

Testimony of

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*Financial Services Subcommittee on Insurance, Housing
and Community Opportunity hearing:*

**Housing for Heroes: Examining How Federal
Programs Can Better Serve Veterans**

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On behalf of the Corporation for Supportive Housing (CSH), I would like to express our appreciation to Chairwoman Biggert and the rest of the members of the Subcommittee for focusing this hearing on the housing needs of low-income veterans. We understand the Subcommittee is interested in examining barriers that homeless and low-income veterans face in securing housing assistance and services from federal agencies. This hearing is timely because as service providers and government partners are making significant improvements in ending veterans' homelessness, Congress and the Administration are considering difficult questions about federal spending and future funding levels for many key programs. In addition, stakeholders in every corner are especially focused on "what works" and wanting to see the most efficient and effective use of federal dollars.

CSH has unique experience as a national organization that, for the last 21 years, has helped communities build permanent supportive housing to prevent and end homelessness, with particular success in serving people struggling with multiple challenges to housing stability. Homeless veterans are a population that we care very much about and we look forward to sharing examples of how supportive housing is a particularly good intervention for those who are homeless and have the shared experience of having served in our military.

We would like to convey at the outset the two most important messages for Congress. First, Congressional support for programs that support homeless veterans – including HUD-VASH vouchers, McKinney-Vento Homeless Assistance Grants, and the VA's Supportive Services for Veterans Families (SSVF) program, among others – is not only greatly appreciated, but is creating real results. Last December HUD reported a 12 percent decrease in veteran homelessness, amounting to nearly 9,000 fewer of our nation's heroes having to sleep on the street, in a campground, or in a shelter. To see numbers like this in a time of economic instability is outstanding. Second, federal policymakers absolutely must continue the momentum and not turn their back on programs that work. Big cities such as New York and Washington, DC have seen significant declines in the number of street homeless veterans, while several smaller communities around the country are coming close to ending veterans' homelessness altogether. We need to keep investing federal, state, local and philanthropic dollars in what's working.

As noted above, the federal programs that CSH and our partners have utilized most extensively to end veterans' homelessness are the HUD-VASH program, McKinney-Vento Homeless Assistance grants and the VA's Supportive Services for Veterans Families program. It is important to note that while these programs are most prominent in ending veteran homelessness, CSH often uses a multitude of different funding sources to create supportive housing. As Committee Members can see in the Project Profile sheet attached at the end of our testimony, a recently-developed and highly-successful supportive housing development for veterans in Detroit, Michigan – Piquette Square – used not only project-based HUD-VASH vouchers, but also HOME funds, Section 8 vouchers, and state tax-exempt bonds.

The HUD-VASH program has been particularly popular among policymakers in recent years, and with good reason; these vouchers combine Section 8 rental assistance with case management from the VA to create a very effective intervention for veterans who are struggling to stay stably housed. HUD-VASH vouchers take veterans off the street, while creating several other positive

outcomes such as reductions in visits to emergency rooms, jail, detoxification facilities and other emergency institutions. Both the House and Senate T-HUD Appropriations Subcommittees have included \$75 million for 10,000 new VASH vouchers in Fiscal Year 2013 and we strongly urge Committee members to support this allocation when Congress makes final funding decisions for the next fiscal year. We also urge Committee members to continue supporting new HUD-VASH allocations in future years as it is one of the single-most important tools to ending veteran homelessness.

We would also like to express support for additional flexibility to project-base HUD-VASH vouchers. These vouchers are primarily tenant-based, meaning that they are provided directly to a homeless veteran who then must find suitable housing in the community. Allowing VASH vouchers to be project-based, or tied to a unit rather than to an individual provides several benefits. First, by guaranteeing that a unit will be subsidized and reserved for a homeless veteran, it can reduce or eliminate the burdensome housing search process, which is especially difficult for veterans with disabilities or cognitive impairments. Second, project-based VASH vouchers can be used as leverage by developers to encourage private investors to commit funding to *new* housing units. It would be a missed opportunity to not leverage more HUD-VASH vouchers as a means of developing new housing that will remain affordable to homeless veterans for years to come.

