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The Community Partnership to End Homelessness Act
S. 1801

The National Alliance to End Homelessness would like to thank Chairman Allard and Senator Reed for holding this hearing, for inviting us to testify, and for introducing S. 1801, the Community Partnership to End Homelessness Act. We are looking forward to continuing our cooperative work with this subcommittee.

We are beginning to change the terms of the conversation about homelessness in the United States. Since the summer of 2000, when the National Alliance to End Homelessness made public its Ten Year Plan to End Homelessness, many people around the country who for years had viewed homelessness as endemic are beginning to see that it is a problem with a solution. Over 220 cities, counties and states have publicly committed the energy to adopt local and state plans to end homelessness. Congress and the Administration have established goals of solving important pieces of this problem. Major national media outlets have covered the issue, stressing the solution-oriented approaches that communities have adopted. And a small number of leading communities, those that over several years have carried out commonsensical reforms to

their approach, are showing quantifiable declines in the number of homeless people, even while the numbers go up in most places.

In this context of change and opportunity, we will discuss the most important lessons we have learned about homelessness in recent years, the kinds of responses that lead to solutions, and the importance of this bill in moving to the next level of progress.

What we've learned about homelessness.

Over the past 20 years of concerted efforts to address homelessness, and particularly over the past five years as we've worked to change our approach to the issue, we have improved our understanding and programmatic know-how. The following are our most important insights.

HUD McKinney-Vento programs are effective and useful. Often when Congress sets out to reauthorize a program, it is because of a perception that something is broken. That is not the case here. As they have evolved over the past decade under both Republican and Democratic leadership, the HUD homelessness programs are effective tools in helping communities. In reauthorizing the programs, Congress, instead of fixing a broken system, is in a position to take an already strong program and jumpstart a new phase of development, looking toward using these programs to drive a widespread effort to solve the problem of homelessness.

Managing homelessness and taking care of homeless people is essential. Homelessness is damaging to people and communities. It must be regarded as an emergency situation that requires a strong response. The basic survival needs of homeless people must continue to be met.

At the same time, we now have the know-how to do more, to end homelessness – it is a problem with a solution. The solution to this expensive and dispiriting problem is more apparent. It involves four elements: outcome-based planning using reliable data; preventing at-risk people from becoming homeless; more quickly moving homeless people back in to housing; and making some progress on housing affordability, incomes and the availability of support services to all low-income people.

We are now at the point where a small number of leading communities have put these principles into action over the course of several years, and have achieved excellent outcomes in the form of reductions in homelessness. In Columbus, OH, family homelessness declined 53 percent between 1997 and 2004. In Hennepin County, MN (including Minneapolis), family homelessness declined by 43 percent between 2000 and 2004. In San Francisco, chronic homelessness declined by 28 percent from 2002 to 2005. In Westchester County, NY, family homelessness declined by 60 percent in two years. And in New York City, the number of homeless children declined by 19 percent in one year. As more cities develop reliable data systems tracking the number of homeless people, we expect to find similar results elsewhere.

Solutions require aggressive steps by local communities, and federal leadership in providing resources and incentives. Communities that have made the most progress have had strong leadership on the issue from elected officials, in order to develop a community-wide commitment to solving this problem. These communities have responded to federal funding opportunities and incentives to use their funding in new ways. To bring these solutions to scale around the country, this national leadership is indispensable. The U.S. Interagency Council on Homelessness has played an

indispensable part in coordinating the federal role and building strong collaborations between the federal and other levels of government.

The solution is about getting people housed as quickly as possible and keeping them housed. "Housing First" has become a watchword for many of the reforms. Many homeless people have problems, some of them extremely severe. Yet in nearly all cases the problems are better solved after people are provided with housing, whether they be stabilizing a mental illness, conquering an addiction, improving earning power, or strengthening family relationships. Trying to solve these problems for people while they are homeless is extremely difficult.

Interestingly, Housing First is responsive to the expressed desires of homeless people. When asked in a major federal survey what would be most helpful to them, the most common responses by far from homeless people were help finding housing, and help finding a job so they could afford housing.

The homeless system can't do it by itself. Mainstream systems and indeed the entire community need to make it their project. Collaboration is key. The homeless system does not have the ability by itself to prevent people from becoming homeless on a large scale. Fortunately, by far the majority of people who become homeless are eligible for help from extensive systems of care directed toward low-income people in general. In fact, many who become homeless were previously residents of government-funded institutions – hospitals for people with mental illness, child welfare and foster care agencies, jails and prisons. This provides the opportunity for government to do a better job of ensuring stable housing.

