



THE NATIONAL ALLIANCE TO END HOMELESSNESS, INC.

**Testimony of
NAN ROMAN
President**

National Alliance to End Homelessness

before the

**Subcommittee on Housing and Community Opportunity
of the
Committee on Financial Services
U.S. House of Representatives**

September 15, 2005

Katrina Housing Relief

Thank you for inviting me to testify today on behalf of the Board of Directors of the National Alliance to End Homelessness. The Alliance is a bipartisan national policy, education and capacity-building organization. We do not provide services. Rather, over the past 20 years we have examined and assessed what individual programs, communities and the nation are doing about homelessness and extracted lessons about how we can do better.

The disaster in New Orleans and on the Gulf Coast has created hundreds of thousands of homeless people. Some of these - the ones with resources and support networks - will relatively quickly find their own way back into housing, although not without displacement, substantial financial consequence and tremendous personal anguish. Others, however, will need more help to get back into housing and on their feet.

Many of these new homeless people will look a great deal like the 750,000 people who were homeless across America every night before the hurricane hit: desperately poor, disproportionately minority, and often disabled with mental illness, substance abuse disorders and physical ailments including HIV/AIDS. For people living in precarious housing situations any crisis, as personal as a job loss or as far-reaching as a hurricane, can precipitate an experience of homelessness. Hurricane Katrina was a crisis of massive proportion, but those most affected by it are the same Americans whom any disaster, personal or natural, can send spiraling into homelessness.

The past two decades of work with homeless people and programs have taught us lessons that may help those trying to address the more localized crisis resulting from Hurricane

Katrina. I want to share with you some suggestions based upon these learnings, particularly with reference to meeting people's needs in the short- and mid-term.

- **First, get people out of shelter quickly.** The decision to send tens of thousands of people to shelters was a correct one in the short term, but it is good to hear that plans are underway to move them on to more permanent housing. It is amazing how rapidly the shelter system can institutionalize. Two decades of homelessness research have demonstrated that there are serious consequences to keeping people in shelter, motels, or any type of temporary housing for any length of time. In temporary housing, stress increases, children's performance in school deteriorates, treatment regimens fail, and it is difficult to gain or maintain employment. These negative consequences have high public costs to health care, education, child welfare, and law enforcement systems, to name a few, not to mention the human cost to individuals and families. Stable housing is necessary for people to succeed. For the very poor families and individuals most impacted by the hurricane, stable housing is essential. We must rapidly get those made homeless by the hurricane back into permanent housing.
- **Rent subsidies, if provided quickly, will result in housing stability for most households.** Based on what we have learned from the homeless data, we believe that the vast majority of people who lost their housing in Hurricane Katrina will likely be able to get themselves back into housing either on their own or with minimal assistance *if* they have access to temporary rent subsidies. FEMA, of course, has the authority to provide up to 18 months of rent subsidy at the fair market rent, and we strongly recommend that they do so quickly.
- **Some people will need more than rent subsidies.** Based upon what we know about those people who were unable to evacuate due to lack of resources, as well as what we know about the poverty rates in the area, we can estimate that between 200,000 and 250,000 newly homeless people are extremely poor.

Of those who are extremely poor, most are likely to need not only a short term rent subsidy, but probably a longer term rent subsidy, as well as assistance finding and accessing housing. They also will need help linking to the services in the community (day care, medical treatment, etc.) that they will need to survive. The Housing First approach, developed to assist homeless people, provides a template for how to rapidly re-house these extremely poor, newly homeless households. Housing First requires the use of flexible resources to clear all barriers to housing including providing deposits, co-signing leases, clearing legal issues, etc., as well as case management to link people to services. Housing First or rapid-rehousing activities could be funded through grants to local nonprofits or city agencies that would provide the needed services.

- **25,000 – 50,000 (10-20% of the poor population) will need a more sophisticated combination of services and housing.** This is the percentage of these extremely poor people who are likely to have disabilities or other issues that affect their ability to remain stably housed. In the wake of Katrina these vulnerable people are

completely detached from the support networks, formal or informal, that helped them stay in housing. They will need not only a long term rent subsidy, but also on-going treatment and services linked to their housing.

Supportive housing, an extremely effective permanent solution to homelessness, is one approach that would work very well for most of these people. To make certain that accurate assessment and referral to appropriate housing and services are accomplished for this group, incentives or targeted funding for case management or specialized staff will be required.

It is important to point out that one of the key learnings from the homeless assistance system is that these harder to house and serve people tend to be the last to leave shelter and the most expensive to other public systems of care. We are already hearing anecdotal confirmation of this trend in Katrina shelters, where those with more resources are rapidly leaving for other housing, while those people with mental illness, serious stress disorders, untreated substance abuse disorders and physical disabilities remain. The national movement to end chronic homelessness seeks to remedy the mistake we made in the past by leaving these most vulnerable people to languish in the homeless shelter system. I hope that, by providing special attention and resources, we avoid the same mistake in the aftermath of Katrina.