HUD has published guidelines on project-basing VASH vouchers that limit the percentage of VASH vouchers that may be project-based, requires units to be placed in service in a very short time frame, and requires the approval of both the PHA and the VA to make the project a reality. While we are not advocating for a specific change to HUD's current guidelines on project-basing VASH vouchers, we do think it would be helpful if the Department would set-aside vouchers in its next competition for communities who want to project-base, and to exercise reasonable flexibility by providing waivers to certain developments that need additional time to place units in service.

SSVF, as a VA program, falls outside of this Committee's jurisdiction, but given the growth and flexibility of this program it is important that we note its potential to achieve great results. SSVF grants allow communities to provide a flexible array of either short or medium-term rental assistance or any of a number of supportive services such as case management, job training, or credit repair. We are also seeing SSVF used in creative ways, such as when it is paired with a HUD-VASH voucher for a severely vulnerable veteran to cover missing gaps in getting them housed such as by covering a security deposit. SSVF funds are provided out of the VA's Health account and Congress recently and wisely increased the amount of money the VA Secretary may allocate for this purpose.

Aside from providing funding, Congress and the Administration can be most helpful by encouraging the targeting of resources. When we say "targeting" we really mean two different things. First, our primary focus should be to ensure that the most vulnerable homeless veterans, those who are most likely to literally die on the street, are given priority access to rental assistance and other resources. This approach is not only the morally correct thing to do. Veterans who are experiencing long-term homeless are also frequent users of costly emergency

systems of care such as emergency rooms and mental hospitals, and therefore prioritizing assistance to this sub-population is also cost-effective for the taxpayer.

Second, targeting also means ensuring the right resource gets to the right person. Decisions about who should get what resource are not easily made, and it is important that VA case managers have tools at their disposal to steer each veteran towards the most appropriate resource. For example, HUD-VASH vouchers are an extremely good resource for veterans who, without the combination of rental assistance and case management, are likely to remain homeless for a long period of time. It would be a poor use of resources to provide a HUD-VASH voucher to a homeless veteran who is likely to stay stably housed with a lighter intervention such as short-term rental assistance or assistance with employment search. Conversely it would be a poor use of resources if a veteran who clearly needed more intensive and longer-term assistance was first offered a more limited array of supportive services or short-term rental assistance. CSH has been working with the VA to help develop a Decision Support Tool to help case managers understand what resources work best, and we appreciate policymakers support for seeing this Tool implemented.

One concern that we would like to bring to the Subcommittee's attention is the length of time it takes the VA to hire case managers. Members of Congress, like many other stakeholders, are particularly concerned that VASH vouchers be quickly utilized, but this process is delayed when the local VA doesn't have its case managers in place. We have seen improvements, but early progress was delayed due to this problem.

Related to the issue of VA case management, we would also bring to your attention recent legislation that was signed into law by President Obama (H.R. 1627) that encourages local VA medical centers to consider contracting VASH case management with local government or non-profit organizations with experience serving homeless veterans. This idea was born right here in Washington, DC where a very successful partnership was set up between the local VA and the City's Department of Homeless Services. The VA established a contract with the City to handle VASH case management for several hundred vouchers. This was an excellent initiative because City homeless services had a better grasp of where chronically homeless veterans were living, had better relationships with landlords around the city, and was able to use some different models with increased flexibility to engage hard-to-serve homeless people. The City subsequently made a marked reduction of street homeless veterans. Contracting with local homeless service providers is also a great idea in rural areas where homeless veterans might live very far away from the nearest VA case manager. We encourage Congress, the VA, and VA Medical Centers to investigate whether contracting VASH case management services is a good solution in other communities across the country.

While Washington has a responsibility to provide resources to end veteran homelessness, it falls on local communities to improve their systems – communication, outreach, and coordination – to achieve the best results. We have been very pleased to collaborate with the 100,000 Homes Campaign and other partners to develop a list of steps that communities can take to reduce the amount of time it takes to get a homeless veteran into stable housing once they are awarded a rental assistance voucher such as HUD-VASH. Reducing this “lease-up” time is one of the most important steps a community can take not only because the veteran is often suffering while

homeless, but also because many homeless people are transient and the longer it takes to get them housed the more likely it is for service providers to lose track of where the veteran is currently living.

