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United States House of Representatives
Committee on Financial Services
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RANKING MEMBER

January 28, 2022

Memorandum

To:	Members, Committee on Financial Services
From:	FSC Majority Staff
Subject:	February 2, 2022, Housing, Community Development, and Insurance Subcommittee Hearing entitled, "Housing America: Addressing Challenges in Serving People Experiencing Homelessness"

The Subcommittee on Housing, Community Development, and Insurance will hold a virtual hearing entitled, "Housing America: Addressing Challenges in Serving People Experiencing Homelessness" on February 2, 2022 at 10:00 a.m. ET on the virtual meeting platform Cisco Webex. There will be one panel with the following witnesses:

- **Adrienne Bush**, Executive Director, Homeless and Housing Coalition of Kentucky
- **Marc Dones**, Chief Executive Officer, King County Regional Homelessness Authority
- **Ann Oliva**, Vice President for Housing Policy, Center on Budget and Policy Priorities
- **Nan Roman**, Chief Executive Officer, National Alliance to End Homelessness
- **Harriet McDonald**, President, The Doe Fund

Overview

Since 2016, America's homelessness crisis has intensified as more people have been forced to live in emergency shelters, on streets, in cars, or in other places not fit for human habitation. The coronavirus pandemic has increased the challenges in addressing homelessness at all levels of government. To respond to this crisis, Congress has provided additional resources to local communities, and homeless service providers have worked to deploy them throughout the pandemic; however, ongoing structural issues, including America's shortage of affordable housing and unique circumstances created by the pandemic have made it difficult for providers to fully meet the needs of people experiencing homelessness.

Background on Homelessness in America

While homelessness in America decreased between 2007 and 2015, it has been increasing since 2016. From 2007 to 2015, the annual point-in-time (PIT) count of persons experiencing homelessness overseen by the Department of Housing and Urban Development (HUD) registered a 15% decrease, reaching a low of 549,528.[1] Declines in homelessness were especially dramatic among specific subpopulations—veterans experiencing homelessness dropped by 47% during this period, which has been attributed to the adoption of Housing First and increased federal resources.[2] Since 2016, however, overall

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[1] HUD Office of Community Planning, *The 2015 Annual Homeless Assessment Report (AHAR) to Congress* (Nov. 2015).

[2] Congressional Research Service, *Homelessness: Targeted Federal Programs*, Table 1 (Oct. 2018); National Alliance to End Homelessness, *5 Key Facts About Homeless Veterans* (Nov. 9, 2020). Housing First is an approach to providing housing assistance to people experiencing homelessness without preconditions to receive such assistance. Under this approach, people experiencing homelessness have access to wrap-around services but are not required to participate or meet other requirements in order to maintain their housing assistance. This approach has been substantiated by decades of research that demonstrate that requiring preconditions to housing assistance like employment or sobriety are counterproductive. National Alliance to End Homelessness, *Fact Sheet: Housing First* (April 2016).

homelessness has increased by 5.6%, with 580,466 persons experiencing homelessness on a single night in January 2020.[3]

Increases in homelessness among certain populations have been especially dramatic: for the first time since HUD began conducting the PIT count in 2005, unsheltered individuals experiencing homelessness outnumbered those who were sheltered,[4] with the key driver being persons with chronic patterns of homelessness.[5] Four consecutive years of increased unsheltered homelessness has cut across all geographies. Indeed, rural communities had the largest percentage of people experiencing homelessness in unsheltered locations (44%) in 2020 and experienced the greatest increase in unsheltered homelessness between 2019 and 2020 (8.3%), followed by major cities (39% in unsheltered locations and a 7.5% increase in unsheltered homelessness between 2019 and 2020).[6]

Additionally, stark racial inequities in homelessness persist. Although White individuals make up 74% of the U.S. population, they constitute only 48% of people experiencing homelessness.[7] By contrast, over 67% of people experiencing homelessness are Black, Indigenous, and Latinx, despite representing 12%, 1%, and 16% of the total U.S. population, respectively.[8] The overrepresentation of Black, Indigenous, and Latinx households among those experiencing severe rent burdens and homelessness is partly driven by the nation's long history of racial discrimination and exclusion.[9] In fact, some studies have found that racial discrimination is one of the foremost determinants of homelessness for people of color, despite the Fair Housing Act's prohibition of housing discrimination based on race, color, national origin, and other protected classes.[10]

