

**Testimony of**  
**Nan Roman**  
**President**  
**National Alliance to End Homelessness**  
**before the**  
**Subcommittee on Housing and Community Opportunity**  
**Committee on Financial Services**  
**U.S. House of Representatives**

**Hearing on *The Section 8 Voucher Reform Act***  
**June 4, 2009**

Chairwoman Waters, Ranking Member Capito, and members of the Subcommittee, I am honored that you have invited the National Alliance to End Homelessness (the Alliance) to testify before you today on The Section 8 Voucher Reform Act. Section 8 is probably the most important government resource to prevent and end homelessness. As you will see from my testimony, Section 8 vouchers, by virtue of making housing affordable, end homelessness for nearly every household that receives one. If we had an adequate supply of Section 8 vouchers, there would be very little homelessness in our nation. The Alliance commends the work that the Committee has done to solidify and improve the program and supports The Section 8 Voucher Reform Act.

The National Alliance to End Homelessness is a nonpartisan, nonprofit organization that was founded in 1983 by a group of leaders deeply disturbed by the appearance of thousands of Americans living on the streets of our nation. In its early years, it focused on meeting the emergency needs of this emerging population. Soon, however, as it became apparent that emergency measures would not solve the problem, we turned our attention to more permanent solutions. Today, the bipartisan Alliance Board of Directors and our over 9,000 nonprofit, faith-based, private, and public sector partners across the country devote ourselves to the affordable housing, access to services, and livable incomes that will end homelessness.

### **Homelessness and Housing**

Notwithstanding the fact that people who become homeless tend to have extensive and complicated needs, their lack of housing is what defines them as homeless. Housing affordability is the driver in homelessness. However, the need for housing plays out in different ways. A smaller percentage of homeless people need affordable housing that is linked with intensive services. The majority of homeless people, while they have services needs, can remain stably housed if the housing is affordable to them. All in all, approximately 670,000 people are homeless each night. Of these, around 125,000 are chronically homeless, and 250,000 live in families (in 85,000 households). Almost 300,000 are unsheltered. Because most leave homelessness but are replaced by others who lose their housing, over the course of a year, several million experience homelessness. I would like to discuss some of the different ways that homelessness affects Americans, and the role of Section 8 in solving the problem.

The majority of homeless people, about 80% of individuals and well over 90% of homeless families with children, are homeless largely for economic reasons. Their incomes are not sufficient to pay for housing. If they had housing that was affordable to them, while they might still be poor and have other problems, they

would not be homeless. Research has consistently shown that, especially for homeless families with children, a Section 8 voucher allows the substantial majority to leave homelessness, become housed, and never become homeless again.

A relatively small percentage of homeless people (about 20% and mostly single adults) is disabled and needs permanent supportive housing – housing with a services component. The percentage is even higher among homeless veterans, 50,000 of whom are also disabled and in need of permanent supportive housing. In total, the nation requires approximately 90,000 units of permanent supportive housing to end long term chronic homelessness for people with disabilities. While mental health and addiction treatment and other supportive services are certainly needed, the services are not effective in the absence of affordable housing. Section 8 has proven to be an effective mechanism for providing that affordable housing, either in project-based settings or using tenant-based vouchers in scattered-site supportive housing.

Homelessness among elderly people is also growing problem. While historically elderly people have been under-represented in the homeless population, today that is changing. We are seeing disturbing increases in the elderly homeless population, both because of the aging of people who are currently homeless, and because of the increasing age of the general population. Homelessness among elderly people is alarming, and the solution is affordable housing with necessary services.

In addition to people who are literally homeless, there is a much larger pool of extremely poor and challenged families and individuals from which the homeless population emerges. Some 16 million people live at half of the poverty level for example (deep poverty), and as many as 10 million people live below the poverty level and are doubled up. These are people who are at risk of homelessness, and many of them do become homeless. However, historical data and information from other nations indicate that only a handful would become homeless if they had affordable housing.

In summary, housing is the key intervention in ending homelessness. And Section 8 is the lynchpin. People who are chronically homeless and disabled, including many veterans and the elderly, need affordable housing plus services; even with capital financing for development, Section 8 is the key to providing the needed operating subsidies. People who are homeless for economic reasons need affordable housing; Section 8 is the key. People who are at risk of homelessness need their housing to be affordable; again, Section 8 is the key.

It is for this reason that we are so grateful to the Committee for its work to stabilize the Section 8 Housing Choice Voucher program.

### **Benefits of SEVRA**

The SEVRA bill improves the Section 8 program in several ways that will make a difference to our goal of ending homelessness.

**Reliability.** It is essential that landlords, developers and tenants have confidence in the Section 8 program – in how it operates and in what resources it can deliver. By settling basic questions of funding distribution in ways that incentivize full utilization of authorized vouchers, SEVRA accomplishes this goal. This is important for several reasons.

- Landlords are incentivized to house people who they believe to be risky tenants when they have a clear and reliable understanding of what is expected of them, and what they can expect to receive.
- Developers are encouraged to develop housing for low-income people if they are confident in the rental stream they can expect.

