by single-family homes, which make up 56.4 percent of California's total housing stock.⁴⁸ An ADU is a secondary dwelling unit sometimes referred to as a "granny flat"

or "in-law suite." (See *Evidence Matters*, Summer 2017.) ADUs can be small studios or one-bedroom units in a detached, attached, or converted space within the main house such as a garage, first floor, or basement.⁴⁹ Constructing an ADU is cheaper (\$156,000 on average) than a single unit of affordable housing in a new development, averaging \$332,000 statewide, \$591,000 in San Francisco, and \$372,000 in Los Angeles.⁵⁰ The accessory units provide multipurpose, flexible housing arrangements such as short-term rentals, art studios, and housing for extended family. Karen Chapple, professor of city and regional planning at University of California at Berkeley, notes that flexible housing "allows the neighborhood to change quite quickly without changing built form."⁵¹

Effective January 2017, California enacted planning and zoning laws requiring local governments to adopt ADU ordinances.⁵² These laws reduce

regulations to facilitate the development of ADUs in numerous ways, such as eliminating setback requirements for garage conversions, utility connection fees, and parking requirements for ADUs in a historic district, a half-mile from transit, or near a car share area. State laws also require ADUs to be located on lots zoned for single- or multifamily use. Detached ADUs can be no larger than 1,200 square feet. ADU requests in compliance can become permitted within 120 days of receipt of application, without the need for a public hearing.⁵³

From 2015 to 2017, Los Angeles saw the largest jump in ADU applications of any California city, from 90 in 2015 to 1,980 in 2017. In addition, the number of applications in San Francisco was approximately 14 times larger in 2017 than in 2015, while Oakland saw about 8 times more applications during the same period.⁵⁴ Currently, more than 100 cities in California have enacted



Residents at Gosh Family Apartments in San Jose, California, are close to light rail transit, which reduces traffic congestion and the need for parking.



ADUs, such as this one in Menlo Park, California, can increase the supply of affordable housing while also providing financial benefits to homeowners.

Home for All San Mateo County 21 Elements

ADU ordinances.⁵⁵ Because many cities had already implemented ordinances before the new legislation, it is unclear whether the jump in permits can be attributed to the new state legislation or to previous city reforms. The biggest short-term impact, according to Chapple, has been increased awareness of the benefits of ADUs for homeowners and tenants.⁵⁶

Several challenges remain, especially concerning preexisting, unpermitted ADUs; financing; and assessment. Rigid land use regulations have led to a large, informal housing market composed of unpermitted ADUs.⁵⁷ Roughly 50,000 unpermitted accessory units are in Los Angeles alone.⁵⁸ State building codes, which emphasize energy-efficiency standards meant for larger units, can be a barrier for homeowners trying to convert garages or construct new cottages.⁵⁹ Cost remains the biggest barrier for homeowners looking to construct ADUs, particularly for low-income

elderly residents, whose incomes in retirement may be too low to qualify for a mortgage. Traditional banks and credit unions are still developing loan financing tools for ADUs, but these financing mechanisms tend to favor high-income, high-equity households. Monitoring and evaluation also remains a challenge at the state level; cities are required to report the number of housing units constructed, but ADUs have not been part of that count.⁶⁰

New Reforms

In September 2017, California adopted sweeping housing legislation that, among other actions, provides incentives to local governments that develop affordable housing near transit and streamline processes for approving local projects.⁶¹ Senate Bill 831 builds on the success of previous ADU legislation by allowing a pending ADU application to be automatically approved if a local agency has not acted within 60 days. The existing laws leave cities to define

transit options, however broad, within their local ordinances, but the latest bill eliminates this ambiguity by defining public transit as “a location, including, but not limited to, a bus stop or train station, where the public may access buses, trains, subways, and other forms of transportation that charge set fares, run on fixed routes, and are available to the public.”⁶² In addition, Assembly Bill 2890 amends existing ADU laws by proposing a state-mandated program to limit the land use restrictions that local municipalities can impose on ADUs.⁶³

