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H.R. 4057—THE SAMARITAN INITIATIVE ACT OF 2004

HEARING

BEFORE THE

SUBCOMMITTEE ON
HOUSING AND COMMUNITY OPPORTUNITY

OF THE

COMMITTEE ON FINANCIAL SERVICES

U.S. HOUSE OF REPRESENTATIVES

ONE HUNDRED EIGHTH CONGRESS

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H.R. 4057—THE SAMARITAN INITIATIVE ACT OF 2004

Tuesday, July 13, 2004

U.S. HOUSE OF REPRESENTATIVES,
SUBCOMMITTEE ON HOUSING AND COMMUNITY OPPORTUNITY,
COMMITTEE ON FINANCIAL SERVICES,
Washington, D.C.

The subcommittee met, pursuant to call, at 10:02 a.m., in Room 2128, Rayburn House Office Building, Hon. Bob Ney [chairman of the subcommittee] presiding.

Present: Representatives Ney, Baker, Hart, Tiberi, Renzi, Waters, Sanders, Watt, Frank, Scott, Davis. Also present were Representatives Stark and Matheson.

Mr. RENZI. [Presiding.] Good morning. This hearing of the Subcommittee on Housing will come to order. I thank my neighbor, Mr. Scott, for attending.

This legislation, guided by the Interagency Council on Homelessness, creates a collaborative grant that authorizes the VA, HHS and HUD to pool their resources and to work together to provide housing with supportive services to those experiencing chronic homelessness.

In May of this year, Veterans Affairs Deputy Secretary Mansfield testified before the VA committee on the issue of homelessness and assistance programs for our nation's veterans and the status of the goal to end chronic homelessness. The Deputy Secretary explained that they work in a variety of venues with many partners at the federal, state and local levels, and with faith-based and other community providers. Most notably, he states that only through such effective and extensive collaborations, combined with innovation, can the opportunities for success be maximized.

Approximately 150,000 to 200,000 people nationally are categorized as chronically homeless. There is so much great need in this community that unfortunately this population consumes a disproportionate amount of emergency resources, specifically in shelters, emergency rooms and hospitals. These costs are being incurred by communities year after year. One research study followed 15 chronically homeless adults and discovered that in 18 months they had made 299 trips to hospital emergency rooms at a cost of $967,000 to the community public health system. The cost of providing supportive housing is substantially offset by the savings of not having these individuals continue this cycle.

Additionally, the quality of life for both the individuals and the communities are vastly improved. One of the misunderstandings of

chronic homelessness is that it is not just an issue for the urban areas, but also affects the rural areas. In Yavapai and Coconino Counties in my home State of Arizona, we have over 2,000 estimated people who are chronically homeless. To this end, I am pleased today to see Stephanie Buckley on the witness list. Ms. Buckley serves as site director for the U.S. Veterans Initiative in Prescott, Arizona.

U.S. VETS is the largest organization in the country dedicated to helping homeless veterans. It is a nationally recognized leader in the field of service delivery to veterans. U.S. VETS offers housing, case management and employment assistance to hundreds of homeless veterans in and throughout Northern Arizona. Their career center has placed over 70 percent of our veterans in competitive employment. Their outreach teams visit the parks, forests and shelters throughout the area to offer our services and make veterans aware of our program.

I am happy to see this introduction of the Samaritan Initiative has begun, and that we will together today discuss the effects of the homelessness. As we hear today, many groups will have additional needs and they would like to see this bill addressed. However, I am pleased that this legislation has garnered solid support by individuals and groups, including the Enterprise Foundation, the National Alliance for the Mentally Ill, National AIDS Housing Coalition, National Alliance to End Homelessness, the Corporation for Supportive Housing, the Association for Service Disabled Veterans, the National Coalition for Homeless Veterans, the National League of Cities, and the United States Conference of Mayors.

I look forward to the testimony of the witnesses and thank each of you for coming all the way here to Washington. Let me begin with the recognition of members's opening statements for 3 minutes, and recognize Mr. Scott.

Mr. SCOTT. Thank you very much, Mr. Renzi. I want to thank Chairman Ney and Ranking Member Waters, and of course you, Mr. Renzi, for presiding over this important hearing. I also commend the fine job that you are doing in your work in dealing with housing, especially with some of our Indian population and populations in the Western United States.

Chronic homelessness is an extraordinarily important issue. In metro Atlanta in the area that I represent and other Georgia cities, we are currently implementing 10-year plans to end chronic homelessness. I believe that the resources discussed in this hearing today could further the efforts in Georgia and this nation to address these community needs.

In December 2002, the United Way of Metropolitan Atlanta convened a 16-member Commission for the Homeless, led by retired King and Spaulding law partner Horace Sibley. The Commission was co-chaired by civic leader Myrtle Davis and Dr. Leon Sullivan, president emeritus of the Morehouse College of Medicine. The Commission carried out a comprehensive and exclusive process that included, one, reviewing plans that had already been developed locally; two, collecting data from service providers, faith and other community leaders and government representatives through one-on-one interviews and surveys, and incorporating findings from

local and national research studies on homelessness conducted by Deloitte Consulting.

In addition, the Commission's efforts were supported by working groups comprised of more than 90 individuals representing 64 organizations. The Commission used this information and compiled data in combination with input from the community to design a framework for practical, fundable solutions. At the end of February 2003, the Commission unveiled the Blueprint to End Homelessness in Atlanta in 10 years.

These efforts were complemented by a tremendous effort in the community led by Duane Ackerman of BellSouth and other corporate and civic leaders to truly address and get underneath the problem of homelessness. While I do support efforts to specifically target chronic homelessness, I also believe that this committee should focus on eliminating all homeless populations altogether. To that end, I am a cosponsor of the National Housing Trust Fund, H.R. 1102, which will provide funding for 1.5 million units of affordable housing over the next 10 years.

I am also concerned with the loss of $1.6 billion from the Section 8 housing voucher program. We could provide better assistance to help families become self-sustaining, and we could not find a better way of doing it than helping them with rental assistance. These cuts are misguided and they should be reversed.

Thank you again, Mr. Chairman, and I look forward to this morning's testimony.

Mr. RENZI. I thank the gentleman.

The gentleman from Vermont, Mr. Sanders.

Mr. SANDERS. Thank you very much, Mr. Chairman, and thank you for holding this important hearing on an issue of great significance to our country.

As I understand it, the Samaritan Initiative authorizes $70 million to provide permanent housing services for the homeless, with the goal of ending chronic homelessness within 10 years. Mr. Chairman, that is a goal that I certainly applaud and I see no reason for anyone to oppose this bill. Anything that Congress can do to reduce homelessness in this country is a step forward and should be strongly supported.

But Mr. Chairman, let us not delude ourselves: $70 million within the context of the problem of homelessness and affordable housing in this country is not a real solution to the affordable housing crisis that our country is experiencing. And I might add, at the same time that the Administration is supporting a new $70 million program to combat homelessness, it is also lobbying Congress for a $1.6 billion cut in the nation's most important affordable housing program in this country, the Section 8 rental assistance program. So it is fine that we are adding $70 million for chronic homeless services, but cutting $1.8 billion for affordable housing more than negates that $70 million.

The Administration's Section 8 budget for fiscal year 2005 is $1.6 billion for what is needed to renew all existing Section 8 rental assistance for some two million families. This means that up to 250,000 low-income families, senior citizens and people with disabilities are in danger of losing their homes or being thrown out on the street, including 740 families in my own small State of

Vermont. In other words, if the Administration's Section 8 budget is approved, more people in this country will experience homelessness even if the Samaritan Initiative is signed into law. I cannot quite follow the sense of that, of putting some money to help people not be homeless at the same time you are creating more homelessness over there. We are taking from Peter to pay Paul.

Mr. Chairman, as you well know, there is an affordable housing crisis in this country. More than 14 million people are paying over 50 percent of their limited incomes on housing; 3.5 million in this country will experience homelessness this year, including 1.35 million children and 500,000 veterans.

Mr. Chairman, there is a solution, a serious solution to this problem. I have introduced and now have 213 tripartisan cosponsors on the National Affordable Housing Trust Fund. This legislation has been endorsed by over 5,000 organizations throughout the country. This legislation would provide the resources necessary to construct, preserve and rehabilitate at least 1.5 million affordable housing units over the next decade, and would lead to the creation of 1.8 million new jobs. Mr. Chairman, that is a serious solution to address the housing crisis.

Thank you very much.

Mr. RENZI. I thank the gentleman for his words.

Mr. Stark, did you want to introduce your witness, or have any comments?

Mr. STARK. Thank you very much, Mr. Chairman, for affording me the privilege of visiting with you in this distinguished committee today. I am very pleased. Probably it is little known, but I used to sit on this committee some 30 years ago, and have enjoyed watching the committee do excellent work in the area of housing.

We are faced today with a serious problem, and it is my privilege to introduce Mr. Michael Pucci, the executive director of the Housing Authority of the City of Alameda. It is a city of 72,000 people, home formerly to the Alameda Naval Air Station. We have 1,600 Section 8 housing vouchers and almost 600 units. I think Mr. Pucci has been in this business over 30 years, if I am not mistaken. It is vitally important, through changes that we are trying to correct, and probably going to cause an increase in homelessness. I guess I would consider it penny-wise and pound-foolish. We have an established system. I certainly know that in California it has been the premier method by which we have been able to provide housing for those less fortunate. We have the situation of having extremely expensive housing, for which many of us who are fortunate enough to own a house should be very thankful, but for those who cannot, it just exacerbates their problem.

So along with Mr. Pucci and the City of Alameda, I have been working with the members of this committee and you, Mr. Chairman, and others to see if we could not encourage HUD to be a little more generous in this program, perhaps carry us for another year while we find a solution that would be more suitable. I hope that this distinguished committee can reverse some of the changes or moderate them that are being made in the Section 8 law to protect those. I think that Mr. Pucci and his colleagues at the witness table, I think we will hear a lot of discussion about what we could

do in a very modest way relative to the total federal budget to help many of our constituents.

Again, I appreciate your interest. I know that the State of Arizona will be well served. I thank you again for allowing me to introduce Mr. Pucci. Thanks, Mr. Chairman.

Mr. RENZI. I thank the gentleman from California.

The gentleman from Ohio, Mr. Tiberi.

Mr. TIBERI. Thank you, Mr. Chairman. I want to thank you for your leadership in introducing this legislation. I am pleased to be a cosponsor with you in this effort.

It is my pleasure to introduce a friend of mine from Columbus, Ohio, from my community, who is the executive director and has been since 1995 of the Community Shelter Board. Barbara Poppe has over 20 years of experience in working in the nonprofit, homelessness and housing-related organizations. The Community Shelter Board is a nationally recognized nonprofit in charge of funding, planning and coordinating prevention, shelter and housing to end homelessness in Columbus and Central Ohio, Franklin County. Barbara received the 2003 Buddy Gray Award for homeless activism from the National Coalition for the Homeless. She received the 2002 citizens of the year award from the Central Ohio Public Relations Society of America. She has published and presented on various homeless research topics, including strategies to end homelessness, needs assessment, chemical dependency treatment and employment and training.

Mr. Chairman, we are really lucky to have Barbara here today. She has done more for ending homelessness and more for the homeless in Central Ohio than anyone in the history of Columbus. On a personal note, she is a very wonderful person and it is a treat to have her here today. Barbara, thank you so much for spending time here in DC to share your experiences with us.

Mr. RENZI. Thank you, Mr. Tiberi.

We will go ahead and introduce the witnesses now. I am grateful to have all of you here. Panel one consists of Ms. Stephanie Buckley. Ms. Buckley is the director of United States Veterans Initiative, Inc. in Prescott, Arizona. She is also served the State of Arizona as a child protective services case manager.

Mr. Robert V. Hess is the deputy managing director for special needs housing, Adult Services, for the City of Philadelphia, Pennsylvania. Mr. James Mauck is the president and CEO of Catholic Charities and Communities Services, Archdiocese of Denver, and is testifying on behalf of Catholic Charities USA, Volunteers of America, and Lutheran Services in America. Catholic Charities is a nationwide alliance of Catholic groups working to alleviate the daily struggles of our country's less fortunate.

Mr. Mitchell Netburn is the executive director for the Los Angeles Homeless Services Authority, or LAHSA. LAHSA is a joint powers authority created by the City and County of Los Angeles and is responsible for planning, funding and coordinating local homeless programs.

Ms. Barbara Poppe, as Mr. Tiberi just introduced, is the executive director for the Community Shelter Board of the City of Columbus and Franklin County, Ohio, where she has been working for the last 5 years. Prior to her current position, Ms. Poppe served

as executive director for Friends of the Homeless and served as assistant director for the University of Cincinnati's Department of Environmental Health.

Mr. Mike Pucci is the executive director for the Housing Authority of the City of Alameda, California, a good Italian American, welcome. Ms. Nan Roman is the president of the National Alliance to End Homelessness. The National Alliance to End Homelessness is a nonpartisan, nonprofit organization founded in 1983 by a group of community leaders with the mutual goal of ending homelessness. And Mr. Donald Whitehead, who is the executive director of the National Coalition for the Homeless, which is the nation's oldest and largest advocacy organization that works exclusively with and on behalf of people experiencing homelessness.

I welcome each of you and I am grateful you have come all this way. Without objection, your written testimony will be part of the record. Each of you will be recognized for 5 minutes to summarize your testimony. We will begin with Mrs. Buckley.

Thank you.

STATEMENT OF STEPHANIE BUCKLEY, DIRECTOR, UNITED STATES VETERANS' INITIATIVE INC., PRESCOTT, AZ

Ms. BUCKLEY. On behalf of the United States Veterans Initiative, I appreciate the opportunity to discuss the recommendations on H.R. 4057, which we hope will assist programs serving homeless veterans.

We have been operating at the Prescott site since January 16, 2003. In that time, we have been able to serve 206 veterans in most of Northern Arizona, which is a rural area. Seventy-four percent of our veterans leaving our program have been able to be successfully discharged into homes or apartments. We have been able to find 112 jobs in a rural area for our veterans. Two of our residents have been able to complete their college degrees since being in our program.

Every year, we are able to outreach to over 900 veterans in our area through forests and deserts and the 20 different organizations in Northern Arizona. As the representative mentioned, there are over 2,000 veterans in Yavapai and Coconino Counties alone. U.S. VETS has had a positive impact on the domiciliary, which we are co-located. The domiciliary has increased in capacity from 75 percent to 92 percent, and the length of stay in the domiciliary has decreased from 120 days to 98 days.

U.S. VETS supports any measure that will provide assistive programs for the homeless, particularly those making provision for our homeless veterans. H.R. 4057 introduced by Representative Rick Renzi is a valuable opportunity for rural communities to address the homeless veterans that sleep on our streets every night.

We do have some concerns. The $10 million appropriated by the VA to perform its functions in the multi-department collaboration program is set up simply as a directive to the VA, earmarked previously authorized funding for treatment of homeless veterans under medical care, rather than a separate and distinct authorization. This really does nothing to increase the care of homeless veterans. We recommend a new line item authorized for the Samaritan services within the VA medical care, rather than a $10 million

redirection of existing VA specialized homeless service programs. The VA component of the Samaritan program should not be funded at the expense of existing programs which are already overstretched and underfunded.

The legislation required applicants to provide 25 percent non-federal cash or in-kind match in years one and two, and a steep 50 percent in year three and beyond. These match levels suggest that the grant programs are targeted to already well-funded applicants or municipalities. Even relatively large nonprofits like my own, with many collaborative agreements and local providers, would have considerable difficulty raising such amounts, and small community-based and faith-based organizations are very unlikely to generate such a sizable match.

The authorization of treatment and supportive services in the measure do not even mention the rehabilitation, prosthetics or other services that may be especially critical to the homeless veterans that this very bill is targeted. The list of eligible treatment and supportive services should be expanded to include the authorization for assistance to chronic homeless persons to obtain mainstream benefits such as VA disabilities, veterans compensation, veterans healthcare, Medicaid, Medicare, Social Security disability insurance, food stamps, temporary assistance for needy families, and legal aid.

Thank you.

[The prepared statement of Stephanie Buckley can be found on page 65 in the appendix.]

Mr. RENZI. Thank you, Ms. Buckley.

Mr. Hess.

STATEMENT OF ROBERT V. HESS, DEPUTY MANAGING DIRECTOR FOR SPECIAL NEEDS HOUSING, ADULT SERVICES, CITY OF PHILADELPHIA, PA

Mr. HESS. Thank you, Mr. Chairman and members of the committee. I am appearing before you today to provide testimony in support of the proposed H.R. 4057, the Samaritan Initiative. I firmly believe that the Samaritan Initiative would be an important component that our nation needs in order to achieve the goal of ending chronic homelessness.

For 20 years, people working with and on behalf of people experiencing homelessness have seen the same faces on the streets and in our shelters. For 20 years, we have been tirelessly trying to engage the men and women experiencing chronic homelessness. We have made significant strides in this endeavor, but we need to do more. By creating a new investment source dedicated to funding chronic homeless programs, this legislation would enable us to do more of what we already know needs to be done and frankly what we already know works. Without it, cities like Philadelphia will continue to see the same faces on our streets and in our shelters for another 20 years.

I want to take just a few minutes this morning to talk about the Philadelphia story. In Philadelphia, we were fortunate enough to have the strong leadership of Mayor John Street recognize years ago that addressing chronic homelessness and street sleeping is

something we can and should and must do as a community to make our city even stronger.

You see, just a few short years ago, there were 824 individuals sleeping on the streets of center city Philadelphia. Last week, there were 147. What has happened in these intervening years has been a focus and a commitment to eliminating the need for anyone to sleep on the streets of our city that has been unparalleled. We brought tremendous resources to bear locally. We have learned a tremendous amount about what works and what does not.

But that is only part of the story. I think one of the more interesting parts of the story is that in the first 2 years of our efforts, we were able to reduce the street population by 50 percent. Then we hit kind of a lull. The numbers stayed about the same. The intervention strategies that worked so very well for the first half or 50 percent of the folks living on our streets were not working. So we scoured the country for best practices for research to help us focus in on new strategies, new tools for our toolbox, if you will, that would allow us to assist additional people to move off the streets.

What we came across were Housing First programs in Los Angeles and New York and in other places, with years of research behind them, that showed that if you brought people into permanent housing with the proper set of supports, you really could help them move from the streets into permanent housing once and for all, and stop the cycle of folks moving through our shelters and onto our streets. People that in some cases have been on our streets for 10, 15, 20 years are now living in their own apartments doing extraordinarily well.

That is what this initiative is about. Yes, it is modest. Yes, $70 million will not end all of our problems. It is not adequate even at that. But it is a major step in the right direction, to help us move the remaining folks that are on our streets, off of our streets and into their own apartments and out of our many, many systems that are extraordinarily expensive from hospitals to courts to prisons and back to the streets again.

We know this technology works. We now know how to end the need for any individual in this country to sleep on our streets. We know the technology. We know how to do it. What we have lacked are the resources, the political will and the commitment to do it. This bill takes us a step in that direction, and for that we are extraordinarily grateful and supportive.

Some will say that we need to put more into families, and certainly we do. That is probably a discussion for another bill and another day. But from our view, the City of Philadelphia's message is, we know what works; we know how to end chronic homelessness; we deserve to do it; it is a national disgrace that should have been done many years ago. But now given that knowledge and the technology, we need the political will and the resources to follow in a way that will allow us to move the last couple of hundred people off of our streets.

We look forward to that day and we hope to be the first city in this nation to have accomplished that lofty, but important goal.

Thank you, Mr. Chairman.

[The prepared statement of Robert V. Hess can be found on page 71 in the appendix.]

Mr. RENZI. Mr. Hess, thank you for that story. I appreciate it. Mr. Mauck.

STATEMENT OF JAMES MAUCK, PRESIDENT AND CEO OF CATHOLIC CHARITIES AND COMMUNITY SERVICES IN THE ARCHDIOCESE OF DENVER, TESTIFYING ON BEHALF OF CATHOLIC CHARITIES USA, VOLUNTEERS OF AMERICA AND LUTHERAN SERVICES IN AMERICA

Mr. MAUCK. Mr. Chairman, Ranking Member Waters, members of the subcommittee, my name is Jim Mauck. I am president and CEO of Catholic Charities of the Archdiocese of Denver. Today, I am testifying on behalf of Catholic Charities USA, Volunteers of America and Lutheran Services in America.

As faith-based providers of housing and supportive services, we believe that our national community has a moral obligation to end homelessness for all Americans. We thank the subcommittee for its attention to this serious problem.

The focus of my testimony will be the critically important needs of homeless families and children. I will begin by drawing the committee's attention to four facts that taken together have important implications for the Samaritan Initiative and for the homeless policy in general.

Fact one, the population of homeless families is large and growing. According to the best data, about one million children in families suffer homelessness every year. Recent shelter surveys indicate that family homelessness is on the rise.

Fact two, homelessness has a devastating impact on family and children. The effects of homelessness range from the increased incidence of acute chronic health problems to high rates of failure in school. Less widely appreciated is the impact on family stability. When families lack adequate housing, child welfare agencies often step in to separate children from their parents. Over 10 percent of homeless children end up in the foster care system, while 30 percent of foster kids could be reunited with their families if their housing problems were solved. This intervention is costly. The average annual cost of foster care is about $45,000 per family. This is roughly four times the cost of providing permanent supportive housing.

Fact three, a substantial percentage of homeless families with children endure repeated or long-term homelessness. According to the landmark Urban Institute study of homeless populations, 21 percent of homeless mothers with children have been homeless at least three times, while 39 percent have been homeless for periods ranging from 7 months to over 5 years. In other words, large numbers of homeless families suffer chronic homelessness.

Fact four, members of these families often suffer from domestic violence or sexual abuse, mental illness, chronic substance abuse or other disabling conditions. Intensive support services must therefore play a critical role in helping families to stabilize and make progress toward self-reliance. One-third of homeless women have experienced recent domestic violence. Among homeless mothers with children, over half report mental health or substance abuse

problems. In the experience of our agencies, families often cycle through repeated episodes of homelessness because they have not received mental health care, substance abuse treatment, or other supportive services that they need.

These four facts have important implications for the Samaritan Initiative. The Samaritan Initiative is part of a new model of how supportive services for homeless persons are going to be funded, what types of services will be funded, and who will be eligible for these services. Most federal homeless assistanced is now distributed by HUD through the McKinney cometittive grant programs. Yet HUD has announced its intention both to reduce McKinney funding for supprtive services and to restrict this funding to only four basic types of srevices: outreach, case management, lif skills training, and housing counseling. The Samaritan Initiative is intended in part to meet the expectation that other federal agencies such as HHS and VA must replace HUD funding for substance abuse, mental health care, and other supportive services for homeless persons. Yet the Samaritan Initiative in its current form would fund supportive services only for homeless individuals. Our concern is that these combined policy changes will effectively reduce the availability to homeless families of a wide range of critical services.

Accordingly, we recommend the following revisions to the Samaritan Initiative. First expand eligibility to include homeless families with children. The Samaritan Initiative relies on a definition of a chronically homeless person that categorically excludes families with children, even families with disabled members who have suffered often repeated and extended periods of homelessness. This critical exclusion, combined with policies being advanced by HUD, will hinder the efforts of homeless service providers to assist many homeless families with children in their struggle to achieve stability.

Two, shorten or eliminate the durational requirement of the Samaritan Initiative eligibility to clients who have been homeless for at least 1 year or have experienced four episodes over a period of 3 years. On both moral and policy grounds, we should move people out of homelessness as quickly as possible, not to perpetuate it by denying them assistance they need simply because they have not been homeless long enough.

I would conclude with the following. Families are young and their children are our future. They come to us with complex multiple problems, yet our experience has shown that they can be helped. Within families, hope can be rekindled. Children and parents can be nurtured and they can build better lives for themselves and for their communities. We will all benefit if we make it our task to help them.

Thank you.

[The prepared statement of James Mauck can be found on page 88 in the appendix.]

Mr. RENZI. Mr. Mauck, thank you.

Mr. Netburn.

STATEMENT OF MITCHELL NETBURN, EXECUTIVE DIRECTOR, LOS ANGELES HOMELESS SERVICES AUTHORITY

Mr. NETBURN. Good morning, Mr. Chairman, Ranking Member Waters, and distinguished members of the Subcommittee on Housing and Community Opportunity. My name is Mitchell Netburn. I am the executive director of the Los Angeles Homeless Services Authority, known as LAHSA. Thank you for the invitation to provide testimony.

LAHSA and the City of Los Angeles readily endorse the Samaritan Initiative because it will continue a successful collaborative model that will help us reach the national goal of ending chronic homelessness. It is estimated that 80,000 men, women and children are homeless throughout Los Angeles County on any given night. Of those, we estimate that at least 10 percent can be considered chronically homeless.

In November 2003, Los Angeles began a strategic planning process to end homelessness throughout the county in 10 years. Led by Supervisor Burke and Mayor Hahn, a total of 10 elected officials convened a 60-member blue ribbon panel of community leaders to oversee the development of our plan, which will be adopted this fall. Los Angeles is committed to ending homelessness.

In the past year-and-a-half, for the first time ever the City and County of Los Angeles have contributed over $10 million to turn a temporary winter shelter program into a year-round program which serves a high percentage of chronic homeless people and is operating at 103 percent capacity. In 2003, 1,108 clients were placed in transitional housing and 685 were placed directly in permanent housing. These outcomes clearly show that homeless people, even chronically homeless people, want a home.

To reach others, we need new models. Last year, as a precursor to the Samaritan Initiative, 11 grants funding such a new model were awarded nationally through the Interagency Council on Homelessness under the collaborative initiative to help end chronic homelessness. Among the grantees was a skid row collaborative comprised of 11 agencies. Skid row is located in the eastern part of downtown Los Angeles and has the largest concentration of street homelessness in the United States. Approximately 10,000 people live in this area.

I am pleased to report that the project has met its goal to house 70 percent of its clients within the first 6 months of the program. This model works. The promise of this intense collaborative can be seen in the experience of participants such as Gloria, who is mentally ill. She was engaged by the team this spring, who also helped complete the paperwork needed to access her Shelter Plus care unit. Despite numerous challenges, she was one of the first people housed in this program. Gloria sees the on-site psychiatrist and nurse, maintains her appointments, and has increased social skills. She is even humorous at times. She pays her rent and she has gained so much trust that she recently self-reported her first experience with drugs to our case manager, who was able to deter her from further use.

Gloria and others like her could not have attained this level of success without the consistent and coordinated efforts of the collaborative. The chronic homeless initiative, by providing funding

and requiring local collaboration among diverse agencies, ensured that this could be the case. While we fully support continuing this model through the Samaritan Initiative, I would like to share some concerns with you.

Our primary concern is that the funding authorized in this bill is not sufficient to meet the Administration's goal of ending chronic homelessness. The collaborative initiative provided a total of $35 million nationally. We are fortunate in Los Angeles to have been one of 11 recipients of this funding. The Samaritan Initiative proposes to double that amount of funding. However, let me make the crude assumption that if Los Angeles successfully competes for this new funding, it will receive twice the amount it received under the chronic homeless initiative, allowing us to help 124 people over 3 years. While we would be grateful to have these additional funds, it would only allow us to help a fraction of the chronic homeless population.

To truly end chronic homelessness, we have to be realistic about the costs. Congress must increase the authorized and appropriated levels of funding for the Samaritan Initiative if our country is to meet the Administration's goal of ending chronic homelessness in 10 years. We also request that the Samaritan Initiative ensure that the participating federal agencies take to heart the directive to collaborate. The initiative sets forth the expectation to collaborate, but offers to the maximum extent feasible and appropriate. We suggest removing this language.

As much as we appreciate the Administration's bold commitment to end chronic homelessness, we cannot lose sight of the significant needs of homeless people who do not meet the federal definition of chronic homelessness. We do not believe that the Samaritan Initiative's focus on chronic homelessness will make it more difficult for us to reach our goal of ending all homelessness, provided resources are not diverted to help end chronic homelessness.

For this reason, LAHSA supports additional funding provided by the Services to End Long-Term Homelessness Act, the National Housing Trust Fund, and adding an additional $150 million to the fiscal year 2005 homeless assistance grants budget. Because the Housing Choice voucher program is one of the most important tools we have for ending homelessness, we strongly oppose the Administration's proposed cuts. It is estimated that California would lose 35,000 vouchers and the city 5,000.

Mr. Chairman, your subcommittee came to Los Angeles last year to hear public comment on the Administration's proposal to convert the Housing Choice program to a block grant. It met with widespread opposition and Congress rejected it. We respectfully request that Congress reject the Administration's proposed cuts.

In conclusion, housing coupled with supportive services is the key to ending chronic homelessness and lays the foundation not only for rebuilding individual lives, but for restoring vitality to communities that have been neglected. By supporting H.R. 4057, the esteemed members of this committee have the opportunity to bring the vision of ending chronic homelessness in America closer to reality.

Thank you.

[The prepared statement of Mitchell Netburn can be found on page 106 in the appendix.]

Mr. RENZI. Thank you, Mr. Netburn.

Ms. Poppe.

STATEMENT OF BARBARA POPPE, EXECUTIVE DIRECTOR, COMMUNITY SHELTER BOARD, COLUMBUS AND FRANKLIN COUNTY, OH

Ms. POPPE. Mr. Chairman, Ranking Member Waters, Congressman Tiberi and other distinguished members of this subcommittee, I am Barbara Poppe, executive director of the Community Shelter Board in Columbus and Franklin County, Ohio.

As the lead organization charged with our community's plan to address and end homelessness, we thank you for the opportunity to testify this morning. I bring greetings from Columbus Mayor Michael B. Coleman who endorses both the Samaritan Initiative and services to end long-term homelessness act. My testimony is offered as one of 11 recent grantees under President Bush's collaborative initiative to end homelessness, the prototype for the Samaritan Initiative Act.

Our community has found that affordable housing drives success at all levels. For the family or individual, it represents the foundation for success in other areas: employment, health and wellness, education and community involvement. For the community, affordable housing drives success in improving neighborhoods and business districts. Affordable housing is the obvious solution to both chronic and short-term homelessness.

While services are important, we have found that without affordable housing, services cannot be successful. While integration of mainstream resources is important, without housing integration is not successful. While discharge planning is important, without access to affordable housing discharge plans fail. Success begins by addressing affordable housing needs first.

In 1998, our community's plan to end homelessness was issued. Known as Rebuilding Lives, it outlined a better, more targeted system that provides both emergency housing for those in crisis and supportive housing for those with long-term needs. Our goal is to develop 800 units of permanent supportive housing. Since July 1999, we have created just over 450 units, as well as another 125 or so in development. The units have been a mix of new construction, rehab and leasing. Just under half of these units receive a Section 8 rent subsidy. One-quarter are public housing units and the balance are other subsidies, including McKinney-Vento.

Almost one-half of the operating and services costs are covered by local public and private funds. Just over half are federal funds. The newest Rebuilding Lives project is funded by the collaborative initiative. It is known as the Rebuilding Lives PACT Team initiative. It serves men and women who have experienced chronic homelessness and have serious and debilitating illnesses that prevent them from living independently. We are developing just over 100 housing units. We hope to house over 150, including almost 50 who will be veterans. It is a multi-agency partnership providing a multi-disciplinary team of professionals that is implementing evidence-based practices to deliver services.

To date, we have served 42 individuals and of those, 37 are already housed. Most are between the ages of 46 to 61. One-third are women. Thirty percent are veterans and more than three-quarters have at least a high school degree. We have documented results from 5 years of Rebuilding Lives implementation. There are individual stories like the 81-year-old man who was recently featured in the Sunday Columbus Dispatch for competing in the Senior Olympics. The little-known fact is, prior to entering our rebuilding lives supportive housing, he had been stuck in the shelter system.

Another gentleman, Max, is a frequent and notorious downtown panhandler and experienced long-term homelessness. Today, he is a resident of the Rebuilding Lives supportive housing program at the YMCA and he is the greeter at the door, welcoming me each morning to my morning workout. I am sure you would agree you would rather have Max greet you at the door than be on the streets panhandling.

Other results are our changes in the system of care, such as through the collaborative initiative, where we have decreased the processing time for an SSI application from more than 6 months to just a few weeks. Another example just recently occurred when an overnight shelter for homeless men closed. Through a coordinated case management team, we successfully placed 75 men into market-rate, affordable and supportive housing in just a 90-day period.

Overall program evaluations of our rebuilding lives initiative have successfully documented that we are effective at ending homelessness. The overall tenancy exceeds a year-and-a-half, and overall rates of turnover are less than 20 percent a year. But in order to achieve the President's stated goal of ending homelessness by 2012, we believe that we will need not only new HUD and HHS funding to realize the recommendation of the Millennial Housing Commission and the President's New Freedom Mental Health Commission, which call for the creation of 150,000 units of supportive housing, but we also must maintain existing programs such as the McKinney-Vento programs, as well as the housing voucher program.

The Samaritan Initiative will help combat chronic homelessness. We applaud the initiative's call for new funding. The Samaritan Initiative is truly a very positive step in our collective goal to end chronic homelessness. The availability of new federal housing and services dollars in a single funding stream means that local communities can more effectively implement a comprehensive strategy to provide services coordinated with permanent housing. We also, though, do agree that the funding level proposed falls short of the stated goal of ending chronic homelessness by 2012.

We also support the Services to End Long-Term Homelessness Act, to be introduced by Representative Burr, continued funding for McKinney-Vento programs, and also affordable housing production. But most important, I need to call your attention to the President's proposal to cut the voucher program. It threatens more than half of our Rebuilding Lives units, and with deeper cuts proposed through fiscal year 2009, we believe this will contradict the Administration's stated goal of ending homelessness. Rebuilding Lives offers the best approach to addressing chronic homelessness, but without a fully funded voucher program, we will lose ground.

We thank you for the opportunity to testify today.

[The prepared statement of Barbara Poppe can be found on page 111 in the appendix.]

Mr. RENZI. Thanks, Ms. Poppe.

Mr. Pucci.

STATEMENT OF MIKE T. PUCCI, EXECUTIVE DIRECTOR, HOUSING AUTHORITY OF THE CITY OF ALAMEDA, ALAMEDA, CA

Mr. PUCCI. Mr. Chairman, Ranking Member Waters, members of the committee, I appreciate the opportunity to testify this morning. I would also like to thank Congresswoman Lee for inviting me to testify, and also Congressman Stark for his help in trying to resolve our Section 8 problems.