HUD's Role in Ending Homelessness

There are several programs across seven different federal agencies that serve people experiencing homelessness. HUD plays the primary role in the federal response to homelessness by administering its homeless assistance programs. The **Emergency Solutions Grants (ESG)** program focuses on the emergency shelter and service needs of people experiencing homelessness, as well as homelessness prevention and rapid rehousing. The **Continuum of Care (CoC) program** focuses on providing longer-term housing and services for people experiencing homelessness and is the largest federal program that primarily serves people experiencing homelessness. While supportive services are eligible uses of ESG and CoC funding, in general, these programs focus on providing housing while relying on other funding sources, including other federal programs, to provide the corresponding supportive services, such as counseling, medical support and employment assistance. The **Housing Choice Voucher (HCV)** program has also proven to be an effective tool to helping individuals exit homelessness, as HCVs provide a longer-term subsidy that allows individuals to achieve housing stability[11] and can support the development of permanent supportive housing.[12] Additionally, within the HCV program, there are specific vouchers that serve people experiencing homelessness, including HUD-VASH vouchers and Emergency Housing

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[3] Supra note 1

[4] *Id.*

[5] *Id*.

[6] *Id*.

[7] *Id.* Note that the population of White individuals experiencing homelessness may also include individuals identifying as both White Hispanic and White non-Hispanic.

[8] *Id*.

[9] National Alliance to End Homelessness, *Homelessness and Racial Disparities* (Oct. 2020).

[10] Marian Moser Jones, *Does Race Matter in Addressing Homelessness,* World Med Health Policy, Vol. 8, No. 2 (June 2016).

[11] U.S. Department of Housing and Urban Development, *Family Option Study: 3-Year Impacts of Housing and Services Interventions for Homeless Families* (Oct. 2016).

[12] Center on Budget and Policy Priorities, (March 1, 2017). HCVs subsidize the development of permanent supportive housing when a local public housing authority attaches them to specific units in a development through a process known as project-basing. Unlike a tenant-based HCV that allows families to rent an apartment of their choice in the private housing market, project-based HCVs remain with the unit they were attached to. Attaching multiple project-based HCVs to a particular building, allows service providers to more effectively serve residents and increase access to services.

Vouchers. Under the **HUD-Veterans Affairs Supportive Housing (HUD-VASH) program**, HUD provides HCVs to veterans experiencing homelessness, while the Department of Veterans Affairs provides supportive services. In 2021, Congress funded approximately 70,000 **Emergency Housing Vouchers (EHV)** through the American Rescue Plan Act (ARPA) to assist people experiencing or at risk of homelessness, or survivors of domestic violence and human trafficking.

In addition to these resources, Congress provided $5 billion in ARPA to enable state and local governments to finance supportive services, affordable housing, and the acquisition of non-congregate shelter, such as hotels, for people experiencing homelessness.[13] HUD issued a final implementation notice for these funds in September 2021[14]. According to HUD data, 100% of these funds have been obligated by HUD to local communities,[15] who are now in the process of planning how to use them.

Local Homelessness Systems and Coordination of Homelessness Resources

To better coordinate the provision of housing and services for people experiencing homelessness, HUD developed the Continuum of Care (CoC) planning process in 1995, which Congress later codified in the Homeless Emergency Assistance and Rapid Transition to Housing (HEARTH) Act of 2009.[16] Under this process, communities establish regional or local planning bodies, known as CoCs responsible for coordinating federal funding and the provision of housing and services for people experiencing homelessness. Through the CoC planning process, government agencies, service providers, advocates, and other stakeholders work together to assess the needs of people experiencing homelessness in the community, evaluate the performance of existing activities, and help individuals experiencing homelessness achieve self-sufficiency.[17] According to HUD, there are four necessary components of a CoC: 1) to conduct outreach, intake and to identify the needs of people experiencing homelessness; 2) to provide emergency shelter; 3) to provide transitional housing with supportive services; and 4) to provide permanent housing, including permanent supportive housing that includes wrap-around services.[18]

Homeless service providers and local CoCs face various challenges in meeting the needs of people experiencing homelessness beyond the basic lack of sufficient funding to meet the existing and growing needs. Several of these key challenges are described below.