Realizing Change

Efforts in Massachusetts and California demonstrate that state actions to reduce regulatory barriers can facilitate the development of affordable housing at the local level. In Massachusetts, Chapter 40B set the groundwork to spur the growth of affordable housing production, and decades later, Chapter 40R became the added incentive to help communities meet the 10 percent

goal for affordable housing units.⁶⁴ By revising parking regulations, California is helping developers and cities build affordable, higher-density housing near transit.⁶⁵ California also demonstrates that ADUs can serve multiple purposes by helping homeowners generate additional income while filling the affordable housing gap. These laws can serve as models for other states looking to expand affordable housing by reducing regulatory barriers, and they grant residents more of what they desire — housing in affordable and walkable communities near transit and amenities.⁶⁶ EM

¹ Stockton Williams, Lisa Stronewan, and Rosemarie Heppner. 2017. "Yes In My Backyard: How States and Local Communities Can Find Common Ground in Expanding Housing Choice and Opportunity." Urban Land Institute, Terwilliger Center for Housing, 4, 7. [Ibid.](#), 18–30.

² [Ibid.](#), 14; Interview with Meea Kang, 8 February 2018.

³ Carolina K. Reid, Carol Galante, and Ashley F. Weinstein-Carnet. 2016. "Borrowing Innovation, Achieving Affordability: What We Can Learn From Massachusetts Chapter 40B." University of California at Berkeley, Turner Center for Housing Innovation, 2; Interview with Rachel Heller, 7 February 2018.

⁴ Citizens' Housing and Planning Association. 2014. "Chapter 40B: The State's Affordable Housing Law." General Court of the Commonwealth of Massachusetts. n.d. "Chapter 40B: Regional Planning." [Inalegislature.gov/Laws/GeneralLaws/PartI/TitleVII/Chapter40B](#). Accessed 26 January 2018; Interview with Rachel Heller.

⁵ Interview with Rachel Heller.

⁶ Tej Kumar Karki. 2015. "Mandatory Versus Incentive-Based State Zoning Reform Policies for Affordable Housing in the United States: A Comparative Assessment." *Housing Policy Debate* 25:2, 240. General Court of the Commonwealth of Massachusetts, "Chapter 40B: Regional Planning."

⁷ Reid et al., 3.

⁸ Williams et al., 10–2.

⁹ Interview with Rachel Heller.

¹⁰ Barry Robbins. 2006. "An Overview of Chapters 40R and 40S, Massachusetts' Newest Housing Policies." Policy Brief 06-1, New England Public Policy Center at the Federal Reserve Bank of Boston.

¹¹ General Court of the Commonwealth of Massachusetts. n.d. "Chapter 40B: Smart Growth Zoning and Housing Production." [Inalegislature.gov/Laws/GeneralLaws/PartI/TitleVII/Chapter40B](#). Accessed 3 January 2018; State of Massachusetts. n.d. "Chapter 40B." [www.mass.gov/service-details/chapter40b](#). Accessed 2 January 2018; Interview with Rachel Heller.

¹² The General Court of the Commonwealth of Massachusetts, Chapter 40B; Karki, 246.

¹³ Metropolitan Area Planning Council. n.d. "Chapter 40B: 2018 Changes." Interview with Rachel Heller.

¹⁴ General Court of the Commonwealth of Massachusetts, "Chapter 40B: Smart Growth Zoning and Housing Production."

¹⁵ [Ibid.](#).

¹⁶ [Ibid.](#); Karki, 246; General Court of the Commonwealth of Massachusetts, "Chapter 40B: Smart Growth Zoning and Housing Production"; State of Massachusetts, "Chapter 40B."

¹⁷ Interview with Rachel Heller.

¹⁸ Reid et al., 4; Interview with Rachel Heller.

¹⁹ Interview with Rachel Heller.

²⁰ [Ibid.](#).

²¹ Carol Galante and Carolina Reid. n.d. "Expanding Housing Supply in California: A New Framework for State Land Use Regulation." Center for California Real Estate, 6, 8.

²² Alexandra DeGenerova, Brendan Goodwin, Shannon Moriarty, and Jeremy Robitaille. 2009. "On the Ground: 40B Developments Before and After." Tufts University, iv–vi, 3, 30, 64.

²³ Karki, 247.

²⁴ Interview with Rachel Heller.

²⁵ Lynn Fisher. 2007. "Chapter 40B Permitting and Litigation: A report by the Housing Affordability Initiative." MIT Center for Real Estate, ii, 12.