While the primary thrust of this hearing is about the Samaritan Initiative and finding adequate means to prevent homelessness, I am here to address the recent changes to the Section 8 housing choice voucher program and the impact those changes are having on our community and Section 8 participants who are now at risk of becoming homeless.

The City of Alameda is a community in the San Francisco Bay Area of approximately 72,000 population. This is an expensive place to live. Rents here are some of the highest in the nation. The low-income members of our community depend upon the Section 8 housing choice voucher program to stay in this community near friends and family members who provide critical support. In addition to the over 1,600 families that we serve through the Section 8 program, we have a list of 6,000 additional families waiting for assistance. HUD's failure to pay on an actual cost basis and its failure to fund our reserves resulted in the housing authority no longer having enough money to pay for 1,625 authorized vouchers. This situation has put 108 families at risk of becoming homeless on August 1.

The situation is having a direct impact on these families. Recently, Malika Nassirrudin, a young woman who has lost her assistance, testified before the Alameda City Council. She said, "I do not want to port out to another county that is getting ready to endure the same hardships. The uncertainty is physically and mentally draining for me and my family. My son's social behavior is declining. He hesitates to make new friends in Alameda. He likes it so much. It is hard to lose good friends and moving around is not fun."

Another young man named Anthony, a single parent of a teenaged son, told me this past year it was the first time he and his son were able to live together. The Section 8 voucher allowed him to get a decent place to live so he was able to get custody of his son. This was the best year of both of their lives. If he loses his Section 8 voucher, he will lose his housing. If he loses his housing, he will lose custody of his son. We need to help these families and the other 106 families at risk of becoming homeless.

In 2001, the Bay Area experienced a really tight housing market. Rents were increasing faster than the fair market rents. Section 8 landlords did not want to accept housing vouchers at that time. They would rather get families that were working and able to pay the full amount of rent and full amount of security deposit. As a

result, we were grossly under-leased and HUD had recaptured about $4 million in the years 2002 and 2003.

By late 2002, though, the market had softened and voucher holders started to lease-up. By the end of the fiscal year, the Housing Authority was 98 percent leased-up, but HUD had used all of our Housing Authority's program reserves to pay for the increased leasing costs. Even though we were not over-leased for fiscal year 2003, HUD has failed to replenish our reserves, even though they are required to do so by their own regulations. This has exacerbated the underfunding situation and directly impacts these 108 families.

During this fiscal year, the housing market continued to be soft and voucher holders continued to lease-up. Our turnover rate declined dramatically, and for the first time we are over-leased. Despite the softer market, costs for the program continue to rise because of increases in utility rates, decreases in family income, portability moves to higher-cost areas, reasonable accommodations provided to the disabled, and several other reasons.

On May 6, the Housing Authority received a call from the HUD San Francisco office telling us that our June 1 housing assistance payment check from them would be reduced by approximately $800,000. Well, we were faced with having to terminate all of our families at that point because we did not have the money to pay for housing assistance payments. We had been paying for payments using our own reserves throughout the fiscal year, and this was the last month of our fiscal year and we had no other choice. But our City Council and our Board of Commissioners said, well, we do not want any terminations to occur. Therefore, use all Housing Authority reserves to pay for this shortfall, which we did. As a result, nobody went without on June 1.

However, later in the month of May, we got notice of what our funding would be for July 1 under the renewal formula. Under the renewal formula, we were facing a $200,000 shortfall. Roughly, that meant we had to terminate over 200 families for housing assistance. We could not do that either, so we did have to send out termination notices. But we were able to make up that shortfall. Right now, we are looking at 108 families that are going to be terminated as of August 1 in case something is not done.

We are looking to HUD for more funding under the renewal formula. We are looking to HUD to replace our reserves so we can help these families. But these families need our immediate help, and if nothing is done by August 1, these families are going to be facing evictions and will be homeless.

Thank you.

[The prepared statement of Mike T. Pucci can be found on page 137 in the appendix.]

Mr. RENZI. Thank you, Mr. Pucci.

Ms. Roman.

STATEMENT OF NAN ROMAN, PRESIDENT, NATIONAL ALLIANCE TO END HOMELESSNESS

Ms. ROMAN. Mr. Chairman, Ms. Waters and members of the subcommittee, on behalf of the board of the National Alliance to End Homelessness, I am honored to be here today to testify in support of the Samaritan Initiative. In deciding to support the Samaritan

Initiative, of course, we had to be realistic about what it might accomplish. It is not designed to address homelessness overall: other bigger programs do that. It does not appear, with its limited resources and scope, that passing the Samaritan Initiative alone will end chronic homelessness. But while recognizing that it is not a silver bullet, we do believe that the Samaritan Initiative is a needed and useful program that can help communities end chronic homelessness.

In 2000, the National Alliance to End Homelessness announced a pragmatic new template for ending homelessness in 10 years. One of the things we pointed out was that the existing homelessness system was not working very well for one particular group of people who were staying homeless for years on end. For this group of chronically homeless people, a strategy of permanent supportive housing has proven to be very effective, and 150,000 units of such housing would be needed, we believe, to end chronic homelessness. If spread over 10 years, this would be a modest 15,000 units per year, a doable national goal.

The cost after 10 years, when all of the housing is in place, we estimate to be approximately $1.2 billion per year in rent subsidies, with a similar amount for services. Before you have a heart attack, much of this cost we think can be offset by savings to health, corrections and shelter systems. There will indeed be a need for upfront investment and, of course, we appreciate that savings in one area does not always necessarily translate into resources that are available in another area. Nevertheless, it seems to us that ending chronic homelessness is something that we can and should do.

As communities across the country have begun to develop and implement their plans with respect to ending chronic homelessness, they have faced many challenges. The Samaritan Initiative addresses some of these problems. First, by providing targeted resources, it encourages communities to take on this difficult task. Second, it provides flexible resources, allowing communities to utilize the federal funds as gap fillers, and it models an important level of federal coordination.

The Samaritan Initiative additionally provides funding for many of the activities that will have to be undertaken if chronic homelessness is to be ended. It funds outreach. It provides capital to acquire housing units. It funds operating and rent subsidies and it provides flexible funding for services.

In my written testimony, I have suggested a few changes to the Samaritan Initiative which we believe would make it even more effective. These involve bringing the amount of service funding more in line with the amount that is dedicated to housing, and also adjusting the match provisions to better leverage mainstream, state and local service dollars. Of course, additional steps are going to have to be taken if we are going to achieve the Administration's goal of ending chronic homelessness in 10 years. In particular, prevention measures and additional housing and services resources will have to be put into place.

As other people on this panel have mentioned, one critically important additional source of housing subsidy which impacts chronic homelessness is the Section 8 voucher program. This program is important to ending chronic homelessness for three reasons. First,

it prevents people from becoming chronically homeless by keeping them in housing. Second, Section 8 vouchers are being used now in many communities, as you have heard, to pay the rent on apartments for chronically homeless people. For example, right here in the District, I sit as a volunteer on the board of a new nonprofit, Pathways to Housing, that in accordance with the city's just-announced plan to end chronic homelessness, is using Section 8 vouchers to house chronically homeless, chronically mentally ill people. Of our first two tenants, one had been on the street for 10 years and the other had been on the street for 20 years. So I know that Section 8 can end chronic homelessness.

Finally, the availability of rent subsidies is essential to attract capital for the development of supportive housing. For example, Fannie Mae has recently committed to provide capital financing and pre-development loans for supportive housing to chronically homeless people. Reliable rent subsidies like Section 8 must be available to access these private funds.

It is therefore with great alarm that we view the Administration's actions and proposals around Section 8. They simply are in direct contradiction to their own goal of ending chronic homelessness. We urge Congress to fully protect and fund the Section 8 program. Further, if you really wanted to end chronic homelessness, a relatively simple way to do that would be to create a dedicated pool of housing vouchers that would be linked to capital to create the balance of the 150,000 units of permanent supportive housing that we need to end chronic homelessness.

Mr. Chairman and Ms. Waters, the National Alliance to End Homelessness supports the Administration's goal of ending chronic homelessness in 10 years, although of course not at the expense of or to the exclusion of ending homelessness for other homeless people. We support the Samaritan Initiative and we urge you to authorize it. We extend our gratitude to the subcommittee for taking on this difficult task, and we look forward to continuing to work with you on the goal of ending chronic homelessness.

[The prepared statement of Nan Roman can be found on page 142 in the appendix.]

Mr. RENZI. Ms. Roman, thank you.

Mr. Whitehead, thanks.

STATEMENT OF DONALD WHITEHEAD, EXECUTIVE DIRECTOR, NATIONAL COALITION FOR THE HOMELESS

Mr. WHITEHEAD. Thank you.

Chairman Ney, Ranking Member Waters and other distinguished members of the committee, it is an honor to be asked to testify today on H.R. 4057, the Samaritan Initiative Act of 2004. I appreciate the opportunity to be here today with many of my esteemed colleagues to offer insight on this proposed legislation.

I am Donald Whitehead, executive director of the National Coalition for the Homeless, the nation's oldest and largest organization that works exclusively with and on behalf of people experiencing homelessness. The National Coalition for the Homeless, like many of our partners, is deeply concerned about the recent growth of homelessness across America. We are pleased that the Interagency Council on Homeless is coordinating with other federal agencies to

respond to the growing needs of homeless individuals. This coordination is essential as we work together to end homelessness.

The number of people experiencing homelessness continues to grow unabated and new resources are required to meet the demand, but those new resources cannot come at the expense of reduction to existing programs. The Samaritan Initiative would be funded at the expense of the McKinney-Vento homeless assistance program. The President's budget proposal for McKinney-Vento is $1.26 billion. It is estimated that $1.3 billion is required to maintain the programs at their current levels.

Leaving the program at fiscal year 2004 levels still leaves us with a huge amount of unmet need. In fiscal year 2004, HUD had to turn down $273 million in Continuum of Care requests due to lack of funding. Instead of using resources to start new programs, we should be concentrating on fully funding the programs that already exist. The McKinney-Vento program offers greater flexibility in geographic targeting and eligibility of participants, while also targeting the chronically homeless population. Furthermore, by putting this money in McKinney-Vento, the administrative costs associated with starting and administering a new program can be avoided and more people can be served.

The Samaritan Initiative is only available to people experiencing chronic homelessness, and the government definition of "chronically homeless" applies only to unaccompanied homeless individuals with a disability who have been continuously homeless for a year or more or who have had at least four episodes of homelessness in the past 3 years. While this is an important population to serve, this definition excludes families who have experienced long-term homelessness, and families are the largest-growing sector of the homeless population. Families now represent 40 percent of the homeless population. Even families whose head of household is disabled are excluded from the Samaritan Initiative.

This targeting issue is one I feel very strongly about, for both personal and professional reasons. Ten years ago, I was forced to utilize the services provided by the McKinney-Vento program. Had my ability to access those services been limited to the narrow definition of "chronically homeless" in this legislation, I would certainly not be here testifying today and there is a very high probability that I would in fact not be alive because I would not have qualified for these services.

Furthermore, we object to the codification of this definition of "chronic homelessness." There is widespread disagreement among practitioners about the definition of "chronic homelessness" as well as the ethics and practicality of using this definition to deliver services. Congress should not put this definition into statute.

We are also concerned that this initiative on its own does very little for its target population: $10 million in the Department of Health and Human Services to be distributed across 50 states for people with complex health and mental health needs is woefully insufficient.

In addition, this program provides only 3-year grants followed by the option to reapply for another 3 years of funding at half the amount. The people who will be served by this initiative have, by definition, severe mental health and physical disabilities. In order

to remain in permanent housing, they will likely need supportive services for the rest of their lives. If funding is cut off, they are at risk of becoming homeless again.

We applaud the drafters and sponsors of this bill for their recognition that both supportive services and affordable housing are necessary to end homelessness, but we question the effectiveness of earmarking $50 million for affordable housing production, while at the same time cutting $1.6 billion from the Section 8 housing voucher program. As long as the Section 8 program is in crisis, we cannot end homelessness in this country.

In conclusion, any initiative to end homelessness or chronic homelessness in this country must be forward-thinking and comprehensive and it must include the production of large amounts of affordable housing. There are two such initiatives in the House of Representatives right now, both of which have more sponsors than H.R. 4507. These are the National Housing Trust Fund, H.R. 1102, which would provide funding for 1.5 million units of affordable housing over the next 10 years, and the Bringing America Home Act, H.R. 2897, which is a comprehensive bill to end homelessness in this country. The Bringing America Home Act includes housing, healthcare, economic justice, and civil rights provisions. A list of endorsers is attached to my testimony and we ask that it be entered in the record.

We appreciate the recognition by this committee that ending homelessness must be a priority in this country, but the Samaritan Initiative in its present form is not an effective way to accomplish that goal.

Thank you for the opportunity to testify today.

[The prepared statement of Donald Whitehead can be found on page 150 in the appendix.]

Mr. RENZI. Thank you for your insights.

Before we move to questions, I want to move to our ranking member, Mrs. Waters of California.

Ms. WATERS. Thank you very much, Chairman Renzi. I thank you for the introduction of the legislation and your chairing of this hearing today.

This is a very important hearing. I suppose we are all here to review the homelessness issues, including those that are particular to the chronically homeless. As you have heard today, there are approximately 80,000 people who are homeless each night in Los Angeles. Many of them are concentrated in Central and South-Central Los Angeles. A hugely disproportionate number of these homeless are African American. A larger segment of the homeless than in the general population is disabled.

There has also been an explosion in the number of families with children experiencing homelessness. Simply put, in Los Angeles and many communities throughout America, we have a crisis and the problems are getting worse.

Chairman Renzi, there are several technical questions raised by this legislation. I am pleased that we are covering some of those questions today, especially the issue of whether the definition of "chronically homeless person" that is used in the Samaritan Initiative improperly excludes families with children, even those families with disabled members.

I am pleased that some of our witnesses are exploring whether we need to expand the definition of homelessness to reach unstable housing situations where families with children are living doubled-up with extended family members or others who are willing to provide them with shelter temporarily. I, too, believe that we should be using the broader definition of homelessness employed by the U.S. Department of Education so that families lacking fixed, regular or otherwise adequate housing would be eligible for programs even if they are not living on the street or in a shelter.

Also I believe that the services funding authorized by this bill is grossly inadequate to meet the needs of those who would be covered by the initiative. The services funding should be substantially increased by at least an additional $45 million as the U.S. Conference of Mayors has requested.

Mr. Renzi, as important as these technical questions are, I submit that there are far larger policy questions that we must address. Respectfully, I submit that there is somewhat of an Alice in Wonderland quality to the Administration's discussion of these issues. The Administration appears to believe that the issue of homelessness can be considered in isolation from the broader issues of poverty and affordable housing production.

Yet nothing could be further from the truth. How can anyone seriously believe that we can achieve the worthy objectives of this initiative by authorizing a total of $70 million in funding, at the same time that the Administration is proposing cuts of $1.6 billion in the Section 8 voucher program, cuts that if implemented would result in a reduction of 250,000 Section 8 vouchers.

The impact of the cuts to the Section 8 program, if implemented, surely would result in a tremendous increase in homelessness and make it all the more difficult to achieve the Administration's professed goal of ending homelessness in 10 years. It is clear that the Administration's Section 8 policies are dislocating households and forcing many public housing authorities to raise rents and lower subsidies to needy seniors, persons with disabilities, and families with children.

The funding level proposed by the Bush Administration will result in 250,000 vouchers being funded if housing authorities choose to maintain the current level of subsidy for those vouchers that they do maintain. If housing authorities choose instead to maintain the same number of vouchers currently authorized nationally, the average Section 8 tenant to rent would have to rise by an average of about $850 per year. In Los Angeles, the City Housing Authority would have to issue 5,336 fewer vouchers and the County Housing Authority would have to issue 2,457 fewer vouchers if they choose to make up the funding shortfall by reducing the number of vouchers that they fund.

If they issue the same number of vouchers, the City of Los Angeles would have to raise the average tenant's rent by $933 per year and the County Housing Authority would have to raise the average tenant's rent by $977 per year in order to absorb the impact of the Bush Administration's proposed funding level.

Mr. Renzi, the National Low Income Housing Coalition has prepared an impact matrix that explains how public housing authorities around the country are responding to the Administration's de-

structive Section 8 housing policies, including HUD's April 22, 2004 notice announcing changes to HUD's Section 8 payment policies. I believe this document is crucial to obtaining a realistic understanding of the state of affordable housing in this country. I ask that it be made a part of the record of this hearing.

Mr. Renzi, you do not get close to your destination by taking one step forward and 10 steps back. I know that is not you, because you are trying to move this process forward, but I have to be very honest with you, the Samaritan Initiative cannot be divorced from the broader issues of affordable housing policy. Most housing experts believe that an incremental 150,000 housing units will be required in the next 10 years to end chronic homelessness for those who are currently experiencing it. Yet, I see no evidence that the Administration has any plan to produce the units required.

During the questioning period, I want to find out, and I will be asking Mr. Mangano, to provide the details and explain just how the Administration proposes to create the 150,000 incremental housing units that would be required to address the supportive housing shortfall for the chronically homeless. To me, the numbers just do not add up.

Mr. Chairman, I know that an awful lot of work is taking place in Los Angeles and many other communities around the country to develop, with community input, 10-year plans to end homelessness, a project that Mr. Mangano is championing. I certainly recognize the value of a planning process and community input. Yet if our goal truly is to end homelessness, we must be prepared to devote the resources required to make such plans a reality. The plans are a means to an end, not an end in themselves.

If we end up producing carefully considered, well-developed plans that simply gather dust on a shelf because we are unwilling to devote the resources required to implement them, then we need to ask why we went to the trouble of creating the plans in the first place. In my view, we must not offer simple solutions. We need to fully fund the Section 8 voucher program and support affordable housing initiatives like the National Affordable Housing Trust that can produce the supportive housing required to address homelessness.

I look forward to the testimony of our witnesses today. Again, I know, Mr. Chairman, that you are very much concerned, as I have witnessed the work that you are doing in your own district, not only with the homeless but with the Indian population, and have a great appreciation for that. I think that you are on the right track, but we have a long way to go.

Thank you very much.

Mr. RENZI. I thank the gentlelady and I appreciate her comments and agree with a lot of her insights.

We are going to move to questions now. We will alternate back and forth. Each member has 5 minutes and we will start with Mr. Tiberi.

Mr. TIBERI. Thank you, Mr. Chairman.

Ms. Poppe, thank you for your testimony. Can you expand a little bit more on what you experienced when you first took the helm of the Community Shelter Board in 1995? What I mean by that, when I was in the legislature starting in 1992 in Columbus, Ohio, the in-

vogue way to deal with homelessness was just to warehouse the homeless in Columbus. Through your leadership on the Community Shelter Board, you obviously have a much different approach. I have toured your facilities and seen that approach. Can you explain how that transition occurred in Columbus and how that is occurring nationally, and what we can do here in addition to this legislation to help you at the local level?

Ms. POPPE. Yes, thank you for your kind words and the question.

In Columbus and Franklin County, we were facing a situation where downtown economic development was likely to displace two major shelters serving homeless men, as well as areas along the riverfront where homeless folks were congregating and sleeping outdoors. So we received a charge from our Mayor, along with County Commissioners and the United Way of Central Ohio which asked us to undertake a study to see if there were different ways to approach homelessness, and specifically to address the needs of those persons who would be impacted by the displacement of those facilities and the reconstruction.

That resulted in a period of intensive research where we looked at our homeless management information system data, which went back to the early 1990s, along with best practice research. Together, we formed a plan that included input from our providers. It included input from those who had been consumers. It also had a strong constituency within our neighborhoods who were very concerned about homeless people on the street, but also did not want to see facilities developed in their neighborhood, kind of the "not in my backyard" approach

We also had the support of the downtown business community and all of our elected officials. What that resulted in was the community came together across all party lines, across all ways of doing things, and committed on a path to improve emergency services. So we developed three new emergency facilities which replaced the two outdated facilities. We had a better system to deal with those who were publicly inebriated. We increased our outreach and intake processes.

But the centerpiece of it was the development of permanent supportive housing. I can tell you that having worked in Columbus for all these years, there are people that I was told could not be housed. They simply wanted to be homeless and this was their lifestyle choice. It is no great surprise, but they are today housed and successfully in supportive housing. They are working. They are dealing with their mental health issues.

So it has become a real point of pride for our community, whether it is our Commissioners who are very invested in the success of it, or our Mayor or City Council. It has become a point of pride in our community. We have also successfully dealt with the issue of NIMBY and have developed good neighbor agreements that help assure projects operate successfully.

It has very, very much changed the way we address homelessness in our community and I believe it is a model for other communities that can be adopted and addressed. We were able to do this because we had strong local support and local investment of city and county tax revenue, as well as the private sector support, and

then strong support from the federal government through the various federal housing programs.

Mr. TIBERI. What can we do? The Samaritan Initiative is a pilot program. What else can we do, in your eyes, to help the Columbuses and Franklin Counties of America?

Ms. POPPE. I certainly believe the Samaritan Initiative is very good, and a first step in dealing with chronic homelessness. Beyond that, the single most important issue to us really is how we deal with the voucher program and preserving and expanding that. It is incredibly successful at addressing chronic homelessness, whether we use them as tenant-based or attached to actual projects like the Commons Grant, which is our newest downtown supportive housing development.

Beyond that, we do need resources for services to help stabilize families as well as individuals, and we do need to all work together and put aside some of our outdated notions about what an emergency shelter is or what a transitional housing program is. There are many things we have learned in the last 20 years, and some of those things we do need to cast aside and to move forward in a new, more effective and targeted way.

Mr. TIBERI. You mentioned the voucher program. Can you comment to me, in your opinion, there is an issue of the cost of the voucher program. In dealing with the issue of homelessness and chronic homelessness, do you believe that the federal government can do a better job? What I mean by that is, invest federal dollars in the voucher program in a way that we can long-term save dollars by getting people to be productive and self-sufficient through what you have done with supportive services?

Ms. POPPE. We have seen that the voucher program, by providing a rent subsidy, enables us to take in individuals who have no income at the time of intake into supportive housing. In fact, 85 percent of the folks have no income. What they are able to do is by stabilizing their lives, they are over time able to increase that income. We have had folks who have moved up to being able to fully pay their rent. There are other individuals, frankly though, whose serious mental illness is such that full-time work is not really going to be something that they can do, but it is at a lower cost than was long-term institutionalization or their excess use of emergency rooms and psychiatric hospitals.

I do believe there probably are some administrative savings possible within the voucher program. I do not believe those administrative savings will amount to $1.6 billion, such that we can save all of the existing units. We are very concerned that the program moves forward and we do not lose ground, but we also need to expand the supply of affordable housing.

Mr. TIBERI. Thank you. Mr. Chairman, just one final point. Ms. Poppe, you do believe, though, that with the proper use of the voucher program that we can actually, not everybody, there is no question about that, but I have seen it in Columbus where someone will be homeless, and rather than just warehousing them, providing them with supportive services and the housing, that potentially, in fact it has happened, people can become self-sufficient.

Ms. POPPE. Absolutely. We do see folks become self-sufficient. We do see about 10 percent of supportive housing residents actually

graduate from the program into a larger unit. Often it is because they have a job and they want a better apartment near their job or they are reunifying with their family. So success does occur even with those who are the most disadvantaged and difficult to otherwise serve.

Mr. TIBERI. Thank you.

Mr. RENZI. Thank you, Mr. Tiberi.

I would like to recognize the Ranking Member from our full committee, Mr. Frank of Massachusetts.

Mr. FRANK. I thank the Chairman.

My question is for Ms. Roman. I thought you made the point very well in your testimony when you said one critically important additional source of housing subsidy impacting chronic homelessness is the Section 8 voucher program. The program seems to me very well structured, except that it misses an important semantic point. "Homeless" means people do not have homes.

Now, we should also be clear here, and I am glad to have this chance to underline this, we are talking about homes, not homeownership. Homeownership is a good thing, but for many of the poorest people in this country most of the time they will not be able to own homes. A policy that looks only at ownership and not at home occupancy is flawed.

Now, for low-income people it seems to me the Section 8 program is very important. Here is my question. If we were to adopt this bill today and it went into effect, but the current policy regarding Section 8 vouchers stayed the same, how much of a dent would we be making in homelessness?

Ms. ROMAN. We would probably have more homeless people if the Section 8 voucher policies that are proposed went into effect. It appears to us that the Samaritan Initiative would support, it runs over 3 years, so it would support about 2,500 units a year. If it kept being appropriated at the level that is requested, it could ultimately support a maximum of 7,500 units per year. So we would stand to have a much greater net loss if we lose the vouchers that we are anticipated to lose, as other people on the panel have described.

Mr. FRANK. Let me ask another question of everybody here. One of the arguments we have seen, and I will address this to Mr. Mangano later because he talked approvingly of the Administration's proposal to restructure Section 8. As Secretary Jackson has said, the problem is the Section 8 program is costing us too much money, partly because the people we are helping are too poor. He points out correctly that you pay 30 percent of your income for Section 8, and people with very little income are thus more expensive than people without because there is a bigger gap to be made up.

If we were to act on Secretary Jackson's proposal that we re-target Section 8 and try to hit a higher income level, obviously still below the 80 percent, how would that interact with this program? Let me go down the list here. Let me start on the left, ma'am. Do you favor Secretary Jackson's argument that we should reorient the targeting of Section 8 to get a higher income group of people?

Ms. BUCKLEY. No, especially not in rural Arizona. That would be missing probably 85 percent of the veteran population that my

project serves. They just do not meet the threshold that he has set forth, so it would increase the homelessness in Arizona.

Mr. FRANK. Okay. Thank you. Next?

Mr. HESS. It would be problematic. It would certainly be very challenging. It is already challenging to find an adequate number of affordable housing units for people at the lowest income ranges. We see people in our shelter system that typically are 15 percent of mean and below, and it is almost impossible to move them into affordable housing without subsidy. So it would be a movement in the wrong direction.

Mr. FRANK. Next?

Mr. MAUCK. The elimination of public housing in many communities has really put an additional stress on Section 8 as we know it. The change in the income levels merely exacerbates the problem. We have not really raised people's income at the lowest end that are in fact enjoying the benefits of Section 8 housing. So I think you exacerbate the problem and ultimately it will create more homelessness.

Mr. FRANK. Thank you. Let me just interject here, and I am glad you mentioned the public housing situation. I am not happy that we have the situation. I am glad you mentioned it. One of the things Secretary Jackson pointed out was that the Section 8 program has now, to his dismay, become a much larger percentage of the overall HUD budget. But it has become a larger percentage of the HUD budget partly because it has grown, but partly because almost everything else has shrunk. Section 8 is a larger part of the HUD budget because public housing and other construction programs are not there. So I think that is exactly right. We have put a greater burden on Section 8 at the same time we lament the fact that it is growing.

Yes, sir, next?

Mr. NETBURN. I concur that it would definitely create more homeless people, particularly in Southern California, especially in Los Angeles. There is an extremely low vacancy rate. Housing costs are extremely high. It is challenging enough for us as it is now to house all the people that need housing. With the loss of this program, I am really not sure what we would do with those very low-income people who would not be eligible for the Section 8 program.

Mr. FRANK. Yes?

Ms. POPPE. We would absolutely see homelessness increase in Columbus and Franklin County. Just to give a perspective, the typical homeless family has less than $200 a month that they can afford to pay for housing, and the typical two-bedroom apartment costs over $650. So we are already facing a $450 a month gap.

Mr. FRANK. Mr. Chairman, I would ask unanimous consent just to let the last three witnesses answer, if that is okay.

Mr. PUCCI. Mr. Frank, I have been administering the Section 8 program for about 27 years, back in the days when we could assist families up to 80 percent of median income. I believe that if we were to go back to that that it would seriously impact those folks who are below 35 percent of median income. It would increase homelessness. If we are not going to be assisting them, who else is?

Mr. FRANK. Ms. Roman?

Ms. ROMAN. We have homeless people because people cannot afford housing. So if we remove the primary subsidy program for low-income people to be stable in housing, we will definitely have more people homeless.

Mr. FRANK. Mr. Whitehead?

Mr. WHITEHEAD. The chronically homeless initiative is based on the idea that people can move quickly through the system. If the Section 8 housing program is not funded at an adequate level, it will definitely increase the number of homeless people. We have already started to see some effects in programs that have partnered with their local housing authority. People are already starting to not be able to utilize vouchers.

Mr. FRANK. Thank you. Mr. Chairman, I will summarize. I just want to reemphasize. I am not making this up. It is a repeated theme of Secretary Jackson that the way to fix the Section 8 program is to help people with higher income. I think that the contrast between that and a professed concern for the homeless is so glaring that I appreciated the chance to be able to talk about it.

Thank you, Mr. Chairman.

Mr. RENZI. Thank you, Mr. Frank.

We have been joined by the Chairman of our Subcommittee on Housing, Mr. Ney. I want to first of all thank you for allowing me to chair and also for bringing forth the legislation. I recognize you.

Chairman NEY. Thanks for the job you are doing, and the job you are doing today chairing this, and also the legislation you have worked on. I know it is appreciated in all parts of the country.

I have a couple of questions, for whoever wants to answer it. What about de-institutionalization? I am talking about the State of Ohio because I was a State legislator. We were involved in that. I am not saying institutionalization is good as a wide brush, but the process of de-institutionalization in the United States, with persons that have some form of a problem when it comes to some form of mental illness, is that still making the situation worse, to create homelessness?

Ms. POPPE. I can speak first from the Ohio perspective, which is that because we have been so many years into the process of de-institutionalization, what we are seeing is the after-effect of that, which is that there are many, many individuals who are homeless and who have never had the chance to be institutionalized because it happened so long ago. But they do not have adequate community services, nor do they have adequate housing.

We are still in the process of further downsizing our psychiatric hospitals. One of our newest rebuilding lives projects is actually targeting those who have been institutionalized on a step-down basis. What we are able to see is that they are able to over time be sufficiently housed in a pretty low-demand situation, in permanent supportive housing.

So very much supportive housing is a really cost-effective alternative to institutionalization. It only costs us about $14,500 a year to house someone in supportive housing. I know that in-patient psychiatric hospitalization exceeds costs of $80,000 to $90,000 a year. But we simply have not had that investment of those dollars translate into affordable housing with community services.

Chairman NEY. You get a lot of "not in my backyard," too, as you know, dealing with this issue.

Ms. POPPE. Absolutely. I think there is a lot of fear about folks who are either poor or mentally ill, but we have been able to overcome that in Columbus by working with neighbors to create covenants around good neighbor agreements. So it is still possible. It does require local political will to overcome those neighbors' objections and it requires good quality operations to make sure we fulfill our promises.

Chairman NEY. Of course, I am familiar from being in the legislature about 14 years there and the work you have done, a lot of you, and Bill Faith and a lot of good work that has been done.

I had a question for Mr. Netburn. I think in your testimony you mentioned that the early administration of the collaborative grant was complicated. Can you expand on that a little bit?

Mr. NETBURN. Yes, the original request, the notice of funding availability that was issued was really several different applications that were just in one envelop, so to speak. There was a really short time frame, and it was incredibly challenging for the providers who put together the skid row collaborative, to respond to that request. Additionally, in the early part of the grant, particularly the administration of it, there were different start dates to the different funding streams; different reporting rules.

The original concept was really great, of putting funding into one single application with the idea that it would be administered singly, but the initial administration was clearly not like that. I know they have been working hard in Los Angeles to make it a lot smoother. I do hear that it is smoother, but it was extremely challenging in the beginning.

Needless to say, dealing with this population was very challenging. Where you really want to focus your efforts is on helping the chronic homeless people get into housing and stay there, not with the oversight of the program. Not to say there should not be clear oversight and accountability, but I have been doing government work for about 20 years and it was probably about the most complicated application I have ever seen.

Fortunately, as I said, that has somewhat been worked out. I think the new legislation does address that. Just given that early experience, we wanted to make sure that those federal agencies involved in this matter really take it to heart and collaborate and try to make it as easy as possible, ensuring the proper oversight.

Chairman NEY. Thank you.

I have run out of time, but I just had a generic quick question, Mr. Chairman. It is also good to be here today with our Ranking Member, Ms. Waters. It deals with rural versus urban homelessness. Any recent stats on it? Homelessness is homelessness, but obviously in the urban centers it just statistically has to be a lot more.

Ms. POPPE. I think the rate is higher in urban areas than rural areas generally in homelessness per capita.

Ms. BUCKLEY. I know that in rural Arizona, just in two counties, we have over 2,000 homeless veterans, and that is just of the veteran population. I think in the rural areas, the problem that you have is they are not so visible. You have them in the desert areas,

in the forests. There are not as many resources such as emergency shelters, transitional programs where you can get headcounts.

So it is a big issue in rural areas as well. There are not as many opportunities for nonprofits and faith-based organizations to set up programs to help the homeless because there is not as much funding and everything like that.

Chairman NEY. We have homelessness, but also like down in Blair, Ohio at Salvation Army, you will see a lot of people passing through from other places also, and they will come into the small areas to try and get some help.

My time has expired.

Mr. RENZI. Mr. Whitehead?

Mr. WHITEHEAD. I was just going to echo that, that there are definitely fewer resources to address the problem of homelessness in rural communities. We have also found in some rural communities like Iowa, the population is primarily families.

Chairman NEY. Yes. Thank you, Mr. Chairman.

Mr. NETBURN. Could I just add?

Mr. RENZI. Yes, sir.

Mr. NETBURN. I come from the second-largest city in America. I know from speaking to many of the providers in rural areas, that they feel that particularly in the colder rural areas that their clients may not necessarily meet the definition of "chronic homelessness" because in those areas people will take people in, offer them housing particularly during the cold months. So they feel disadvantaged.

Mr. RENZI. Mr. Chairman, thank you for the questions.

We move to our Ranking Member, Ms. Waters.

Ms. WATERS. Thank you very much. I would like to just take this opportunity to thank Chairman Ney. As was mentioned earlier, he came to Los Angeles when we first opened the discussion on Section 8. We had tremendous turnout and a lot of support from the service providers and people in this community who are working at this every day, landlords, everybody who sent the word back here to Congress, please do not cut Section 8. So we all are warned that it would lead to, and quickly, to homelessness. I would like to thank you, Chairman Ney, and I would like to thank all of those who participated.

