

**Statement of Barbara Banaszynski
Director of Program Development, Volunteers of America**

**Submitted to the
U.S. Senate Committee on Banking, Housing, and Urban Affairs,
Subcommittee on Housing and Transportation**

Legislative Hearing on Meeting the Housing Needs of Veterans

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Testimony

Chairman Allard, Ranking Member Reed, and Members of the Subcommittee – thank you for inviting me to testify this afternoon. My name is Barbara Banaszynski, and I serve as the Director for Program Development for Volunteers of America. I am the daughter of a World War II veteran, now deceased - and the mother of a son serving in the 3rd Infantry Division, currently stationed at Fort Stewart, Georgia. As a child, my family benefited greatly from Veterans Administration (VA) assistance - my father completed his college education thanks to the GI Bill and purchased our family home with VA benefits.

Since January, 2006, I have worked with the national office of Volunteers of America. During the previous thirteen years, I worked at the local office of Volunteers of America that serves Kentucky, Tennessee, and West Virginia. This portion of Appalachia is home to many veterans in need. Let me describe these veterans to you.

Almost all the veterans we serve have honorable discharges, but after extended periods of homelessness or living in sub-standard housing they have lost their proof of discharge status. Most have not been receiving medical treatment from the VA - nor are they receiving VA benefits to which they are often entitled. Veterans from more urban areas typically experience relatively long periods of homelessness, while those from rural areas have more often been living in sub-standard housing or in makeshift outdoor encampments.

Our veterans programs provide the housing and supportive services necessary to prevent and end homelessness. To ensure a strong rapport with residents, we hire mostly veterans as program staff. We provide a range of supportive services, including case management, job training and job referrals, education, legal assistance, transportation, mental health and substance abuse treatment, and HIV/AIDS screening.

However, our veterans programs can only provide transitional housing – due to program and funding limitations. I am pleased to be here today, to offer some thoughts on how government and nonprofit agencies can partner to provide permanent housing opportunities for our nation’s veterans.

Introduction to Volunteers of America

Volunteers of America is a national, nonprofit, faith-based organization dedicated to helping those in need rebuild their lives and reach their full potential. Through thousands of human service programs, including housing and healthcare, Volunteers of America helps nearly 2 million people in over 400 communities. Since 1896, our ministry of service has supported and empowered America's most vulnerable groups, including at-risk youth, the frail elderly, men and women returning from prison, homeless individuals and families, people with disabilities, and those recovering from addictions. Our work touches the mind, body, heart - and ultimately the spirit - of those we serve, integrating our deep compassion with highly effective programs and services.

Volunteers of America Housing and Services for Veterans

Around the country, Volunteers of America is a leader in providing housing and supportive services for homeless and other low income veterans. Our activities focus on both preventing and ending homelessness among veterans. We believe that government and nonprofit agencies have a special obligation to assist veterans who are in need – based on the service that they have provided to our country.

We wish to thank the Veterans Administration, and Secretary Jim Nicholson, for their leadership in helping to end homelessness among veterans. Secretary Nicholson is a former Board Chair for the Volunteers of America – Colorado Branch, and a long-time

supporter of our organization. We are particularly appreciative of the VA's focus on partnerships with Volunteers of America and other nonprofits - we believe that these partnerships are a necessary component of any effort to meet this country's affordable housing needs.

To meet these needs, we work in tandem with several federal agencies. Through the Department of Labor's Incarcerated Veterans Transition Program, Volunteers of America offices in Louisville, Kentucky, and Los Angeles, California prevent homelessness by meeting veterans right at the prison gate – and helping them find housing, obtain health care and jobs, link up with Veterans Administration (VA) benefits and other community resources, and obtain transportation.

We also reach homeless veterans through street outreach programs, including our VA funded Florida Veterans Mobile Service Center, which travels the state seeking out homeless veterans living in rural areas. When the Center finds a homeless veteran, he or she is immediately provided with food, clothing, a primary care medical examination, a determination of eligibility for VA and other government benefits, and an assessment of housing needs. Often, veterans are referred directly to Volunteers of America housing programs in Florida. In addition, Volunteers of America serves homeless veterans as the largest grantee of the Department of Labor's Homeless Veteran Reintegration Program (HVRP). We operate 11 such programs, in cities around the country.