- **In addition to rent subsidies, temporary housing will be needed in the area.** Reports are that all available housing in Louisiana, and probably in the Gulf area of Mississippi and Alabama, has been rented or purchased. Yet there are, as of today, nearly 50,000 people remaining in Katrina shelters in the affected area. Accordingly, permanent housing will have to be quickly created for these individuals. In addition to the mobile and trailer homes that have been proposed, we should investigate the possibility that there are available underused buildings that can be quickly retrofitted for residential purposes. While it is understandable that the need to provide housing quickly might compromise certain otherwise essential housing standards, all such housing must be decent and have basic facilities.
- **Information and connectivity matter.** In times of homelessness and displacement, families are separated, people lose their medications, children have no school records, and financial assistance cannot be received for lack of address. These are only some of the immediate problems faced by displaced people. Those who try to help them have another set of problems, such as determining how many units of temporary and permanent housing are needed, how many people are likely to return to the Gulf and New Orleans, who has a diagnosed disability, and where housing is available. It is typical, and altogether proper, that the heart should lead in addressing homelessness crises. Yet one hard lesson that we have learned over the past twenty years is that without good information and data, costs of assistance are high and outcomes are poor. An administrative data system that can continually keep up to date on people's location, needs and plans is essential, both to meet immediate needs and to plan for the future.

The federal government requires communities to institute homeless management information systems (HMIS) to help with both service delivery and community planning. Such systems allow basic information to be easily collected, shared and aggregated so that families can be reunited, appropriate assistance delivered and plans made. Just as importantly, these systems can provide real time information on housing, shelter and services availability. While there are several private sector firms that have developed software for these systems, the State of Louisiana has already adopted one web-based system state-wide which supports client management, and service and housing location. This system, or one like it, should be implemented nation-wide. There is not a moment to lose.

- **New resources are needed. We cannot help the newly homeless at the expense of those already homeless.** It is not surprising that communities across the nation, as they take in people made homeless by Hurricane Katrina, are turning to the resources that they already use to help those with housing crises. In the search for ways to help, communities are identifying existing shelter beds, publicly assisted rental units and supportive housing for the hurricane victims. This is as it should be. However, there are also poor and homeless people waiting desperately for these resources in nearly every American community. We cannot help the newly homeless at the expense of those who are already homeless or at risk. We must provide new resources to help the victims of Katrina. Where existing funds from programs such as CDBG, HOME, or McKinney-Vento have already been used, these funds must be reimbursed. The slowness of the federal response is making this situation more and more urgent.
- **Assistance must be inclusive.** We know from previous U.S. disasters that FEMA and private relief agency policy sometimes denies assistance to people affected including non-citizens, those not residing under a lease, those without an address, and so on. We urge those providing housing assistance to evacuees to be pro-active in establishing policies that provide decent, affordable, permanent housing to all of those affected by Hurricane Katrina.

Looking at the longer range picture, we offer some additional observations and recommendations.

- **Involvement of Gulf residents in the reconstruction.** Thousands of jobs will be created in the reconstruction process. A substantial percentage of these jobs should go to the residents of the region, particularly those who are most disadvantaged. There is tremendous potential to use these jobs to change the lives of those who were most affected by the hurricane.
- **Choice.** People displaced by the hurricane should have the choice to either remain in the community to which they relocated, or return to the affected region. Experience from other natural disasters indicates that most people will wish to return home, and this must be planned for.

- **Housing leadership.** Some central authority should be created to coordinate the national housing response to Katrina. FEMA, HUD, the IRS, RHS and other sources of housing funding should not be operating in an uncoordinated and independent fashion.
- **Involvement of stakeholders in planning.** The reconstruction of the area must include provision for housing and employment of all those who were forced to leave it, including poor and low income people. The best way to accomplish this is to involve poor and low income residents in the planning process. Further, stakeholders from the low income housing and homeless sectors in the region should also be involved.
- **Housing markets will be impacted.** In many ways, Hurricane Katrina is a housing crisis. Further, it will have an effect on a national housing market in which there is already a serious affordability crisis. The increased demand of Katrina evacuees for housing has already begun to drive up the cost of housing in nearby cities, and this exacerbation of the housing affordability crisis is likely to increase over time. It will be important to attend to the ripple effects of Katrina on the housing markets.

The victims of Hurricane Katrina all deserve our help and support to get back on their feet. Those who are most vulnerable because they are poor or disabled need additional help to avoid tragedy, as the whole world saw in the days following the hurricane. Surely, at a minimum, Hurricane Katrina must not be allowed to increase the number of poor and homeless people in our nation, long term.

But our goal can be more ambitious. Over the past twenty years, nonprofit providers and housing developers, working hand in hand with local, state and federal agencies, have acquired a tremendous body of knowledge and an impressive capacity both to meet people's short term needs and to build strong and vibrant communities for people of all incomes. We have a tremendous opportunity to put this learning and capacity to work in the massive task of rebuilding New Orleans and the Gulf area. Our goal should be for efficient and effective operations to get people quickly back on their feet. Our goal should be to create model urban, rural and small town environments in which the residents have job experience and employment opportunity, in which people live in mixed income communities that protect the needs of all residents, and in which all have decent and affordable housing. Given the will and the resources that will be directed to the region, we can and should set our sights on a response that embodies our highest aspirations and knowledge.