Let me talk about Los Angeles and ask some questions about Los Angeles for a minute. I do not know if other members of Congress are having this problem, but we have a growing confrontation between downtown and South Los Angeles. Something happened in this service authority that gave Sheriff Baca some authority to do something. I am not sure as of this moment what it is. Many of our organizations got word, and they defined it as Sheriff Baca had the mandate from the authority to get rid of the homelessness downtown because of the proposed new developments downtown, and ship them to South Los Angeles with some plan to have temporary shelters under freeways and some other places. As you know, the community exploded.

I got Sheriff Baca out to a meeting where 900 people showed up at Crenshaw Christian Center, and of course they sent the word back in no uncertain terms that there should not be a shifting of homeless population. There is a significant amount of homelessness

in South Los Angeles already, and everybody agrees that every community must do its share of bearing the responsibility for the homelessness.

Can you tell me if the Authority has a plan to shift the homeless from downtown? I wish other members of Congress would tell me if they have these kinds of plans going on the area, if something is going on and we are now in confrontation about the homeless. Do you know anything about this, Mr. Netburn?

Mr. NETBURN. I can state emphatically we do not plan on shifting resources or housing to South-Central or other areas. What we have seen over time is a concentration of services within the skid row area. It was a conscious policy of the City of Los Angeles many years about, about 20 years ago, to create, in effect, a skid row. It has developed in a chicken and egg scenario. What I mean by that is, homeless people not only throughout the City of Los Angeles, but really throughout the county and sometimes from other areas of the country know of the concentration of services in skid row and come there. Those providers have said, we need the funds because we have the most number of people. The reason they have the most number of people is because they got the funds years ago and they have the services. So it has become a self-perpetuating situation.

So what the Los Angeles Homeless Services Authority has said is that we are not going to de-fund projects in that area, but as much as possible we want to have new projects in other areas of the city and the county. Our estimates are that in skid row there are about four homeless people for every available bed. In South-Central, our estimates are that there are 44 people for every available bed. So what we want to try to do is eliminate that disparity so that people can be served in their own areas.

One of the misnomers about homeless people is that people think they have come from some other area. Our experience is that they are neighbors; that they live in the area where they have gone to high school and the like, and that they are going to be most successful if they are receiving services and housing in their neighborhood with the support services.

So we are not looking to shift the funding. What we are looking to do is to more equitably distribute the funding and the housing and the services so that people in the other areas have access in the areas where they live.

Ms. WATERS. If I may, Mr. Chairman, on the Homeless Authority, how many people serve on the Authority Oversight Board?

Mr. NETBURN. There are a total of 10 members. The Mayor appoints five, with the approval of the City Council, and each of the five County Supervisors has one appointee.

Ms. WATERS. Well, I am finding that the problems of the homelessness is landing on the doorsteps of the members of Congress. On Section 8, they are beating our doors down. I have had three meetings already, working with the Housing Authority and others. Just as the question of whatever Sheriff Baca was doing came to light, then I was bombarded with the neighborhood councils and all who came to me.

In the creation of the Authority, was any thought given to asking the members of Congress whether or not they wanted to participate in any way? Do you know?

Mr. NETBURN. The creation pre-dates me. It was created in 1993. It really arose out of a lawsuit between the City and the County of Los Angeles. They agreed to settle that lawsuit by creating the Authority. State law allows two jurisdictions such as the city and the county to enter into a formal agreement. So those were the parties to the agreement. I have not heard of any specific discussion about that, but I certainly can check and get back to your office on that.

I do want to state for the record, because you have mentioned Sheriff Baca, who has been a real champion of homeless issues and been very forceful. His actions were not at the direction of the Los Angeles Homeless Services Authority nor did we endorse those. We do seek and applaud any leadership we receive on homeless issues and funding and the siting of facilities, but his action in that specific area was independent from LAHSA.

Ms. WATERS. I thank him, and he is a friend. I know that he is well-meaning. We just need to understand the relationship to the Authority and what is taking place. What I am going to do is ask this committee to come to Los Angeles one more time. I do not know if it will, but maybe some of the members will. We want you to walk us through the homeless network. I, surprisingly, have not been invited to do that. I think I am going to take more responsibility in figuring out what is happening in Los Angeles, and I want my colleagues to go along with me.

Chairman NEY. Would the gentlelady yield? I think it would be a good idea to go to Los Angeles. I have been there, of course, on other issues, but I think to view first-hand homeless problems in that and any other cities I think would be excellent.

Mr. NETBURN. Let me take this opportunity to publicly invite all of you. We would be truly honored to show you the situation in Los Angeles, which Philip Mangano can talk about. We are not proud of this fact, but certainly the skid row area and other parts of the city and county have a street population unlike any other city in the entire country.

Ms. WATERS. When we come, we do not want anybody to clean it up. I want my colleagues to see exactly what it is.

Mr. NETBURN. We do not give a cleaned-up tour.

Ms. WATERS. Okay. Thank you very much.

Thank you, Mr. Chairman.

Mr. RENZI. I share the commitment, and I look forward to also coming and visiting and seeing Los Angeles.

The gentlelady from Pennsylvania, Ms. Hart.

Ms. HART. I have a quick question. Thank you, Mr. Chairman.

It really runs along the same lines, but it is much more general in nature. I have had and continue to have regular meetings with housing advocates in the six counties I represent, but especially in Allegheny County, which is a major center of my district. Though they are very happy with some of the programs that we provide, they always tell me that they will have someone who they would term as chronically homeless who seems to fit everything, but then there is one criterion that always seems to prevent them from actually finding a place, not always but often prevents them from finding a place.

So my question is actually for the executive directors of the housing authorities or for the homeless authorities. I think there are three of you on the panel, Columbus, LA, and Alameda, the three of you. Are there things that we need to do aside from a comprehensive outline of the program, that are more specific? Do you find, for example, that there are certain conditions that seem to be all the time eliminating factors for a person that you are trying to help? Or is this something that maybe I need to get more details from my folks? They have given me some, and we have gone back to HUD and said, why do you do this; why do you do that. Are there things that you find that are chronic issues that we need to address?

Ms. POPPE. Speaking from the Columbus perspective, as well as we have heard from those around the State of Ohio, one of the current challenges we are seeing is that an increasing number of folks who find themselves homeless, whether it is families with children or single adults or those who have records of incarceration, and those records of incarceration prevent them from being eligible for any of the federal housing programs through public housing or Section 8. I would say that is the number one issue, is how to deal with housing for ex-offenders.

We work very closely with our State of Ohio. They are very interested in doing improved discharge planning, but simply there are not resources available to house that population, so they end up un-housed. Within the population of ex-offenders, the most difficult to house are those folks who have been labeled as sexual predator and are subject to community notification. Many of those individuals are effectively completely un-housable and present the greatest challenge.

The other issue that we consistently face is that folks who have been homeless have very bad credit records. Increasingly, private landlords as well as the Public Housing Authority will not accept folks who have bad credit records. So there is not a process by which they can resolve those prior debts. They may be education debts; they may be health debts. Those credit issues become a rental factor. They are not embedded in any of the federal laws, but because the housing authorities, as well as the private landlords, are looking for the best tenants, and there are more people who need housing than there is housing available, that is the additional factor that can often make families in particular un-housable.

Mr. PUCCI. In Alameda, we have a similar example. We were trying to do a project-based assistance program using Section 8 vouchers with a homeless collaborative. They wanted to target the housing to folks who needed supportive services in the area of drug and alcohol counseling. Our local HUD rep said, well, you cannot do that because they would not be eligible for Section 8 if they had chronic drug and alcohol problems. So there is a conflict there.

Mr. NETBURN. I would, in the interest of time, just agree with the things that were said. These are our clients. They are people who are mentally ill, who have been convicted of quality of life crimes, et cetera; people who have been evicted from other units because they could not pay their rent. That is why these people are homeless. So to have many of those things be barriers to them

going to the type of housing we are talking about is very problematic.

Ms. HART. I think Ms. Poppe mentioned families as well. Is it because the head of the household faces the challenge that they have been incarcerated, or have that kind of a challenge?

Ms. POPPE. Yes. It is usually the head of household. Occasionally, it is a youth offender who is a member of the family, where the youth has committed a crime, that they will be ineligible. Usually those would be a sex-related offense. They are pretty rare circumstances, but they are the most difficult to house. In part, it is because there is not a good availability of treatment services to go with the housing to help the individual be really stable out in the neighborhood and out in the community, because we certainly do not want them to re-offend.

Ms. HART. So part of the solution is actually to have a more complete package of services?

Ms. POPPE. Absolutely.

Ms. HART. Okay. Thank you.

I yield back.

Mr. RENZI. I thank the gentlelady.

My neighbor across the hall in the Cannon Building, Mr. Scott, who showed up on time, but we had all this seniority we had to get through. Mr. Scott?

Mr. SCOTT. Thank you. I appreciate those brownie points.

My question is to the gentleman from Philadelphia, Mr. Hess, about the phenomenal success in Philadelphia. I have spent some time in Philadelphia attending college at the University of Pennsylvania's Wharton School. While there, this homelessness problem was really being magnified in Philadelphia, while at the same time there was a lot of downward pressure because of urban decay and Philadelphia's massive loss of housing stock, especially up in North Philadelphia, which makes your success story all the more remarkable.

Especially the fact that you went from, I think you said, about 400,000 and some homeless to around 150,000 homeless, and then you had a 50 percent drop. Given all of that and the downward pressure also from the loss of all that housing stock, the nation would be very interested in knowing what were the centerpieces of your strategy that provided this remarkable success story of homelessness in Philadelphia?

Mr. HESS. I thank the gentleman for his kind words. We point out that Mayor Franklin is from Philadelphia as well.

Mr. SCOTT. Absolutely.

Mr. HESS. We are proud of the work that is going on in Atlanta. Really, it started in our city with a public discussion over the issue of the number of people sleeping on the streets. It really was a very vocal discussion on both sides of that issue that led to Mayor John Street taking very strong leadership to say we were not going to criminalize the act of being homeless on the streets of our city, but yet we were going to try a social service engagement strategy and put $5 million new dollars immediately on the table to bring the appropriate systems and resources to bear.

So we added street outreach teams and created a police detail strictly dedicated to homeless service issues to work with those so-

cial service teams. But the biggest thing we did was add residential treatment placement slots, housing with treatment and support. That has been really remarkably effective. At first, it was drug and alcohol treatment programs with residential housing and behavioral health housing. We added about 2,000 units of behavioral health beds with services attached in the city, and hundreds of drug and alcohol recovery house beds.

So that was the first piece. Once we were able to reduce the street population by about 50 percent, we then recognized that those strategies in and of themselves would not get us to our goal of ending the need for anyone to sleep on our streets. That is when we turned to the Housing First approach. Supportive housing is just so incredibly important. I was really thinking about Chairman Ney's question about the de-institutionalization. The fact is that I think now we have learned over time how to provide services in housing for almost anybody.

Mr. SCOTT. Mr. Hess, let me ask you because I do not want to use all my time here, but let me ask about rental assistance. Tell me how rental assistance played in your program and how impactful and important it is?

Mr. HESS. It is absolutely critical to be able to house people permanently with supportive services. We were able to kind of cobble together some of the services locally, but we had to have the rental subsidies to make that portion of our success happen. It remains critically important as we look to the future.

Mr. SCOTT. Thank you.

Ms. Poppe, may I ask you this question, in the legislation there is a funding mechanism that says you get 3-year grants, and then after that 3 years you get a renewal, but that 3-year renewal is one-half of what the original was. Do you believe that that authorization is sufficient to provide the necessary funds to address this chronic homelessness?

Ms. POPPE. It has been our experience that overall just over half of the support for our supportive housing units that have been developed in Columbus do come from the federal government. That does not mean that at the beginning of the project their funding got cut by half as we move through the process. So I do believe that that formula should be addressed and adjusted. It is one thing to say it is 50 percent of the overall project cost, but it is another thing if the real intention is to cut the funding by 50 percent.

Under the current collaborative initiative to end homelessness, we are in a declining scale as it relates to the HHS component, under SAMHSA, but the rent subsidies under HUD under the SHP program have remained constant throughout the term of the grant. We believe that the housing subsidy portion of it definitely needs to stay fully in place. The service piece perhaps could decline as you could bring in locals, because there is a substantial part of funding for services that can come from the local and the state government. But absolutely, the housing component needs to stay there because that is the only way we can keep folks affordably housed.

Mr. SCOTT. One final question, Mr. Chairman. There has been some debate and discussion among professionals as well as housing and homeless advocates in terms of the definition of "chronic home-

lessness." Do you feel that there is a need for us to try to come up with some definition, and this could be for any member on the panel, for chronic homelessness, and if we needed to write that into the statute? If so, what do you think, just very quickly, what it would say? Mr. Hess?

Mr. HESS. I would say that we follow the research, and we look at the research of Dr. Culhane from the University of Pennsylvania and we see that 10 percent of the population meet the chronic definition that he has developed, and that they are using 50 percent of our resources, we would say with or without a definition that is a group we ought to target and we ought to focus on because we believe that if we are able to move that 10 percent that is utilizing 50 percent of our resources, into permanent housing and out of our shelter systems, that ultimately we will have more resources to be able to address the need of everyone else that experiences homelessness in our community, whether that be individuals or families.

Mr. SCOTT. Thank you, Mr. Chairman.

Mr. WHITEHEAD. Mr. Scott, we certainly believe that the definition should be expanded because we certainly believe that it is important to address the issues of this population, but we do not believe that you should be pitting populations against each other. Homeless families and children are just as vulnerable as chronically homeless individuals as defined in the legislation.

In addition to that, there is also additional research by the RAND Corporation in Houston that says people that are homeless have some of the same issues as people that are chronically homeless by definition. We do not completely understand the freed-up resources because if people are chronically homeless and need the resources for permanent housing, permanent housing is housing that remains forever. So we do not understand how resources are freed-up if you provide permanent housing for people over a period of time.

Mr. SCOTT. Thank you very much, Mr. Chairman.

Mr. RENZI. I thank the gentleman. I want the gentleman to know I am willing to work with him, too, maybe during the markup period at looking at what an amendment might be on the definition, particularly given all the testimony we have gotten here today.

The gentleman from Alabama, Mr. Davis.

Mr. DAVIS. Thank you, Mr. Chairman. Let me begin my comments by saying that while I think I agree with a lot of Ms. Waters's comments that there are some well-founded objections to this legislation, I do think that this needs to be said on the outset. Mr. Renzi has certainly shown a remarkable commitment on this issue in the last year-and-a-half, and not just with the work that he is doing today.

As we speak, the agriculture appropriations bill is being marked up and Mr. Renzi and I are cosponsors of a bill that will allow guarantee fees to be included in financing for FHA loans, USDA loans. That is, I think, the fourth or fifth time this year that Mr. Renzi has been successful in getting a bill of his enacted into law. I certainly want to thank him and it is something that people in this room should know.

Let me pick up, if I can, on Mr. Scott's questions. Obviously, you have heard from a number of people on this panel, from a number

of yourselves, about the weakness of the definition of "chronically homeless." The overwhelming majority of you were supporters of this bill. Those of you who are supporters, how many of you are wedded to that definition? How many of you think that it is critical to the efficacy of this bill that the definition remain as it is now? Any of you? As we used to say in the courtroom, let the record reflect that no one answered that question affirmatively, and several nodded their heads negatively. So let's work from that assumption.

One of the things that is striking to me is that under both the McKinney-Vento formula and under this formula there is a tendency to fixate on people who are homeless because of long-term issues in their lives such as disability or alcoholism or mental illness. It strikes me that there is another emerging population of homeless people who fall frankly outside the ambit of all these bills, and I want to talk about that for a minute.

Given the dislocations we have had in this economy in the last several years, given the fact that in my opinion and the opinion of a lot of us on this committee, the economic inequality in this country is widening and we are pushing people onto the margins who have never been on the margins before. There is a new class of people who are homeless not because they are mentally ill, not because of any lifestyle issues, but simply because they cannot afford to make payments which are unbelievable in a lot of our major urban areas. The price of rent in DC, San Francisco, Boston, you have a lot of people who do not come anywhere near the profile of homeless who fit that category because they cannot afford $2,500 a month in rent.

Can any couple of you talk for a moment about what we could do to address that problem of people who have fallen into short-term economic distress?

Ms. ROMAN. If I could speak to that, I have two observations. The first is, we want to avoid a situation in which having a housing crisis enter the homeless system and cannot get out. That is what is happening now. Anybody who has a housing crisis enters the homeless system and their stays are becoming longer and longer because there is no exit strategy. So we need to get people back into housing faster. The way we do that is by increasing the supply of affordable housing.

So this is not a homelessness issue. This is a housing affordability issue. We need a strong rent subsidy program like Section 8 and we need a production program like the National Housing Trust Fund or other production programs. I think we need to be careful not to try to solve the entire housing affordability issue of the country through the homeless programs. We ought to strengthen the affordable housing infrastructure and avoid people becoming homeless in the first place.

Mr. DAVIS. Do any one of you think that the Administration's proposed changes in Section 8 over the last several years are a good public policy goal for this country? Does anybody on the panel think that? As we used to say in the courtroom, let the record reflect that nobody bit on that one either.

[Laughter.]

Let me close on this observation with you, Mr. Whitehead. The nature of these hearings is that there are a lot more of you all wit-

nesses than there are of us members who were here, and there are a lot of lobbyists out there and a lot of interns and a lot of staffers, and they miss a lot of what is said. So I want to make sure people heard something that you said today.

If I understood you correctly, 10 years ago you experienced a situation of temporary homelessness. That is something I want people in this room to hear for two reasons. First of all, no one looking at you today would recognize that. That is important because it shows us that the profile of this problem does not always look like the people we suspect.

Second of all, if I can just take 30 seconds to make this point, you acknowledge that the rehabilitation in your life happened in part because of publicly assisted and guarantee programs. It is important for us to know that because every now and then on this committee and all the others, we tend to reduce these problems to an analysis of numbers and we get caught up on the merits of not doing anything versus not doing enough, and we have all these abstract arguments.

Every now and then it is important for somebody to come in here and tell us that there is a power in what we do, and that power is the ability to every now and then shape the lives of individual people. So I wanted to make sure everybody in this room who might have missed your success story in the midst of all the interruptions, to make sure that they heard it because it speaks to ultimately what this institution can do.

I will yield back.

Mr. RENZI. Mr. Davis, thank you for your articulation, as always substantive.

We are going to go ahead and dismiss this panel. Let me say to you, thank you very much. I am open to an amendment on the definition of homelessness, given the fact that you all brought great arguments to the dais today I think most of us here in this room agree with, and I was part of the ones that did sign on to the Section 8 letter that was worried about that issue. I would also say that this is new money. It is not money taken from one program for another. The motive was simply to target a specific area where we could make some gain, again not to, and I know there are tons of issues out there that we can deal with, and hopefully in that targeting make some people's lives better.

Thank you for coming all the way from all your homes and towns, and for being part of this. Let the record reflect that the chair notes that some members may have additional questions for this panel which they may wish to submit in writing. Without objection, the hearing record will remain open for 30 days for the members to submit written questions to these witnesses and place their responses in the record.

We dismiss the first panel and welcome the second panel, and also welcome our chair, Mr. Ney.

Chairman NEY. [Presiding.] I want to thank the second panel for your patience. We have the Honorable John W. Hickenlooper, Mayor, City and County of Denver, Colorado; Mr. Philip Mangano, executive director, Interagency Council on Homelessness.

I am going to defer to Chairman Baker for the introduction of the third panelist.

Mr. BAKER. Thank you, Mr. Chairman. I want to express my appreciation to you for courtesies extended in providing an opportunity for the Mayor of my principal municipality in the Sixth District of Louisiana to be able to be with us this morning, Mayor Bobby Simpson. The Mayor has been an outspoken advocate for housing reform within our community.

We have been a fortunate recipient of a significant Hope VI grant providing for the first time significant HUD resources to revitalize housing in a very depressed area of the city. The Mayor has been a leader in this arena and I think one of the first cities to demonstrate leadership with regard to the Samaritan Act in formulating their own visionary plan. I wish to extend a warm welcome to the Mayor and my deep appreciation to you, Mr. Chairman, for the courtesies extended.

Thank you, Mr. Chairman.

Chairman NEY. I want to thank the Chairman for his introduction.

We are going to start with the Honorable Bobby Simpson. Is it true it is Mayor-President in Louisiana?

Mr. SIMPSON. Yes, sir. We are in a consolidated form of government. I am actually Mayor of the city of Baton Rouge and President of our Parish or County.

Chairman NEY. That is great. We will begin with you, Mayor.

STATEMENT OF HON. BOBBY SIMPSON, MAYOR-PRESIDENT, BATON ROUGE, LA

Mr. SIMPSON. Thank you.

First of all, let me thank my Congressman, Richard Baker, for the courtesies extended to us. He has been a partner with us in changing some of the affordable housing stock in Baton Rouge, Louisiana. We have made significant improvements to single-family homeownership in our community.

I also want to thank Mr. Mangano for making several trips to Baton Rouge, Louisiana and being part of us and helping us to establish our 10-year plan, one of the first, probably the first in the State of Louisiana and one of the first in the south.

As Mayor-President of East Baton Rouge parish, I represent a diverse community of both rural and inner-city. Our community has been fighting the problem of chronic homelessness. The problem of chronic homelessness is not just a big city problem. It is a problem that affects the communities across the country, both large and small, urban and rural.

We have formed the Mayor's Task Force to End Chronic Homelessness. This task force was established to link and expand the local network of homeless service providers to include businesses, schools, law enforcement and the faith community. Our goal was to create a one-stop shop for homelessness support. No one agency will be able to solve chronic homelessness. This has to be a collaborative community effort.

As a community, we took what we have learned from our Mayor's Task Force to End Chronic Homelessness and applied it to our 10-year strategic plan. Our 10-year plan is an example of the way that private and public agencies can come together to strategically co-

ordinate and collaborate in the development and implementation of a community-wide plan to end chronic homelessness.

Our Office of Economic and Community Development, along with entities such as the Capital Area Alliance for the Homeless, Volunteers of America, Salvation Army, St. Vincent de Paul Society, Myriam's House, Catholic Community Services and other nonprofit providers represent a diverse and strong community response, which includes both faith-based and traditional nonprofit provider organizations.

As president of the Louisiana Conference of Mayors, the 10 big cities in the State of Louisiana, I am very familiar with the Samaritan Initiative. In June 2003, the U.S. Conference of Mayors met and passed a resolution endorsing the Administration's effort to end chronic homelessness and supporting the 10-year planning process for cities. On January 15, 2004, East Baton Rouge parish unveiled its 10-year plan to end chronic homelessness. The City-Parish of Baton Rouge supports the concept of single application process

Mr. Mangano from the Interagency Council was with us for that announcement.

The City-Parish of Baton Rouge supports the concept of the single application process provided by the Samaritan Initiative. It fits ideally into our City-Parish efforts of a one-stop shop for homelessness services. We support the housing strategies that move the chronic homeless from the streets and shelters into housing. We have created the Neighborhood Housing Network to partner with the city to utilize adjudicated properties for developing housing for the homeless. We continue to identify available land to construct Housing First homeless development.

We have formed a partnership with the Baton Rouge Police Department to create the Homeless Triage Center. This center gives police somewhere else to bring the homeless instead of incarceration. The Homeless Triage Center puts the client in touch with proper services to help end chronic homelessness. The goal is to have all our assets working together. East Baton Rouge Parish has many services, but for them to have the most effect there needs to be collaboration and strategic partnerships. The Samaritan Initiative encourages this collaboration and partnership.

Chronic homelessness is a challenge we must fight together. It is not just a big city problem. Chronic homelessness affects us all. This is a problem that taxes our police department, health services, and our community. No one agency will be able to solve it. To accomplish our goal of ending chronic homelessness, local, State and federal entities must work together to maximize our assets. I truly believe that in the world's most prosperous country, it is unacceptable to have men, women and children living on the streets. A home is fundamental to an individual's happiness, health and success. I am committed to our community's effort to end homelessness in Baton Rouge.

We wish to thank the committee for allowing us to testify. Thank you, Mr. Chairman.

[The prepared statement of Hon. Bobby Simpson can be found on page 148 in the appendix.]

Chairman NEY. Thank you, Mayor.

Usually we go on and move on to the other witnesses, but as I understand it you have to be out at 12:30. So if there are any questions for the Mayor now, we will then move on.

Mr. Baker.

Mr. BAKER. Thank you, Mr. Chairman.

Mr. Mayor, one of the areas where I know we have particular difficulty in Baton Rouge is with homeless veterans. If there is any segment of our population that may deserve special treatment, it is those who have served the country and now find themselves out on the street.

Is there any particular portion of the Samaritan program that speaks to that particular segment of the population? Is it generally blind and it is up to the local community to identify the needs? Finally, what else can be done, in addition to the basic boilerplate? I understand the funds for the Samaritan program are fairly limited, about $70 million nationally. Obviously, one answer from a Mayor is always more money.

Mr. SIMPSON. That is right.

Mr. BAKER. But is there any other additional resource, help? What else could we do to work more effectively with you in meeting these needs?

Mr. SIMPSON. More money.

[Laughter.]

No, I think Mr. Mangano will address that a little bit in his testimony. The VA is part of the collaboration under the Samaritan Initiative. A lot of the things that we talk about, including the Section 8 vouchers, are about rental properties. To me, chronic homelessness, to end it you have to establish homeownership. I think that is one of the mandates and one of the basic tenets of what we are all working on is true homeownership for all.

We have had this discussion over the last couple of hours about whether you need to change Section 8 or whatever, but we have a housing stock problem in this country. In my own parish, we are building $200,000-plus houses, but we are not building the $100,000 starter homes. This is an issue that faces the young folks that are growing up, but it also affects anyone that has a major health problem, which many of our veterans do.

So I think the collaboration that is there with the Samaritan Initiative is something that will help us all in solving that problem, particularly as it relates to veterans.

Mr. BAKER. Thank you, Mayor.

I yield back.

Chairman NEY. Mr. Davis?

Mr. DAVIS. Thank you. I will be brief, Mr. Chairman.

Mayor, let me take advantage of your expertise at the local level to get a little bit of insight from you on Section 8. I understand the thrust of your last answer is that you believe there is a major housing stock problem. I do not think it is an either/or and I do not necessarily disagree with that observation, but I do not think it is an either/or.

Mr. SIMPSON. Right.

Mr. DAVIS. Let me ask you this, how long have you been Mayor again?

Mr. SIMPSON. Off and on for 12 years.

Mr. DAVIS. All right. Over that 12 years, obviously you have had a chance to work with the Section 8 program. Do you believe that the Section 8 program is somehow overfunded, that we are putting too many resources into it?

Mr. SIMPSON. I do not believe any federal program that filters down to the local level is ever overfunded. We need more money.

Mr. DAVIS. Do you have any agreement or any sympathy with the Administration's decision back in April that will lead to the elimination or the reduction of Section 8 vouchers?

Mr. SIMPSON. No, not exactly. I mean, again we were called here on the Samaritan Initiative.

Mr. DAVIS. I understand that.

Mr. SIMPSON. We do not see what is going on behind the scenes with some of your dictates and discussions.

Mr. DAVIS. But you see what is going on above the scenes, and from what you are saying you think Section 8 is something that is a good valid commitment from the government.

Let me ask you this question, do you have any explanation or do you have any clue why the Administration, because frankly a lot of mayors agree with you. I have not heard from any mayors who have a different perspective on Section 8 than you do. Do you have any explanation of why the Administration seems to be in a different place on Section 8 from where the overwhelming majority of Republican and Democratic mayors are?

Mr. SIMPSON. No, I do not.

Mr. DAVIS. Have you shared that with Mr. Baker and any of your friends who may have the ear of the Administration?

Mr. SIMPSON. No. All I can tell you is I am a member of the National League of Cities and we support the Samaritan Initiative, but we also support Section 8. We are still having the housing issues that just about any city of any size is having.

Mr. DAVIS. What about Hope VI? Is Hope VI also a good, valid program?

Mr. SIMPSON. Hope VI, we are a recipient of Hope VI, we are very, very proud of it.

Mr. DAVIS. How many Hope VI programs are going in your community right now?

Mr. SIMPSON. Just the one.

Mr. DAVIS. When was that one launched?

Mr. SIMPSON. Last year.

Mr. DAVIS. Last year? And do you believe that something is going to be in effect a program for housing in your area?

Mr. SIMPSON. Yes.

Mr. DAVIS. And you do not support the elimination of Hope VI, do you?

Mr. SIMPSON. No.

Mr. DAVIS. I do not know very many mayors who do. Have you communicated to Mr. Baker or to the Administration your confidence in the Hope VI program?

Mr. BAKER. Would the gentleman yield on that point?

Mr. DAVIS. I will.

Mr. BAKER. It was because of his effective congressional representation and continued unswerving commitment to excellence.

[Laughter.]

Mr. SIMPSON. Exactly what I was going to say, Congressman.

Mr. BAKER. Fighting the odds against many large urban centers which take most of the Hope VI money that our small community was able to get a few crumbs and help our Mayor take an excellent step toward progress in helping those underserved in our community.

I thank the gentleman for yielding.

Mr. DAVIS. Reclaiming my time, I welcome that commitment and I hope that your testimony and Mr. Baker's testimony, as it will, is one that is heard by the Administration.

I yield back.

Mr. SIMPSON. Thank you, sir.

Chairman NEY. Are there other questions? Mr. Scott?

Mr. SCOTT. One quick one, Mr. Mayor. In your opening comments, you mentioned your preference for homeownership over rental units. The Millennial Housing Commission's report, have you read that?

Mr. SIMPSON. No, sir.

Mr. SCOTT. It states that the lack of affordable low-income rental units is by far the more serious problem. On the panel before I asked the gentleman from Philadelphia and others about rental assistance. It appears to me that the general national opinion runs counter to yours. I was wonder why is that?

Mr. SIMPSON. In my personal opinion, again I am giving you my personal feelings, I believe that homeownership is tantamount to being American today. I think we need to move all of our goals towards homeownership. I agree with Mr. Davis's comments, we cannot do one without the other. You cannot take the population that are having to live in the rentals and just do away with the program. But to me, if we can transition from rental into ownership, and that requires a tremendous collaborative effort with the building of new homes and the affordability of those homes. To me, that is the issue that we are facing as a nation today is the affordability of single-family homeownership.

Mr. SCOTT. Would you say that might be unique according to the region of the country?

Mr. SIMPSON. I think so. Some of the things in Louisiana, and particularly Baton Rouge, you can almost buy as cheap as you can rent. So that may have something to do with some of the things you are talking about.

Mr. SCOTT. Right, especially on some of the real hardcore urban centers where housing stock is not as plentiful, say, in Denver or Atlanta.

Mr. SIMPSON. And with the deterioration of inner-cities and the revitalization efforts that are going on, if we can put some programs together that can make low-income housing affordable to where the folks that are already living there can move from the rental vouchers, and take those vouchers into homeownership which, to me, that is a good program also.

Mr. SCOTT. Are you comfortable with the definition of "chronic homelessness"? Or do we need to write one, and if so what would it say?

Mr. SIMPSON. I think he has already said that he would be willing to take a look at that. You know, we create a specific program,

this Samaritan Initiative, to target a particular population. It seems that it is getting caught up in all the other programs that are available. I do not think you throw the baby out with the bath wash.

This is a program from a local government aspect that is very needed, because when you have 10 percent of the folks that are involved using 50 percent of our resources, and a lot of times for some of the cities with no mechanism in place to even move them off of the street anywhere else. So a lot of times the frustration from local governments is you just do not tend to deal with it. So the program continues to grow and you get a larger homelessness section. So if it is a definition aspect, I think you gentlemen need to work that out yourselves.

Mr. SCOTT. Thank you, sir.

I yield back.

Chairman NEY. Any further questions? Mayor, I want to thank you. I know you have to leave.

Mr. SIMPSON. Thank you.

Chairman NEY. Thank you. I appreciate your trip to the capital and your testimony.

Next, we will go to the Honorable John Hickenlooper. Mayor?

STATEMENT OF HON. JOHN W. HICKENLOOPER, MAYOR, CITY AND COUNTY OF DENVER, CO

Mr. HICKENLOOPER. Good morning, Chairman Ney, other members of the subcommittee. Thank you for this opportunity to testify before you in support of the Samaritan Initiative Act.

I was only elected a year ago and had never really been involved in political campaigns. I did, as an entrepreneur, develop housing as a private individual and also did affordable housing. One of the reasons I ran for office was the lack of nonpartisan collaborative and programs with measurable outcomes. I think that is one of the things that this Samaritan Initiative act really stands for.

You have heard about most of the details already so I will not bore you with that. In Denver, we received last year $1.9 million from HUD in the Shelter Plus Care Program over 4 years. We subgranted that out to the Colorado Coalition for the Homeless, who have since receiving the first funding in January have already placed 47 out of 60 of the individuals in that program for the chronically homeless.

I also want to thank Mr. Mangano and the Interagency Council on Homelessness for really addressing this issue in a collaborative way and bringing together, especially those of us on a local level and new to government. The matrix of services and how to patch them together is often challenging. I think that this initiative is a second step in making a seamless approach to addressing homelessness.

One of the major issues we face in Denver is our hospital, Denver Health, our large urban hospital which is the major, by far, provider of indigent care and spent over $44 million last year on healthcare for the homeless. That has driven us. That has grown by over 20 percent for the last 2 years and driven us to be on the precipice for the first time in our history of considering specifying

certain types of care that we would no longer be able to give to indigent people.

I am also, in addition to representing the people of Denver today, representing mayors from across the country. Last month, the U.S. Conference of Mayors enthusiastically endorsed the Samaritan Initiative Act of 2004 as a vital first step in addressing some of the issues around chronic homelessness. At the same time, the U.S. Conference of Mayors also enthusiastically endorsed maintaining full funding for Section 8. I think it recognizes that Samaritan is a complement, and not a substitute for that funding, and that you cannot do one without the other.