The homeless services system also does not have the capacity to provide large quantities of new housing, at the scale necessary to end homelessness. The small amount of permanent housing that the homeless system can afford to fund must be directed toward those least likely to be housed in any other manner. Meanwhile, market based approaches and mainstream housing programs must be used more aggressively and targeted toward those least able to afford housing without intervention.

Homeless people are a diverse group and there need to be interventions appropriate to all. This is especially the case regarding how much supportive services are needed to get and keep people housed. The stereotype of a homeless person who lives on the streets year after year at the mercy of severe mental illness often combined with addiction is only too accurate for many people. Supportive housing, discussed below, is crucial for people who fit this pattern, and has excellent results. On the other hand, most people who experience homelessness have problems that are largely economic in nature, combined with thin social supports. The help they need to achieve housing stability is relatively modest – communities have had very good results with programs that build relationships with local landlords, help people fix credit problems, and perhaps provide a small amount of financial help for security deposit and initial rent, with referral to mainstream programs that help with employment stability.

The hardest to serve often don't get served. For most of the time the HUD McKinney-Vento programs have been in effect, a certain portion of the funding was explicitly directed by the federal government to permanent housing for homeless people with disabilities. The exception was a five-year period in the late 1990s, when HUD developed the "Continuum of Care" model allowing communities to exercise more

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centralized control over what projects would be funded. The Continuum of Care improved the system in many ways; but during this short period, spending on permanent housing for homeless people with disabilities fell precipitously. While it is unclear why this occurred, the possibilities include the difficulty of carrying out supportive housing projects, particular the difficulties siting permanent housing for people with mental illness, a well-documented phenomenon. The bipartisan enactment by Congress of a floor of 30 percent on spending for permanent housing brought the system back into balance.

The right models are proven cost-effective interventions that work.

Leading communities are already answering the question of the right kinds of models that flow from these lessons. The following describes the most effective approaches.

Supportive Housing. "Supportive housing" is a generic term describing housing where the rent is subsidized, and where treatment and support services are provided to those who live in the housing. This kind of housing can include everything from large apartment buildings dedicated to this use, to scattered site programs where rent subsidies are paid to for-profit landlords and visiting teams provide services and treatment.

This model is particularly designed for homeless people with the most severe problems, including mental illness and addiction. Careful research has demonstrated that such housing can be provided to homeless people with mental illness at virtually no cost to the taxpayer, because people who leave the streets in favor of supportive housing

reduce sharply their use of expensive emergency services such as psychiatric emergency hospitals and detoxification facilities, as well as jails and shelters.

The proven success of permanent supportive housing has driven the campaign to end chronic (long-term) homelessness. The research on homelessness and housing for people with mental illness has provided strong incentives to state mental health systems to prevent homelessness among their clientele. A push to rehouse those who are already homeless can reduce the incidence of homelessness among people with severe mental illnesses to minimal levels.

Emerging conclusions on families. Approximately half a million families with children become homeless in the United States each year, and a similar number leave homelessness each year and reenter housing. But at any given time approximately 100,000 families are homeless, staying in shelters, "welfare hotels," cars, abandoned buildings and outside. Because of the greater numbers and the wider range of circumstances, a scenario for ending family homelessness has been more difficult to develop than has a solution for chronic homelessness. Thanks to the leadership of communities like Minneapolis, Columbus and New York, however, the scenario is becoming increasingly clear.

Because of high rates of entry into and exit from the homeless system among families, prevention is especially important. Successful prevention programs involve outreach to find families that are on the brink of homelessness; work with landlords and short-term financial assistance to stave off evictions; and social and employment services to stabilize circumstances and improve incomes and the ability to pay rent. Some communities target these resources to neighborhoods from which homeless families most

often arrive in the shelter system. In New York City, shelter entry data is fed back to prevention programs to help tailor outreach and services to the kinds of families that are being missed.

Housing First is a key element for progress on ending homelessness for families. It involves developing close working relations with landlords, combined with financial assistance so that homeless families can be quickly placed into housing. The vast majority of families that experience homelessness are facing problems of an economic nature – they are those with the lowest incomes, and probably those that lack strong social support networks. Interventions that focus on these barriers are the most effective.

Services after placement in housing are another piece of the puzzle for families. Services must be evaluated based on their impact on housing stability. Intensive employment services are used in the most successful communities, so that families can afford rent. The ability to intervene if there are landlord-tenant problems is effective.

Finally, data and planning are essential in communities that are succeeding at ending family homelessness. Data systems identify cost-effective solutions, help fine-tune interventions, and allow a focus on performance.