²⁶ Karki, 254.

²⁷ Interview with Rachel Heller.

²⁸ Karki, 254.

²⁹ Commonwealth of Massachusetts. 2017. "Baker-Polito Administration Announces New Housing Choice Initiative." 11 December press release, Commonwealth of Massachusetts. 2018. "Baker-Polito Administration 'Testifies on Housing Choice Initiative.'" 30 January press release.

³⁰ Commonwealth of Massachusetts. 2017. *An Act Relative To Housing Production*. House Bill No. 675, 2017–2018 Reg. Session (17 January); Rachel Heller. 2017. "Testimony." Citizens' Housing and Planning Association, 20 June.

³¹ Commonwealth of Massachusetts. 2017. *An Act Building for the Future of the Commonwealth*. House Bill No. 2420, 2017–2018 Reg. Session (19 January); Massachusetts Smart Growth Alliance. n.d. "An Act Building for the Future of the Commonwealth H.2420."

³² Jonathan Wozniak, Jan Mischke, Shannon Peloquin, Daniel Wisniewski. 2016. "A Tool Kit to Close California's Housing Gap: 3.5 Million Homes by 2025." McKinsey Global Institute, 2.

³³ Williams et al., 7.

³⁴ California Department of Housing and Community Development. 2018. "California's Housing Future: Challenges and Opportunities — Final Statewide Housing Assessment 2025."

³⁵ Williams et al., 8.

³⁶ Wozniak et al., 2.

³⁷ California State Legislature. 2015. *An Act to Amend Section 65915 of the Government Code, Relating to Housing*. Assembly Bill No. 744, 2015–2016 Reg. Session (9 October); Donna Kimura. 2015. "California Developers Win Parking Victory." *Affordable Housing Finance*, 23 October; Williams et al., 13.

³⁸ Interview with Meea Kang.

³⁹ Stuart Cohen. 2015. "AB 744's Paradigm Shift — Affordable Homes Instead of Empty Parking Spaces." *TransForm*, 22 October; Interview with Ann Cheng. 5 February 2018; *TransForm*. n.d. "Our Approach." [www.transformca.org/funding-page/our-approach/our-mission](#). Accessed 14 February 2018.

⁴⁰ California State Legislature. Senate Floor Analyses. 2015. *An Act to Amend Section 65915 of the Government Code, Relating to Housing*. Assembly Bill No. 744, 2015–2016 Reg. Session (9 October), 5–6.

⁴¹ Kimura.

⁴² Donald C. Shoup. 1999. "The Trouble with Minimum

Parking Requirements." *Transportation Research A* 33: 549–74; Ryan Russo. 2001. "Rethinking Residential Parking: Myths and Facts." Non-Profit Housing Association of Northern California.

⁴³ Williams et al., 14.

⁴⁴ Melanie Curry. 2015. "Bill to Reform Parking Minimums Passes CA Senate Transportation Committee." *Streetblog Cal*, 10 July.

⁴⁵ California State Legislature 2015; Cohen; Interview with Meea Kang.

⁴⁶ Interview with Meea Kang.

⁴⁷ David Garcia. 2017. "ADU Update: Early Lessons and Impacts of California's State and Local Policy Changes." 1–2.

⁴⁸ California Department of Housing and Community Development, 1.

⁴⁹ Garcia, 2.

⁵⁰ Interview with Karen Chapple, 5 February 2018.

⁵¹ Garcia, 3.

⁵² California State Legislature. 2016. *An Act to Amend Sections 6582.1, 6582.1.1, 6582.1.2, 6582.1.3, 6582.1.4, 6582.1.5, 6582.2, and 6612.2 of the Government Code, Relating to Land Use*. Senate Bill No. 1069, 2015–2016 Reg. Session (27 September); California State Legislature. 2016. *An Act to Amend Sections 6582.2 of the Government Code, Relating to Land Use*. Assembly Bill No. 2299, 2015–2016 Reg. Session (27 September).

⁵³ Office of Senator Bob Wieckowski. 2018. "SB 851 Fact Sheet," document provided by Karen Chapple.