I am assured and am confident that the Samaritan Initiative would help Denver and many other cities bring an end to chronic homelessness and be a major step to ending homelessness altogether. Again, as someone who ran for measurable outcomes, to see we now have over 125 cities committed to ending homelessness in 10 years. That is something that those of us outside of government have rarely seen. I see it as incredibly encouraging. This initiative, again, is one of the steps to get to that destination. I hope that we can get all of your support for that.

Thank you for your attention today, as well as your support of Denver and other communities as we work together to end homelessness.

[The prepared statement of Hon. John W. Hickenlooper can be found on page 76 in the appendix.]

Chairman NEY. Thank you for your testimony.

Mr. Mangano.

STATEMENT OF PHILIP MANGANO, EXECUTIVE DIRECTOR, UNITED STATES INTERAGENCY COUNCIL ON HOMELESSNESS

Mr. MANGANO. Thank you, Chairman Ney. I want to give a special thanks to Mr. Renzi for sponsoring the Samaritan Initiative legislation. I believe it is an important next step in the efforts to end homelessness, and specifically focusing on chronic homelessness in our country.

In this room are a number of the federal partners from HHS, HUD and VA and Labor who have worked to reduce the statutory, regulatory and cultural barriers to make the Samaritan Initiative possible. Without them, this unprecedented collaboration would not have been possible.

From all those who have testified today, some who I have known for many years during my 24 years of advocacy for homeless people, mostly spent in Massachusetts, what I heard was a near-unity in support of the Samaritan Initiative. In the President's fiscal year 2003 budget proposal and then again in his 2004 and 2005 proposals, he has called on this nation to end chronic homelessness in the next 10 years, the homelessness of those most likely to be on the streets of our communities, severely disabled by mental illness, addiction or developmental disabilities, and tragically those most likely to perish on those streets from exposure.

Cabinet secretaries and agency and department heads have responded, and the revitalization of the U.S. Interagency Council on Homelessness has convened 20 federal agencies in the Administration's response. Not only is this Administration reorienting its

homelessness resources to accomplish the objective, investing deeper resources in the prevention of homelessness and providing technical assistance through policy academies for states to partner with Washington in making mainstream resources more responsive and available to homeless people, the president has also proposed the Samaritan Initiative.

Mr. Renzi, as lead sponsor and others who have signed on, understand that the Samaritan Initiative represents a new approach to our country's effort to reduce and end the national disgrace of homelessness. Disabled homeless veterans who live in encampments in the woods in rural areas or who forage for food from dumpsters in our cities; homeless mentally ill elders wandering the streets of our communities, sleeping in doorways or long-term in overcrowded shelters; those with the disease of addiction on the streets of every city in our country; physically and developmentally disabled men and women who wrestle with homelessness in their treatment and their recovery; these and others are the focus of the Samaritan Initiative.

As the name implies from that old story, this initiative is targeted to those who are on the side of the road, on the street, long term in shelters, long term in homelessness. Others ignoring their plight, indifferent to their situation, insulated from their presence, have walked by. The Samaritan Initiative is saying that we are going to stop. Federal agencies and our governmental partners in statehouses, city halls and county buildings, and our private sector business partners and our community and faith-based partners, we are going to stop and ensure that those who are on the side of the road are moved toward housing and the services they need to stabilize their lives, treat their ailments, and sustain their tenancies.

That is what the Samaritan Initiative is, supporting neighbors. We have all long understood the moral and spiritual and quality of life issues attending to these lives. But the recent research tells us that there is another compelling reason to respond, economics. Across our country, study after study from Seattle to New York, from Columbus to Denver, is telling us that those experiencing chronic homelessness on our streets are some of the most expensive citizens in our communities. A recent study in San Diego demonstrates this new understanding.

The City and County of San Diego commissioned the University of California at San Diego to follow people who are experiencing chronic homelessness on their streets. The presumption was that these people did not cost very much; that they slept on the beaches and in the parks and on the streets of San Diego, and that they begged for what they ate and what they drank.

But when the city and county engaged the university in the study, they uncovered a different story. Their research following just 15 chronic street inebriates for 18 months revealed that the 15 people had 299 entrances into the emergency rooms of local hospitals, similar to what Mayor Hickenlooper described in Denver. In that period, they were usually taken by ambulances and EMTs to those 299 entrances at the cost of nearly $1 million to the city and county of San Diego.

When acute substance abuse and mental health treatment were added for the 15, plus law enforcement interventions and tem-

porary incarcerations, the total cost for the 15 in the 18 months was $3 million, or an average of $200,000 per person. San Diego knew that they could do better. Through results-oriented, cost-effective planning, they are, through their SIP program and a 10-year planning process.

What was most disquieting and the cause of much frustration to those city officials was that after the expenditure of $3 million or $200,000 per person, those 15 were in the same condition and the same situation as before the funds were spent. Those ad hoc siloed crisis interventions were expensive and ultimately ineffectual in remedying the situation or improving the condition.

A long time ago, Einstein warned us that a certain sign of insanity is doing the same thing over and over again, expecting different results. Well, the Samaritan Initiative aims to break that cycle on our streets and in the shelters of our country. How? First, moving from ad hoc, siloed crisis responses to coordinated strategic solutions, starting in Washington where three federal departments, HUD, HHS and VA, are partnering in the unprecedented Samaritan Initiative to ensure that housing and service resources are available together in a single application, and through that coordination requiring a similar coordination in communities across the nation. Samaritan leaves room for other of the 20 federal agencies now partnering in the United States Interagency Council to join that effort.

Second, the Samaritan Initiative moves beyond simply funding programs to investing in results. The bill calls for grantees to measure outcomes and quantify results.

Third, the Samaritan Initiative challenges the status quo of homelessness in calling for a new standard of expectation that we will see visible, measurable and quantifiable change on our streets, in our programs, and especially in the lives of homeless people. No longer are we content to shuffle homeless people from one city to another, from one side of town to another, or from one homeless program to another, or from the street to treatment and back to the street. The Samaritan Initiative, along with the prevention resources proposed by the president in his budget, offer a whole prevention and intervention strategy to reduce and end chronic homelessness.

Fourth, the Samaritan Initiative offers to our state and city and county partners, such as Mayor Hickenlooper and Mayor Simpson, new resources to invest in the results-oriented 10-year plans that they are creating across the country from Massachusetts to Chicago, from Minnesota to San Francisco. The Council has partnered now with 46 Governors in the creation of State Interagency Councils, and with 127 mayors and county executives in the creation of 10-year plans to end chronic homelessness.

This partnership that literally extends from the White House to the streets, moves through 20 federal agencies, statehouses, city halls, in partnership with the private, nonprofit and faith-based sectors, along with homeless people themselves, partnerships to create results-oriented, cost-effective plans, driven by data and research and performance and outcome-based.

Samaritan is an investment in these plans and partnerships, and indicates our nonpartisan support to reduce and end homelessness

on our streets. In developing these city plans, we have worked closely with the U.S. Conference of Mayors, who have agreed with us that on this issue of homelessness, partnership trumps partisanship. There is no D or R or I on homelessness. We are just Americans partnering to end a national disgrace.

Congress has received two letters from over 80 mayors endorsing Samaritan. The U.S. Conference of Mayors endorsed the Samaritan Initiative last month at its annual meeting. A number of national homeless, faith-based and issues-related organizations have endorsed it as well, as have individual provider agencies.

But the most important endorsement for Samaritan comes from the field, from the streets. Last year's precursor to the Samaritan Initiative, the Collaborative Chronic Homelessness Initiative, has produced results. Invested in 11 cities across the country, initiatives begun earlier this year such as the one in Denver have already found the target and hit the bull's eye. Hundreds of those who have been on our streets for years, and long term in our shelters, have moved into permanent, supportive housing and are staying there. By the end of the year, hundreds more will join them.

When we make any investment, we should expect a return. The return we are looking for from Samaritan is that people will move off the streets, out of long-term homelessness stays, into housing and stay here. We are doing and getting just that. The investment in the Samaritan Initiative will produce those results and move us further away from punitive responses that just have not worked.

Samaritan offers us an opportunity to meet our spiritual and moral obligations to the poorest, to improve the quality of life in our communities, to save money on homeless and healthcare systems, to foster deeper and more collaborative relationships in Washington, and then between Washington and our nation's communities, and to move beyond the status quo to results and efficiencies.

Finally, when our country says that we will no longer tolerate chronic homelessness; we will no longer tolerate a homeless veteran foraging for food from a dumpster; we will no longer tolerate a mentally ill person finding their sleep on our streets; we will no longer tolerate a homeless elder succumbing to exposure; when our toleration of street homelessness diminishes, our country's soul will feel the healing. That remedy will move us closer to the day when everyone in our communities will be known by a single name, neighbor, and treated as one.

The Samaritan Initiative moves us as a nation beyond indifference and insulation and allows us with all of our partners to stop on the side of the road for our neighbor.

Thank you.

[The prepared statement of Philip Mangano can be found on page 79 in the appendix.]

Chairman NEY. I thank you for your testimony.

The gentleman from Arizona.

Mr. RENZI. Thank you, Mr. Chairman. I appreciate this panel and thank you for taking the time.

I want to ask, when we looked last year at the initiatives that were put together, there was a collaborative grant process that had some money behind it. We had a little bit of feedback where it

talked about some of the bugs needing to be worked out. Apparently, the process is new. It is a little bit burdensome. As we move forward with the hope that the Samaritan bill will move, and again open to possibly some clarifications, what would it look like as far as the actual process? What kind of lessons learned from last year could we apply that we will not be bogged down in implementing this? Mr. Mangano?

Mr. MANGANO. First of all, we received the same feedback. I think it is to be understood that what we were attempting to do with the collaborative initiative, which is the precursor to the Samaritan Initiative, was unprecedented. Never before had three federal departments, involving four federal agencies worked together on a single notice fo funding availability for homelessness resources to provide to the field what they would need to end chronic homelessness housing and service resources together.

So it was unprecedented, and therefore it was a prototype of what needed to come. I think we all remember the first cell phones. They were cumbersome. Sometimes they worked, sometimes they did not. You needed a little briefcase to carry them around. Well, in a similar way the collabarative initiative of last year was a prototype. It was cumbersome.

What we have done with the Samaritan Initiative is to streamline that process, make the funding more flexible in terms of the pooled resources that would be available. The United States Interagency Council on Homelessness fielded all of those responses from the field and that information was brought to the agencies. Many of those agency personnel are here and because of the work done on the Collaborative Initiative to identify the statutory, regulatory and cultural barriers, they were able to put the Samaritan Initiative together.

Mr. RENZI. Thank you. The first panel did a great job of unanimously looking at the classification situation and saying, well, we understand that you are trying to target something here. I really was looking at the idea of going after those 15 individuals that you talked about who we are describing as chronic homeless. Is there a better way for me to describe that in defining it?

You hear from the testimony from the gentleman from California who talked about families being now one of the growing sections. I am the father of 12 kids. I do not want to turn my back, especially on children. But again, this was meant to be a specific arrow of that specific group, particularly that came out of that study of 15. Also I heard great testimony from the gentleman who talked about seasonal homelessness, how particularly in the cold regions of America those seasonal individuals maybe go inside and be temporary homeless, but then they would be restricted because they do not meet the 1-year definition that was brought out.

So could you help me refine what is the chronic portion that we are going after?

Mr. MANGANO. Sure. First of all, I think it is important to understand that not only is it one study, but it is multiple studies across our country that have indicated that people experiencing chronic homelessness are the people most likely to die on our streets, to be disabled, and they are the highest cost in healthcare systems. When I go around the country and meet with people in cities and

I ask to look at the lists of people who have died on the streets in their cities, nearly every person fits exactly the profile of people experiencing chronic homelessness. When I talked to mayors like Mayor Hickenlooper from Denver and other mayors around the country and they are talking about the people who are in their emergency rooms, they meet the definition of chronic homelessness here.

There is no question that the full policy of this Administration is to address all of homelessness, and much of that was addressed in the testimony that was giving to the committee by HUD wherein they indicate that nearly half of the persons to be assisted by the homeless assistance funds invested by HUD are homeless families. HUD's funding assisted over 200,000 families including 350,000 families in the latest round of McKinney funding.

As you said, this is exactly a specifically targeted initiative meant to make an intervention in the lives of people who are on our streets and long term in shelters. There are resources addressing other populations. There is no need to put every population into the Samaritan Initiative. It is meant as that arrow that you described. Certainly, there are many other initiatives addressing the homelessness of other profiles of homeless people.

Mr. RENZI. I appreciate it. Mr. Chairman just for a few more seconds, if we look at the chronic homeless, particularly those most in need on the street, the 15 particularly in the study, and that is the arrow I was trying to shoot here, those individuals who may live in the cold regions of America and necessarily be brought into a temporary shelter, this bill right now in its current language would restrict those individuals from being part of our initiative. While we may be putting and looking at the chronic homeless, those individuals that we talked about, and we are talking about individuals rather than families, and not turning our back on the families, would you be open to the idea of expanding the definition on the seasonal side of it?

Mr. MANGANO. Actually, this definition was derived by a series of conversations and deliberations that were made by HUD, HHS and VA over a 9-month period, really attempting to refine the definition to come to terms with what the research was indicating to us. The definition attempts to be research-and data-driven. It is not quixotic in terms of having someone come up with a definition, but it responds to the research that is being done.

Needless to say, to the degree that there are other concerns, I think other initiatives are being fostered to address concerns of other profiles of homeless people.

Mr. RENZI. Thank you, Mr. Chairman.

Chairman NEY. Thank you.

The gentleman?

Mr. FRANK. Thank you, Mr. Chairman.

Mr. Mangano, you mentioned the mayors resolution in support of this program. Have you seen their resolution on supporting Section 8 HUD funding?

Mr. MANGANO. I was actually at the U.S. Conference of Mayors meeting and heard both of these resolutions brought before the Housing Committee.

Mr. FRANK. Okay. It did seem to me relevant to mention both of them, because here is my question. And of course the Section 8, and I would ask unanimous consent to put that into the record, it is very critical of HUD's position with regard to Section 8. I believe Mayor Hickenloooper referred to it in his testimony to the need to have Section 8.

My problem is you say we are going to end homelessness. I am all in favor of that, but I am also skeptical of our over-promising. Do you believe we now have enough affordable housing units to end homelessness in this country, available to the homeless?

Mr. MANGANO. I think we have made it clear through the research that has been conducted independently of the Administration and in documents that the Administration has talked about, that we need to provide for 150,000 tenancies over the next 10 years with the objective of ending chronic homelessness.

Mr. FRANK. That would be additional units. Are these additional units to what we are now doing?

Mr. MANGANO. I think part of the notion was to both access what units exist——

Mr. FRANK. You are talking like a bureaucrat. Can we talk like real people here? Are there going to be additional units or existing units?

Mr. MANGANO. They will be additional units in the lives of people who experiencing chronic homelessness. Whether they are brand new units that are produced, that is a question that is now being focused on.

Mr. FRANK. Not produced, because we are not talking about necessarily new production, but made available. Here is the problem. Mayors are telling us that because of the policies of your Administration, they are having trouble solving the problems now.

I am all in favor of ending homelessness. I think it would be a terrible error, and I am sure you agree, if we did that at the expense of existing people in this. You do not want to set up a fight between working families who need Section 8, at the working low-income, and the homeless. That is why I am asking you, does this anticipate an increase in the number of units that are made available for affordable housing through federal help?

Mr. MANGANO. Part of the work that we are doing in the Administration right now, just as we have called on states and cities to develop 10-year plans, we are working within the Administration right now in terms of developing precisely a strategy that will get us——

Mr. FRANK. Can I ask you the question again? Please. I am glad you have plans, but these are fairly specific questions. Do you think we have enough units right now under the current budgetary situation? Let me put it this way, do you anticipate finding more permanent housing for homeless people than we now have?

Mr. MANGANO. Absolutely, and that is——

Mr. FRANK. Okay. Do they come from new units made available under federal programs? Do they displace existing people? That is the problem we have. I want to do this. I want to accommodate this. But I think you are kidding people if you suggest it can be done within the existing allocation of——

Mr. MANGANO. Both the collaborative initiative of last year that was described by both Mayor Hickenlooper and myself, and the Samaritan Initiative of this year, are housing initiatives. They are both targeted to the creation of more housing specifically for this population. So the trajectory is precisely to create more units.

Mr. FRANK. Okay. So how are you going to create more units? So you do agree we need to create more affordable units. The problem is you are working for the Administration that is cutting back on them, according to the mayors who you are working with. The mayors say, mayors and their residents who receive Section 8 vouchers are facing a serious crisis as a result of a policy guidance from the U.S. Department of HUD where approximately 250,000 Section 8 vouchers would be eliminated across the country based on the fiscal year 2005 proposed funding request.

I have a disconnect here. You say that this assumes more units, but the mayors whom you cite, and I assume you cannot turn the mayors on and off, much as you might like to, if you cite them in support of your initiative, we have to assume they are still valid on the support of the general one. Do you agree with the mayors' characterization of the fiscal year 2005 funding request's impact?

Mr. MANGANO. First of all, I have never found myself able to turn off and on mayors. I find that they respond to results——

Mr. FRANK. Good. Could you answer my question now? Do you agree with their characterization that the fiscal year 2005 proposed funding request will eliminate 250,000 Section 8 vouchers and result in unforeseen housing and financial hardships by the most needy of our low-income population of working poor. That is the mayors. Do you agree or disagree with that statement?

Mr. MANGANO. As you know, in Massachusetts there were two significant housing programs——

Mr. FRANK. Excuse me. Do you agree or disagree with the mayors' statement? Mr. Mangano, you know better than that. I am not asking you about what we did in Massachusetts. Nobody cares. They have heard too much about Massachusetts lately, frankly. They will be talking it about it all day tomorrow in the Senate.

Let us answer my question now. Do you agree or disagree with the mayors' whereas, that is a straightforward question.

Mr. MANGANO. I am trying to answer that question.

Mr. FRANK. But not by what you and I did in Massachusetts where nobody cares.

Mr. MANGANO. My concern about Massachusetts is that we had a housing program that was specifically targeted to this population, namely the 707 program. Because of a lack of political will there, because people did not want to reform any aspect of that program whatsoever, that program now does not exist.

Mr. FRANK. Okay. Now can I ask you a question?

Mr. MANGANO. The constellation of political will for a housing program——

Mr. FRANK. Now I have to ask you a question.

Mr. MANGANO.—that supports the poor.

Mr. FRANK. Very impressive, Mr. Mangano. I am not asking you about Massachusetts. Will you answer the question, do you agree or disagree with the mayors' comment about the fiscal year 2005 budget request causing this hardship and losing 250,000 units. I do

not understand what that has to do with 707. Would you just tell me——

Mr. MANGANO. My concern is exactly that, about——

Mr. FRANK. Do you agree or disagree with the mayors?

Chairman NEY. Look, let's not do crossfire. The Congressman has asked him a question.

Mr. FRANK. I am just trying to get an answer to that simple question. It does not have to be yes or no. It can be yes but, no maybe.

Chairman NEY. I am not telling you what to answer. I am just saying rather than go back and forth.

Mr. MANGANO. My concern is to sustain political will for the Section 8 program. I support the Section 8 program. I came from many years when I was an advocate for homeless people in Massachusetts, here to Washington to support the Section 8 program. No one wants to see any diminishment——

Mr. FRANK. That is not what I asked you.

Mr. MANGANO.—of people losing housing. The point of the matter, though, is that sometimes, as we learned with the 707 program, when reform is not constellated, you can lose the entire program. So my concern in supporting the Section 8 program is to ensure that it can——

Mr. FRANK. Okay. Let me try one last time. Having said all that, do you agree or disagree with what the mayors said? I am really disappointed at your dancing around this one. I understand the problem. It is a problem because you are part of the Administration, and if you do not want to say so, say so. By the way, I am not aware of specific reforms they have set up here, other than the Secretary saying we have to give it to richer people.

Mr. MANGANO. The flexibility that they are talking about gets to reform.

Mr. FRANK. But what do you think about the mayors' comment in this whereas. Do you agree or disagree in general with what the mayors said?

Mr. MANGANO. Which is about the 250,000 units? I have not conducted that kind of data research so I cannot speak exactly to that. Obviously, I have a concern about the loss of any units that would create more homelessness. I do not know of any appetite in this Administration, in the Council or in the Congress for taking actions that would create more homelessness in this country. It is not a growth industry.

Mr. FRANK. You know better than to think that is an answer.

I am going to close with this. I did not ask you for self-justification. You should not feel you have to do that. I think what you have done on the program is a good thing. But to dance around this critical question, because you know we can do all of the planning, but these people still have to live somewhere.

What we have is, your own allies, the people you quote say yes, but there is a problem. And the people of the homeless coalition. Almost everybody but you, concerned with this program, says it is true; it would be good to restructure it this way, but the people still have to live somewhere. I really am disappointed I cannot get a straight answer out of you.

No further questions.

Chairman NEY. The gentlelady from California, the Ranking Member.

Ms. WATERS. Yes. Mr. Chairman, I think Barney's question makes a lot of sense. I mean on the one hand we have all of this planning. This is an agency that plans. But how do you plan to solve a problem that is being exacerbated by the cutbacks? I guess the philosophy of the Administration that feels that it has been too costly and you have not reaped enough for it, I mean, that is where it seems that you are coming from in your planning.

Having said that, having done studies and you have learned all of this terrific information about chronic homeless people costs cities and counties a lot of money. It is cheaper to keep them than to just let them stay out there and go these emergency rooms and the jails and all where they cost more money.

Now having said all that, who has come up with a model to deal with chronic homelessness? I think we have to recognize some things. These people are mentally ill. They are disabled. They are veterans with agent orange problems, on and on and on. What is the solution?

Mr. MANGANO. You asked for models. I think represented on the first panel are two cities that have done an exceptional job, both Columbus, Ohio and Philadelphia, Pennsylvania, in specifically targeting results-oriented, cost-efficient plans at this population that have moved people off the streets, out of the clogging of emergency rooms, to housing. There are a number of initiatives around our country.

In your home State of California, the Direct Access to Housing program in San Francisco is a perfect example of a program that in fact moves people off the streets, the most complex, the most disabled, targets those people, moves them into housing, provides the support services necessary for their well-being to ensure that they will stay in that housing.

So across the country, there are a number of initiatives exactly accomplishing that objective.

Ms. WATERS. Do you know of a model? I missed some of the testimony, and I am sorry about that. Do you know of a model that basically recognizes that some people barely function. They will never be able to live independently, and that they need to have the kind of support services that places them in a unit where you have centralized services in a complex where there are two meals a day and there are janitorial services and people are able to do what they can do, but that they will never be able to live independently. Do you know of anything that recognizes that?

Mr. MANGANO. There are a number of programs around the country that in fact respond to that issue. But what we are learning more and more is that the strategy of permanent supportive housing, which again provides support services to people who are disabled by virtue of mental illness or addiction, actually that is the model that is most in use in our country. That is exactly the kind of model that we are attempting to fund with the Samaritan Initiative.

Ms. WATERS. No, but I have not seen this. I want to describe it again. I just do not know about it, I guess.

If someone built 200 units of housing and not necessarily would there be another design for families. Say these were for single adults who are severely disabled, who are mentally ill, who will never be able to live independently.

Mr. MANGANO. Yes.

Ms. WATERS. But they can live with some support services, providing they have a clean place to live, someone is preparing the meals and they do some kind of group therapy and work in crafts or day care, whatever. Who is providing that kind of service?

Mr. MANGANO. For example in my home state, we had a special initiative to house people who are homeless and mentally ill. We moved people from the streets and from long term stays in shelters directly into permanent housing, and again provided the support services that they needed. Some of those people needed deep services for a very long period of time, perhaps for the rest of their life.

Ms. WATERS. Those are the only ones I am talking about now. I am talking about the ones that are always going to be on the street unless extensive services are provided.

Mr. MANGANO. Right.

Ms. WATERS. Did this place that you are describing, did it have a central dining room?

Mr. MANGANO. It was actually scattered-site housing, but there are certainly models that have congregate living where people live together, receive their services in the same building, and have meals together. There are many models of that across the United States.

Ms. WATERS. For permanent living?

Mr. MANGANO. That is correct.

Ms. WATERS. Do we have that in Los Angeles? Where is that located?

Mr. NETBURN. There are several throughout the city and the county.

Ms. WATERS. Give me one.

Mr. NETBURN. A Community of Friends projects, and there are some in South-Central that specifically——

Chairman NEY. I am sorry. Can you come to the mike, and that way the record will be clear on it.

Ms. WATERS. Community of Friends?

Chairman NEY. I am sorry.

Mr. NETBURN. Can I state my name?

Chairman NEY. Yes, identify yourself.

Mr. NETBURN. Mitchell Netburn from the Los Angeles Homeless Services Authority.

One provider that comes to mind would be a Community of Friends which specifically develops permanent housing projects for people with mental illness, and some of those people with mental illness are so severely ill that they need a tremendous amount of support services.

Ms. WATERS. I have a design in mind. I want to know if there is a program where you have multiple units that provide services for the severely handicapped, mentally ill, disabled homeless, that is envisioned as permanent living, where you have centralized services, where food is prepared, where you have psychological, psychiatric health services and activities of some sort, where we are

not anticipating that they are going to roll off anywhere. They are going to be there for the rest of their lives. Who has that kind of service?

Mr. NETBURN. As I said, the Community of Friends would be one agency that does, and certainly you offered to come on a tour of some of these.

Ms. WATERS. Tell me where it is. I will be there before you get there. Tell me where it is.

[Laughter.]

Mr. NETBURN. I doubt that. I am on a plane early tomorrow morning.

Ms. WATERS. Where is it?

Mr. NETBURN. There are several. I cannot think of an address, but I know they have facilities specifically in South-Central so I assume there are several.

Ms. WATERS. How many do they have in that facility?

Mr. NETBURN. Their facilities, they tend to be in the 20-to about 60-person range.

Ms. WATERS. Is this the only one that you know about? Any in downtown Los Angeles?

Mr. NETBURN. Again, that would be some of the SRO housing.

Ms. WATERS. SRO usually does not fit this model that I am talking about. SRO just does not fit this model that I am trying to describe to you.

Mr. NETBURN. Some of them do, some SROs have individual units where they have a bath.

Ms. WATERS. And they are on their own.

Mr. NETBURN. Yes, but not all of them. Some of the older ones do not have kitchens, so there are congregate settings. Even some of the newer ones, have a very small kitchen, but they have group social services, and group meals within that facility for the people who either can not cook for themselves or who are not going to cook properly.

Ms. WATERS. All right, let me ask, if I may Mr. Chairman just a little bit, have any units been developed specifically for this population, say, outside of urban areas? Fifty units, 100 units, 200 units, outside the urban area in open spaces that is supported by city, county or federal dollars? Anybody develop any of that, and do we have the services to go along with it if someone developed that kind of model?

Mr. NETBURN. Not specifically in Los Angeles. There are probably some around the country. As you just pointed out, these are expensive models when you are attaching all of those support services, so one of the reasons that we are supporting the Samaritan Initiative is to fund those services.

Ms. WATERS. This will not fund those services, will it? This is not a lot of money. Is this envisioned to support the kind of services I am attempting to describe here? What I would like you, and anybody can answer this, do we all agree that the chronic homeless who are never going to be able to independently take care of themselves, do we agree that that is true?

Mr. NETBURN. There are probably some individuals. We always say we, empower people to live independently.

Ms. WATERS. Oh, come on. I know. Look, I have been going through downtown Los Angeles for years now and we have people who are never going to be——

I would like to think that we empower people as much as we possibly can, and that you guys are doing a good job of doing that. I would like to think that. But do we recognize that there are some people who are never going to be empowered? They are chronically homeless, ill, unable to manage themselves and their lives, and never ever will be able to. Do we have any models that recognize that?

Mr. NETBURN. Yes, I think there are some. There is always the hope that they will become more independent, but yes, we have some of these models.

Ms. WATERS. No, no.

Mr. NETBURN. Accepting that they will be like that, and giving them the——

Ms. WATERS. No, you have people that have been on the street in downtown LA for the past 15 or 20 years. So the first thing I want to tell you guys is, if we, and I put myself in the group with you, if we do not recognize that and develop services for that population, we are always going to have the homeless on the streets.

Mr. NETBURN. We agree with that and do definitely need to fund and create those models.

Ms. WATERS. Does your planning recognize this? And what does your planning say about this?

Mr. MANGANO. Absolutely. The Samaritan Initiative is really targeted to creating housing for people. Some people will go on to live quite independently. They will get jobs.

Ms. WATERS. No, they will not. I am not talking about that.

Mr. MANGANO. Some will. I can show you there are people.

Ms. WATERS. No. No.

Mr. MANGANO. That is their story.

Ms. WATERS. No. I am talking about the people who will not.

Mr. MANGANO. I understand. I am just saying there are some people who will.

Ms. WATERS. No, I know that.

Mr. MANGANO. Right.

Ms. WATERS. But I am not talking about them now. I am talking about the people who will never ever be able to go on and get a job or manage a house. Do we recognize that? Or have we not come to that conclusion that there are people who will never be able to?

Chairman NEY. Can I answer that?

Ms. WATERS. Yes.

Chairman NEY. There are going to be people that no matter what you do, they will not be self-sustaining. That is my opinion, so I thought I would try to answer it.

[Laughter.]

Ms. WATERS. I have this theory that we have a population of people who are homeless who will never ever be independent. It is good social work to talk about empowering them so that they will go on and get a job and a house, but they will never ever do it. I come from a social work background and I say it. They will never be able to do it. Do we have a model that recognizes that and will take care of them until they die?

Mr. NETBURN. One that I would point out is HUD funded and is referred to as Safe Havens. There are two types. One is permanent housing. They tend to be small units of about 25 that are for people with very severe mental illness. There are really different rules that they are asked to follow because there is an understanding that they are in the exact category of the people that you were just talking about. They are not going to follow rules of the traditional programs. They are going to need more flexibility. Some of the programs will allow the clients to sign leases. They can stay there the rest of their life, and they are very intense social service models.

In skid row, there is an agency called Lamp Community which has really been a pioneer in developing that type of housing. We did receive HUD funding a couple of years ago for a project on the west side of Los Angeles for a Safe Haven, which the city of Santa Monica supported. Recently, the provider purchased a building and they are developing it. That would be another model that would come to mind.

Ms. WATERS. I am not convinced, based on my limited conversation with you today, that that population, I guess that is what we are all referring to as the chronically homeless, is being serviced or can be serviced in the way that I am talking about.

I just want to say this. You know, we have got the chronic homeless who have gone from shelter to shelter to shelter to shelter. They change corners and they change pocket parks and they die on the street. We know that. At some point in time, we have to recognize that. We have to know the difference between those that we can transition and we can get services for and we can get into jobs and homes and houses and places that they can manage, and those that cannot. I guess that is what we are trying to talk about. But I am not hearing what I need to hear to believe that we are going to be committed to doing that.

The other thing that I have not heard is I have not heard that there has been housing specifically developed for this clientele, with the support services. And when I say "support," I mean everything. I mean the central kitchen. I mean the psychiatric services. I mean the daily services that keep people busy and involved and all of that.

I know it is costly, but I just do not hear us admitting that that is what we have to have.

Mr. MANGANO. I think the Samaritan Initiative would fund exactly that, and there are a number of other programs sponsored by HUD and HHS, including the Safe Havens that Mitchell mentioned that in fact do target that population. So I want to assure you that that population is being served. In fact, again in your home state, in San Francisco, the Direct Access to Housing program master leases buildings and in those buildings places people who we would have thought, if we passed by them on the street, they will never get off the street. In fact, those people are now placed in those buildings and slowly their lives are turning around and they are living in those buildings.

Ms. WATERS. Well, I appreciate that. I am going to go out and search and take a look and see what is out there. But I know that in downtown Los Angeles, there are people who have been on the

streets many, many years and they have baskets that they have been rolling around for 5, 6, 7, 8, 9, 10 years. I think it is senseless to talk about anything other than permanent services for them. I hope this initiative will get to that.

Mr. MANGANO. To the degree that they are placed in housing, the services will last as long as they are needed, to assure you of that. So if it is needed for a lifetime, the services would last that long, because it is done in partnership with the local communities as well. So I think there is a responsiveness to that population. Those are people who are targeted by the Samaritan Initiative.

Ms. WATERS. We shall see. Thank you.

Chairman NEY. I want to thank the gentlelady. For the record, the National Low Income Housing Coalition has a statement for the record, a resolution of the U.S. Conference of Mayors, agency statements by HUD, HHS, the Department of Labor, and Veterans Affairs.

The Chair notes some members may have additional questions for this panel and might want to submit them in writing. Without objection, the hearing record will remain open for 30 days.

I appreciate your testimony and your passion for this issue and your frontline work on this issue.

I really appreciate Congressman Renzi. I think it is a good bill that begins the process of seeing how the government can come together with the private sector in a lot of different areas to utilize the funding in a collective, collaborative way to help the homeless.

Thank you. The meeting is adjourned.

[Whereupon, at 1:04 p.m., the subcommittee was adjourned.]

A P P E N D I X

July 13, 2004

Prepared, not delivered
Opening Statement

Chairman Michael G. Oxley

Committee on Financial Services

Subcommittee on Housing and Community Opportunity
A Hearing Entitled
H.R. 4057, the Samaritan Initiative Act of 2004

July 13, 2004

Thank you, Chairman Ney, for holding this hearing today on H.R. 4057, the Samaritan Initiative Act of 2004 and I want to commend my colleague from Arizona, Congressman Renzi, for introducing this bill and for his commitment to helping the chronically homeless.

While the overall number of homeless families and individuals in this country is extremely difficult to predict, on any given day, it is estimated that at least 800,000 people are homeless in the U.S. and as many as 2.3 – 3.5 million people experience homelessness at least once during an average year.

Over the last two and three years, cities like Columbus, OH, Philadelphia, and New York have all seen an increase in their numbers in their homeless shelters. While the numbers continue to grow, there is little consensus on why.

Some experts say the numbers are growing due to the widening gap between low incomes and high rents, some attribute the increases to the lack of available, affordable rental housing; and still others believe the increases are due to the failure of a federally built homeless shelter system.

