

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	T/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 of 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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