⁵⁴ Interview with Karen Chapple; California Department of Housing and Community Development. 2018. "Accessory Dwelling Units (ADUs): Ordinances Received by HCD." ([www.hcd.ca.gov/policyresearch/docs/ordinances_jurisdiction-ordinances.xlsx](#)). Accessed 12 February 2018.

⁵⁵ Interview with Karen Chapple.

⁵⁶ Karen Chapple, Jake Wegmann, Alison Nemrow, Colin Denzel Post. 2011. "Yes in My Backyard: Mobilizing the Market for Secondary Units." University of California at Berkeley, Center for Community Innovation, 6.

⁵⁷ Office of Senator Bob Wieckowski.

⁵⁸ Office of Senator Bob Wieckowski; Garcia, 6–7; Interview with Karen Chapple.

⁵⁹ Interview with Karen Chapple; Karen Chapple, Sonayya Abdelgouy, Alison Eckert, and Sonoria Cooper. 2017. "A Solution on the Ground: Assessing the Feasibility of Second Units in Unincorporated San Mateo County." University of California at Berkeley, Center for Community Innovation, 5, 12–3.

⁶⁰ State of California. 2017. "Governor Brown Signs Comprehensive Legislative Package to Increase State's Housing Supply and Affordability." ([www.gov.ca.gov/news.php?id=19979](#)). Accessed 23 January 2018.

⁶¹ Interview with Karen Chapple; California State Legislature. 2018. *An Act to Amend Sections 65823 and 6582.2, and to add Section 6582.21 to, and to add and repeal Section 6582.23 of, the Government Code, Relating to Land Use*. Senate Bill No. 831, 2017–2018 Reg. Session (4 January).

⁶² California State Legislature. 2018. *An Act to Amend Sections 6582.2 and 6582.22 of the Government Code, and to add Section 17921.2 to the Health and Safety Code, Relating to Land Use*. Assembly Bill No. 2800, 2017–2018 Reg. Session (16 February); Interview with Karen Chapple.

⁶³ Interview with Rachel Heller.

⁶⁴ Interview with Meea Kang.

⁶⁵ Interview with Rachel Heller; Interview with Meea Kang.

Additional Resources

- "Regulatory Innovation and Affordable Housing" (2009), volume 11, issue 2 of *Cityscape: A Journal of Policy Development and Research*, covers a range of topics concerning the relationship between regulations and housing affordability. www.huduser.gov/portal/periodicals/cityscpe/vol11num2/index.html.
- "The New Exclusionary Zoning" (2014), by John Mangin, investigates how exclusionary policies typical of suburbs have emerged in several cities as higher-income residents gentrify neighborhoods and then seek to stymie further population growth. law.stanford.edu/publications/new-exclusionary-zoning/.
- "Responding to Changing Households: Regulatory Challenges for Micro-Units and Accessory Dwelling Units" (2014), by Vicki Bean, Benjamin Gross, and John Irfanica, examines regulatory restraints that prevent the addition of housing that could meet the increasing demand for smaller units in some markets. furmancenter.org/files/NYUFurmanCenter_RespondingtoChangingHouseholds_2014_1.pdf.
- "The Experience of Racial and Ethnic Minorities with Zoning in the United States" (2017), by Andrew H. Whittemore, considers the disproportionate effects of exclusionary zoning and targeting of commercial and industrial development on racial minorities. journals.sagepub.com/doi/abs/10.1177/0885412216683671.
- "Why has regional income convergence in the U.S. declined?" (2017), by Peter Ganong and Daniel Shoag, studies the decline in regional income convergence in relation to the increase in housing prices in high-income places. Their model highlights the importance of housing supply regulations. www.sciencedirect.com/science/article/pii/S0094119017300591.
- "Parking Requirements and Housing Development: Regulation and Reform in Los Angeles" (2013), by Michael Manville, discusses the results of a change in Los Angeles that removed parking requirements for vacant downtown commercial and industrial buildings that converted to residential use. www.tandfonline.com/doi/abs/10.1080/01944363.2013.785346.
- "Can state law combat exclusionary zoning? Evidence from Massachusetts" (2015), by Lynn M. Fisher and Nicholas J. Marantz, provides empirical evidence and statistical models to identify the regulatory contexts and types of projects for which developers use Chapter 40B. journals.sagepub.com/doi/abs/10.1177/0042098014534906?journalCode=usja.
- "State Intervention in Local Land Use Decision Making: The Case of Massachusetts" (2013), by Lynn Fisher, analyzes permit applications and developer appeals to determine whether approved developments actually lead to affordable housing construction. onlinelibrary.wiley.com/doi/10.1111/j.1540-6229.2012.00340.x/full.
- "The State of Housing in California: Affordability Worsens, Supply Problems Remain" (2014), by the California Department of Housing and Community Development, provides useful data on the affordable housing shortage in California. www.hcd.ca.gov/policy-research/plans-reports/docs/web_hcd_stateofhousing_april2014.pdf.