H.R. 4057 will not solve all our homeless problems, it may not even be the only answer to the problems facing the chronically homeless; but it represents an important first step in determining how best to go about fixing the problem. The legislation introduced by Mr. Renzi would create an interagency program to pool housing resources from HUD, supportive services from HHS, and case management support from the VA.

The ultimate goal is to allow communities, urban and rural, to receive housing and supportive services funding together in a single funding stream to address chronic homelessness.

Under the bill, funds would be given to those communities that identify and engage the chronically homeless, and help the chronically homeless move from the streets and out of shelters into permanent housing with supportive services including primary health care, mental health and substance abuse treatment.

Thank you again Chairman Ney for holding today's hearing and Mr. Renzi for introducing this important bipartisan Samaritan Initiative. It is a compassionate, effective alternative to addressing the needs of the chronically homeless.

STATEMENT BY REP. BERNARD SANDERS AT THE HOUSING SUBCOMMITTEE HEARING ON HOMELESSNESS

Mr. Chairman, thank you for holding this important hearing on the Bush Administration's so-called "Samaritan Initiative" which has been introduced in the House as H.R. 4057 by Rep. Renzi.

As I understand it, the Samaritan Initiative authorizes $70 million to provide permanent housing services for the homeless with the goal of ending "chronic" homelessness within 10 years.

Mr. Chairman, I applaud the goal of ending chronic homelessness, and so far I see no reason to oppose this bill. Anything that this Congress can do to reduce homelessness in this country should be strongly supported.

But, Mr. Chairman, let's not kid ourselves. $70 million is not a serious solution to the affordable housing crisis that this country is experiencing.

And, at the same time that the Administration is supporting a new $70 million program to combat homelessness, it is also lobbying Congress for a $1.6 billion cut in the nation's most important affordable housing program in this country: the Section 8 Rental Assistance Program. That's right. The Administration's Section 8 budget for Fiscal Year 2005 is $1.6 billion below what is needed to renew all existing Section 8 rental assistance for some 2 million families. This means that up to 250,000 low-income families, senior citizens and persons with disabilities are in danger of losing their homes and being thrown out on the street, including 740 families in my State of Vermont.

In other words, if the Administration's Section 8 budget is approved, more people in this country will experience homelessness, even if the Samaritan Initiative is signed into law. This is unacceptable.

Mr. Chairman, there is an affordable housing crisis in this country. More than 14 million Americans are paying over 50% of their limited incomes on housing. 3.5 million people in this country will experience homelessness this year including 1.35 million children and 500,000 veterans. One-third of the entire country or 95 million Americans lack safe, decent or affordable housing. There is not a single place in America where a full-time minimum wage worker can afford an average 2 bedroom apartment. Not a single place in America. In fact, on average, families across the country must make more than $15 an hour – almost 3 times the minimum wage -- to afford a two-bedroom apartment in this country.

Yet, President Bush is making a bad situation even worse by providing hundreds of billions of dollars in tax cuts to the wealthiest one percent while cutting affordable housing programs for the elderly, disabled and poor. The President's overall budget for Fiscal Year 2005 cuts affordable housing programs by $350 million.

Not only has President Bush proposed to slash the Section 8 budget beginning October 1st of 2004, he has chosen to retroactively cut the Section 8 program for this year. By making these retroactive cuts, the Burlington, Vermont Housing Authority may be forced to throw up to 365 families out of their apartments because President Bush isn't giving them the money they should be receiving. And, the Brattleboro, Vermont Housing Authority may have to kick 13 people out of their apartments because the President isn't giving them the money they should be receiving.

In fact 3 out of the 4 authors of the Fiscal Year 2004 VA/HUD Appropriations bill, including Senator Kit Bond disagree with the Bush Administration's retroactive cuts in the Section 8 program. They believe that Congress provided enough funding for the Section 8 program so that the public

housing authorities in this country could make all of their Section 8 Housing Assistance Payments, and that they would not be faced with inadequate Administrative budgets to get the job done right. But, the President is still going forward with these cruel and unnecessary retroactive cuts to the Section 8 program anyway.

That is the President's commitment to the affordable housing crisis.

Mr. Chairman, let me tell you what I believe we should be doing. First, we should expand and strengthen the Section 8 program, not weaken it.

Second, we must enact the National Affordable Housing Trust Fund Act (H.R. 1102) that I introduced which now has 213 tri-partisan co-sponsors and has been endorsed by over 5,000 organizations all over the United States. This legislation would provide the resources necessary to construct, preserve and rehabilitate at least 1.5 million affordable housing rental units over the next decade and would lead to the creation of 1.8 million new jobs. Mr. Chairman, this legislation is a win-win. It will put people back to work making a decent living, and it will provide affordable housing to those that need it the most. I hope that this Subcommittee will finally give this legislation the attention that it deserves.

I thank the Chairman, and I look forward to this hearing.

Statement of Congressman Jim Matheson
House Financial Services Committee
Subcommittee on Housing and Community Opportunity
Hearing on the Samaritan Initiative
July 13, 2004

Mr. Chairman, thank you for holding this important hearing today regarding HR 4057, the Samaritan Initiative Act. I appreciate your consideration of this bill and the leadership of the bill's sponsor, Congressman Renzi of Arizona.

I'm very pleased to see the progress being made today, with respect to ending homelessness among our nation's veterans. I was compelled to support the Samaritan Initiative after meeting with a veterans group in my home state of Utah.

The Homeless Veterans Fellowship of Utah works to end chronic homelessness and already has a proven track record in assisting veterans. I'd like to read a few words from the director of this program, Mr. John Vickroy, as they illustrate my reasons for supporting this initiative.

> "It is gratifying to note that the purposes mentioned in the first section are what Homeless Veterans Fellowship has been about for the past 15 years. During the past 6 years we have been steadily improving in our programs with steadily increasing success.
>
> During 2003, of the homeless veterans who entered HVF's transitional housing program, 74% left HVF with an income, permanent housing, and 18 months of follow-on counseling services. As addressed in the bill, permanent affordable housing is a key element in the equation to address chronic homelessness."

I am very encouraged by the Fellowship's success and I hope that by enacting this legislation, Congress will be able to help other communities address this important problem.

Again, Mr. Chairman, thank you for holding this hearing today regarding the Samaritan Initiative. I look forward to hearing the testimony of the witnesses.

A PUBLIC-PRIVATE PARTNERSHIP FOR HOMELESS VETERANS

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Testimony before

The United States House of Representatives

Committee on Financial Services

Subcommittee on Housing and Community Opportunity

on

HR 4057-Samaritan Initiative

July 13, 2004

Presented by

Stephanie Buckley
Director – U.S.VETS Prescott

United States Veterans Initiative is a 501(C)(3) non-profit organization whose mission is the successful reintegration of homeless veterans. We provide housing and a variety of supportive services to over 1800 homeless veterans each night in Los Angeles, Long Beach, Riverside, Las Vegas, Honolulu, Phoenix, Prescott, Houston, and Washington, D.C.

President of the Board of Directors – Col. Joseph Smith
Executive Director – Stephani Hardy

A PUBLIC-PRIVATE PARTNERSHIP FOR HOMELESS VETERANS

INTRODUCTION

On behalf of the United States Veterans Initiative Mr. Peck and I appreciate the opportunity to discuss recommendations on HR 4057, which we hope will assist programs that serve the homeless veteran population. We would like to commend your continued interest in and commitment to dealing with the challenging issues of homelessness, particularly among this nation's veterans.

I came to United States Veterans Initiative with a Masters Degree in counseling and have been with the organization since 2002 as the Director of the Fort Whipple U.S.VETS program on the Bob Stump DVA Medical Center grounds in Prescott, Arizona. I have been working with the homeless population since 1997. I am the chairman of the Affordable Housing and Homeless Coalition of Yavapai County, a member of the Mayor's Task Force on Affordable Housing, and a member of the Treatment Forum of Yavapai County.

United States Veterans Initiative is a 501(c)(3) non-profit corporation devoted exclusively to providing services to homeless veterans. It is part of an innovative partnership known as U.S.VETS. The other partner in this joint venture is Cloudbreak Development, LLC (a for-profit California limited liability company) which acquires and renovates the housing and provides ongoing property management expertise. Our organization was established in 1993 in Los Angeles, California and its mission is the successful reintegration of homeless veterans to their highest level of independence as rapidly as possible.

U.S.VETS is the largest provider of housing, job assistance, counseling and outreach for homeless veterans in the country. On any given night U.S.VETS is able to house 1,891 veterans in Los Angeles, Long Beach, Riverside, Honolulu, Las Vegas, Prescott, Phoenix, Houston, and Washington, D.C. Last year, fueled by our National AmeriCorps program, we were able to outreach to 9,305 veterans across the country.

U.S.VETS programs are based on a self-determination model. We believe that Veterans who are clinically capable of work should be given the dignity of taking responsibility for themselves through the means of their own production. This "hand up" concept instills hope, which gives them the fuel they need to address the multitude of issues that keep them perpetually homeless. Not only is this idea clinically sound, but is also cost efficient for the taxpayers, as previous users of the system become contributors to the system. With the help of local VA's and community partners, Veterans Initiative staff conducts over 20 different groups each week at each of our 11 sites, including relapse prevention, anger management, PTSD, parenting, skills development, money management, transitional planning, job development and a variety of 12 Step groups. We maintain zero tolerance for drug and alcohol use within our programs, and 95% of the veterans served maintain sobriety as indicated by regular testing. On-site career centers serve 1,000 veterans each week with computer training, literacy and math classes, DVOPs and legal services. 85% of the homeless veterans entering the programs have jobs within 35 days with the help of our Career Centers.

U.S.VETS entered into an enhanced use lease with the VA for a wing of the underutilized Domiciliary space in Prescott in order to provide housing and support services to the veterans of Northern Arizona. Fort Whipple U.S.VETS has been operating since January 16, 2003. It is a 58-bed program on the Bob

Stump DVA Medical Center grounds, which is always full with a waiting list of veterans desiring housing.

Since opening the program just 18 months ago, we have been able to serve 206 homeless veterans. 74% of the veterans leaving the program have successfully discharged to apartments, homes or with family. Through our Career Center, which is open to all veterans in the community, we have been able to obtain 112 full time jobs for veterans in the program. On average, the Career Center serves 50 unique veterans and logs over 600 hours on eight computers every week. Two of our residents have been able to complete their college degrees, one in business management and the other in nursing, and five more will graduate in December 2004 with degrees in computer technology. 99% of the veterans in the program are males, 88% of the veterans are from the Vietnam Era, and 10% are from the Iraq conflict. 80-85% of the veterans that enter the program are seriously mentally ill, 63% have Hepatitis C, 48 % are physically disabled and 60-75% have substance abuse issues. The majority would be considered "chronically homeless".

Every year we outreach to over 900 veterans in more than 20 different organizations, and in the forests of Northern Arizona. There are an estimated 2,000 homeless veterans in Yavapai and Coconino Counties. The introduction of the U.S.VETS program has had an extremely positive impact on the Fort Whipple Domiciliary. Their census has increased from 75% to over 92%, and the length of stay for veterans in the Domiciliary has decreased from an average of 120+ days to 98 days. Domiciliary staff report that positive discharges have also increased since the opening of the U.S.VETS.

RECOMMENDATION REGARDING THE HR-4057-SAMASITAN INITIATIVE

U.S.VETS supports any measure that provides assistance to programs serving the homeless, particularly those make provisions for our homeless veterans. HR-4057, introduced by Representative Rick Renzi (R-AZ), describing a coordinated, multi-agency competitive grant program to address chronic homelessness is a valuable opportunity for communities to assist the estimated 299,000 veterans that sleep on the streets of this country on any given night. We do have concerns about several items in the measure, and would like to make the following recommendations:

- The $10 million authorized to VA to perform its functions in the multi-departmental collaborative program is set up simply as a directive to the Department of Veterans Affairs to earmark previously authorized funding for treatment of homeless veterans under Medical Care, rather than as a separate and distinct authorization. This really does nothing to increase care for homeless veterans. We recommend a new line item authorization for Samaritan services within VA Medical Care, rather than a $10 million re-direction of existing VA specialized homeless services programs. The VA component of the Samaritan program should not be funded at the expense of existing programs, which are already overstretched and underfunded!

- The legislation requires applicants to provide a 25% non-federal cash or in-kind match in years one and two and a steep 50% in years three and beyond. These match levels suggest that this grant program is targeted to already well-funded applicants. Even relatively large non-profits like ours, with many collaborative agreements with local providers, would have considerable difficulty raising such amounts, and small community based and faith based organizations are very unlikely to be able to generate such a sizable match.

A PUBLIC-PRIVATE PARTNERSHIP FOR HOMELESS VETERANS

- To successfully fuel the creation and sustain the operation of more supportive permanent housing that targets the homeless population for the long term will require HHS and VA to deliver ongoing support for services directly to those providers operating housing programs. Supportive permanent housing programs that serve those with the most severe conditions - - those who are truly chronically homeless -- will not be able to continue without reliable and ongoing funding. Developing incentives for local and state governments to assist projects would be a way to increase the communities' commitment to working towards a solution being sought by Samaritan and Ending Long-term Homelessness Services Initiative.

- Authorized treatment and supportive services in the measure does not mention rehabilitative, prosthetic and other services that may be especially critical to homeless veterans with service-connected disabilities. The legislation should be strengthened by inserting the full range of treatment and supportive services needed by veterans with service-connected disabilities.

- The list of eligible treatment and supportive services should be expanded to include an explicit authorization for assistance to chronically homeless persons in obtaining benefits for which they may be eligible, including Veteran Disability, Veteran Compensation, Veteran Health Care, Medicaid, Medicare, Social Security Disability Insurance, Supplement Security Income, Food Stamps, Temporary Assistance for Needy Families and legal aid.

STEPHANIE C. BUCKLEY

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Cottonwood, Arizona 86326
928-649-1629

AREAS OF EXPERIENCE

Development and implementing programs

Budget Development	Grant Writing
Grant compliance	Licensing compliance
Individual counseling	In-services
Family counseling	Fundraising
Chemical dependency experience	Domestic violence experience
Crisis intervention	Intense case management
Social skills training	Parenting skills training

Assist in the development and running of a national research study

EDUCATION

Arizona State University	Tempe, Arizona
MS, Counseling	**2001**
MS, Biochemistry	**2000**
BS, Psychology	**1997**
BA, Journalism	**1996**

PROFESSIONAL EXPERIENCE

December 2002-present *United States Veterans Initiative*
Site Director

- Insure compliance with all funding sources and file reports in a timely manner.
- Development of new programs and operate the budget within these programs.
- Performs clinical interventions.
- Responsible for planning, implementing, evaluating and improving services as delivered within the program.
- Maintain licensing and grant compliance.
- Maintaining overall integrity of the organization, overseeing client care guidelines and ensuring that legal requirements are met.

February 2002- December 2002 *Arizona State-DES*
Child Protective Services Ongoing Case Manager

- Develop a case plan for each client in the case that reflects the needs of the client and family.
- Work with the client to reach and maintain their goals on their case plan.
- Develop working relationships with other community based agencies, adult educational programs and employment agencies to assist the clients.
- Run case staffing involving the family and all professional working with the case.
- Writes reports to the court and Foster Care Review Broad.

October 2000- February 2002 *United Methodist Outreach Ministries*
Community Resource Coordinator

- Develop and maintain community linkage, generate referrals, develop and maintain programming.
- Develop and implement life, job development, health and social skills programs for the SMI, disable and homeless clients.
- Member of an interdisciplinary team. Work with culturally diverse population to establish goals, revise and update treatment plans and discuss interventions and discharge plans.
- Responsible for contributing to the education and training of the agency employees through participation in the staff in-service program.

May 2000- October 2000 *The New Foundation*
Partial Care Coordinator

- Worked with at risk and runaway youth by providing individual and group counseling and crisis intervention as needed.
- Responsible for the direct supervision of most client care issues throughout the partial care program.
- Responsible for planning and development of specialized therapeutic services throughout the partial care program.
- Responsible for contributing to the education and training of agency employee through participation in the staff development program.

January 1997 – May 2000 *Pinpoint*
Counselor

- Responsibilities included working with emotionally and behaviorally disturbed children and adults by providing in office individual and group counseling and crisis intervention as needed.
- Provided daily documentation of client's behaviors and progress
- Co-leader of boys and girls coping skills group and teenage sexual abuse group.

March 1996 – July 1997*Behavioral Health Center*
Substance Abuse Counselor

- Worked with clients depended on heroin and providing them with individual counseling and crisis intervention as needed.
- Co-leader of a number of different substance abuse groups.
- Provided daily documentation of the client's behaviors and progress.

Written Testimony on H.R. 4057
Presented before the Subcommittee on Housing and Community Opportunity,
Committee on Financial Services, U.S. House of Representatives

Submitted by Robert V. Hess
Deputy Managing Director for Special Needs Housing
Adult Services, City of Philadelphia
July 13, 2004

Chairman Ney, Ranking Member Waters, and Members of the Housing and Community Opportunity Subcommittee: My name is Rob Hess and I am the Deputy Managing Director for Special Needs Housing in the City of Philadelphia. I oversee Philadelphia's homeless services: street outreach, emergency shelters, transitional housing programs, permanent supportive housing, and related social services. I am appearing before you today to provide testimony in support of the proposed HR 4057, the "Samaritan Initiative."

I firmly believe that the Samaritan Initiative would be an important component that our nation needs in order to achieve the goal of ending chronic homelessness. For 20 years, people working with and on behalf of the people experiencing homeless have seen the same faces on the streets and in the shelters. For 20 years, we have been tirelessly trying to engage the men and women experiencing chronic homelessness. We have made some significant strides in this endeavor, but we need to do more. By creating a new investment source dedicated to funding chronic homeless programs, this legislation would enable us to do more of what we already know needs to be done and frankly, what we already know will work. Without it, cities like Philadelphia will continue to see those same faces for another 20 years.

It is important to pass HR 4057. It is important to fully fund it once it has been passed. It is even more important to work toward increasing the budget authority: seventy million dollars will only partially solve the nation's chronic homeless problem. Far more is needed to truly end chronic homelessness. We have available at our fingertips the technology and experience to end this national disgrace; we now need the commitment.

The Philadelphia Experience

I was asked to join my esteemed colleagues here today as a testament that political will when coupled with increased funding can dramatically reduce the number of men and women experiencing chronic homelessness. The combination of political leadership, advocacy, and new investments has allowed my great city to reduce the chronic homeless population living on the street by more than 75%—making Philadelphia the model for cities across the nation. A recent *San Francisco Chronicle* article even praised us as "the city that knows how."

We did not always lead the nation in this area. It took hard work, determination, and great leadership to get to where we are today. The commitment that led us to success is now felt throughout the entire city. Led by Mayor John Street, his administration, local non-profit agencies, faith-based organizations, community associations, business associations, and representatives throughout the business community – we are all highly committed to working on this problem and have tirelessly maintained that commitment. Our Mayor's Task Force on Homelessness, co-chaired by Philip Goldsmith, our Managing Director, and Sister Mary Scullion, the Executive Director of Project H.O.M.E., keeps all of the partners focused on the

issue. This type of widespread dedication made Philadelphia successful in reducing the number of people sleeping on the street from a high of 824 in the summer of 1997 to a recent low of 147.

There have been three major keys to our success. The first is our innovative outreach efforts; the second is an influx of new money to support housing and services. The third is our new housing first agenda aimed at reducing the incidence of chronic homelessness in Philadelphia.

Sidewalk Behavior Ordinance

Six years ago, Philadelphia was at a crossroads. In the summer of 1997, the number of people on Center City streets had spiked to 824. City Council and other City officials constantly received complaints about the large number of homeless people on the street. Some kind of action was needed.

As a response to these concerns, our City Council proposed amending the City Code to include a new section regulating sidewalk behavior, focusing on activities often associated with street homelessness such as sitting or lying on a public sidewalk or leaving personal belongings unattended. If enacted as proposed, the amendment would have provided police the authority to arrest or impose fines on people participating in a number of activities; in essence, the proposed language virtually criminalized the mere state of being homeless.

Outraged by this threat to homeless people's civil rights, local advocates aggressively sought changes to the proposal to prevent police from immediately arresting offenders and to include social service intervention as a step in the process. The City Council could have gone one of two ways: criminalize homelessness, or provide sorely needed services to a particularly vulnerable population. Thankfully, the advocates' aggressive efforts were rewarded with a much more compassionate piece of legislation regarding sidewalk behavior offenses than first proposed. As enacted, the ordinance requires police officers to follow a progressive engagement model that includes notifying outreach teams prior to advancing to imposing fines or arresting the individual.

Advocates also argued, and rightly so, that regulating behavior would not result in fewer homeless people on the street; housing and services were needed in order to achieve that goal. The City of Philadelphia agreed and, at the same time as the passage of the Sidewalk Behavior Ordinance, we committed a new investment of $5 million to provide outreach and other social service workers with concrete resources to help people move off the street. The new funding was used to increase the street outreach presence, to create new low-demand residences, and to augment existing mental health and substance abuse treatment services.

The immediate impact was <u>incredible</u>: the high of 824 in 1997 was reduced by 50% in two years. We won an important battle in tackling chronic homelessness.

What is even more important about this story is that the financial commitment did not end after the first year. Our behavioral health system has provided continued funding for outreach and shelter services to ensure that our numbers remain low – as the police count of 147 on June 11th of this year demonstrates.

Housing First

The Philadelphia story does not end here. We did an excellent job of significantly reducing the number of people living on the street. Our interventions were successful in connecting people with services they needed and for moving hundreds of people into various types of housing. But then we stopped seeing dramatic progress. We began to have a harder and harder time engaging the men and women who were still on the street; we discovered that the number of people living on the street hovered in the same range for a while. Two years ago, we decided that we had to do something different; we wanted to do something dramatic; we wanted to become the first city in this nation to end chronic homelessness. With fewer than 200 people on the street, this remains an achievable goal for us.

But the people remaining on the street were the hardest to reach. The old interventions had been tried and were not working. We knew we needed new tools in our toolbox. We scoured the country for ideas and best practices, leading us to decide on using a *housing first* approach to reach this hard-core group.

Utilizing a creative mix of funding—including funding awarded through last year's Collaborative NoFA through the Interagency Council on Homelessness—we have initiated a *housing first* program directed toward moving the chronically homeless off of our streets, out of our shelters, and into their own homes. Our programs, which currently have the capacity to assist 140 people, target the hard-core chronically homeless, offering them intensely supportive services, and helping them move into their own apartments. We are now a year and a half into the *housing first* programs and have 93 people engaged in services, 48 of who are living in their own housing as we sit here today. Our data tells us that these people have an average of three years on the street and eight years in emergency shelter. And this is only from data we can confirm: The clients themselves are telling us that they have been on the street even longer, sometimes 10, 15, even 20 years.

We are incredibly proud of our approach, our commitment and the progress we have made so far. The clients' stories are truly unbelievable.

For example, let me tell you about Gary: Gary is a 44 year-old man with severe schizophrenia who spent the last ten years on the same steam grate just outside of a church in Center City Philadelphia. During those ten years on his grate, Gary continually terrorized churchgoers so much that three-quarters of the congregation left the church out of fear or anxiety of running into this homeless man. During the winters from 2000 to 2002, Gary was psychiatrically committed fifteen times to keep him from freezing to death on the streets. In December 2003, he was again psychiatrically committed on a bitterly cold winter night. The difference at that point was that our *housing first* program started working with him. He has been supported in the hospital since last December and has since been stabilized on psychotropic medication. With the help of his social service team, Gary has found an apartment he likes and is moving into his housing today.

Or take Mickey who is a 52 year-old man with schizophrenia and is a severe alcoholic. He spent the better part of fifteen years on a steam grate outside a well-known Philadelphia restaurant. He too underwent several psychiatric commitments each winter to keep him from freezing. This past winter, he went into his own housing instead of the hospital. Now, the outreach teams and

the police will sometimes see Mickey on his old grate (a fifteen-year old habit is hard to break!), but every one of them knows that they can now help Mickey get back to his own apartment.

A somewhat daunting anecdote is about one of the people we are targeting to move into our program next month. Our emergency shelter database has been going strong for ten or so years, with each client household receiving an unique client number. As you can imagine, after ten years, we've had quite a few clients – over 100,000 case numbers. The woman with whom we will begin working has been cycling in and out of shelters for so long that she was assigned the client case number of one.

Not all of the stories are happy: One of our friends passed away just after he joined one of our programs. He died – but not on the street, which is where he had been living for over 15 years. Because of our *housing first* approach, he passed from this earth with dignity, having spent his birthday with his family for the first time in ten years, in the privacy of his own home.

Stories like these are heartwarming and uplifting, but the numbers also help us recognize the fruits of our labor. I stated earlier that on average the people in our *housing first* programs had been in shelter for an average of eight years. Eight years times $14 a night (the minimum payment shelters receive) per person for 93 people exceeds $450,000. And this is just the cost of emergency shelter. I have not even begun to consider the costs of hospitalization, emergency room usage, and time spent by social service professionals, law enforcement officials, and the myriad other people who have tried to help these people over time.

Let us consider that we are only talking about 93 people here. As our numbers demonstrate, Philadelphia does an excellent job of helping people move off the street. Once they leave the street, we begin to see a backlog of people in various types of temporary housing: safe havens, emergency shelters, crisis response centers, progressive demand residences, step-down facilities, group homes. Each month, we draw up a list of people who qualify for our *housing first* programs based on their tenure in these temporary arrangements. On average, we have found 540 people each month since January of this year who are eligible for the programs based on the chronic homeless definition of twelve consecutive months homeless or four homeless episodes in three years and having a disability. And these are not the chronic street homeless; these are the people who have been stably placed in temporary residences, but those placements are meant to be temporary. At some point, these men and women deserve to move to a permanent home!

With a maximum program capacity of 140 people in our *housing first* programs – half of which are reserved for people coming in off the streets – five hundred and forty people means we have 400% more eligible people living in temporary shelters than we have slots available. Placing this in economic terms, we are paying, at a minimum, $7500 a night to house these individuals in residences meant to be temporary. Not only is this not cost-effective, it is inhumane to leave people languishing in temporary situations, and this is just in Philadelphia. There has to be a better way to help our fellow human beings, our brothers and sisters in need.

I submit to you, Chairman Ney and fellow members of the Subcommittee, that you have a chance now to change this environment. The Samaritan Initiative is not the only answer to ending chronic homelessness, nor do I believe the funding adequate, but it is a step in the right

direction. This Subcommittee, through its esteemed members, can move us closer to the tipping point that would move us away from managing the homelessness problem to ending it. We must do something for our most vulnerable citizens. Today, that something is supporting HR 4057.

I thank you for your time and for allowing me to appear before you today to present Philadelphia's story. I am happy to address any questions you may have.

Statement of John W. Hickenlooper
Mayor of Denver, Colorado
regarding H.R. 4057, Samaritan Initiative Act of 2004
before the
United States House Committee on Financial Services,
Subcommittee on Housing and Community Opportunity

Tuesday, July 13, 2004

Good morning, Chairman Ney, Ranking Member Waters, and distinguished Members of the Subcommittee. Thank you for this opportunity to testify today in support of H.R. 4057, the Samaritan Initiative Act of 2004 and new funding for housing and supportive services for chronically homeless individuals.

Additionally, I want to thank the bipartisan group of co-sponsors of the Samaritan Initiative Act for advancing this legislation. I also want to express my deep appreciation to Executive Director Phillip Mangano for his leadership of the U.S. Interagency Council on Homelessness and his ongoing efforts to revitalize the Council and pursue a vigorous federal strategy that better enables local communities to address the serious problems of homelessness.

I appear here today representing the citizens of Denver, Colorado, but I expect that I also speak for the mayors of many localities across the country. Like more than 100 other cities and counties, Denver is committed and working aggressively to end homelessness in our community within ten years. A point-in-time survey conducted January 19 by the Metro Denver Homeless Initiative identified 8,668 homeless persons in metropolitan Denver. Of those identified in the survey, an estimated 33 percent had been homeless for more than a year and 21 percent had been homeless for more than two years, suggesting they were chronically homeless. Overall, 40 percent of the homeless identified that evening had experienced three or more cycles of homelessness.

Homelessness cuts across a broad demographic, including children and families. Within the overall homeless population, chronically homeless people are typically those who have a physical disability or who are afflicted by substance addictions or mental health problems. Although the chronically homeless comprise only ten percent of the adult homeless population, they use a majority of our emergency resources and incur the greatest costs as they cycle through

The funding that would be provided through the Samaritan Initiative Act promises to help cities like Denver to overcome these barriers. It would combine categorical funds from multiple agencies into a single, seamless mechanism to finance both housing and supportive services.

Our experience in working with the U.S. Interagency Council on Homelessness and coordinating federal funding that Denver has received over the past eight months reinforces for us that the Samaritan Initiative objective is valuable.

In late 2003, Denver received one of the 11 federal grants under the Collaborative Initiative on Chronic Homelessness. This grant provided the community with $1.9 million in Shelter Plus Care tenant-based rental assistance through the U.S. Department of Housing and Urban Development. We sub-granted this funding to the Colorado Coalition for the Homeless to support the Housing First Initiative to provide housing for 100 chronically homeless people, allowing them to move directly from the streets and emergency shelter into permanent housing. The Collaborative Initiative Award also included $700,000 per year for up to three years for substance abuse and mental health treatment for chronically homeless persons and $300,000 per year for up to three years for primary health care treatment. As a partner in the collaboration, the Veterans Administration Eastern Colorado Healthcare System received nearly $450,000 to provide services to chronically homeless veterans in Denver.

In addition, this spring, Denver received other federal funding that will significantly help us in our efforts to end chronic homelessness. These awards included $500,000 from HUD to the City for development of affordable housing, and $295,000 from the Veteran's Administration to the Colorado Coalition for the Homeless to provide per diem housing for veterans who are homeless. An additional three year grant from the Social Security Administration will help CCH increase its efforts to provide outreach to homeless individuals who may be eligible for supplemental or disability benefits.

We are immensely grateful for this $4.2 million in federal assistance, and we are seeking to assure that these resources will function together in a full range of supports for the chronically

4. Reducing administrative burdens and funding uncertainties through a streamlined application and grant process.

5. And most importantly, improving access for chronically homeless persons to housing, primary care, substance abuse and mental health treatment, and various other mainstream benefits and services that can really lead them to the stability, recovery and self-sufficiency that they deserve.

Thank you for your attention today, as well as for your support of Denver and other communities as we work with you to end homelessness.

TESTIMONY OF PHILIP F. MANGANO
EXECUTIVE DIRECTOR
UNITED STATES INTERAGENCY COUNCIL ON HOMELESSNESS

ON H.R. 4057, THE SAMARITAN INITIATIVE ACT OF 2004
BEFORE THE HOUSING AND COMMUNITY OPPORTUNITY SUBCOMMITTEE
COMMITTEE ON FINANCIAL SERVICES
JULY 13, 2004

Thank you Mr. Chairman, Ranking Member Waters, and Members of the Committee.

It is an honor for me to be here. As Executive Director of the United States Interagency Council on Homelessness, I am here this morning on behalf of the Administration, representing the 20 Cabinet Secretaries and agency heads who comprise the Council. Since the Council's revitalization in 2002 after a 6-year hiatus, the members of the Council, their senior policy representatives and the council staff have been engaged in developing a national strategy to reduce and end chronic homelessness that is research-driven, performance-based and results-oriented. The Council's work includes intra-agency, interagency, intergovernmental and intercommunity collaborations. The 20 agency membership of the Council - and the rotation of the Council chair and vice-chair positions - reflects the reality that homelessness has many causes, and that the solutions to homelessness cannot be fashioned by any one agency, but require collaboration by all. The Council's work has benefited tremendously from the leadership and vision of each of our chairs – beginning with HUD Secretary Martinez in the first year, with the second year under HHS Secretary Thompson and now the third year under the guidance of VA Secretary Principi as chair and Labor Secretary Chao as vice-chair.

The Council is establishing a new standard of expectation for the investment of federal homeless resources. We expect that our investments will result in visible, measurable and quantifiable change in our communities, on our streets, and in the lives of homeless people.

Billions of dollars have been expended on homeless programs since the enactment of the McKinney Act in 1987. These funds have helped homeless persons nationwide become more self-sufficient. Yet despite all these resources, provided by the federal government, states, communities and philanthropy, thousands of people experiencing chronic homelessness continue to live on our streets, in encampments, on the outskirts of our communities and long term in our shelters. Only now, with this Administration, have we begun to focus on chronic homelessness. To achieve a different result, we believe we need a focused approach for this vulnerable population. That approach is targeted investments guided by a management agenda that relies on research and prioritizes results.

Chronic homelessness is the most visible expression of homelessness in our country and is cited by the public, the media, community leaders, neighborhood groups, homeless providers and advocates, Chambers of Commerce, downtown business districts, and others as requiring a remedy. In response, this Administration is developing a research driven, results-oriented agenda that requires that investments be guided by the determination to "end" chronic homelessness.

The goal to end chronic homelessness is directly driven by research developed over the last few years that shows that this is a problem that can be solved. From this research we have learned that:

(1) Persons experiencing chronic homelessness generally have a disability: mental health, Post-Traumatic Stress Disorder (PTSD), substance abuse, developmental, or physical disabilities.

(2) Persons experiencing chronic homelessness represent about 10% of the overall homeless population but consume 50% or more of all emergency shelter homeless resources

(3) Veterans represent a disproportionate number of the chronically homeless. The Department of Veterans Affairs estimates that one-third of all homeless adults have served their country in the Armed Forces.

(4) Contrary to public perception, people living long term on the streets or in shelters are some of the most costly citizens in the community. They ricochet around the acute side of very expensive behavioral and primary health care systems and often through correctional institutions. While the research in this area is limited, several studies indicate that the cost of housing chronic homeless people are nearly offset in savings in mainstream health system, law enforcement and correctional costs.

- An 18 month case study of 15 chronic street homeless people commissioned by the City and County of San Diego and conducted by the University of California at San Diego revealed that, contrary to public perception that homeless individuals appear not to have significant cost other than quality of life, the reality was far different. These 15 individuals had a total of 299 entrances to the emergency rooms of community hospitals, usually taken by ambulance, at a cost of nearly $1 million. When acute substance abuse and mental health treatment, along with law enforcement intervention and temporary incarcerations were added in, these 15 individuals cost the city and county nearly $3 million in 18 months. Similar cost studies in Seattle and San Francisco indicate an annual cost of $80,000 to $120,000 per individual.