Recognizing different issues in rural areas. There are significant problems of homelessness in rural areas. While the basic approaches of prevention and rapid rehousing apply in rural areas, they will take different forms. Few rural communities will be able to support programs dedicated exclusively to addressing homelessness – many will rely on structures that address poverty or development more generally. Market based approaches to housing the lowest income people will be particularly important.

System-level outcome orientation. The most important reforms are taking place at the level of local systems. Leaders have put into place outcome-based systems that reward individual programs for achieving the best results. A key intervention has been a system of matching individual homeless people and families to programs that provide a level of support services that is appropriate – enough to overcome barriers to housing stability, while not so much as to hamper cost-effectiveness or delay exit from the homeless system.

This bill is a positive reaction to this know-how.

The approach to McKinney-Vento reauthorization that is adopted by the Community Partnership to End Homelessness Act would have a positive impact.

The existing program combines the best aspects of a block grant and a competitive program, and the bill improves both parts. As noted recently by the Office of Management and Budget, the HUD homelessness programs combine the best aspects of a block grant and a competitive program. This bill would improve both aspects.

The bill simplifies the system by consolidating three programs. It provides communities with more flexibility. It gives communities the resources and authority to move their homeless system in the direction it needs to go in order to get better results.

At the same time, the bill makes the overall program more outcome-oriented. It provides financial rewards to communities that work most effectively and achieve the best results.

The bill provides the necessary incentives to meet the needs of the hardest to serve. The bill retains the approach adopted through the appropriations process for the past eight years, requiring that 30 percent of appropriated funds nationwide be used for permanent housing for people with disabilities. This is a balanced approach that ensures that the most severely disabled homeless people will secure what they need, while leaving substantial resources for other parts of the homeless population.

The bill includes an appropriate balance between getting people housed and meeting emergency needs. As has been HUD's practice in recent years, the bill allows 15 percent of appropriated funds to the Emergency Shelter Grants program; and allows the use of bonuses to communities that develop permanent housing. For the first time, the bill allows program funds to be used for permanent housing for homeless people without disabilities.

The bill includes strong incentives for collaboration and involvement of mainstream funding. The criteria for competitive awards includes the ability to involve mainstream systems in planning and coordination, and to leverage mainstream dollars as part of the homelessness system. This approach, already used by HUD in its administration of the current programs, has a great impact on improving the quality of the system.

The bill allows additional investment in prevention. It retains prevention as an eligible activity for the Emergency Shelter Grants program, while allowing a small portion of the competitive grant programs to also be used for prevention. It is extremely important nonetheless to avoid encouraging communities to see preventing homelessness

as the exclusive responsibility of homelessness programs, rather than mainstream programs.

There are issues that will require further exploration.

Does the capacity exist at the local level to undertake the planning, evaluation and other functions? Is the funding for those activities appropriate? The bill increases the expectations places on those entities that run the local homeless systems, and provides additional administrative funding. Consultation with local communities should focus on whether capacity exists for immediate implementation of these expectations, and whether the amount of administrative funding is sufficient.

Does the bill have appropriate expectations regarding leveraging other resources? Matching requirement in the current system are a hodge-podge of different requirements. The bill simplifies this system with a uniform requirement of a 25 percent cash match for each program operator. The important thing is to ensure that clients have access to mainstream services. It is less important that the cash to pay for those services pass through the bank account of the entity operating the HUD-funded program. There has been support in Congress for a provision allowing the value of in-kind services to count toward a match requirement where there is a memorandum of understanding with the entity providing the services. Solutions such as this should be explored.

Does the bill take the right approach to the need for capital, housing operating funding, and services including rehousing services? The provision of the bill limiting program funding of support services after three years has proven to be controversial, especially in light of growing understanding of how support services

stabilize housing for homeless people. The percentage of HUD homeless funding going toward support services has declined since earlier versions of this bill were introduced. Meanwhile, there have been no new federal initiatives to provide new funding for support services for homeless people. Revisiting these provisions may be appropriate.

It is important to note that a bipartisan bill, the Services to End Longterm Homelessness Act, has been introduced. This bill would partially solve the problem of insufficient resources for support services for homeless people, by creating a funding stream from the Department of Health and Human Services that would match up well with the HUD services that are the subject of this bill. The National Alliance to End Homelessness strongly supports SELHA.

Conclusion.

The National Alliance to End Homelessness is proud to support the Community Partnership to End Homelessness Act. We look forward to continued debate to allow all affected interests to be heard. We believe that such a consensus-oriented approach can produce a final product that would move our collective efforts on homelessness forward, while attracting support from a wide range of interests. A real opportunity exists to make progress.