For additional resources archive, go to www.huduser.gov/portal/periodicals/en/additional_resources_2018.html.

Evidence Matters

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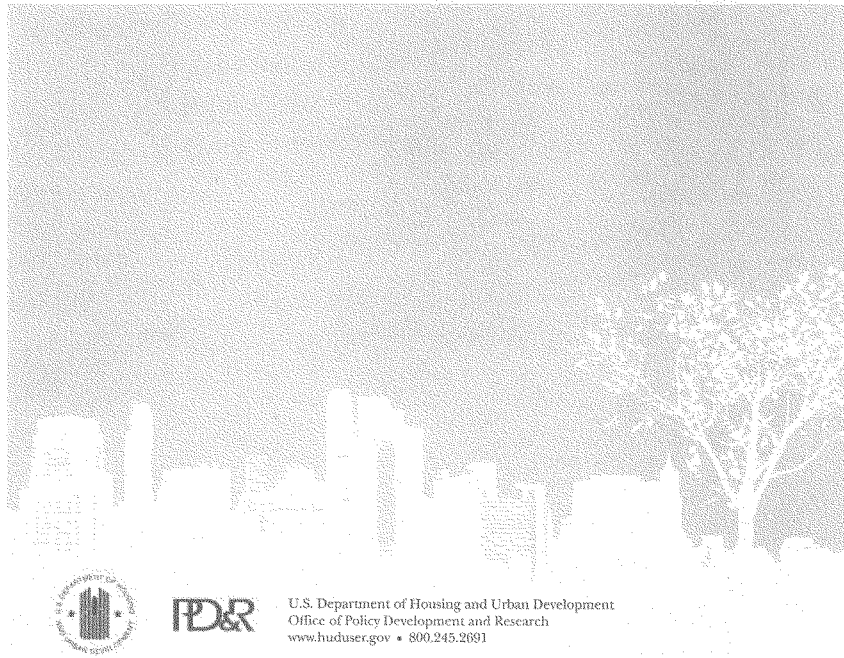
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FSC Hearing: "Homeless in America: Examining the Crisis and Solutions to End Homelessness"
Wednesday, February 13, 2019 at 10:00am in 2128 Rayburn
Rep. Posey Statement and Questions

- Madame Chair, thank you and the Ranking Member for holding this hearing.
- Homelessness has proven to be a stubborn and massive problem throughout our nation.
- I've devoted personal time to organizations like Family Promise, and worked on homeless problems through my church.
- Last year we held a hearing on Congressman Stivers' bill, the Homeless Children and Youth Act, which I cosponsored, to change the definition of homelessness to be consistent with the Department of Education's definition.
- A brave former homeless mother who was helped by Family Promise now works on homelessness issues herself and testified in support of Congressman Stivers' bill.
- Housing programs are part of our safety net, and I support preserving them and making them more effective.
- We face a shortage of affordable rental housing in this country. Researchers are helping us understand why affordable rental housing has not kept pace since the end of the Great Recession.

- There is near universal agreement that one of the biggest obstacles to affordable rental housing is local zoning regulations that restrict land use adversely to the development of rental units.
- There are local variations in these restrictions, but research says that relaxing these restrictions can do much to expand the supply of rental housing and lower its cost.
- The action to remove regulatory zoning restrictions is usually the responsibility of local governments. However, HUD Secretary Ben Carson has suggested the federal government, through HUD, should “identify and incentivize the tearing down of local regulations that serve as impediments to developing affordable housing stock.”
- **HUD published research into zoning restrictions last year, and I ask unanimous consent to include that report in the record.**
- I hope to hear some of our witnesses address the regulatory constraints on housing supply.
- Of course, the other aspect that researchers point out is the need for rental assistance for low income families. That assistance is an important part of our safety net. I want to assure that we’re providing adequate help. I look forward to hearing from our witnesses and thank them for being here.