  Most disconcerting for San Diego city and county officials was that after the expenditure of an average of $200,000 per person, these 15 individuals were in the same situation and condition as they were 18 months before.

In addition, findings from similar studies and systematic reviews conducted by Robert Rosenheck, M.D. Director, VA's Northeast Program Evaluation Center (NEPEC) and Dr. Dennis Culhane, Professor of Social Work, University of Pennsylvania suggest that the societal costs of chronic homelessness are substantial.

(5) Permanent supportive housing - housing coordinated with an array of treatment and support services appropriate to the individual, is a more effective model for sustaining tenancies among even the longest term homeless. While research in this area is limited, outcomes of different models of supportive housing efforts in New York City, Columbus, Ohio, San Francisco and elsewhere have demonstrated up to 85% housing stability and retention success.

The research has given us a policy direction to focus on ending chronic homelessness. In the FY'03 budget, the Administration set a marker to end chronic homelessness across our country in the next ten years. At the inaugural meeting of the revitalized Council in July 2002, the Secretaries of HUD, HHS, and the VA, announced an historic and unprecedented joint funding initiative to support community-based efforts to coordinate the provision of housing with supportive services to move people experiencing chronic homelessness from the streets and out of shelters into housing with supportive services available to sustain tenancies. Funded through existing resources provided by each agency and utilizing a single application and an interagency team for the review process, over 100 applications were received from around the country, indicating the need and interest that exists in communities for such assistance.

At the table with me today is Mayor John Hickenlooper of Denver, whose community was one of 11 that received awards in this unprecedented interagency "Collaborative Initiative to Help End Chronic Homelessness" .In the next panel, you will be hearing from 2 of the direct award recipients: Barbara Poppe of the Columbus Shelter Board, and Rob Hess, Deputy Managing Director for Special Needs Housing, Adult Services, for the City of Philadelphia. Although the grantees are just beginning to implement their plans, already over 300 people have been moved off the streets into housing. Attachment A details those quantifiable results.

The legislative proposal you have before you today - H.R. 4057, the Samaritan Initiative Act of 2004 – builds on the success and lessons learned from last year's Collaborative Initiative. The Samaritan Initiative authorizes new federal resources aimed directly at our nation's streets, focused on those who are most likely to be living on the street, disabled, and at risk of death and those living long term in our shelters.

The legislation provides authority for the Departments of Housing and Urban Development (as the administering agency), Health and Human Services, Veterans Affairs, and other relevant agencies to utilize a single application, review and award process to make competitive awards to support community efforts to coordinate housing with supportive services, including primary and behavioral health care, for chronically homeless persons, including veterans. VA involvement ensures that veterans experiencing chronic homelessness can be identified, engaged, offered housing and referred to the appropriate VA services. A considerable amount of time, energy, and genuine collaboration on the part of Administration officials and agency staff from HUD,

HHS, and VA went into jointly drafting this legislation to assure that the new program would better link federal resources and better facilitate the local efforts to address the needs of chronically homeless individuals. It further streamlines the process for both agencies and grantees so that unlike the Collaborative Initiative, grantees will not be faced with four separate grant agreements or have to abide by reporting requirements for four separate agencies.

This pooling of resources responds to the reality of the field in communities across our country. On the streets, clinically based engagement coordinated with housing and primary and behavioral treatment services are necessary to successfully engage, and house and move toward recovery and greater independence individuals with disabilities who have been living long term on the streets and in our shelters.

The approach of the Samaritan Initiative - to pool federal resources and expertise, reduce the administrative costs and paperwork burden, engage in a partnership with local communities, and support research based and field tested strategies -- moves us to collaborative responses and coordinated results.

With funding authorization of $70 million in FY'05 and such sums thereafter, the Samaritan Initiative is an important step in a targeted response to the needs of the estimated 150,000 persons in communities, large and small, across the country who are experiencing chronic homelessness.

The Samaritan Initiative legislation has received broad support from national organizations including the National Alliance for the Mentally Ill, the National Coalition for Homeless Veterans, National Alliance to End Homelessness, Corporation for Supportive Housing, National Aids Housing Coalition, The Enterprise Foundation, and the Association for Service Disabled Veterans.

The call to end chronic homelessness has resonated in communities across the country. With guidance from the U.S. Interagency Council, 126 Mayors and County Executives have developed or are in the process of developing 10-Year Plans to end chronic homelessness. In the past month, the nation's capital- Washington DC, the nation's largest city- New York, and the city with the most visible homeless problem- San Francisco, have all unveiled 10-Year plans. These planning efforts succeed in fostering strategic partnerships between unlikely stakeholders who have the same objectives-

moving people off the streets, improving quality of life, and investing in cost-saving strategies. The plans are the product of the collaborative effort of mayors, city and county officials, Downtown Business Improvement Districts, the United Way, Chambers of Commerce, correctional officials, hospital administrators, philanthropic organizations, faith-based and other community programs, service providers and homeless people themselves.

These plans vary according to community needs but have common elements that include quantifying the need and redirecting resources from temporary fixes toward prevention and permanent housing solutions. Most importantly, these plans move beyond managing and accommodating long term street homelessness to developing collaborative community efforts, with buy-in from the jurisdictional CEO, to provide permanent, supportive housing solutions.

Recently 80 mayors, in a non-partisan partnership, signed a letter to Members of Congress supporting the Samaritan Initiative legislation. At its annual meeting just a couple weeks ago, the U.S. Conference of Mayors continued its support for the effort to end chronic homelessness by unanimously passing a resolution in support of the Samaritan Initiative. Mayors and county officials, who are on the front lines of responding to homelessness, understand the benefits of the Samaritan Initiative to their communities. They see a partnership with Washington that includes:

- providing federal housing and services resources to reduce the number of chronically homeless persons on the streets and in shelters
- savings potential in expenditures in city and county budgets by reducing the need for emergency medical care, hospitalizations, jail and other correctional facility costs
- improving access for chronically homeless persons to housing, primary care, substance abuse treatment and mental health services that leads to housing stability, recovery and self sufficiency
- reducing administrative burdens through a streamlined application and grant process
- enhancing the quality of life in communities

Across our country there is a new spirit of partnership in the response to homelessness. Through state participation in Federally funded policy academies, state interagency councils, and ten year plans, we are declaring that we are no longer content simply to manage the problem. Nor are we content to shuffle homeless people from one city to another, from one side of town to the other, or from one homeless program to another, or from the streets to programs and back to the streets.

We are beginning to realize that the failed responses of the past are more expensive than the solutions of the future. We have long understood the moral and spiritual and quality of life reasons for ending chronic homelessness on our streets and in our shelters. Thanks to the new research over the past five years, we now comprehend the economic reasons.

We now understand that the resources committed to homelessness, including the Samaritan Initiative, are investments in the lives of homeless people. And as is the case with any investment, we expect a return. The return we are investing in with the Samaritan Initiative is that chronically homeless people will move off our streets and out of long term stays in shelter into housing with support services to help sustain and retain their tenancies. Self sufficiency and greater independence will follow.

In the Administration's proposed budget for FY'05, there are a number of initiatives that would have the effect of preventing homelessness for those exiting prisons and jails, young adults aging out of foster care, and substance abusers needing treatment. These investments are in the prevention of homelessness, a far more effective and cost efficient way of ending homelessness. But for those experiencing chronic homelessness, the Samaritan Initiative offers a way out.

Around our country, collaborative initiatives to end chronic homelessness are yielding planful partnerships, innovative initiatives, and strategic solutions. The Samaritan Initiative employs all three to get the job done for the most vulnerable. These efforts to ending chronic homeless in this country, including the Samaritan

Initiative, will likely result in fewer expenditures on emergency services for this population, and enable resources to be shifted to other populations among homeless people.

Finally, when our country says that we will no longer tolerate the homelessness of our long term, disabled homeless neighbor; we'll no longer tolerate a homeless veteran foraging for food from a dumpster; we'll no longer tolerate a mentally ill person finding their sleep on our streets; we'll no longer tolerate a homeless elder succumbing to exposure;

When our toleration of street homelessness diminishes, our country's soul will feel the healing. And that remedy will move us closer to the day when everyone in our communities will be known by a single name - neighbor – and be treated as one.

The Samaritan Initiative moves us as a nation beyond indifference and insulation, and allows us with all our partners to stop on the side of the road for that neighbor.

Thank you.

HUD/HHS/VA Collaborative Initiative on Chronic Homelessness

City, State	Lead Agency	Grant Execution Date	Combined Awards to All Partners	# of Housing Units to be Leased	# Leased as of 7/04
Chattanooga, TN	Fortwood Center	1/24/2004	$2,195,550	50	30
Chicago, IL	Chicago Department of Human Services	12/24/2003	$3,443,140	59	18
Columbus, OH	Community Shelter Board	1/27/2004	$3,332,285	80	37
Denver, CO	Colorado Coalition for the Homeless	2/24/2004	$3,440,650	60	47
Fort Lauderdale, FL	Broward County Board of County Commissioners Human Services Department	1/5/2004	$3,408,640	51	15
Los Angeles, CA	Skid Row Housing Trust	1/23/2004	$2,110,187	Includes in-kind 62	43
Martinez, CA	Contra Costa County Public Health Homeless Program	2/17/2004	$3,425,565	40	36
New York, NY	Project Renewal	1/23/2004	$2,814,063	40	40
Philadelphia, PA	City of Philadelphia Managing Directors Office-Adult Services	2/10/2004	$3,297,784	70	16
Portland, OR	Central City Concern	12/29/2003	$3,431,371	73	23
San Francisco, CA	San Francisco Department of Public Health	2/17/2004	$3,460,761	88	master lease of 88 unit building to begin occupancy at end of month
			TOTAL:	673	305

Testimony by James Mauck, President and CEO of Catholic Charities and Community Services in the Archdiocese of Denver, presented before the House Committee on Financial Services, Subcommittee on Housing and Community Opportunity, July 13, 2004

Mr. Chairman, Ranking Member Waters, and Members of the Subcommittee:

My name is James Mauck, and I am President and CEO of Catholic Charities and Community Services in the Archdiocese of Denver, CO. I have a master's degree in social work, and have been with Catholic Charities for 41 years.

Catholic Charities of the Archdiocese of Denver was founded in 1927 to provide social welfare services to people in need. Today it has grown to be a multi-service agency serving northern Colorado from over 30 community-based locations. Its primary focus is on serving the poor and disenfranchised through the hard work and dedication of more than 400 staff. Catholic Charities presently owns and operates three shelters for the homeless along the front range: the Mission in Fort Collins (capacity of 48), Guadalupe Shelter in Greeley (capacity of 40), and Samaritan House (capacity of 350). Catholic Charities also operates a range of affordable housing developments: Courtyard Commons, a 34-unit apartment building primarily for single homeless persons transitioning out of Samaritan House; Plaza del Milagro and Plaza del Sol, two newly constructed facilities providing housing for 40 migrant families and 142 singles; and approximately 75 units of dispersed transitional housing for families moving out of shelter or, in some instances, facing eviction. In addition, we are in the process of integrating the Archdiocesan Housing program into our delivery system. This merger will add 1050 units of affordable housing for low-income seniors, individuals with mobility impairments, and families to Catholic Charities' portfolio of housing opportunities.

Today, I am testifying on behalf of Catholic Charities USA, Volunteers of America, and Lutheran Services in America. Each of these organizations numbers among the nation's largest, private networks of social service providers. Together with our federal, state, and local partners, we work to strengthen families and communities by providing a wide range of services, including affordable housing and homeless services, from emergency food and shelter to permanent supportive housing. Every year, our organizations assist millions of our most vulnerable fellow Americans.

We thank the Subcommittee for its attention to the serious problem of homelessness in our country, and we are especially grateful to Congressman Renzi, Chairman Ney, and the other sponsors of the Samaritan Initiative Act of 2004 for their willingness to take a leadership role in Congress on behalf of some of our nation's most vulnerable people.

As faith-based providers of housing and services, we believe that our national community has a moral obligation to end homelessness for all Americans. This mission has been adopted by our local agencies.

You will hear much testimony today about the housing and supportive service needs of homeless individuals. These needs are great, and becoming greater. Among this group are many of our

nation's homeless veterans. Our agencies serve thousands of these persons every day, and they will continue to do so.

However, the focus of my testimony will be the critically important needs of homeless families with children. I will begin by drawing the Committee's attention to two facts that are underappreciated in discussions of homelessness policy:

- First, a substantial percentage of homeless families with children endure repeated or long-term homelessness.

- Second, because members of these families often suffer from domestic violence or sexual abuse, mental illness, chronic substance abuse, and other disabling conditions, intensive support services, in addition to housing assistance, play a crucial role in helping them to stabilize, improve their well-being, and make progress towards self-reliance.

These facts have important implications for the Samaritan Initiative and for homelessness policy in general. The remainder of my testimony will explore these implications, and provide you with recommendations that would strengthen this legislation.

Many Families with Children Suffer Repeated or Long-Term Homelessness and Need Intensive Support Services

According to Martha Burt, the primary author of the Urban Institute's landmark study of homeless populations, children in families make up nearly 40 percent of persons using homeless assistance programs in the United States. This is about 1 million children every year. Moreover, more recent surveys—as well as reports from our member agencies—show that family homelessness is on the rise.

The population of homeless families with children is large and growing, and this fact is widely acknowledged. What is often missing in policy debates on family homelessness is the recognition that this population is not homogenous. While a majority of homeless families remain homeless for relatively short periods of time, large numbers of families suffer repeated or long-term homelessness. According to the Urban Institute study:

- 21 percent of homeless mothers with children report having been homeless at least 3 times
- 34 percent report that they have been homeless for a period between 7 and 60 months, and 5 percent report having been homeless for over 5 years.

In other words, a large number of homeless families suffer chronic homelessness.

The causes of repeated or long-term homelessness among families are complex. There is no doubt that a major cause is the increasing gap between low incomes and housing rents, and the severe shortage of affordable housing that exists in every community in America. Indeed, our agencies report that increasing numbers of working families are becoming homeless because housing is out of reach on take-home pay of $800 to $1000 per month, or even more in some regions.

Yet factors other than housing costs also contribute greatly to family homelessness, especially in the cases of families experiencing repeated or long-term homelessness. For instance, most homeless parents with children have endured domestic violence or abuse, or suffer from mental health, chronic substance abuse, or co-occurring disorders. The Urban Institute's data reveals that among homeless mothers with children:

- 16 percent are fleeing domestic violence or abuse; separately, the National Center on Family Homelessness reports that 32 percent of homeless women have experienced recent domestic violence
- 58 percent report mental health or substance abuse problems; and
- 22 percent suffer from co-occurring mental health and substance abuse disorders.

In the experience of our agencies, families often cycle through repeated episodes of homelessness because they do not receive the mental health care, substance abuse treatment, and other support services they need to cope with the problems they bring with them to the shelter.

We hear frequently that homeless families can "make it on their own" if they are provided with housing and modest support services to help them get back on their feet. Our agencies report, however, that this is simply untrue for a large numbers of homeless families. For example, the Volunteers of America affiliate in Columbus, Ohio provides permanent supportive housing for approximately thirty families at a time. Staff from that program report that the families they serve have previously cycled through homelessness on multiple occasions. Why? There are three primary reasons – domestic violence, mental health issues, and substance abuse disorders. Dennis Culhane's research on homeless families supports this conclusion. Without the services provided by the affiliate, such as counseling, psychiatric or psychological services, and drug or alcohol treatment, these families would continue to experience repeated episodes of homelessness.

Long-Term Homelessness Has a Devastating Impact on Children and Families

If we fail to provide intensive support services as well as housing assistance, the consequences will be dire for hundreds of thousands of homeless children and their families.

Place yourself for a moment in the life of a homeless child. Sleeping in a car at night for weeks or months because your family has been evicted and has no place to go. Waking up to have breakfast in a soup kitchen rather than your own kitchen. Moving every few weeks to live with a new set of strangers, until your mother has exhausted the hospitality of every acquaintance she has. Growing up in a shelter where there is little privacy, surrounded by people who are living in desperation, full of fear, shame, and hopelessness. Spending your birthday in a crowded shelter, with no presents and no birthday cake and wondering if you will still be there a year later.

Homelessness has a devastating impact on children. Children experiencing homelessness suffer from poor nutrition, inadequate health care, greater exposure to environmental hazards like lead poisoning; as a result, they have high rates of both acute and chronic health problems. They also struggle with school. Children experiencing homelessness are diagnosed with learning

disabilities at twice the rate of other children. And they suffer from emotional or behavioral problems that interfere with learning at almost three times the rate of other children.

Families who are precariously housed or homeless are often forced to move frequently, which can lead to changes in children's school placement. Changing schools greatly impedes students' academic and social growth. A "rule of thumb" is that it takes a child four to six months to recover academically after changing schools, and the recovery period is probably longer for children coping with the insecurities and fears associated with homelessness. Twenty-one percent of homeless children repeat a grade because of frequent absences from school, compared to 5 percent of other children. And 14 percent of homeless children repeat a grade because they have moved to a new school, compared to 5 percent of other children.

Homelessness also has a destructive effect on family stability. When families lack adequate housing, child welfare agencies often step in to separate children from their parents. The Child Welfare League of America (CWLA) reports that 12 percent of homeless children end up in the foster care system, while 30 percent of foster kids could be reunited with their families if their housing problems were solved.

Our public policy should promote family stability, not force children into the overburdened child welfare system. This is especially true when keeping families together is far less costly than splitting them up. According to CWLA, the average child welfare family has 2.7 children, and the average annual cost of keeping these children in foster care is approximately $45,000. In contrast, preserving a family in permanent supportive housing costs an average of only $9,000 per year.

Congress Must Act to Preserve Access to Supportive Services for Homeless Families with Children

While the Samaritan Initiative is a modest proposal, it is an important part of a broad new model of how supportive services for homeless persons are going to be funded, what types of services will be funded, and who will be eligible for these services. The implications of this model give cause for concern.

Currently, the majority of federal homeless assistance funding is distributed by the Department of Housing and Urban Development (HUD) through the McKinney competitive grant programs. In recent years, HUD has made it clear that it plans to reduce substantially the share of McKinney funding devoted to supportive services in favor of increasing spending on housing activities. In addition, HUD has announced its intention to restrict McKinney funding to only four basic types of supportive services: outreach, case management, life skills training, and housing counseling. Coupled to these changes of policy at HUD is the expectation that other federal agencies, such as HHS and VA, will ramp up their funding for health care, substance abuse treatment, mental health care, and other supportive services for homeless persons. The Samaritan Initiative is intended, in part, to meet this expectation.

Our concern is that these policy changes will effectively reduce the availability to homeless families of a wide range of crucial services such as substance abuse treatment and mental health

care. For HUD will no longer fund the services at all, while the Samaritan Initiative, in its current form, would fund them only for homeless individuals. To avoid this problem, the Samaritan Initiative should be modified to ensure that these services will be available to programs serving these families.

Recommendations

Every strong argument in favor of providing permanent supportive housing for homeless individuals also applies to families with children suffering repeated or long-term homelessness:

- Homeless families with children are among the most vulnerable members of our society, and, as such, we have a strong moral obligation to assist them first.
- Families with children suffering long-term homelessness are hard to serve and stabilize, yet permanent housing combined with intensive support services succeeds where other forms of assistance fail.
- Finally, permanent supportive housing provides a cost-effective alternative to assistance delivered by other systems, such as emergency rooms and foster care.

If the Samaritan Initiative is to address effectively the problem of long-term homelessness, it must attend to the plight of homeless families with children. Accordingly, we recommend the following revisions:

(1) **Expand eligibility to include homeless families with children.** The Samaritan Initiative relies on a definition of "chronically homeless person" that categorically excludes families with children, even families with disabled members who have suffered from repeated or extended periods of homelessness. This artificial exclusion, combined with the policy changes being advanced by HUD, will hinder the efforts of homeless service providers to assist many homeless families with children in their struggle to achieve stability. We therefore propose that eligibility be expanded to include families with a disabled adult or child.

(2) **Shorten or eliminate the durational requirement.** The Samaritan Initiative limits eligibility to clients who have been homeless for at least a year or have experienced at least four episodes of homelessness over a period of three years. From both moral and policy standpoints, it makes no sense to require persons to remain homeless for extended periods before they are eligible for the assistance they need. Homelessness is dehumanizing. We should strive to move people out of homelessness as quickly as possible, not perpetuate it by denying them the assistance they need, simply because they have not been homeless long enough.

    In addition, when eligibility for services is based on the duration of homelessness, documenting eligibility is difficult and leads to arbitrary distinctions between clients. It can be nearly impossible to document how long a person has been living on the street. And if a person lives on the street for four months, then stays with a relative for two weeks before returning to the street, he should not have to wait another full year before becoming eligible for assistance.

In short, judgments on program eligibility should be based on an assessment that confirms the family's need for permanent supportive housing, not on the length of time that they have lived on the street or in a shelter.

(3) **Revise the definition of "homeless" to capture the reality experienced by many homeless families.** Our shelters are overflowing with homeless families with children, yet many more are living doubled up with acquaintances and extended family members. Some of these families are forced to move frequently as they repeatedly exhaust the hospitality of their hosts. Recognizing that such unstable housing situations are damaging to children and families, the Samaritan Initiative's definition of "homeless" should be expanded. We propose that the Subcommittee substitute the broader definition currently used by the U.S. Department of Education, which was adopted as part of the No Child Left Behind Act of 2001. This would expand program eligibility to families lacking fixed, regular, or otherwise adequate housing, even if they are not living on the street or in a shelter.

(4) **The Samaritan Initiative should fund supportive services dollar-for-dollar with housing.** In the experience of our agencies, effective permanent supportive housing programs require a dollar of investment in supportive services for every dollar spent on housing operations. We therefore urge the Subcommittee to authorize $50 million in combined service funding from the Department of Health and Human Services and Veterans' Administration to match the $50 million in housing funding authorized from HUD.

Finally, it would be irresponsible to close without a word about broader housing policy. Our nation faces a crisis in affordable housing, and serious progress on preventing and ending homelessness cannot be made without substantial investments to increase the supply of, and access to, affordable housing, especially housing for households with extremely low incomes. We therefore urge the Members of the Subcommittee to provide leadership and resources to expand the production of affordable housing and to protect and strengthen crucial assistance programs like the Housing Choice (Section 8) Voucher Program.

Concluding Remarks

Whatever success we have experienced in working with homeless persons has been largely due to our ability to provide or secure services. When our agency first began to serve the homeless in 1980-81, the dominant philosophy could have been described as "Two hots and a cot." Most thought that the problem was economic, and were surprised and shocked to learn that drugs, alcohol, and chronic mental illness would soon dominate the landscape. Very quickly we came to realize that serving the homeless was a whole new field of effort, and that what we thought to be a temporary problem would come to dominate our careers. We were seeing all of what falls through our "safety net," and it wasn't pretty. The most dispiriting part was to turn away, night after night, an ever-growing population of homeless families. With the wind howling, snow flurries in the air, and the temperature in the "teens," we turned them away because our sites were already packed.

How tragic. And yet here is where we believe we can have a great impact. Families are young and their children are our future. They come to us with complex multitudes of problems, yet our experience has shown that they can be helped. Within families hope can be rekindled. Children and parents can be nurtured, and they can build better lives for themselves and for their communities. We will all benefit if we make it our task to help them.

Thank you.

2003 ANNUAL REPORT

HOPE IS THE LIGHT OF THE SOUL

Providing Help and Creating Hope

CATHOLIC CHARITIES
ARCHDIOCESE OF DENVER

CATHOLIC CHARITIES
Archdiocese of Denver

Our Partnership *with You*

Dear Brothers and Sisters in Christ,

The word "community" means more than just a social agreement to live in the same geographical area. Real community always involves sharing ourselves with others, especially with those who are in great need.

As Christians, we are called to bring Christ's light and hope to our neighbors who are vulnerable or in crisis. We must remember that Christ works through us, the body that is His Church. The common good always demands that individuals sacrifice their own wants and needs for the good of others. This is our call to follow Jesus.

Catholics have always had a tremendous heart for the poor. This is one of the hallmarks of our Christian faith. We don't just sit on the sidelines. We jump in and do what we can. One way you can help is by supporting the wonderful work of Catholic Charities here in Colorado.

Catholic Charities "Provides Help and Creates Hope" for many of our brothers and sisters in Colorado. The Catechism states that "Buoyed up by hope, we are preserved from selfishness and led to the happiness that flows from charity." I urge you to continue to share yourself with those in need by assisting Catholic Charities in their important works of charity on behalf of our community.

Yours in Christ,

+ Charles J. Chaput, O.F.M. Cap.

Most Reverend Archbishop Charles J. Chaput O.F.M., Cap.
Archbishop of Denver

Dear Friends,

For over 77 years, Catholic Charities has been a beacon of hope for the people of Colorado. Hope is a gift in all of our lives, both to those in need as well as for those who offer help to others. The gift of charity flows out of a belief that there is a higher purpose for each of our lives. Life's pace can be fast, hectic, and wearing. For many of us, it is the little things in life, like schedules, deadlines, and appointments which capture our attention. Sometimes we can lose focus on what is truly important in our lives — love and charity toward those who are dear to us and for those who need our help and compassion.

Our partnership with you provides food, shelter, and clothing, the basic necessities of life, to our neighbors in desperate need. Beyond this, Catholic Charities works with individuals and families to end despair and equip them with tools to become independent and self-sufficient. Our work extends beyond what is needed for immediate assistance to long term solutions. Many of our programs work to keep the concerns of today from becoming the critical needs of tomorrow.

Working together, we give and receive the light of Christ as a gift which inspires hope. The values taught by the gospel both direct and encourage us to offer our help freely to individuals of all races, all creeds, and all faiths. We thank you for partnering with us over this past year in our work of providing help and creating hope to those in need in our local community.

Sincerely,

James H. Mauck,
President

Brian Soukup,
Chairman

A Partnership of Hope

Hope is an illusive feeling. It can be born from fleeting things, like a simple smile from someone. It can come from big changes in life, a new job, a place of your own, or a newly adopted baby. It can spring from the caring touch of a hand or soft words that say "you are not alone, you are not abandoned."

Catholic Charities brings hope to the hopeless every day. We are the safety net for many who are forgotten or unseen — the homeless man on the corner, a pregnant teen with no where else to turn, disabled adults who are struggling for independence, the abused child given to foster care, migrant farm workers here for harvest time, or a single mother about to lose her home due to unemployment. Catholic Charities could not begin to touch these lives without help from you.

We need the generous support of the community for this partnership of hope to flourish. Either through gifts of time and talent, or through financial support, you can bring light to lives steeped in despair and disappointment and make it possible for hope to dwell in their hearts again.

Sara and her baby

A young mother, Sara, left her husband who was physically abusive to her. She and her newborn infant moved in with her aunt and her two children in a one-room apartment — a total of 5 people shared one bed. Sara came to Catholic Charities asking for help. She had no money and no job. She was given a scholarship for job training and her daughter was placed in Catholic Charities child care. Sara now has her own apartment and works as an administrator at a battered women's shelter and helps other women through her compassionate assistance.

Sam is happy to have a new life

Homeless for over twelve years, Sam stayed at ***Samaritan House*** *more than once, receiving food and shelter, especially during the cold winter months. Although the counselors encouraged and helped him, he struggled to conquer his serious problem with alcoholism. Through the shelter's employment program, Sam was hired as a temporary warehouse worker at a local technology firm. Though he occasionally relapsed in his addiction, Sam persevered and kept his work commitment at the warehouse. Sam was hired as a full time employee and became eligible for health benefits. He began addiction counseling and was given medication that kept him sober. Through the compassionate care Sam received at Samaritan House, his life has become completely transformed. Now, Sam has his own apartment and he is still employed at the same firm. He says that he needed someone else to believe in him so he could believe in himself.*

CATHOLIC CHARITIES PROGRAMS

Child Care

Child Care and **Head Start** served 938 children from 773 households in 2003. Over 85% of the households had an income level under $25,000 annually.

Disabled Services

Carron Center: 48 developmentally disabled adults were served in our group home and with respite care in 2003.

Family Services

Counseling: 988 individuals/families were seen by counselors either in out-patient or home-based settings. 600 children were helped in school counseling through Catholic Charities in 2003.

The **Peace 'n the Streets Health Fair '03** served over 2,000 community residents. 454 dental check ups were given to homeless/low income children. 140 car seats and 80 bike helmets were distributed for the safety of poverty-level children. 700 bags of school supplies were distributed to children attending the fair last year.

Adoption and Foster Care: 330 adoptive and foster care families were assisted in 2003. Several hundred people called and received information on adoption and foster care. 13 children were placed for adoption in loving homes in 2003. 75 children were removed from abusive or harmful environments and placed with caring and safe foster homes. In 2003, Catholic Charities provided search and reunification services to approximately 40 people including both birth parents and adoptees. 40 birth parents and their families were counseled last year regarding a plan of parenting vs. adoption.

Kinship Care is committed to keeping families together. 208 families and approximately 416 children were served as part of the Kinship care support program to assist relatives in raising children from their extended families in 2003.

Youth Programs: Beacons provided 565 youth with mentoring and after school educational activities in 2003. 60 youth graduated from **Youth with Vision**, a court-ordered life skills class for teens. **PREP** gave 76 youth, suspended or expelled from 6-8th grades, assistance with life skills and educational tutoring.

Adult Education provided free parenting classes, support groups, ESL, and GED classes to 470 families in 2003.

TANF Navigator Program helped 286 families achieve self-sufficiency in 2003.

Stephanie and her two daughters.

Stephanie came to the Northwest Emergency Assistance Center in tears asking for help. Over a three month period she lost her job, her husband left her, and she was diagnosed with breast cancer. A mother of two young girls ages 4 and 7, she had to find a way to make the house payment while she underwent chemotherapy and looked for work. The Center was able to help. Stephanie is now employed and has placed her girls in the Catholic Charities child care center near her job. She continues her cancer treatments hoping that she will be able to overcome the disease and set an example of perseverance and faith to her two young children.

Juan plans to live at the new Plaza Del Sol housing for single migrant men.

Juan is a migrant farm worker in Greeley harvesting crops to send money to his destitute family. With little or no migrant housing available, Juan and many other farm workers live 20-to-a-hotel room, in vans, or in cars. To address this critical need, Catholic Charities will open Plaza Del Sol Migrant Housing for single men in March, 2004. At the ground breaking for Plaza Del Sol, Juan fell to his knees before Archbishop Chaput and thanked him again and again for providing him with a dignified place to live.

CATHOLIC CHARITIES PROGRAMS continued

Homebound Care: 114 elderly, who are homebound due to frailty or illness, were provided various aspects of care at home in 2003. This care includes case assessment, home safety evaluations, information and referrals, friendly volunteer visits, benefits assistance, and transportation to doctor appointments.

Senior and Adult Services: 85 seniors participated in programs at **Mulroy Senior Center** in 2003. In Denver and surrounding counties, 455 seniors received case management, financial services, homebound services, information and referral or other assistance to live independently in their homes last year. In Weld and Larimer Counties, 672 seniors received similar services for 2003.

Homelessness

The **Samaritan House** shelter in Denver provided emergency housing for 5,820 homeless individuals, 335 homeless families and 998 homeless children in 2003. 3,861 residents received case management at Samaritan House last year. The **Mission** shelter (Fort Collins) housed 935 people in 2003 including 660 single men, 115 single women, 49 families, and 89 children in 2003. The **Guadalupe** shelter (Greeley) housed 1,150 people including 817 single men, 200 single women, 77 families, and 133 children in Northern Colorado last year. The **Kitchen** served 39,120 hot meals to shelter residents and other hungry individuals and families in 2003. **Homeless Prevention:** 81 individuals and families participated in our homeless prevention program over the last year.

Emergency Assistance

Emergency Center Centers helped 20,232 households and 67,357 people with rent, utilities, or food during 2003. The victim's assistance program aided 1,121 people last year.

Transitional Housing

The **Transitional Housing** office provided affordable housing to 323 individuals and families leaving our homeless shelters over the past year. 128 were provided with transitional housing assistance and 114 welfare to work families were assisted with next-step housing.

Food Assistance

SHARE Colorado provided 22,300 families and a total of 128,000 people the opportunity to reduce their family food budget by 50% through participating in the Share Food Program in 2003.

Immigration

Immigration Services assisted 2,150 persons with immigration, visa and citizenship, and family reunification services in 2003. Over 461 persons attended community education presentations, throughout Colorado, on rights and remedies under U.S. immigration law. Radio listeners where provided with immigration law advice via two radio show presentations on La Jota Mexicana in the fall of 2003.

Northern Office

Catholic Charities Northern assisted 6,543 people in Fort Collins and 6,645 in Greeley for a total of 13,188 people with food, clothing and other emergency services in 2003

Migrant Farm Worker Housing: Plaza Del Milagro housed 67 farm worker families with 246 children in 2003. 88 children from 51 families received child care at Plaza Del Milagro during 2003. **Plaza Del Sol** migrant housing for single men will open in March 2004.

Northern Immigrant Services: In 2003 117 adults participated in English-as-a-Second Language classes. Child safety seats were installed for 323 children from 213 needy low-income families and 88 adults participated in educational workshops.

Western Office

Catholic Charities Western assisted 411 people with food, clothing and other emergency services in 2003. Miles For Smiles treated 254 children during 661 dental office visits. Oral hygiene education was given to 557 additional children. Immigration Services helped 143 clients in the Western Slope and 664 households were helped by our Immigrant Community Advocacy program. 8 families were assisted with transitional housing in 2003.

Summer Camp & Retreats

Camp Santa Maria hosted 886 campers and 1,622 retreat participants (ages 6 to 64) in 2003 including 460 youth, 154 developmentally disabled persons, 34 seniors, and 392 young men, men discerning the priesthood, and bereaved children to experience the beauty of the Colorado wilderness.

Employment Assistance

The **Employment Resource Center** helped 1,699 last year with job preparation and job skills.