Volunteers of America also provides direct housing assistance to veterans. Through the VA's Grant and Per Diem Transitional Housing Program, we operate 27 transitional housing programs in areas ranging from Key West, Florida to Sheridan, Wyoming. Also, many of our Department of Housing and Urban Development (HUD) funded transitional and permanent housing programs for homeless persons serve a significant number of

veterans. And finally, Volunteers of America operates 8,133 units of HUD subsidized Section 202 Housing For the Elderly, in 113 properties – along with 900 units of Section 811 Housing for Persons with Disabilities, in 62 properties. A number of these units provide quality permanent housing opportunities for elderly or veterans.

HUD's Role in Serving Veterans

The Subcommittee's invitation to testify this afternoon requested that I "review HUD's programs designed to assist our nation's veterans." So as not to duplicate HUD's own testimony, I will do this only briefly.

I will then conclude my remarks with three recommendations that this Subcommittee and the full Congress can and should implement, to increase HUD's ability to meet the housing needs of veterans. According to the U.S. Census bureau, one and a half million veterans have incomes that fall below the federal poverty level, including 634,000 living below 50 percent of the federal poverty level. And the VA estimates that about 200,000 veterans are homeless on any given night, with more than 400,000 veterans experiencing homelessness over the course of a year. HUD should be authorized to take additional steps to help address the housing problems faced by these veterans.

HUD has one program that is directly targeted to veterans – the HUD-Veterans Affairs Supportive Housing (HUD-VASH) program. Beginning in 1992, HUD-VASH has provided a changing population of approximately 2,000 hard to house homeless mentally ill veterans with a combination of HUD Section 8 vouchers and VA community based clinical case management. The program is intended to provide veterans with long-term assistance. Consequently, due to expected low turnover, only 4,600 veterans have been able to participate in HUD-VASH.

According to a VA evaluation, the HUD-VASH program works extremely well. After both 18 month and 3 year intervals, 95 percent of veterans remain stably housed. In addition, 40 percent of veterans improve their employment status, 60 percent improve their financial status, and 65 percent improve their independent living skills. This is a promising program that should be expanded to meet additional need.

Although there are no other HUD programs specifically for veterans, other federal housing programs do serve veterans. We know, for example, that veterans receive “regular” Section 8 vouchers due to old age, disability, or membership in a low income family. HUD’s McKinney-Vento homeless assistance programs also serve many veterans. In addition, veterans live in HUD funded elderly and disabled housing, along with housing for persons with AIDS funded through the Housing Opportunities for Persons With AIDS (HOPWA) program. And veterans live in housing developed with funds that HUD provides to state and local governments, such as HOME or Community Development Block Grants (CDBG).

However, HUD does not know the extent to which veterans are represented in these programs - because the Department does not collect information on the military service status of tenants assisted through HUD programs. We recommend that Congress instruct HUD to make military service history a standard data element across its housing assistance programs. And given the continuing need for housing that is affordable to low income veterans, we believe that Congress should authorize HUD to take additional steps to help Volunteers of America and other nonprofits meet the demand.

Recommendations: Congress Should Expand HUD's Role in Helping Nonprofits Meet the Affordable Housing Needs of Low Income Veterans

With increased authority from Congress, we believe that HUD could take significant new steps to help Volunteers of America and other nonprofits meet the housing needs of low income veterans. Our country has a moral duty to do no less.

1. Congress Should Pass S. 3475 – The Homes for Heroes Act of 2006

The Homes for Heroes Act contains several important provisions that would help government and nonprofit agencies better collaborate to increase the supply of affordable housing for veterans. First, the bill would create a new housing production program, modeled on Section 202 elderly housing. Under this program, nonprofits could receive funds for acquisition, construction, reconstruction, or rehabilitation of property to be used as housing for low income veterans. Project based rental assistance would also be available, so that tenants would pay no more than 30 percent of income as rent – the standard percentage for HUD subsidized housing. VA would also partner with nonprofit housing operators, by providing funding for supportive services such as case management, transportation, and job training.

Next, the bill would increase the authority for HUD-VASH Section 8 vouchers from 2,000 to 20,000. Vouchers could be used for two purposes – to provide housing assistance to additional severely disabled homeless veterans who need housing and case management assistance identical to that provided under the current HUD-VASH program, and to aid homeless veterans who need stable permanent housing with much less significant supportive services – some of who are leaving VA funded transitional housing with no place to go.