Question 1: Some housing activists believe that our current emphasis on Housing First tends to ignore the reality that homelessness is a complex problem that often results from deep problems like addiction, mental health, and unemployment or other factors limiting income. They believe that the emphasis on Housing First means that service providers who emphasize a full spectrum of services to get at this more complex nature of homelessness are penalized in competing for funds to help the homeless. Would the panelists please address this idea? Are our policies giving enough emphasis to the broader problems underlying homelessness?

Response 1: *Homelessness is indeed a complex problem. However, the one thing that all homeless people have in common – the thing that defines them as homeless – is that they lack a home. If they have a home, they are not homeless.*

Housing First is not a one-size-fits all approach, nor does it in any way imply that people do not need services. Housing First is a flexible approach to getting people into housing as quickly as possible and then connected to treatment, services and supports. Having a stable place to live enhances, and is indeed a precursor to, people's ability to succeed in services and to their well-being. Housing First is very flexible as to how people are linked to housing, and common approaches include helping people return to their families, providing short-term Rapid Re-Housing rental assistance, and providing permanent supportive housing to those with disabilities. These are all models that emerged from local innovation, were proven effective and were eventually adopted at the national level.

It is true that many people who experience homelessness need more than housing to achieve well-being. People who need a full spectrum of services should receive them, and from proven effective service providers. We have seen many local programs adjust what they do and become far more effective by first focusing services on helping families and individuals get back into housing, and then using that housing as a base for further services and support. Services are more effective when recipients have the stability of a home, and can concentrate on next steps like employment, sobriety, and their children's performance in school, rather than worrying about where they will eventually live.

Question 2: Mr. Stewart, something in your testimony stood out with respect to our nation's housing shortage. You said, "It is most acute in urban areas, and in particular the coastal regions. The effects of the crisis are compounded in the areas of the country with the highest concentration of homeless veterans, specifically the states of California, New York, and Florida." Of course, I'm concerned that we have this disproportionate impact in Florida, my home state. I have two questions. First, why is the shortage more acute in Florida than in many other places? And the other question, "Do our housing programs need any adjustments to deal more effectively with these regional disparities?"

Question 3: Homelessness among veterans is a particularly sad reality. But, it's also apparent from the record that we are having a great deal more success in reducing homelessness among veterans than other groups. Mr. Stewart talks some about the reasons, and we're all aware that HUD and the VA

really do work hard to coordinate solutions to the broader and underlying causes of homelessness. For the witnesses other than Mr. Stewart, I'd like to hear your proposals for how we should modify our housing programs to take advantage of the lessons learned from the VA and HUD partnership. Finally, if Mr. Stewart could add anything to that, I would appreciate hearing those ideas, too.

Response 3: The primary reason that progress has been made on reducing homelessness among veterans is that Congress has significantly increased the resources available to end their homelessness. Targeted per capita federal homelessness funding is six times as much per homeless veterans as it is per homeless non-veteran. Because of this generous level of funding, veteran homelessness has been cut in half.

In addition, VA is increasingly using evidence-based practices for homeless veterans and is shifting resources from less effective to more effective approaches. It should be noted that one of the approaches to which VA is committed is Housing First, and the use of Housing First has been a significant part of the Department's success in reducing veteran homelessness through the HUD-VASH and Supportive Services to Veteran Families programs.

In light of this, I have three suggestions on improving the performance of other housing programs. The first is to fund them to scale. The second is to use evidence-based practices such as Housing First. And the third is to get federal agencies to work together so that HUD can address people's housing

needs and other agencies can provide the services people need (as VA does in the HUD-VA Supportive Housing program.

Question 4: Mr. Stewart, I'm sure you know that the VA's Grant and Per Diem Program provides essential support to homeless veterans across the nation. Last August, the Department of Veterans Affairs announced \$200 million in grants to community services organizations that work to move our veterans out of homelessness. These funds will support 13,000 transitional housing beds in Fiscal Year 2019. This program is so important because it draws on the strengths of private service organization to take care of veterans in their own communities. I'm a co-sponsor of H.R. 95, The Veterans Family Act, which recognizes we can and should do more under this program by increasing per diem payments to provide 50% of the base per diem for each child of an eligible veteran. A veteran should not have to choose between participating in a pathway out of homelessness and keeping his or her family together. Mr. Stewart, do you and your organization support the Veterans Family Act?