Some key steps to reducing lease-up times include:

- Having the local Housing Agency that administers rental assistance share Housing Inspection Standards with non-profit organizations that are assisting veterans in finding housing. These organizations can then conduct a pre-inspection of identified units to ensure they will pass inspection and the veteran will be able to move in as quickly as possible.
- Reducing or eliminating locally-imposed minimum income requirements.
- Eliminating requirements for the Veteran to enter treatment as a condition for receiving a VASH voucher.
- Negotiate rent-reasonableness with the prospective landlord at the time of the housing inspection.
- Issue provisional vouchers to enable the Veteran to begin housing search while the paperwork is being finalized.
- Coordinate among the Housing Agency, homeless service providers, and prospective tenants to fill out of all necessary paperwork and ensure that everything is in order and doesn't get stuck in an administrative logjam.

We would like to note that both HUD and the VA have been generally receptive to new ideas, to fixing problems that CSH and our partners have identified, and eager to achieve the Administration's goal of ending veteran homelessness. As an example, we thought that HUD's publishing of a HUD-VASH best practices guide, was exactly the kind of tool that will make real impact and improve how communities utilize this valuable federal resource.

Finally, noting Chairwoman Biggert and Ranking Member Gutierrez's interest in this important issue we would also add that 500 Chicago veterans are homeless on any given night. In Cook County, over 9% of people experiencing homelessness are veterans. Many are chronically homeless due to persistent and complex physical or mental health problems. Absent stable housing tied to supportive services, these men and women cycle between jail, shelters, hospitals, and other costly institutions, never receiving adequate care to address the underlying causes of their homelessness. As a result of CSH's leadership, Chicago's continuum of care is leading the nation in systematically prioritizing high-need individuals, including veterans, for supportive housing. Currently, the people most in need of long-term housing solutions are not targeted in this way and remain homeless. Also, the VA system of care for homelessness is not integrated sufficiently with the larger supportive housing system, which can limit access to appropriate, non-VA housing and service resources for portions of homeless or at-risk veterans.

We again thank the Subcommittee for holding this hearing. We are eager to continue this conversation about how to end veteran homelessness, and would be more than willing to show Members and staff what supportive housing looks like and how it ends homelessness for our nation's heroes.



Piquette Square - Detroit, MI

150 new units of supportive housing for veterans who are homeless



Piquette Square

This unique new construction project in Detroit, MI combines 11,000 sq. ft of commercial and common space and 150 units of permanent supportive housing for homeless veterans. It is a unique collaboration between Southwest Housing Solutions, Southwest Counseling Solutions, John Dingell VA Medical Center, and the Veterans Benefit Administration – Detroit Regional Office to provide supportive services and housing opportunities.

Owner/ Sponsor: Southwest Housing Solutions

Property Management: Southwest Housing Solutions

Service Provider: Southwest Counseling Solutions, in collaboration with John Dingell VA Medical Center

Tenant Profile:

Veterans experiencing homelessness, including those who have been homeless for long periods of time and those with mental health issues.

Key Features and Innovations:

- Approximately 18,000 individuals experience homelessness in Detroit each year – 4,000 which are veterans.
- The project has 150 project based vouchers administered by the Michigan State Housing Development Authority, including 25 HUD VASH project based vouchers.
- In addition to on-site service space, the project is located within one mile of the John Dingell VA Medical Center which will provide for greater access to inpatient and outpatient services.
- The project is situated on the same ground where the historic Studebaker factory New Center was destroyed by a fire in 2005.
- Once completed this will be the largest supportive housing project in the state of Michigan.

Financing Information

Capital

MSHDA Tax Exempt Bond	\$10,000,000
LP Capital Contribution	\$6,713,770
GP Capital Contribution	\$519,026
MSHDA HOME Funds	\$1,744,447
FHLB AHP	\$500,000
Wayne County	\$510,000
Brownfield Credit	\$1,664,802
Deferred Developer Fee	\$295,204
Total	\$21,947,249

Operating (Annual)

150 Project Based Housing Choice Voucher