America's Affordable Housing Crisis

The affordable housing crisis is the primary cause of homelessness and housing instability in the United States.[19] Currently, there is a shortage of 7.1 million homes that are affordable and available to people with very low incomes, and as a result, millions of families across the country—including in urban, suburban, and rural communities—are forced to bear unaffordable housing costs.[20] In 2019, prior to the pandemic, 37.1 million households, nearly one-third of all the households in the U.S., spent over 30% of their incomes on housing, and nearly half of them (17.6 million) paid over 50% of their incomes on housing.[21] Of this latter cohort of severely cost-burden households, virtually all (99%) are low-income—defined by HUD as income up to 80% of local area median income—and three-quarters are extremely low income—defined by HUD to be up to the federal poverty line or 30% of local area median income

[13] National Alliance to End Homelessness, *What Happened After Congress Invested in Emergency Housing Vouchers: A Survey of Homeless Services Providers* (Dec. 2, 2021).

[14] HUD, *Notice: CPD-21-10, Requirements for the Use of Funds in the HOME-American Rescue Plan Program* (Sept. 13, 2021).

[15] HUD data provided to Financial Services Committee Staff in January 2022.

[16] National Low Income Housing Coalition, *Continuum of Care Planning* (2015).

[17] U.S. Department of Housing and Urban Development, *Continuum of Care (CoC) Program* (2022).

[18] National Alliance to End Homelessness, *What is a Continuum of Care?* (Jan. 14, 2010).

[19] National Low Income Housing Coalition, *The Primary Causes and Solutions to Homelessness* (Feb. 4, 2020); *See also* Up For Growth, *The Growing Homelessness Crisis is the Product of Our National Housing Shortage* (Nov. 15, 2019); Invisible People, *Lack of Affordable Housing Remains the Leading Cause of Homelessness* (March 22, 2020).

[20] National Low Income Housing Coalition, *The Gap: A Shortage of Affordable Homes* (March 2021).

[21] Harvard Joint Center on Housing Studies, *State of the Nation's Housing 2020* (2020).

whichever is higher.[22] Over 60% of these severely cost-burdened households are people of color.[23] Because extremely low-income households spend the bulk of their income on rent, they are at greater risk of eviction and homelessness.[24] For many of these families, a single unanticipated expense, such as a large medical bill or a car repair payment, can cause them to lose their housing. Additionally, the lack of affordable housing has proven particularly challenging for homeless service providers trying to place people experiencing homelessness into permanent housing, leaving many to rely on temporary emergency shelter.[25] To address this shortage of affordable housing, the Build Back Better Act, passed by the House of Representatives in November 2021, would provide more than $26 billion in federal subsidies to create new or preserve existing affordable homes for low-income families, including homeless individuals. Additionally, the bill would provide $24 billion for new HCVs, of which $7.1 billion would be provided for people experiencing or at risk of homelessness and survivors of domestic violence and human trafficking.[26]

Limitations on Homeless Service Provider and CoC Capacity

When assisting people experiencing homelessness, some service providers have found it difficult to meet the needs of their communities due to their unique circumstances and limitations on their capacity to deliver services.[27] For instance, in rural communities, there are a number of structural barriers that limit the ability of individuals to provide or access homelessness services. These barriers include a shortage of providers who often cover large service areas, limited institutional capacity and staff, fewer homeless services, limited housing and shelter options, dispersed populations that are harder to engage through outreach, and poor public transportation options.[28] At the same time, some service providers working in urban communities have struggled with capacity issues, particularly in recruiting and retaining staff.[29] Research has shown staff turnover rates among homeless service providers to be high, leading to inexperienced staff being quickly promoted and taking on multiple roles within an organization.[30] This turnover may be attributed to burnout, compassion fatigue, and secondary trauma experienced by staff when serving a vulnerable population with significant needs.[31]