Question 5: Ms. Roman, I note that you oppose changing the HUD definition of homelessness to conform to the definition used by the Department of Education. Can you explain in a little more detail why you believe it wouldn't be a good idea to make HUD assistance available to those who may be sheltered but are less than fully and individually housed – like those living with others or who are living in motels? There seems to be a disparity there that some of us tried to address through legislation in the last Congress.

Response 5: Families that are not “fully or individually housed” DO need our help and the help of HUD. The help they need is housing assistance through programs like Section 8 and public housing. Both the homeless programs and the rental assistance programs at HUD are oversubscribed, but the housing programs are designed and funded (at 15 times the size of the homeless programs) to serve people with unstable housing and rent burdens.

With respect to the definition, specifically, there are people who are doubled up and who have to leave their residence imminently. HUD defines them as homeless. There are many, many more people – millions in fact -- who are doubled up and who may be trying to avoid homelessness. These are the families that would become the responsibility of the homelessness system if the definition were to change. But they do not need homelessness assistance – they need housing assistance.

It is certainly difficult to know exactly where to draw the line between a family that is homeless and one that is not, but it is a necessary policy decision. After considerable bipartisan deliberation during the reauthorization of the HEARTH Act, Congress determined that families that are doubled up but must leave where they live within 14 days are homeless, and those that can stay longer are not. This was the compromise reached after literally years of negotiation, and communities have generally found it to work well to ensure families that are literally homeless are helped (and even so, over 16,000 people in families are unsheltered every night).

As to families that are poor and “not fully or individually housed,” the Alliance encourages Congress to increase the supply of rental assistance so that these families can afford to pay the rent on their own apartment and avoid becoming homeless.

The Education Department’s homeless program does an entirely different job than the HUD homeless program. Its goal is to make sure every child can stay in their home school. For that task, casting a wider net is appropriate.

Question 6: In my opening remarks, I noted that HUD Secretary Ben Carson suggested the federal government acting through HUD should “identify and incentivize the tearing down of local regulations that serve as impediments to developing affordable housing stock.” It’s a concern that a rental housing supply that expands too slowly, can really undo rental assistance and ultimately bid up rents and transfer assistance increases into land rents. That can set up a cycle where we make little progress – assistance payments go up and without supply responding, a lot of the assistance goes into increased rents. Increasing supply through the market is a very attractive alternative to ease homelessness. Can our witnesses provide any recommendations for how we can do what the Secretary suggested?

Response 6: We agree that local regulations frequently drive up the cost of rental housing and impede the development of affordable housing. The ability of communities to stop affordable housing projects through NIMBY (Not In My Back

Yard) strategies is an example. Unreasonable parking space requirements, lengthy approval processes, and inefficient zoning are others. There have been suggestions that sought-after HUD resources such as the Community Development Block Grant or even non-HUD resources such as federal transportation dollars be linked to the reduction of local impediments to affordable housing development. While the Alliance is not an expert on housing development, this seems like a possible avenue for reducing costly local regulations.



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Response from Joshua Stewart, NCHV Director of Policy, to questions from Representative Posey

1. It's important to note that Housing First as a philosophy and set of practices requires the full spectrum of services to be effective. It is not merely the idea of placing a veteran into permanent housing as rapidly as possible – though that is a critical element – it is also the provision of services once a veteran is housed. The Housing First model merely requires the moving around of the order of those steps. At NCHV we like to say “Housing First” is not “Housing Only”. The full spectrum of services remains a crucial element to any successful housing program or wider continuum of care. All VA homeless programs have a strong case management element to them; our permanent supportive housing program (HUD-VASH) is built around the idea, and our Rapid Rehousing program (SSVF) likewise has a strong requirement for case management services. The difference between these programs is the level of acuity of the veteran being served. Each program has a place in a system of care, and each has a target population of veterans who need a given level of care. One last note on the VA's transitional housing program (GPD), which has gone through a reorientation to Housing First principles over the last 5+ years: the program which theoretically would have been “penalized in competing for funds” has never received a funding cut, and in fact has seen increased appropriations almost every year since the move towards Housing First began. It remains a critical part of community's response system for homelessness among veterans.
2. I apologize for not being clear in my remarks Congressman Posey – by including Florida in my list I was referring not necessarily to a more acute housing crisis in your State, but rather to the high number of homeless veterans in Florida. This density of our population exacerbates the nature of the national affordable housing crisis, from which Florida is not immune. In fact, in 2018, our annual Point in Time count indicates that there are 2,543 homeless veterans in the State of Florida on a given night – making it the State with the second largest population of homeless veterans after California.