The Homes for Heroes Act also makes some important technical changes to HUD programs. It mandates that Public Housing Agencies (PHA's) consider the needs of

veterans in creating their local housing plans, and requires local officials to consider the housing needs of veterans in preparing their Consolidated Plan.

As a major provider of HUD 202 housing, we believe that the program is working well in helping elderly Americans, and expect that a similar program to assist veterans would work equally well. In some cases, it is likely that Volunteers of America or other nonprofits would develop permanent housing specifically for veterans. This would be appropriate where there is significant demand for such housing, and many of the veterans to be served have similar social service needs. However, we would more often use this funding to set aside a certain number of housing units for veterans, within a larger multifamily housing development. Construction or rehabilitation of a building to provide affordable housing requires nonprofit housing developers to pull together multiple funding streams. This program would be a welcome addition.

Volunteers of America views the multifamily housing program as a tool to help prevent homelessness among veterans, while the increased authority for HUD-VASH vouchers would provide additional units of permanent supportive housing to end homelessness among veterans – without imposing additional permanent housing costs on HUD’s McKinney-Vento homeless assistance grant programs.

2. Congress Should Pass An Affordable Housing Fund as Part of S. 190 – The Federal Housing Enterprise Regulatory Reform Act

Housing legislation targeted to veterans is important, but the housing needs of low income veterans can also be met through legislation that provides Volunteers of America and other nonprofits with the tools we need to provide quality affordable housing for all Americans who need it.

Recognizing the need to increase our nation's housing supply, the House-passed bill to re-regulate Fannie Mae and Freddie Mac included language creating an affordable housing fund, to be funded with a percentage of profits from both Fannie and Freddie. We estimate that this bill could provide up to one billion dollars a year for construction and rehabilitation of affordable housing. And given our difficult fiscal times, it is important to note that these funds would not come from the federal treasury.

The full Senate Banking Committee has already passed a version of this bill – S. 190 – The Federal Housing Enterprise Regulatory Reform Act. Unfortunately, the legislation does not yet contain an affordable housing fund. We understand that there are outstanding regulatory issues to be resolved through negotiation before the bill can reach the Senate floor. We call on Senators to resolve those regulatory issues -- and as part of any agreement, we ask that a manager's amendment be submitted on the Senate floor that would include an affordable housing fund. These new resources are needed as quickly as possible.

3. Congress Should Preserve Funding for New Housing to Help End Homelessness

This Subcommittee is currently considering S. 1801, legislation crafted by Chairman Allard and Ranking Member Reed that would consolidate and reform HUD's McKinney-Vento homeless assistance grant programs. We thank these Senators, and other members of the Subcommittee, for your interest in homelessness issues.

In a March 30, 2006 hearing on McKinney-Vento reauthorization, Volunteers of America National President Charles W. Gould provided this Subcommittee with our recommendations for program changes. I would like to highlight one of those recommendations today.

McKinney-Vento funds permanent housing through two programs – the Shelter Plus Care program (SPC) - which provides funds to state and local governments) and the Supportive Housing Program (SHP) – which provides funds to nonprofits. SHP also provides significant funds for transitional housing and supportive services. In recent years, HUD has devoted an increasing proportion of SPC and SHP funds to permanent housing – over 50 percent in the most recent grant awards. Many of these permanent supportive housing units are used by Volunteers of America and other nonprofits to help end homelessness for veterans.

When HUD funds permanent housing through any program, all housing subsidies must be renewed on an annual basis. In the case of McKinney-Vento, recent projections show that within several years, renewal of existing permanent housing subsidies will take up such a significant proportion of McKinney-Vento funds that local communities will have little to no money available to undertake new homeless services programs. This will make it considerably more difficult for communities to meet the goals being specified in local Ten Year Plans to End Homelessness – plans that are being required by HUD.

To solve this problem, we ask that a dedicated account be set up, and funded annually, to cover the cost of all McKinney-Vento permanent housing renewals. This will ensure that new funding continues to be available as we work to end homelessness for veterans and all other Americans.

Thank you again for inviting me to testify today. I look forward to answering your questions.

Witness Contact Information

Ms. Barbara Banaszynski
Director of Program Development
Volunteers of America
933 Goss Avenue
Louisville, KY. 40217
(502) 452-1828
(502) 805-0632
bbanaszynski@voa.org

Ms. Banaszynski is appearing solely on behalf of Volunteers of America.