Institutional Silos

Homeless service providers and local CoCs face the additional challenge of working across institutional systems that often operate in silos or under certain program rules that make it harder for service providers to connect people experiencing homelessness to housing and health services. In particular, many public housing agencies (PHAs) do not participate in their local CoC planning process in a meaningful way.[32] Additionally, while PHAs may serve homeless individuals through programs specifically targeted to that population, PHAs have reported that certain rules within their mainstream programs, including the public housing and Housing Choice Voucher programs, create barriers for homeless individuals trying to access housing assistance.[33] Those rules include requirements related to

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[22] Center on Budget and Policy Priorities, *More Housing Vouchers: Most Important Step to Help More People Afford Stable Homes* (April 14, 2021).
[23] *Id.*
[24] Data from the American Housing Survey has shown that poor households that are severely cost burdened are more likely to fall behind on paying the rent and face eviction. National Low Income Housing Coalition, *The Gap: A Shortage of Affordable Homes* (March 2019).
[25] National Alliance to End Homelessness, *There Are Only Enough Permanent Housing Placements for About One-Third of Families That Experience Homelessness Annually* (Oct. 30, 2018).
[26] Build Back Better Act, H.R. 5376, 117th Congress (2021).
[27] In Focus, *Rural Homelessness: Identifying and Understanding the "Hidden Homeless"* (June 2013).
[28] *Id.*
[29] Abt Associates, *Understanding Homeless Service Providers' Capacity Needs in Los Angeles* (June 24, 2019).
[30] Jeannette Waegermakers Schiff and Annette M. Lane, *PTSD Symptoms, Vicarious Traumatization, and Burnout in Front Line Workers in the Homeless Sector*, Community Mental Health Journal 55 (2019).
[31] Healing Hands, *Compassion Fatigue: The High Cost of Caring*, Vol. 16, No. 1 (2012).
[32] HUD, *Study of PHAs' Efforts to Serve People Experiencing Homelessness* (Feb. 2014).
[33] *Id.*

waitlists, documentation, and criminal background screenings.[34] PHAs also have the ability to set local admission preferences which may not prioritize homeless individuals among other populations.[35]

Additionally, America's health care system is often difficult for service providers to navigate when trying to connect homeless individuals to health services. In particular, many homeless individuals lack important documentation or a fixed address to enroll in or health services and coverage, or to receive follow-up communications on their health care.[36] Because of these challenges and others, the majority of people experiencing homelessness are uninsured and often rely on expensive emergency room care.[37] The Department of Health and Human Services (HHS) has issued guidance for how states can use their Medicaid programs to better serve people experiencing homelessness, many of whom have become eligible for such coverage under the Affordable Care Act. However, not all states have decided to cover supportive services under their state Medicaid programs or have worked to ensure their state health care systems coordinate with local homelessness systems.[38]

Challenges During the Coronavirus Pandemic

The coronavirus pandemic has intensified existing program challenges faced by homeless service providers, which has led to a reduction in services and supports at a time when the demand for such assistance has increased.[39] In particular, homeless service providers have reported increased staffing challenges, as employees and volunteers have been limited in their ability to work due to lack of childcare and their own risk of exposure to the virus, particularly volunteers who are older or have preexisting health conditions.[40] Because of staff shortages and efforts to ensure social distancing to reduce the spread of the coronavirus, some providers have closed or reduced their operations of day shelter programs that help individuals experiencing homelessness connect with caseworkers and access important services that help them meet their basic needs, such food and personal hygiene.[41] Additionally some providers have closed overnight congregate shelter programs or reduced the number of beds offered to better adhere to the Centers for Disease Control and Prevention (CDC) guidance on social distancing.[42] Alternatively some states and communities have made increased efforts to utilize or acquire hotels and motels to use as temporary non-congregate shelter.[43] Studies have shown that by moving people experiencing homelessness into hotels, communities have been able to reduce the spread of the coronavirus and improve the overall health and housing stability of individuals.[44] During the pandemic, the Federal Emergency Management Agency has been reimbursing states and communities for the cost of moving people into hotels,[45] while ARPA provided additional funding to states and localities that could be used for hotel acquisition.[46] HUD has also granted several waivers or alternative requirements to its homelessness programs to give service providers more flexibilities to better assist people during the pandemic given the unique circumstances it has posed for providers.[47]

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[34] *Id.*

[35] *Id.*

[36] Healing Hands, *Working to Eliminate Barriers to Care for Homeless People*, Vol. 14, No. 3 (June 2010).