Our Sincerest Gratitude - Grants 2002-2003

17th Judicial District, Victim Assistance & Law Enforcement
18th Judicial District, Victim Assistance & Law Enforcement
Adams County, Office of Community Outreach
Anschutz Family Foundation
The Anschutz Foundation
Arapahoe County, Housing & Community Development Services
Archdiocese of Denver
Aspen Valley Community Foundation
Aspen Valley Medical Foundation
Aurora Victim Witness Advisory Board
Bank of Colorado
Boettcher Foundation
Bonfils-Stanton Foundation
Temple Hoyne Buell Foundation
The Capuchin Province of Mid-America
Caring for Colorado Foundation
Catholic Foundation of the Archdiocese of Denver
Charlson Foundation
City of Aspen
City of Aurora
City of Brighton
City of Commerce City
City of Denver
City of Fort Collins
City of Glenwood Springs
City of Greeley
City of Loveland
City of Thornton
City of Westminster
Citywide Banks
Colorado Area Agencies on Aging
Colorado Association of Realtors Housing Opportunity Foundation (CARHOF)
Colorado Coalition for the Homeless
Colorado Community Health Network
Colorado Department of Education
Colorado Department of Human Services
Colorado Department of Local Affairs
Colorado Department of Public Health & Environment
Colorado Department of Transportation
Colorado Homeless Prevention Activities Program (State Income Tax Check-off)
Colorado Lottery
Colorado Office of Resource & Referral Agencies (CORRA)
Colorado Trust
Combined Federal Campaign
Commerce City Business & Professional Association, Inc.
Community Foundation of Northern Colorado
COPIC Medical Foundation
Corox Foundation
Daniels Fund
Denver Department of Housing & Neighborhood Development Services
Denver Department of Human Services
Denver Department of Parks and Recreation
Denver Foundation
Denver Regional Council of Governments (DRCOG)
Dobbins Foundation
Dominican Sisters of Springfield
Donnell-Kay Foundation
The Dreyer's Foundation
Eagle County
Eagle River Valley United Way
Educare Colorado
El Pomar Foundation
El Pomar Foundation Youth in Community Service
Emily Griffith Opportunity School
Energy Outreach Colorado (formerly Colorado Energy Assistance Foundation)
Enterprise Foundation
Fannie Mae Foundation
FEMA, Emergency Food and Shelter Program
First Bank
First Book
First Data Western Union Foundation
Footballs United Way
Fort Collins Area United Way
Fort Collins Community Foundation
Gannett Foundation
Garfield County
Gates Family Foundation
Goebel Project
Group Publishing, Inc.
Head Start/Early Head Start
The Humphreys Foundation
J.K. Mullen Foundation
Jefferson County, Community Development Department
The Helen K. & Arthur E. Johnson Foundation
Kids In Need of Dentistry
The Kenneth Kendal King Foundation
Larimer County
Light of the World Catholic Church
Martin Family Foundation
Mary M. Dower Benevolent Corporation
Mile High United Way
Monfort Family Foundation
Mountain Cross Engineering
NAPNAP
North East Denver Housing
Phil Long Community Fund
The Jay and Rose Phillips Family Foundation
Pitkin County Board of County Commissioners
Post-News Season To Share
Poudre School District
Quimby Family Fund
Regis University
Robert R. McCormick Tribune Foundation
Rose Community Foundation
Safe City Office
Sam's Club Foundation
Seedworks Foundation
Snowmass Village
St. Frances Cabrini Parish
State Farm Insurance
The Tiger Woods Foundation, Inc.
Travelers Insurance/ Citigroup Foundation
US Corporation for National Community Service, AmeriCorps
U.S. Department of Education
U.S. Department of Health & Human Services
U.S. Department of Health & Human Services, Administration for Children & Families
U.S. Department of Housing and Urban Development
U.S. Department of Veterans Affairs
U.S. Soccer Foundation
United Way of Larimer County
United Way of Loveland-Berthoud-Estes Park
United Way of the Eagle River Valley
United Way of Weld County
Vail Valley Cares
Wal-Mart Foundation
Weld County
Weld County School District
Wells Fargo Bank, N.A.
Wenzel-Miller Family Fund
Western Colorado Community Foundation
The Women's Foundation of Colorado

PLEASE CONSIDER CATHOLIC CHARITIES IN YOUR WILL.

Finances

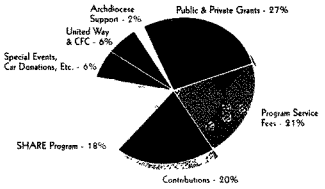
In the fiscal year ending June 30, 2003, Catholic Charities through its many programs, provided services to over 173,000 of our neighbors. A majority of these people were families with children.

Total donations and grants were $11.5 million versus $12 million from the previous fiscal year. This was a decline of 4.7%. We attribute this to the general decline in the local economy over the past year. Funding from the Archdiocese of Denver Archbishop's Catholic Appeal remained constant from last year at 2% of our total budget. The additional 2% previously received from the Archdiocese Hearts on Fire campaign concluded in 2002. Many parishes and churches were generous to us this last year. The United Way allocation remained at the same level as in 2002. Fund raising costs were 3.5% and administrative costs were 9.2% of the total expenses for 2003.

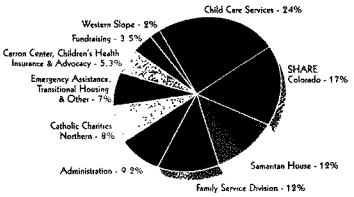
For more information including a Complete Statement of Financial Activities for the year ending June 30, 2003 contact Catholic Charities at 2525 West Alameda Avenue, Denver, CO 80219, Attn: Development. Kundinger, McCutcheon, Corder, & Engle, P.C. prepared the Independent Auditors Report.

Catholic Charities of the Archdiocese of Denver is tax exempt under section 501(c)(3) of the Internal Revenue Code. All charitable donations to Catholic Charities are eligible to receive deductions for federal tax purposes.

SOURCES OF SUPPORT & REVENUE
FISCAL YEAR 2003



EXPENSES BY CATEGORY
FISCAL YEAR 2003



CATHOLIC CHARITIES
Archdiocese of Denver

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2003 ANNUAL REPORT

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Steven A. Wagner

**We ask for your prayers for Patricia Tisdale and her family. She passed away on January 6, 2004. We are thankful for her faithful service to Catholic Charities.*

With the Help of Many

Catholic Charities is especially thankful to all of our volunteers whose gifts of time, compassion, and dedication contributed to our success. 13,400 volunteers provided help and created hope for their neighbors. Their gift of 346,000 hours helped to make Colorado a better place to live.

CREDITS: Editor: Kathleen White, Graphic Design: Patte Smith, Photo Credit: James Baca, and Contributor: Mary Gibson

Homeless Services

Volunteers of America®

A Leader in Homeless Services

For more than 100 years, Volunteers of America has provided programs and services to homeless people, and is a leader working to develop creative solutions to the factors and situations that cause homelessness. Homeless Services promote self-sufficiency for individuals and families experiencing homelessness or at risk of homelessness through outreach, emergency shelter, transitional and permanent housing, and related support services.

In 2002, Volunteers of America Homeless Services programs assisted more than 140,000 persons nationwide.

Working to Prevent Homelessness in America

Volunteers of America is a national, nonprofit, spiritually based organization providing local human service programs and opportunities for individual and community involvement. By establishing effective partnerships with government, businesses, churches and community organizations, Volunteers of America is able to assemble the resources to effectively address homelessness in the community.

Volunteers of America helps give homeless people a new beginning by addressing the underlying causes of homelessness as well as providing services and programs to them. A continuum of services is provided to break the cycle of homelessness with the goal of achieving permanent housing. These services include:

Emergency Services

- Eviction prevention
- Mobile outreach vans
- Drop-in centers
- Emergency shelter
- Transitional housing for homeless youth, families, and veterans

Permanent Housing Services

- Permanent supportive housing for disabled, mentally ill, and those living with HIV/AIDS
- Affordable housing
- Supportive services to ensure permanent housing

Volunteer Programs

- Formerly homeless children and adults assist in outreach and services
- Clothing and household item collection and distribution
- Holiday meal preparation
- Child care, literacy, and computer training

Social Services

- Case management
- Psychiatric and mental health services
- Counseling services
- Substance abuse treatment
- GED and educational services
- Job training, referral, and placement programs
- Medical services
- Transitional and aftercare services
- Housing placement
- Independent living skills
- Recreation
- Child development
- Computer training centers
- After-school/youth development programs
- Aftercare services
- Legal services

1660 Duke Street • Alexandria, VA 22314-3427 • Phone: 703.341.5000 • www.VolunteersofAmerica.org

Homeless Services

Volunteers of America

Volunteers of America's Commitment to Breaking the Cycle of Homelessness

Volunteers of America believes that government, in partnership with individuals and communities, must assume responsibility and leadership to build a society that ensures that every person or family who is homeless be provided:

- Adequate and appropriate supportive services;
- Comprehensive health care;
- Meaningful education;
- Adequate standard of living; and
- Decent, safe, and affordable housing.

Leaving Homelessness Behind

Marshall was a homeless drug addict who lived on the New York City streets for many years. A Volunteers of America outreach worker enrolled him in the homeless program at the Volunteers of America Charles Gay Shelter. After less than a year of substance abuse treatment and job training at the shelter, Marshall is now clean and sober, married, living in his own apartment, and employed as a homeless outreach case manager. Marshall credits Volunteers of America with "saving my life." He believes the Volunteers of America staff commitment and belief that he was worth something, made all the difference in transforming his life. Volunteers of America helps people like Marshall overcome barriers so that they can leave homelessness behind.

For more information about Volunteers of America, call 1-800-899-0089 or visit our Web site at www.VolunteersofAmerica.org.

There are no limits to caring.®

1660 Duke Street • Alexandria, VA 22314-3427• Phone: 703.341.5000 • www.VolunteersofAmerica.org

April 2003

Catholic Charities USA®

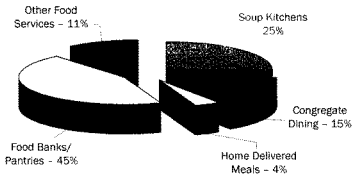
The Catholic Charities Network At a Glance

Catholic Charities across the nation provided help and created hope for 7,134,551 (unduplicated) people regardless of religious, social, or economic backgrounds in 2002.* In all, 152 main Catholic Charities agencies reported that their 1,417 branches and affiliates provided vital services 11,160,496 times in 2002. For more information about the Catholic Charities network, visit www.catholiccharitiesinfo.org.

Provided Food Services to 4,665,445 people

Food banks and food pantries	2,977,951
Soup kitchens	1,185,348
Congregate dining	710,165
Home delivered meals	173,460
Other food services	518,521

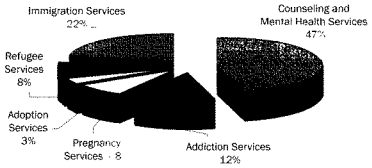
Food Services



Provided Services that Strengthen Families to 1,307,146 people

Counseling and mental health services	599,181
Immigration services	292,249
Addiction services	163,027
Refugee services	110,785
Pregnancy services	101,702
Adoption services	40,202

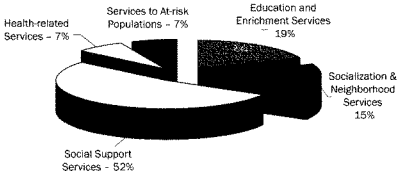
Strengthening Families



Provided Services that Build Strong Communities to 3,312,346 people

Social support services	1,746,698
Education and enrichment	620,742
Socialization and neighborhood services	484,276
Health-related services	240,262
Services to at-risk populations	220,368

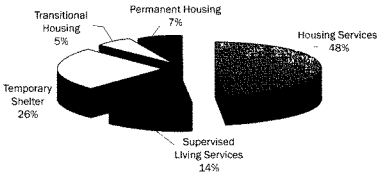
Building Strong Communities



Provided Housing Related Services to 442,271 people

Housing services	213,468
Temporary shelter	113,284
Supervised living	60,778
Permanent housing	31,044
Transitional housing	23,697

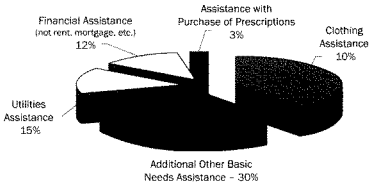
Housing Related Services



* The totals reported in this summary include only those from Catholic Charities USA member agencies that submitted reports for the 2002 survey.

Provided Other Basic Needs Services to 1,333,425 people

Other Basic Needs Assistance



Provided Disaster Services to 99,863 people

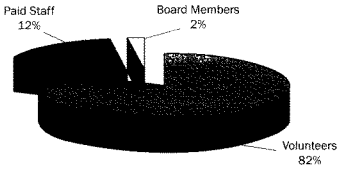
Other Facts about Catholic Charities

- More than 3.2 million clients of Catholic Charities received some public assistance and more than 3 million clients were living below the poverty level in 2002.
- Some 42 percent of all the services Catholic Charities provided in 2002 were food services, such as food banks/pantries and soup kitchens.
- Catholic Charities served more than 1.8 million children and nearly 800,000 seniors in 2002.

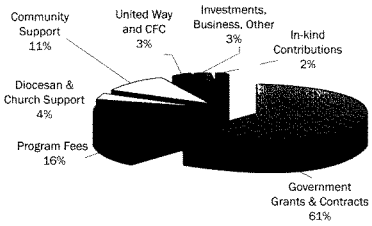
Personnel and Finances

In 2002, 336,231 people worked with Catholic Charities, including 53,929 paid staff, 275,237 volunteers, and 7,065 board members.

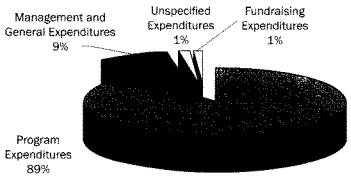
Total Personnel



Total Income: $2,969,331,936



Total Expenses: $2,919,215,570



Catholic Charities USA®

Providing Help. Creating Hope.
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Ph.: 703.549.1390 • Fax.: 703.549.1656
www.CatholicCharitiesUSA.org

This document was prepared by Catholic Charities USA, the National Member Service Center for the agencies and staff of Catholic Charities nationwide. By providing members with valued services and by representing the concerns, needs, and interests of members and the people they serve, the National Member Service Center helps ensure that Catholic Charities agencies across the nation continue to be successful in their mission to serve people in need.

To download this document or to learn more about Catholic Charities, visit **www.CatholicCharitiesInfo.org**

Lutheran Services in America

- Lutheran Services in America (LSA) is an alliance of two Lutheran denominations and is comprised of more than 280 independent health and human service organizations that serve in over 3,000 communities across the United States and the Caribbean.

- LSA member organizations served more than 1 in 50 people last year.

- LSA organizations address a wide range of needs, including those of the elderly, children and families, people with special needs, communities, prisoners, and people with disabilities. Services are available to all, regardless of religious affiliation.

- Collectively, LSA member organizations had budgets totaling more than $7.6 billion, making LSA one of the largest not-for-profit organizations in the country.

- For more than a century and a half, Lutherans have worked together to meet the needs of their neighbors. New ministries and new organizations develop continually as new needs are identified.

- Services are available to all regardless of religious affiliation. In fact, the vast majority of people served by Lutheran organizations are not Lutheran – rather Lutherans serve the neighbors in their communities.

- Lutheran organizations invite a wide variety of people to share in the work as employees – most not Lutheran. One Lutheran organization recently counted 28 primary languages spoken among their employees!

- The 280 Lutheran organizations vary greatly in size and scope of work. For example, the Evangelical Lutheran Good Samaritan Society is one of the ten largest providers of nursing home care in the country. Lutheran Community Services in Delaware has only half a dozen staff members and counts on a squadron of volunteers.

- Not only do Lutherans provide service through the work of the 280 health and human service organizations, but local congregations are also actively engaged in providing food, shelter, education, mentoring, and a wide range of other services in their communities as well.

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Testimony

of the

Los Angeles Homeless Services Authority

on

"The Samaritan Initiative Act of 2004"

H.R. 4057

By

Mitchell Netburn, Executive Director

Los Angeles Homeless Services Authority

Submitted To

U.S. House of Representatives

Committee on Financial Services

Subcommittee on Housing and Community Opportunity

Chairman, Robert Ney

July 13, 2004

Good morning Chairman Ney, Ranking Member Waters, and distinguished members of the Subcommittee on Housing and Community Opportunity.

My name is Mitchell Netburn. I am the Executive Director of the Los Angeles Homeless Services Authority, known as LAHSA. LAHSA is a joint powers authority created by the City and County of Los Angeles and is responsible for planning, funding, and coordinating local homeless programs.

Thank you for the invitation to provide testimony in support of H.R. 4057, the Samaritan Initiative Act of 2004. LAHSA and the City of Los Angeles readily endorse the Samaritan Initiative because it will continue a successful collaborative model that will help us reach the national goal of ending chronic homelessness.

Homelessness in Los Angeles

It is estimated that 80,000 men, women and children are homeless throughout Los Angeles County on any given night. Of those 80,000 persons, we estimate that at least ten percent can be considered chronically homeless according to the federal definition.

In November 2003, Los Angeles began a strategic planning process to end homelessness throughout the County in ten years. Led by Supervisor Yvonne B. Burke and Mayor James K. Hahn, a total of ten elected officials convened a 60 member Blue Ribbon Panel of community leaders to oversee the development of our strategic plan, which will be adopted this Fall. Los Angeles is committed to ending homelessness.

In the past year and a half, for the first time ever, the County and City of Los Angeles have contributed over 10 million dollars of local funds to turn a temporary Winter Shelter program into a year-round program. This program is operating at 103% occupancy and serves nearly 1,000 homeless people every night, primarily in congregate shelters. Many of these people are chronically homeless and until this program became operational year-round, they lived on the streets for nine months of the year. During 2003, 7,833 unduplicated clients of the program participated in case management services. Of these, 1,108 were placed in transitional housing and 685 were placed directly in permanent housing. These outcomes clearly show that homeless people, even chronically homeless people, want a home.

While we have many other programs that also successfully house chronically homeless people, many of them remain on the streets or in shelters. Part of the reason for this is funding limitations, and part of the reason is that we needed new models to engage and house chronically homeless people. As described below, the Collaborative Initiative to Help End Chronic Homelessness allowed us to create a new model that has early success in placing chronic homeless people into permanent housing.

The Los Angeles Skid Row Collaborative

Last year, as a precursor to the Samaritan Initiative, eleven grants were awarded nationally through the Interagency Council on Homelessness under the Collaborative Initiative to Help End Chronic Homelessness. Among the grantees was the Skid Row Collaborative (Collaborative), comprised of eleven Los Angeles agencies including LAHSA. For those of you who have not visited Los Angeles, Skid Row is located in the eastern part of downtown Los Angeles and has the largest concentration of street homelessness in the United States. Approximately 10,000 homeless and at-risk people live in this 40 square block area. With a high incidence of physical disability, mental illness and addiction, Skid Row is home to a significant number of chronic homeless people who are also frequent users of public systems of care.

The Collaborative proposed providing subsidized housing for 62 persons as well as a comprehensive array of services, including mental health care, substance abuse recovery services, and primary health care. I am pleased to report that the project has met its goal to house 70% of its clients within the first six months of the program. This model works. In addition, Los Angeles' Collaborative established an unprecedented level of local interagency cooperation among parties that had not previously coordinated.

The promise of this intensive Collaborative can already be seen in the experience of its participants, such as Gloria. Severely mentally ill, diagnosed as a schizophrenic, Gloria spent more than a year and a half surviving on the streets in Skid Row. She had been kicked out of many housing programs. This Spring the Collaborative Outreach Team engaged Gloria on the streets and provided her with mental health and health services. They also helped her complete the complicated paperwork needed to access her Shelter Plus Care unit, which she never would have been able to do on her own.

While waiting for her permanent housing unit, she stayed at the Lamp SafeHaven, another Collaborative housing site. Despite numerous challenges in engaging her and building trust, Gloria was among the first to be housed at the St. George Hotel, one of the Collaborative's permanent housing sites, in March of 2004. Staff, building management, and even other St. George tenants have all provided consistent support to her in spite of her bizarre and sometimes unpredictable behavior.

Gloria sees the onsite psychiatrist and nurse, maintains her appointments with health and mental health providers, and takes her medications. She has also worked through two crises, including having her foot run over by a car (hit and run), and being in a car accident in which she was a passenger. The team assisted her during her hospitalization by ensuring her rent was paid. The onsite nurse even re-cast her leg when she removed the cast during a delusional attack.

Gloria consistently pays her rent and maintains her room. She regularly participates in social activities and has exhibited improved social and independent living skills. Sometimes, she is even humorous. She has gained so much trust with the staff that she

self-reported her first experience with drugs to her case manager, who was able to deter her from further use.

The Samaritan Initiative and Homeless Policy

Gloria, and others like her, could not have attained this level of success without the consistent and coordinated efforts of the Skid Row Collaborative. The Chronic Homeless Initiative, by providing funding and requiring local collaboration among diverse agencies, ensured that this would be the case. While we fully support continuing this model through the Samaritan Initiative, I would like to share some concerns with you about the proposed legislation as well as describe our view of its relationship to federal homeless policy as a whole.

Our primary concern is that the funding authorized in this bill is not sufficient to meet the Administration's goal of ending chronic homelessness. The Collaborative Initiative provided a total of $35 million nationally. We are fortunate in Los Angeles to have been one of eleven recipients of this funding because it will allow us to end chronic homelessness for 62 people. The Samaritan Initiative proposes to double that amount of funding. However, let me make the crude assumption that if Los Angeles successfully competes for funding under the Samaritan initiative, it will receive twice the funding it received under the Chronic Homeless Initiative. This funding, along with a 50% cash match, would allow us to help 124 people over three years. While we would be grateful to have these additional federal funds, it would only allow us to help a fraction of our chronic homeless population.

To truly end chronic homelessness, we have to be realistic about the costs. Congress must increase the authorized and appropriated levels of funding for the Samaritan Initiative if our country is to meet the Administration's goal of ending chronic homelessness in ten years.

We also request that the Samaritan Initiative ensure that the participating federal agencies take to heart the directive to collaborate. Despite the good intentions of the Collaborative Initiative, the application and early administration of the program were complicated. The Samaritan Initiative sets forward the expectation to collaborate, but also offers, "to the maximum extent feasible and appropriate." We suggest removing this language to ensure that the program will be truly collaborative at the federal level.

As much as we appreciate the Administration's bold commitment to end chronic homelessness, we cannot lose sight of the significant needs of homeless people who do not meet the federal definition of chronic homelessness. We do not believe that the Samaritan Initiative's focus on chronic homelessness will make it more difficult for us to reach our goal of ending all homelessness -- provided resources are not diverted to help end chronic homelessness. We do not want the balance of the approximately 80,000 persons who are homeless on any given night, and the over 200,000 who are homeless during the course of a year, to face extended episodes of homelessness because resources were diverted to help chronic homeless persons.

For this reason, LAHSA supports additional funding provided by the Services to End Long Term Homelessness Act (SELHA), which authorizes a new program under the Department of Health and Human Services, and the National Housing Trust fund, which would help us advance our affordable housing production goals. Further, LAHSA supports adding an additional $150 million to the FY2005 Homeless Assistance Grants budget, to help fill the gaps in local homeless delivery systems.

Because the Housing Choice Voucher Program is one of the most important tools we have for ending homelessness, we strongly oppose the Administration's proposed FY2005 budget cuts to this program. If the cuts are implemented, it is estimated that in the first year alone California stands to lose 35,000 vouchers and the City of Los Angeles stands to lose 5,000 vouchers. This proposal introduces uncertainty into people's lives, makes planning difficult, and jeopardizes future housing development. If adopted, the devastating loss of vouchers will set back our efforts for years to come and make it nearly impossible to end homelessness.

Mr. Chairman, your subcommittee came to Los Angeles last year to hear public comment on the Administration's proposal to convert the Housing Choice Voucher Program to a block grant program. The proposal met with widespread opposition and, wisely, Congress rejected it. We respectfully request that Congress reject the Administration's proposed cuts to the Housing Voucher Choice Program. We need more affordable housing, not less.

Housing coupled with supportive services is the key to ending chronic homelessness and lays the foundation not only for rebuilding individual lives, but for restoring vitality to communities that have been neglected. We support the Samaritan Initiative because it will help our country accomplish these goals. To individuals like Gloria, the Samaritan Initiative offers hope that being chronically homeless need not be a life-long sentence to mere survival on the streets or in shelters.

By supporting H.R. 4057, the esteemed members of this Subcommittee have the opportunity to bring the vision of ending chronic homelessness in America closer to reality.

Thank you again for the invitation to share the views of the Los Angeles Homeless Services Authority. If you have any questions, I would be more than happy to address them.

The United States House of Representatives
Committee on Financial Services
Subcommittee on Housing and Community Opportunity

Testimony of Barbara Poppe, Executive Director
Community Shelter Board

July 13, 2004

Introduction

Chairman Ney, Congressman Tiberi and members of the Subcommittee, I am Barbara Poppe, Executive Director of the Community Shelter Board in Columbus and Franklin County, Ohio. As the lead organization charged with our community's plan to address and end homelessness, we thank you for the opportunity to testify before this Committee on the affordable housing needs of Americans who experience homelessness. I also bring you greetings from Columbus Mayor Michael B. Coleman who endorses both the Samaritan Initiative and the Services to End Long Term Homelessness Act.

We hope that this testimony will encourage Congress to make a firm commitment to ending homelessness in our country. My testimony is offered as one of the eleven recent grantees under **President Bush's Collaborative Initiative to End Homelessness** – the prototype for the proposed Samaritan Initiative Act of 2004. We offer a local perspective on successful strategies to end chronic homelessness, as well as addressing the needs of families and individuals who experience a short-term episode of homelessness.

Our community has found that affordable housing drives success at all levels. For the family or individual it represents the foundation for success in other areas – employment, health and wellness, education, and community involvement. For the community, affordable housing drives success in improving neighborhoods and business districts. Affordable housing is the obvious solution to homelessness – both chronic and short-term homelessness. While services are important, we have found that without affordable housing, services cannot be successful. While integration of mainstream resources is a critical component of effective strategies to end homelessness, without housing, integration is not successful. While discharge planning is important, without access to affordable housing upon release, discharge plans will fail. We firmly believe that **success begins by addressing affordable housing needs first.** Other needs can then be met once the basic need for a home is fulfilled. For this reason, I believe that this subcommittee can significantly impact the future of our community by assuring that all citizens have opportunity through adequate housing.

Lack of Available and Affordable Housing

Despite an impressive and innovative continuum of services, Central Ohio still lacks the most important component required to end homelessness – an adequate supply of accessible and affordable housing. Homeless families and individuals are a sub-set of very poor households in Franklin County who cannot afford decent, safe housing.

In Ohio, the Fair Market Rent of a typical two-bedroom apartment is $640 per month. A worker earning the Minimum Wage ($5.15 per hour) has to work 92 hours per week in order to afford a two-bedroom unit at the area's Fair Market rent. Alternatively a worker

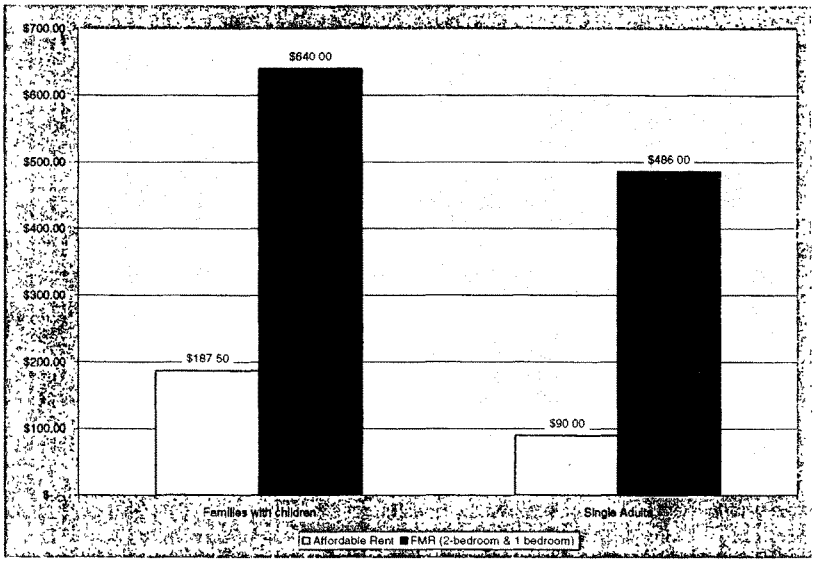
would have to earn $12.31 per hour to afford an apartment. Disabled Ohioans receiving SSI can afford monthly rent of no more than $111.[1]

There is only one affordable rental unit in Central Ohio for every two extremely low-income renter households, or a deficit of about 22,000 affordable rental units with incomes at or below 30% of median income.[2]

A typical homeless family receives on average $625 per month.[3] This translates to an ability to afford an apartment that rents for less than $200. A single adult, homeless woman has an average annual income of about $3,500 and needs an apartment renting for less than $100 a month.

The need for permanent supportive housing for disabled homeless is underscored by the size of the waiting lists for Rebuilding Lives, which exceed several hundred qualified applicants.

Chart 1.Comparison of affordable rents (based on income) for homeless families and single adults compared to Fair Market Rents for two- and one-bedroom units.[4]



Background on the Community Shelter Board

The Community Shelter Board is a nonprofit organization, which since 1986, has operated as a true public/private partnership responsible for the collaboration of funding, service delivery and planning to assist persons experiencing a housing crisis in Columbus and Franklin County, Ohio. A twenty-member board of trustees, largely from the corporate and business community, guides the organization along with a professional staff of thirteen employees. This year, the Community Shelter Board will raise, allocate and administer over $7.4 million to its 12 partner agencies. The Community Shelter Board

receives 12 percent of its support from the private sector. The City of Columbus and the Franklin County Commissioners each contribute $2,753,490 and $1,882,036 respectively, along with $1,006,166 from the United Way of Central Ohio. Federal funds directly from the U.S. Department of Housing and Urban Development total just $30,015.

The Community Shelter Board and our partner agencies, along with our funders, have created an infrastructure of programs in Columbus and Franklin County that meets the immediate needs of homeless people, providing a roof over their heads, food, and health care. Our efforts have been successful. **We believe it is morally unacceptable to turn any family, child or adult away from our sheltering system, and continue to work toward this end.**

Our community's commitment to this *moral foundation* along with our results-oriented approach has resulted in numerous accolades.

- Franklin County is one of seven communities recognized for leading the way to end chronic street homelessness. A report released March 2, 2004 by the U.S. Department of Housing and Urban Development highlighted efforts underway in Birmingham, Alabama; Boston; Columbus, Ohio; Los Angeles; Philadelphia; San Diego; and, Seattle. The report, *Strategies for Reducing Chronic Street Homelessness*, reported that leaders and providers in each of the seven cities are breaking from traditional approaches to find cutting edge methods to help those living on the streets. The report complimented Columbus' approach, noting "Rebuilding Lives is a comprehensive and ambitious initiative that represents a 'paradigm shift' in the community's approach to homelessness. In addition to providing Columbus with a well-developed vision and goals, the initiative included a very concrete mechanism for funding and monitoring the plan."
- The January 26, 2004 edition of the Christian Science Monitor recognized Columbus and the Community Shelter Board for its "bold approach to chronic homelessness" through the Rebuilding Lives plan. The article noted that Columbus is "at the forefront of a trend gaining momentum in cities: housing the chronically homeless ...as Columbus nears the end of a five-year plan to transform its strategy, the rest of the country is watching."
- A June 9, 2003 editorial in the New York Times recognized Columbus and the Community Shelter Board for its cutting edge programs. "The old 'crackdown' approach of treating the homeless as blight to be cyclically warehoused and forgotten in cavernous barracks is being replaced by a wave of new programs. These deliver real housing along with well-focused medical and social services. Such cities as Boston, Philadelphia, New York, Phoenix and Columbus, Ohio have pioneered this approach, aiming to engage the homeless...."
- The results of the first nationwide study on comprehensive plans to address homelessness entitled "*Evaluation of Continuums of Care for Homeless People*" was released by U.S. Department of Housing and Urban Development (HUD) on August 19, 2002. Franklin County/Columbus, Ohio was included in the study and was recognized as a high-performer within HUD's Continuum of Care process. The report commended the Community Shelter Board's role and stated, "CSB has employed an outcomes-based funding model for nearly five years, creating an atmosphere of success, accountability, and results."

- The Community Shelter Board received the 2002 Nonprofit Sector Achievement Award from the National Alliance to End Homelessness. CSB was recognized for its leadership and work to build partnerships necessary to end homelessness. The award was given to CSB on behalf of the Columbus and Franklin County community on March 19, 2002.

However, the Franklin County homeless system cannot end homelessness. Why? First, this system does not control the number of people who become homeless because of a host of factors including:

- Declines in the availability of affordable housing for low income people,
- Growing mismatches between the cost of basic necessities (food, shelter, clothing) and the incomes of extremely poor and low-income people, and
- A lack of core community treatment services for the poor.

Second, while most people who become homeless enter and exit the homeless system quickly, others virtually live in it. For people who are chronically disabled and very poor, emergency shelters have become home.

The Community Shelter Board believed that as a community we were at a critical juncture in dealing with the problem of homelessness. On August 8, 1997, the Community Shelter Board (CSB) received a request from the City of Columbus to develop a plan to address the needs of persons experiencing a housing crisis who may be impacted by development of the Scioto Peninsula (the riverfront corridor in downtown Columbus). With support of the City of Columbus, the United Way of Central Ohio, and the Franklin County Commissioners, CSB established the Scioto Peninsula Relocation Task Force. In October of 1998, the Task Force recommended a plan called *"Rebuilding Lives"* that outlined a better, more targeted system that provides both emergency housing for those in crisis and supportive housing for those with long-term needs. The goal was "that no one is left behind while others move forward." The Rebuilding Lives plan is our community's plan to end homelessness among single adults.