- Housing First is an emerging best practice that involves placing homeless people, including those with the most severe disabilities, in housing as the platform for subsequent provision of stabilizing treatment services. The existence of a reliable source of rental subsidy is key to landlords accepting this population as tenants.
- Nonprofit and public organizations that house homeless people must conduct extensive outreach to potential landlords. Reliable Section 8 brings many more landlords to the table.

**Project-based Section 8.** Project-basing Section 8 is an important tool for ending homelessness. Project-based Section 8 is essential for the creation of permanent supportive housing for disabled and elderly homeless people. It is also used in some communities as a vehicle for “transitioning in place.” SEVRA takes a much improved approach to project-basing, and indeed incentivizes the use of project-based assistance for homeless people where there is a lack of supply. This will have a positive impact on communities’ efforts to end chronic homelessness and homelessness overall. 90,000 additional units of permanent supportive housing are needed to end chronic homelessness.

**Simplification.** SEVRA’s simplification of rent calculations and inspections makes an important contribution. This simplification will encourage more landlords to participate and make the program easier for tenants to understand.

### **Further Considerations**

To maximize the impact of the Section 8 Voucher program, we offer the following thoughts.

**Targeting.** One of the lessons in communities that have reduced homelessness is that targeting is a critical element. Distributing scarce resources across a wide variety of eligible populations has little impact, while tightly targeting distribution has a significant impact. Section 8 is a rich resource, and should be targeted to those who most need it in order to maximize its impact. In particular, targeting to people with mental illness, veterans, and families with children in foster care should be retained. Further, given the extensive unmet need for affordable housing among households with incomes below 30% of Area Median Income, we can see no situation in which it would be reasonable to waive or raise income eligibility for the Section 8 program; income targeting should be retained.

**HPRP.** Congress recently passed the Homelessness Prevention and Rapid Re-Housing Program (HPRP) as part of the American Recovery and Reinvestment Act. This program provides short- to moderate-term rent assistance (among other things) to people who are threatened with homelessness or who are homeless. The goal is to ameliorate a recession-related increase in homelessness. HPRP should work well for most households. However, households for whom short-term assistance will not be adequate, including households with a disabled member, will need to link to Section 8. Coordination between HPRP and Section 8 is needed.

**Trust Fund.** The Housing Trust Fund is a key piece of legislation that will stimulate desperately needed development of affordable housing. It is important to recognize, however, that even when there is NO debt service in a development, and using federal standards of affordability, people under 30% of Area Median Income cannot typically afford to pay enough rent to cover the ongoing operating costs of a unit. Therefore, to reach the target population of the program, operating subsidies will be required, and at present that largely means Section 8. When the Trust Fund is resourced, it will be important to consider how Section 8 can best be allocated to Trust Fund projects.

**Ending homelessness.** While universally available Section 8 clearly has the capacity to end homelessness, there are some features of the current program that impede its ability to address homelessness.

- **Waiting lists.** Homeless people have, by definition, the most acute housing need: they have no housing. However, Section 8 is not allocated according to need, but rather on a first-come, first-served basis (taking into account local priorities). People who are homeless not only have to wait on the list (and many people become homeless while waiting on the list), but it is often difficult to reach them when their names come up for assistance because they have no regular address.
- **Flexibility.** Many people are at risk of homelessness, but relatively few actually become homeless. With flexible housing resources, much homelessness could be prevented. Between waiting list and other program rules, the Section 8 program does not offer Public Housing Authorities (PHAs) much flexibility to address the housing needs of people having a housing crisis.

**Creating homelessness.** A small percentage of people become homeless while receiving Section 8. The reasons for this rarely have to do with failure to pay rent. Rather, they center on poor quality of housing (there is evidence that people sometimes leave because the housing they can access is in such poor condition); noncompliance with administrative requirements (families may fail to understand or heed recertification requirements, for example); or other fairly minor problems. While PHAs certainly must have and enforce rules, they should be given the resources to take more responsibility to solve problems before eviction, especially because evictions may result in homelessness. In particular, we recommend that PHAs report their termination rates on a regular basis, and that they coordinate with local Homelessness Management Information Systems to examine whether or not people terminated by the program end up homeless. Section 8 should be the vehicle for exiting homelessness – not entering it.

### Summary

The Alliance and Enterprise Community Partners will shortly release a report examining the relationship between housing subsidies and homelessness among families. Based upon the literature on this issue, the report, by Dr. Marybeth Shinn at Vanderbilt University, says,

*The continuing crisis in affordable housing has led to a situation in which all too many poor families have become homeless. Many of these parents came of age when housing costs were high, and they were never able to break into the housing market. Others have lost housing and cannot find a new home that they can afford. **For the vast majority of families, affordable housing, typically secured with a voucher or other subsidy, is sufficient to assure housing stability.***

In other words, housing ends homelessness and a housing subsidy, alone, is largely sufficient to provide that housing. If people could afford their housing, notwithstanding all the other problems and needs they might have, they would not be homeless. The Section 8 Housing Choice Voucher program is the primary source of housing subsidy for people, and we need it to function cleanly and well, to be reliable and transparent, and to grow.

On behalf of the Board of Directors of the National Alliance to End Homelessness, I thank you for your efforts to improve the Section 8 program. They are critically important and we support them. We hope that these improvements will eventually lead to an adequate supply of Section 8 vouchers to meet the needs of those who have no housing – homeless people.