[37] Sachin H. Jain, *Homelessness Is A Healthcare Issue. Why Don't We Treat It As One?*, Forbes (April 17, 2021).

[38] HHS, HHS and HUD announce expanded partnership, new Housing and Services Resource Center (Dec. 8, 2021);

[39] National Alliance to End Homelessness, *Protecting People Experiencing Homelessness from COVID-19* (March 30, 2020).

[40] *Id.*

[41] *Id.*

[42] *Id.*

[43] Conor Dougherty, *One Way to Get People Off the Streets: Buy Hotels*, New York Times (July 26, 2021).

[44] The Pew Charitable Trust, *Prompted by Pandemic, Some States Buy Hotels for the Homeless* (Dec. 4, 2020).

[45] National Low Income Housing Coalition, *White House Extends Order Directing FEMA to Reimburse Full COVID-19 Costs Including Sheltering for People Experiencing Homelessness* (Aug. 23, 2021).

[46] U.S. Interagency Council on Homelessness, *Making the Most of the American Rescue Plan: A Guide to the Funding That Impacts People Experiencing Homelessness* (Aug. 2021).

[47] National Low Income Housing Coalition, *HUP CPD Issues Fifth Set of CoC, ESG, and HOPWA Waivers* (April 19, 2021).

Appendix: Legislation

- **H.R. 4496, the "Ending Homelessness Act of 2021," (Waters)** is a bill to establish a universal voucher program, ban housing discrimination based on source of income and veteran status, and provide supplemental emergency funding to address the homelessness crisis in the United States.
- **H.R. 5376, the "Build Back Better Act," (Yarmuth)** is a bill that would provide over $150 billion in new affordable housing and community development resources.
- **H.R. 2965, the "Naomi Schwartz Safe Parking Program Act of 2021" (Carbajal)** is a bill to establish a safe parking grant program.
- **H.R. 4731, the "Veterans Service Organization Modernization Act of 2021" (Waters)** is a bill to create a competitive grant program for veterans service organizations for facility rehabilitation and modernization.
- **H.R.____, the "Homeless Assistance Act of 2021" (Sherman)** is a discussion draft to authorize PHAs to disclose certain information to homeless service provider agencies to facilitate providing housing and services for people experiencing homelessness.
- **H.R.____, (Axne)** is a discussion draft to provide additional flexibilities to homeless service providers in rural communities to better serve people experiencing homelessness and to increase provider capacity.
- **H.R.____,** is a discussion draft to have the Government Accountability Office examine barriers public housing agencies face when serving people experiencing homelessness.
- **H.R.____, the "Housing is Health Care Act of 2022" (Waters)** is a discussion draft to establish a joint HUD-HHS voucher program to pair housing assistance with supportive health services.
- **H.R.____, the "Housing Emergencies Lifeline Program (HELP) Act of 2019" (Pressley)** is a discussion draft to provide protections for tenants who have been evicted from their homes by making several key changes to Fair Credit Reporting Act. The legislation would also create a database of eviction information.
- **H.R.____, the "Helping People Experiencing Substance Use Disorder and Homelessness Act of 2022" (Dean)** is a discussion draft to authorize a competitive grant program at HUD to better coordinate health care and homeless services for people with substance abuse disorders who are experiencing homelessness.
- **H.R.____, the "Safe at Home Act of 2022"** is a discussion draft to unify and strengthen health and safety inspection standards for HUD and USDA assisted housing.
- **H.R.____, the "Housing Inspections Accountability Act of 2022"** is a discussion draft to require HUD and USDA to submit annual reports to Congress regarding failed property inspections of federally assisted housing and to make such reports publicly available.
- **H.R.____,** is a discussion draft to require the installation of sealed, tamper-resistant smoke detectors in federally assisted housing, and to authorize $2 million for a public awareness campaign on health and safety features in housing.
- **H.R. 6528, the "Housing Temperature Safety Act of 2022," (Torres)** is a bill to require the installation of temperature sensors in federally assisted housing.
- **H.R. 6529, the "Twin Parks North West Fire Safety Act of 2022" (Torres)** is a bill to require the installation of self-closing doors in federally assisted housing.