As for the second part of your question, regarding adjustments to housing programs which would deal more effectively with regional disparities, the answer is clear. The HUD-VASH program has the ability to permanently house formerly-homeless veterans in every state of the nation. By project-basing these vouchers, it allows communities to build blocks of new affordable housing for the explicit use of formerly-homeless veterans. The authority to project-base these vouchers already exists, and in fact was done as recently as 2016. It is time however, for a new round of project-basing. NCHV is calling for 5,000 vouchers to be project-based – either new vouchers created by Congress, or existing vouchers that can be recaptured and redispensed.

Mission: The National Coalition for Homeless Veterans will end homelessness among veterans by shaping public policy, promoting collaboration, and building the capacity of service providers.

3. The lessons learned from ending veteran homelessness are directly applicable to ending all homelessness – both the practices and policies that we learned worked, but also those that we learned were ineffective. What worked that is applicable? By name lists, coordinated entry, and balanced spectrums of services tailored to different subpopulations. I would encourage all providers to look to the best practices in these areas from the veteran-side and replicate them as best as possible.
4. NCHV fully supports the idea, and thank you for your leadership on this issue. For veterans experiencing homelessness with their families, the choice to enter shelter or other services (such as GPD) is often made impossible because to do so they must be separated from their children. By offering *per diem* payments to GPD providers who care for the dependents of veterans experiencing homelessness, we can alleviate this problem. However, at 50% of the *per diem* rate, we would merely be rewarding those few providers who already do this work – and not incentivizing others to offer those services, and therefore not expanding the amount of services available to these veterans and their families. It is expensive to modify the existing physical structure of programs to provide the safety and security necessary to house families and children. 50% of *per diem* is not enough to incentivize programs to invest in these changes, but 100% of *per diem* would. To that end, NCHV supports S. 91, the “Creating a Reliable Environment for Veterans’ Dependents Act of 2019” in the Senate, which shares the goal but achieves it by offering 100% of the *per diem* rate. NCHV strongly recommends that Congress as a whole takes up this issue in the 116th, and uses the language contained in S. 91 as the final bill which it passes.
5. The homelessness response system in this country is already heavily overburdened and underfunded. Wait lists for affordable housing vouchers nationwide are years long or even closed to new applicants, shelters are at capacity, and funding for temporary financial assistance often runs out before a fiscal year is over. This is the status quo of our system as it tries to end the homelessness of people who meet the existing definition of homelessness. These are people who have nowhere else to go but shelter, or have been living on the streets for years, or else have multiple barriers to stable permanent housing. Expanding the pool of eligible applicants without vastly increasing funding would lead to even longer waits for assistance and worse targeting of resources. At this time, NCHV cannot recommend expanding the definition of homelessness.
6. First, NCHV wholeheartedly agrees with you that increasing the supply of affordable housing is absolutely critical. The lack of it impacts every aspect of the homeless system, from inflow to long-term housing stability. It is the missing piece. Without expanding the supply of affordable housing we will be unable to make the kind of progress we all want. The local regulations the Secretary has referred to are outside of my expertise, but I can identify plenty of federal-level impediments. The largest currently is a recent IRS decision which is blocking affordable housing for veterans. IRS has informally interpreted how the “General Purpose Use” criteria are applied to private activity bonds; the upshot is that IRS has interpreted that these bonds can no longer be used for veteran housing projects. This has not been an issue in the past, and private activity bonds have long been relied upon as an important source of funding for the construction of veteran housing projects. This serious impediment needs to be addressed as soon as possible to allow these housing projects to go forward.

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