

**Invited Testimony of the
Honorable Shirley Franklin
Mayor, City of Atlanta**

**Committee on Banking, Housing and Urban Affairs
United States Senate**

**Thursday, June 21, 2007
"Renewal of the McKinney-Vento Homeless Assistance Act"**

Chairman Dodd, Ranking Member Shelby, Senator Reed and other members of the Committee,

I want to, first, commend you for holding this hearing on such an important topic and thank-you for allowing me to speak and provide written comments.

The reauthorization of the McKinney-Vento Act is critical to our continuing efforts, in Atlanta, to end chronic homelessness. This partnership between the Federal government and local communities has provided the primary source of funds, over \$85 million since 1995, for our regional efforts toward identifying the need and filling the gaps in services for the homeless.

This funding has helped us develop and sustain permanent supportive housing units, transitional housing units and the wrap-around services that are so crucial to serving this population. And, HUD's Homeless Assistance grants, over \$5,000,000 since 1995, also helps us develop and sustain emergency shelters (although we hope that someday this particular type of housing will no longer be needed).

In Atlanta, we approach the challenge of ending homelessness from both a humane mandate as well as a financially sound policy.

We all know that the chronic homeless who migrate through our public systems - from the streets to the public hospitals, non-profit agencies, the jails and back to the streets are very expensive. According to various studies from places as diverse as New York City, Portland, OR and New Hampshire (going back as far as 1987), each of these individuals can cost communities from \$40,000 to \$50,000, per year. We are in the midst of documenting this actual cost in Atlanta, but we know the number will be extremely high.

We also know we can more effectively serve those individuals by getting them into housing with appropriate services, for an annual cost of between \$15,000 - \$20,000, and can move many of them toward self-sufficiency. While serving these individuals better, we will also provide relief to our over-crowded public hospital and jails.

In Atlanta, we have taken this message to our own constituents and the business community. We have said this is what the Federal Government is doing, through HUD. And, we need to assist by doing our part.

The City of Atlanta issued \$22,000,000 in Homeless Opportunity Bond funds to build and develop permanent supportive housing - with these funds, we are

developing over 500 new units. But, the matching Federal dollars are critical to making each of these projects work.

And, through our Regional Commission on Homelessness (comprised of government, corporate, faith and educational leaders from Atlanta and seven surrounding counties), we have developed our 10-year Plan to End Chronic Homelessness and we appealed to the business community to join our effort. The business and philanthropic community has responded with over \$30,000,000 in additional funds for housing and services to be developed throughout our region. We could not have successfully appealed for these funds, if we did not have the Federal funds as leverage.

This re-authorization act both maintains the best parts of the original McKinney-Vento Act and contains new elements that will further enhance all our efforts. The following are recommendations we have, regarding specific elements of the re-authorizing legislation.

Permanent Supportive Housing Set-Asides

The City of Atlanta supports the proposal that applies the 30% funding set-aside for permanent supportive housing at the national level rather than the local level. Application of the set-aside requirement at the local level would be very disruptive of existing homeless programs for many Continua.

Permanent Supportive Housing Renewals

The City of Atlanta supports the proposed five-year renewal for permanent supportive housing. An extended renewal period for this housing supply will provide more operational stability for local projects and will lessen the burden of repetitive application processing at both the local and national levels.

Definition of Homelessness

The City of Atlanta supports the continuation of the current definition of homelessness. Many homeless advocates have encouraged a broader definition that would include persons at risk (such as those living in extended-stay motels) and persons living “doubled up” with family or friends. We believe such a broadening in the definition is unworkable, given the insurmountable difficulties in accurately measuring or documenting this group. Additionally, many of the persons in this group are not at risk of homelessness, but merely in a period of transition between jobs, housing settings, or geographic areas.

Support for Homeless Prevention Services

The City does believe, however, that greater support is urgently needed for persons truly at risk of homelessness. We encourage the Committee to implement increased funding for homeless prevention, and reduce the regulatory restrictions on this service, to improve the ability of local jurisdictions to respond to the growing needs of at-risk populations.

In this regard, we support continuing the eligibility of homeless prevention under the Emergency Shelter Grant program. And, we support the inclusion, as a new eligible service, of relocation assistance for persons being discharged from public systems.

Client Eligibility for Permanent Supportive Housing

The City of Atlanta does not support expanding eligibility for permanent supportive housing. We believe that providing permanent housing for any homeless person regardless of disability is too broad. Non-disabled homeless persons should be assisted through existing affordable housing programs, not from the limited homeless funds under the McKinney Vento Act.

Eligibility of Supportive Services

The City of Atlanta supports this bill's treatment of eligible supportive services.

Local Continuum of Care (CoC) Boards

The City of Atlanta supports the provisions for local CoC boards, which allows a local government to be the lead entity and does not require a separate outside board, but does permit such a board if desired. Local situations vary significantly from jurisdiction to jurisdiction and we believe that the national legislation should provide the flexibility needed to accommodate these variations.

Cash Match Requirements

The City of Atlanta is pleased to see that this bill reduces the required cash match to 25% for all project types.

Administrative Funding

The City of Atlanta strongly supports the provision of separate administrative funds for the local CoC boards and the funded projects. The current provision of only one 5% set-aside has sometimes created regrettable conflict between local governing CoC bodies and the non-profit project sponsors over division of funds.

Administrative Funding

The City of Atlanta requests that Congress remove the cap, under the Emergency Shelter Grant program, on funding of staff salaries in sheltering projects. This is a very burdensome requirement, which has been difficult to meet at the local level, and we cannot see any justification for treating project staff-related operational costs differently than non-staff-related operational costs like rent or utility bills.

Additionally, this re-authorizing legislation does the following:

- It creates separate funding for projects that focus on the economic reasons for homelessness and prevention - this will help, tremendously, with our efforts to quickly re-house women and children who have lost their homes or apartments due to a temporary economic loss.

- And, by more quickly helping those who are newly and temporarily homeless, we can focus additional resources on the more difficult-to-serve chronically homeless.
- The funding for the ongoing renewal projects will be separated, so that we can add funding for much needed new projects without jeopardizing the well-run existing projects.
- It decreases the time period for the review process and technical submissions, after a program has been approved, so that actual projects can be ready to go within about a year (as opposed to sometimes 2-3 years).

Finally, I would like to acknowledge the tremendous effort of the Interagency Council on Homelessness, which would be continued under this re-authorizing legislation. The Interagency Council has provided tremendous leadership and guidance to local communities who, like Atlanta, have developed their own tailored 10-year Plans to End Homelessness.

Mr. Chairman, and members of the committee, I thank you, again, for this opportunity to provide comments on this very important topic and this critical legislative action.

As you can assuredly see, all of us who have submitted comments are very passionate about this topic. That's because we, and thousands of other local leaders across this country, see the devastation of homelessness every day - in

our communities. But, we also know that it is through this partnership we have with you, that we are making progress.