We share the assessment of the National Alliance to End Homelessness that so far, much has been accomplished, but the end is not yet in sight. "The pieces necessary to craft a solution to the problem are in place. But we must make changes in order to address the continuing flow into the homeless assistance system, and the backlog that has been created within it. If we do not turn the ship -- if we stay our current course -- homelessness will be with us indefinitely."[5]

Coordinated Local Investment

In addition to coordinated funding provided via the Community Shelter Board, a local collaborative of funders was established in 1999. The Rebuilding Lives Funder Collaborative evolved out of the need for the collaboration described previously. The 18-member Collaborative provides funding for the capital, services and operations of supportive housing in order to achieve the community goal to develop 800 units of supportive housing for homeless men with long-term needs. The Collaborative was funded through the Rebuilding Lives plan to jointly develop: strategies, program guidelines and standards, underwriting criteria, program evaluation, outcome measurement and reporting requirements. The group meets monthly to review, evaluate, and approve funding for individual projects, as well as, assist with providing access to other community resources necessary for the success of approved projects.

Table 1. Membership of the Rebuilding Lives Funder Collaborative

ADAMH Services Board	Corporation for Supportive Housing
City of Columbus Administration	Franklin County Dept. of Job & Family Services
Columbus City Council	Franklin County MR/DD
The Columbus Foundation	Franklin County Administration
Columbus Health Department	Franklin County Office on Aging
Columbus Mayor's Office	Mid-Ohio Regional Planning Commission
Columbus Medical Association Foundation	Ohio Capital Corporation for Housing
Columbus Metropolitan Housing Authority	United Way of Central Ohio
Community Shelter Board	Veteran's Service Commission

Homelessness in Columbus and Franklin County

Columbus and Franklin County have steadily gained population over the past several decades. According to the 2000 Census, Columbus was the fifteenth largest city in the United States with a population of 711,470 (11.0% increase since 1990).[6] Adding in the suburban metropolitan area, Franklin County exceeds one million people. Black and other minority households have also grown and now represent 21% of the Franklin County population.[7] There are 116,977 persons living below the poverty level in Franklin County, the vast majority within the City of Columbus.[8]

Homelessness affects many Franklin County residents. Since 1989, the Community Shelter Board has maintained a centralized database of all persons who have accessed emergency shelter within Franklin County. To date, more than 100,000 households – families with children, single men and single women – have received shelter.[9]

A random telephone survey of 500 Franklin County residents in 1999 found that ten percent of area residents have stayed in a homeless shelter or have been without housing. Eighteen percent had a family member who had experienced homelessness.[10]

Current trends:

Family Homelessness

As is true in many communities across the country, family homelessness is on the rise in Franklin County. The family homelessness system in Franklin County centers on a single point of entry, or 'front door', for all families in need of emergency shelter. Families are quickly assessed and moved to appropriate permanent or transitional housing arrangements within an average 21 days of entering the front door shelter. In 2003, 656 families were served by the front door shelter, representing an **18% increase** over families served in 2002 (556).[11]

An analysis of families served by the shelter found that the average family consisting of a single African American mother with two children. The average monthly income of families served is $625, or 48% of the poverty level of $15,670 for a family of three, with 20% earning income from employment at entry. Approximately 70% of families served in emergency shelter move to permanent or transitional housing. However, the number of families returning to shelter increased to 16% in 2003 from no more than 10% in recent years.[12] Both the increase in number of families seeking shelter and the increase in the number returning after housing placement highlights the worsening plight for homeless

families in Franklin County, exacerbated by the general lack of affordable housing, limited incomes and other unmet health and welfare needs of predominantly single parent households.

As previously noted, solutions to family homelessness are varied and complex, requiring investments and systems change beyond the scope of the homeless services delivery system. Affordable housing, employment that provides sufficient income for daily living needs, and basic services are essential to reversing this trend.

Single Adult Homelessness

Our community's existing shelter system works best for 85 percent of homeless persons who face a *short-term* problem, providing them with a place to stay and food to eat until they are able to support themselves. The remaining 15 percent have more difficult, *long-term* problems that the current system does not effectively address. This 15 percent of the population ineffectively and inefficiently uses more than half of the shelter resources.[13]

Table 2. Types of Homeless Men in Franklin County, 1994-1996[14]

	Transitional Homeless	Episodic Homeless	Chronic Homeless
Average length of system stay	24.2 days	119 days	500 days
Average number of homeless episodes	1.4	5.3	4.0
Number of homeless men (unduplicated)	6,752	1,033	159
Percent of all homeless men served	85%	13%	2%
Percent of all units of shelter service used (1)	44%	32%	24%

(1) A shelter unit of service is equal to one person sheltered for one night

Each year CSB-funded shelters serve approximately 4,000 men and 900 women experiencing homelessness in Franklin County. The average monthly income of these households is approximately $300, with 20-25% employed upon admission. Due to the unbalanced utilization of shelter by long-term shelter clients, overall successful housing rates are low, averaging 11% for men's shelters and 21% for women's shelters during July through December 2003.[15]

Columbus and Franklin County's Continuum of Care

The Columbus and Franklin County, Ohio, Continuum of Care system has been developed through extensive collaboration among public, private and non-profit organizations concerned with programs for homeless persons. The lead organization for this process is the Community Shelter Board. An array of groups and individuals are actively involved in local Continuum of Care planning and program implementation by serving on coordinating and advisory groups. All components of a Continuum of Care system are present in Columbus and Franklin County. These include homelessness prevention, outreach, emergency shelter, transitional housing, permanent supportive housing, and supportive services. A priority of our community is to direct resources to

expand and strengthen permanent housing options and services for the hardest-to-serve populations including chronically homeless individuals, families, and youth.[16]

Our community's continuum of care is extensive and comprehensive -- more than 50 non-profit and public organizations are involved.

Innovative Features in Franklin County:

Homelessness Prevention

Effective, targeted homelessness prevention services are critical to reducing demand on emergency shelters and limiting the incidence of physical homelessness. In Franklin County we are re-examining homelessness prevention efforts to better understand effective prevention strategies, ensure system coordination and make efficient use of limited emergency financial assistance resources, legal assistance, and other prevention assistance. As our research indicates, homelessness prevention programs, if unfocused and not closely coordinated with mainstream resources, have a negligible effect when weighed against the significant level of demand arising from the disparity between housing affordability and household income. With targeted prevention assistance, households most at risk of losing their housing and ending up physically homeless can receive help through individualized intervention assistance and avoid shelter placement. Other households who may have other sources of support or require non-financial sources of assistance are be best served though intervention strategies that assist the household in accessing these resources expeditiously. In these and other situations, minimal follow-up as well as linkage to existing community-based services ensure long-term stability following resolution of the immediate housing crisis. CSB is working with partner agencies to develop a new model of homelessness prevention to achieve these ends.

Coordinated Emergency Shelter

Based on the *Rebuilding Lives* plan, an **improved emergency shelter safety net** is in place to meet the needs of people who have short-term needs and are "transitionally" homeless. The *transitionally homeless* population consists of those people who generally enter the shelter system for only one short stay. They have usually lost their housing due to a catastrophic event. In most cases, transitionally homeless people stay in shelter for an average of one month and do not return to homelessness after they leave shelter. The shelters also serve as an entry point to supportive housing for the 15 percent of the adults with long-term needs. These improvements include:

- Three new men's shelters opened to replace the outdated shelters concentrated in a downtown neighborhood. The new facilities, along with existing facilities, assure better geographic dispersion of emergency shelters. One is a specialized program for publicly inebriated individuals that has exceeded all expectations by linking more than one-third of the men and two-thirds of the women served to treatment programs.
- All CSB emergency shelters passed the Shelter Certification Standards, which include Good Neighbor Agreements. The latter are written agreements that are signed with neighbors of the projects. The agreements stipulate communication, expectations, and safety issues.
- The YWCA of Columbus, its congregational community, and community partners are building a new Family Center for families that are facing a housing crisis. The YWCA Family Center will accommodate up to 50 families at once on a daily basis and will

offer families in transition a stable, supportive environment, allowing them to maintain their dignity and regain self sufficiency.

- Resource Centers located in each shelter are equipped with computers, Internet access, telephones with voice messaging capabilities, and current information about job and housing leads. The Resource Centers provide an efficient way to meet resident needs.

Family Housing Collaborative

In order to accommodate the needs of homeless families, the Family Housing Collaborative was established as an effective alternative to traditional homeless facility-based shelter services. The Family Housing Collaborative houses some of the sheltering system's neediest families in a ***'Housing First'* model** that has a housing success rate of greater than 95%. Since the inception of the program in 1988, very few participating families have returned to shelter after being housed by the Family Housing Collaborative. The goal of the Family Housing Collaborative is to quickly place a homeless family in a permanent apartment. Services include housing search assistance to help a family locate housing and providing assistance with deposit, several months' rent, and utility arrearages. The services continue until the family is stabilized in their new home. Through the Family Housing Collaborative, the Community Shelter Board is working with its partner agencies to ensure that resources are available to quickly move families out of shelters and into homes. As a result, our community is able to provide services to homeless families that decrease the length of time families stay in the shelter system, increase permanent housing outcomes, and break the cycle of homelessness.

Permanent Supportive Housing

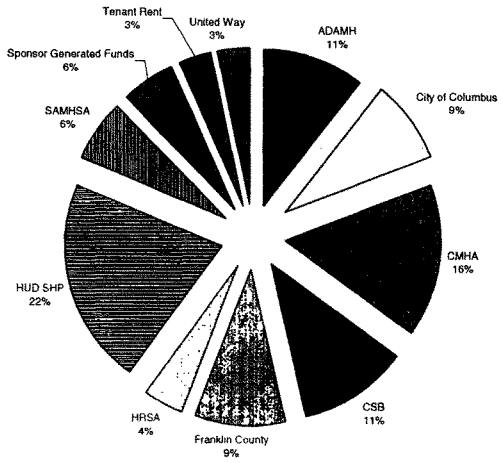
The supportive housing component of the Rebuilding Lives plan provides permanent, affordable housing that includes counseling and on-site social services for individuals who have long-term needs. The goal is to develop 800 units of supportive housing over a five-year period, including assisted living for persons with disabilities, treatment housing, and mixed population housing. Supportive housing is being developed throughout our community and will help to revitalize and develop downtown and neighborhoods.

Since the *Rebuilding Lives* plan implementation started in July 1999, 457 units of supportive housing are operational and 125 more units are in the development process. An additional 288 units, not targeted to homeless persons, have been developed or are in the development process; thus there are a total of 870 affordable units to date.

Rebuilding Lives: Key Funding Facts[17]	
Current Annual Investment (operating/services for 457 units)	$ 8,289,739
Units operational	
Percent new construction units	15%
Percent rehab units	52%
Percent rent subsidy only units (non-construction)	33%
Capital development cost (per unit)	$60,000-100,000
Operating subsidy sources (all types of units)	
Housing vouchers (Section 8)	48%
Public housing units	26%
HUD Supportive Housing (SHP)	14%
Other state/local sources	12%
Average annual per unit cost (operating/services)	$14,445
Federal share	52%
Local share (public and private)	47%
State share	1%

Our experience in Franklin County also indicates that families with a disabled parent are best served in permanent supportive housing. Programs that offer long-term housing subsidies and supportive services are essential to the long-term stability of adults and children in these families.

Chart 2. FY2004-2005 Funding Source for Rebuilding Lives Operation and Services[18]



The Rebuilding Lives PACT Team Initiative (RLPTI)

The Rebuilding Lives PACT Team Initiative (RLPTI) is a three-year project in Columbus and Franklin County, Ohio, awarded from the Collaborative Initiative to End Homelessness as part of the Chronic Homeless Initiative. **RLPTI serves men and women that have: 1) experienced chronic homelessness; and 2) that live with serious mental illness, and/or co-occurring substance abuse problems and/or physical illnesses or disabilities.** The program plans to serve 156 individuals, including 47 veterans, over the three-year period, and develop 108 supportive housing units. There will be 80 units open by September.

RLPTI is designed to incorporate a multi-agency partnership that will provide a multi-disciplinary team of primary health care, mental health and substance abuse, benefits linkage, and housing professionals that will utilize evidenced based practices to deliver services to clients in their homes and the community. The RLPTI partners include: Community Shelter Board, Community Housing Network, Columbus Metropolitan Housing Authority, Columbus Neighborhood Health Centers Inc., Franklin County Department of Job and Family Services, Southeast, Inc., and Chalmers P. Wylie VA Outpatient Clinic.

RLPTI is implementing several evidence-based practices:

1. Program of Assertive Community Treatment: a comprehensive mental health treatment team for persons with serious mental health disorders.

2. Integrated Dual Diagnosis Treatment: a treatment model shown to be effective with individuals who have a dual chemical dependency and mental health diagnosis.
3. Pathways to Housing: a comprehensive "housing first" program that works well for persons who have experienced serious mental illness and chronic homelessness.
4. Baltimore SSI Outreach: expedited benefits enrollment for homeless persons with disabilities to receive SSI and other mainstream benefits.

Table 3. Profile of individuals housed via RLPTI[19] (n = 37)

Age	
22-30	11%
31-45	38%
46-61	51%
Gender	
Male	67%
Female	33%
Race	
White	32%
Black	68%
Education	
Less than High School	22%
High school graduate	35%
Post school	53%
Veteran	30%
Monthly Income	
$0	54%
$1-300	8%
$301-$750	19%
>$750	19%

To date, 42 individuals are enrolled with 37 already housed. The following are profiles of two persons who have benefited from the RLPTI.

"Berl" is a 50 plus year old male, veteran suffering from Post Traumatic Stress Syndrome and alcohol and substance abuse problems. He has been in and out of shelters and living on the land for approximately 20 years. During the outreach and engagement process, he decided that it was time to get off "the land" due to his age and health. Another consideration was the fact that he wanted to be able to have some place to see his daughter. He has been housed since March and has adjusted well and maintains involvement with the treatment team.

"Sissy" is a 40 plus year old female from a women's shelter suffering from schizo-affective disorder. She has been incarcerated for various crimes, was involved in dealing drugs and has been on the streets for several years. Through outreach and engagement through the shelter she was brought onto the team and housed. The initial adjustment to housing was difficult, but through the provision of support services and a treatment plan that included finding the appropriate medications,

she has been stable for three months, has learned to function in the apartment and is now interested in finding employment.

Table 4. Summary of the Funding Awards – Collaborative Initiative

Federal Agency Awarding Funds	Local Grantee	Amount Awarded	Term of Award
U.S. Department of Housing and Urban Development	Community Housing Network	$1,912,438	3 Years
U.S. Department of Health and Human Services: Substance Abuse and Mental Health Services Administration	Southeast, Inc.	$690,847	1 Year
U.S. Department of Health and Human Services: Health Resources and Services Administration	Columbus Neighborhood Health Centers	$300,000	1 Year
U.S. Department of Veterans Affairs	Chalmers P. Wylie VA Outpatient Clinic	$429,000	3 Years
		$3,332,285	

Promising Results

Coordinated and Integrated Services

Through the RLPTI (Collaborative Initiative), the processing time for an SSI application has decreased from more than six (6) months to about three (3) weeks. This is due to the high level of cooperation between the SSA, Bureau of Disability Determination and RLPTI staff.

Targeted Housing Placement Eases Closing of Large Shelter

On June 30, 2004, a 95-mat overnight shelter for homeless men closed when the non-profit sold the building and ceased shelter services. A coordinated and targeted housing placement/case management team armed with some interim financial assistance successfully placed 75 men into market rate, affordable, and supportive housing over a 90-day period. Ten (10) of those placed were housed by RLPTI – many had ten or more years of homelessness. Consequently, the number of individuals placed in other emergency shelter was limited.

Supportive Housing Ends Homelessness

A recent program evaluation found that supportive housing was effective at ending homelessness. Seven of eight projects evaluated had residential stability (average tenant stay) of more than a year – overall the average tenancy exceeds a year and a half. Six of eight projects evaluated had tenancy stability rates of more than 90%; all had tenancy stability rates greater than 80%.[20]

Additional Federal Response Needed

Columbus/Franklin County is a model community in terms of the level of cooperation and coordination among providers and funders. We are a model in terms of the level of local investment – private and public. We know what works and can document success. We are committed to ending – not just managing – homelessness. Without a strong federal partnership we cannot be successful. In order to achieve the President's stated goal of

ending homelessness by 2012, we believe the following federal initiatives will be critical to our success.

1. To end homelessness among chronically homeless people, 150,000 new units of supportive housing are needed according to the Millennial Housing Commission and the President's New Freedom Mental Health Commission. New HUD and DHHS funding will be needed to realize that goal.
2. To maintain existing safety net and supportive housing programs, funding for McKinney-Vento programs must be sustained at levels adequate to protect the federal commitment to these programs.
3. To maintain existing supportive housing programs and to stem the tide of newly homeless families and individuals who are at risk of experiencing chronic homelessness, we must preserve and expand Housing Vouchers.

Samaritan Initiative Act of 2004 (H.R. 4057)

The Samaritan Initiative will help combat and end chronic homelessness. We applaud the Initiative's call for new funding for supportive housing as well as measurable performance outcomes in reducing homelessness. Our local experience has found that these are effective means of moving people out of homelessness. Our local research and experience supports the legislation's discovery that 15% of the homeless population consumes over 50% of the resources. The Samaritan Initiative is a positive step in our collective goal to end chronic homelessness.

According to the Interagency Council on Homelessness:

> *The Samaritan Initiative Act of 2004 would amend the McKinney Vento Homeless Assistance Act to provide authority for the Departments of Housing and Urban Development, Health and Human Services, and Veterans Affairs to jointly fund community-based efforts to coordinate the provision of housing, health care, mental health and substance abuse services to chronically homeless persons to move them from the streets and out of shelters into housing with the supports they need to sustain their tenancies.*

We share the Interagency Council's view that "the Samaritan Initiative represents a fresh approach to chronic homelessness that is based on accountability, collaboration and results."

By requiring HUD, HHS and the VA to collaborate and make new federal housing and services dollars available in a single funding stream, local communities can more effectively implement a comprehensive and integrated community strategy to provide outreach, treatment, and support services coordinated with permanent housing.

As a Collaborative Initiative grantee, we are experiencing first-hand the positive impact of required federal agency collaboration coupled with new funding for housing and services.

We believe, however, that the funding level proposed falls short of the stated goal of ending chronic homelessness by 2012. The average cost to operate and provide services in our Rebuilding Lives supportive housing is $14,445 per unit. The RLPTI units are slightly more expensive at $18,461. Using these two actual costs, I calculated how many units could be developed under the Samaritan Initiative, if fully funded. The predicted number of units is 2,092 to 3,218 units. At that rate, with new appropriations at this level

for each of the next eight years (2005-2012), we would develop 16,733 to 25,747 new units of supportive housing (11% and 17% of the 150,000 unit goal). Using the same rate, I calculated the number of years to reach the 150,000 unit goal – 47 to 72 years. This exercise demonstrates that if we are serious about ending chronic homelessness, it will take more than just collaboration and demonstration grants, it will take real investment.

Services to End Long Term Homelessness Act (SELHA)

Representative Burr is planning to introduce the Services to End Long Term Homelessness Act (SELHA) later this month. The bill will be considered by the Energy and Commerce Committee, and it would be a complement to the Samaritan Initiative. SELHA would provide services for communities that have identified housing resources from other federal, state, or local sources such as Section 8 or state housing trust funds. It would also provide incentives for communities to invest mainstream funding from public health and behavioral health agencies into supportive housing. We strongly support SELHA and encourage members of the committee to co-sponsor and support funding for that initiative as well as Samaritan.

Preserve and Expand Housing Vouchers

In April 2004 the Department of Housing and Urban Development issued a notice that made significant changes in its policy for Voucher (Section 8) administration. According to the Columbus Metropolitan Housing Authority (CMHA), the amount of Voucher funding they would receive would be capped at a level below the current cost of providing Vouchers. Because the new rule was retroactive to January 1, CMHA would have had to make even deeper cuts since it was midway through its fiscal year. Without adequate funding, CMHA would not have been able to honor existent Rebuilding Lives commitments – **more than 400 Rebuilding Lives units were at risk (50% of overall program)**. Due to the recent announcement by Secretary Jackson that some additional funds will be awarded to several communities, including Columbus, the immediate crisis has been averted.

The President proposes to cut the Voucher program in FY05 by $1.6 billion below what is needed to maintain 2004 services levels. Deeper cuts are proposed for each year through FY09. The Center on Budget and Policy Priorities estimates that CMHA would need to cut 2,832 families by FY09 from the Voucher program with 1,180 families being eliminated in FY05. This represents a twenty-nine (29) and twelve (12) percent reduction, respectively.

With a declining base of Voucher funding, CMHA may be unable to provide Vouchers for the two Rebuilding Lives programs currently under development and slated to open by winter 2005-2006, Chantry Place and Briggsdale Apartments. Chantry Place on the southeast side of Columbus would provide a total of 100 apartment units, with 60 units in multiple buildings and 40 units in a single building for formerly homeless men and women. Briggsdale Apartments in Columbus would provide 35 apartment units for men and women disabled by mental illness, substance addiction or dual diagnosis, many with histories of homelessness.

This would also portend that Vouchers would not be available for future Rebuilding Lives projects that would be needed to reach our community goal of 800 units.

We believe that the Section 8 policy changes contradict the Administration's stated goal of ending homelessness. According to the National Alliance to End Homelessness, the Section 8 program is the best available tool for moving people out of homelessness and

keeping them out. Research by Marybeth Shinn showed that families with children leaving homelessness with a Section 8 voucher were 21 times more likely than families leaving homelessness without a voucher to be stably housed 5 years later. Families that remained stably housed in subsidized housing included those with a history of mental illness, substance abuse, health problems and histories of incarceration.[21]

The strategies of the Rebuilding Lives plan offer the best approaches to addressing chronic homelessness. Without a fully funded voucher program, we will not be able to preserve and develop new permanent supportive housing.

McKinney-Vento Homeless Assistance Grants

McKinney-Vento Homeless Assistance Grants play an important role in the Continuum of Care in Columbus and Franklin County – just over 1,000 units receive direct funding from the McKinney-Vento program. Fifty-five percent (55%) are Shelter Plus Care units, 37% are SHP-permanent housing, and 8% are SHP-transitional housing. Overall, more than ninety percent (90%) are permanent supportive housing units targeted to disabled households.

Thus, our community believes that stable funding for the McKinney-Vento program is critical. We support the recommendation of the National Alliance to End Homelessness and the Corporation for Supportive Housing that an overall funding level for the Homeless Assistance Grants account requires a minimum $1.4 billion. In FY05, $150 million needs to be added to the President's budget request and reserved for renewals of expiring grants to permanent supportive housing serving homeless people with disabilities. This will provide existing projects with a reliable source of funding while making money available for local communities to address increases in homelessness and declining funding in real terms over the past four years for homelessness programs other than permanent housing.

Affordable Housing Production

Two-thirds of the units developed through the Rebuilding Lives program have been brought on through housing production. The balance has been achieved through leasing of units in the private sector. Thus, we encourage you to continue to invest in affordable housing production programs. The HOME program should be sustained and expanded, as well as, we support the creation of a National Affordable Housing Trust Fund to expand affordable rental housing. The Trust Fund with its deep income targeting would help address the needs of many homeless families and individuals.

Summary

To be successful in our goal of ending homelessness, we must address affordable housing needs first. In order to achieve the President's stated goal of ending homelessness by 2012, we believe the following federal initiative will be critical to our success.

1. New HUD and DHHS funding to realize the goal of 150,000 new supportive housing units.
4. Sustained funding for McKinney-Vento programs at levels adequate to preserve both short-term emergency programs and long-term supportive housing solutions.

5. Preserve and expand Housing Vouchers to maintain existing supportive housing programs and to stem the tide of newly homeless families and individuals who are at risk of experiencing chronic homelessness.

The new investment that is proposed by the Samaritan Initiative Act is one step toward the goal. We urge your full support of this bill.

Thank you for the opportunity to testify today. We look forward to working with the Committee on H.R. 4057, the Samaritan Initiative Act of 2004.

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[1] Out of Reach, National Low Income Housing Coalition, September 2003.
[2] Providing Affordable Rental Housing in Central Ohio: Market Analysis and Community Strategies, Replacement Housing Collaborative, August 1997.
[3] Community Shelter Board, Homeless Management Information System, January 2001.
[4] Community Shelter Board, Homeless Management Information System, June 2004.
[5] Statement of Nan Roman, President, National Alliance to End Homelessness, to the Subcommittee on VA, HUD and Independent Agencies of the Committee on Appropriations, U.S. House of Representatives, April 13, 2000.
[6] 2000 U.S. Census.
[7] 2001-2003 Fair Housing Plan, Columbus and Franklin County, Ohio, March 15, 2001.
[8] 2001-2003 Fair Housing Plan, Columbus and Franklin County, Ohio, March 15, 2001.
[9] Community Shelter Board, Homeless Management Information System, January 2001.
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[17] Community Shelter Board, July 2004.
[18] Rebuilding Lives Funder Collaborative, May 2004.
[19] Community Shelter Board, Homeless Management Information System, July 2004.
[20] Community Shelter Board, May 2004.
[21] Marybeth Shinn, Predictors of Homelessness Among Families in New York City: From Shelter Request to Housing Stability, 1998.

Community Shelter Board
Federal Grants Received

Grant Type	Year	Amount
HUD Community Development Block Grant – City of Columbus	2000	$426,000
	2001	$426,000
	2002	$430,000
	2003	$430,000
	2004	$430,000
HUD Community Development Block Grant – Franklin County	2000	$120,000
	2001	$121,000
	2002	$125,000
	2003	$125,000
	2004	$125,000
HUD Emergency Shelter Grant – Franklin County	2000	$78,000
	2001	$76,000
	2002	$76,000
	2003	$76,000
	2004	$83,657
HUD Emergency Shelter Grant – City of Columbus	2000	$304,000
	2001	$303,000
	2002	$302,000
	2003	$300,000
	2004	$293,917
HUD Homeless Management Information System Grant	2002	$128,315
SAMHSA - Collaborative Initiative to End Homelessness	2003	$60,000
	Total	**$4,838,889**

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EDUCATION:

University of Cincinnati, College of Medicine, Department of Environmental Health
M.S., Environmental Health (Epidemiology), August 1987

University of Cincinnati, College of Medicine
Medical Student, 1981-1983

William Woods College, Fulton, Missouri
B.A., Magna Cum Laude, Chemistry, May 1981

EMPLOYMENT EXPERIENCE:

Community Shelter Board — Columbus, Ohio
Executive Director — October 1995 – present

A nationally recognized non-profit organization charged with funding, planning and coordinating access to shelter and essential services in Columbus and Franklin County, Ohio. Received the 2002 Non Profit Sector Achievement Award from the National Alliance to End Homelessness. Provides visible leadership in achieving community wide homeless services and prevention objectives. Responsible for strategic planning and collaborative efforts, private sector fundraising and resource development and effective governmental, system and private sector relationships. Manages fiscal affairs, supervises agency staff and directs agency activities, programs and services.

Friends of the Homeless, Inc. — Columbus, Ohio
Executive Director — June 1990 – October 1995

A multi-service agency serving homeless adults in Central Ohio. Services provided include emergency shelter, chemical dependency treatment, job training, transitional and permanent housing. Responsible for overall direction of agency including maintaining $1.7 million annual budget, fundraising and development, supervision of 50 employees, community education and public relations, program evaluation, planning and development and compliance with all federal, state and local regulations.

University of Cincinnati — Cincinnati, Ohio
Department of Environmental Health — July 1988 – July 1990
Assistant Director

Midwest Consortium for Hazardous Waste Worker Training, a six-state consortium for hazardous waste worker and emergency response training. Coordinated activities at nine regional training and evaluation centers; conducted program audits to assure compliance with funding requirements. Reviewed government and industry literature; published two newsletters. Prepared position statements and testimony in response to the promulgation of federal regulations. Wrote and edited training materials and evaluation reports. Developed and implemented a marketing plan.

Safety and Health Officer

Cincinnati Soil Lead Abatement Demonstration Project, a federally-funded research project studying strategies to reduce childhood lead exposure in an inner city population. Developed protocols to ensure employee health and safety consistent with government regulations and recognized practices. Developed and delivered worker

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training programs. Monitored personnel and facilities for compliance with health and safety protocols. Supervised safety and health assistants.

Bethany House — Cincinnati, Ohio
Finance and Development Manager — January 1985 – October 1988

An emergency shelter for homeless women and families. Directed a full range of development activities to meet the financial needs of a rapidly expanding agency. Administered financial and personnel policies through direct supervision of bookkeeping and record-keeping activities. Managed public relations, actively participated in community organizations. Testified to Congressional subcommittee on displacement. Developed new programming in accord with community and agency needs for resource availability. Implemented the organization's first record-keeping system for accounting, fundraising and client database. Facilitated Board, volunteer and former resident involvement in development, public relations, community education and finance activities.

Shelter Advocate — July 1985 – January 1986

Participated at all levels of shelter management including resident case management, house supervision and household operations.

AWARDS:

Buddy Gray Award, National Coalition for the Homeless	2004
Citizen of the Year, Central Ohio Public Relations Society of America	2002
Extra Mile Award, Friends of the Homeless	1997
Jefferson Fellowship	1996
HUD Recognition for Excellence	1995
Recognition Award, Columbus Coalition for the Homeless	1995
Employee of the Year, Friends of the Homeless	1991

PUBLICATIONS AND PRESENTATIONS:

Poppe, Barbara: "Community Planning to End Homeless, Rebuilding Lives: A New Strategy to End Homelessness". U.S. Department of Health & Human Services, Substance Abuse & Mental Health Services Administration, and Center for Mental Health Services National Training Conference,
Hope: The Key to Ending Homelessness for People with Mental Illnesses and/or Substance Use Disorders December 2003.

Poppe, Barbara and Kastan, Holly S.: "Lessons from Columbus, Ohio". U.S. Interagency Council on Homelessness, October 2003.

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Poppe, Barbara: "Using HMIS data for Community Planning: Data Works!". HMIS Kick-Off Meeting, Chicago Continuum of Care, September 2003.

Poppe, Barbara: "Policy Applications of HMIS Data". The Promise of Information: Using HMIS Data to Address Homelessness Conference, U.S. Department of Housing and Urban Development, July 2003.

Poppe, Barbara: "How to Get Money and Systems to Act Differently to Advance Supportive Housing". New Partnerships for Ending Homelessness Conference; National Alliance to End Homelessness, Corporation for Supportive Housing, and AIDS Housing of Washington; July 2003.

Poppe, Barbara: "Moving Out: City and State Policies to Speed the Transition Out of Homelessness". New Partnerships for Ending Homelessness Conference; National Alliance to End Homelessness, Corporation for Supportive Housing, and AIDS Housing of Washington; July 2003.

Poppe, Barbara: "Hunger and Homelessness in Central Ohio". Ohio Grantmakers Forum, April 2003.

Poppe, Barbara: "Moving Families to Homes: New Local Strategies and National Research Perspectives". COHHIO State Conference, March 2003.

Poppe, Barbara: "Using Data for Community Planning: Data Works!". National Alliance to End Homelessness Conference, June 2001.

Poppe, Barbara: "Making It Real: Developing a Local Plan to End Homelessness". National Alliance to End Homelessness Conference, June 2001.

Poppe, Barbara: "Creative Uses of Prevention, Retention and Contingency Funds". COHHIO State Conference, April 2001.

Poppe, Barbara: "Obstacles to Affordable Housing Development". COHHIO State Conference, April 2001.

Poppe, Barbara: "Lessons from Columbus, Ohio". City of Louisville Housing Summit, October 2000.

Poppe, Barbara: "Strategies to End Homelessness: Where do We Go From Here?". COHHIO State Conference, March 2000.

Poppe, Barbara and Delgado, Nikki: "Corporation for Supportive Housing Program Plans for Ohio". COHHIO State Conference, March 2000.

Poppe, Barbara: "Rebuilding Lives: A New Strategy to House Homeless Men". Ohio State Legal Services Association's Countdown to Time Limits Conference, October 1999.

Poppe, Barbara: "Bringing Out the Count, U.S. Census 2000". Ohio Conference of Community Development, Inc.'s Fall Quarterly Meeting, October 1999.

Poppe, Barbara: "The Role of Local Governments in Preventing and Ending Homeless". National Coalition for the Homeless' National Summit on Homelessness, May 1999.

Poppe, Barbara: "Moving Families to Homes: New Local Strategies and National Research Perspectives". National Coalition for the Homeless' National Summit on Homelessness, May 1999.

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Poppe, Barbara and White, Matt: "Using Data to Reconfigure the Homeless Services System in Columbus". U.S. Department of Health and Human Services' Homeless Services Data Users Meeting, December 1998.

Poppe, Barbara: "What Do We Know About Accountability and Outcomes?". U.S. Department of Health and Human Services' National Symposium on Homelessness Research, October 1998.

Poppe, Barbara and Blackburn, Lea: "New Insights on Assisting Homeless Persons". COHHIO State Conference, February 1997.

Poppe, Barbara: "Building Effective Coalitions". National Alliance to End Homelessness, June 1996.

Ratcliff, Kimberly A.; Schillito, Lee S. and Poppe, Barbara: "The Employer's Role in the Job Success of People Who Are Homeless". Psychiatric Rehabilitation Journal, Winter 1996, Vol. 19, #3.

Hamann, Mary Sue and Poppe, Barbara: "Summarizing and Applying Findings from a Multi-method Needs Assessment". International Evaluation Conference, November 1995.

Hamann, Mary Sue; Lapar, Maria Lucilla; Banks, Jim and Poppe, Barbara: "The Utility of a Discrepancy Format in Assessing Perceived Needs of Homeless Men". Ohio Program Evaluation Group, November 1995.

NATIONAL AND STATE EXPERIENCE

Member, National Organizing Committee Corporation for Supportive Housing	2002 – present
Member, Expert Panel National Center on Family Homelessness	2002 – present
Member, Advisory Group National Alliance to End Homelessness	2000 – present
Member, Innovative Housing Focus Group U.S. Interagency Council on Homelessness	2002
Resource Person, National Homeless Services Data Users Group U.S. Department of Health and Human Services	1998 – 2001
Advisory Member, Shelter and Supportive Housing Committee Ohio Department of Development	1995 – 2000
Advisory Member, Steering Committee National Coalition for Low Income Community Development	1998 – 1990

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Resource Person, Shelter Grant Allocations Committee Ohio Department of Health	1985 – 1998

COMMUNITY EXPERIENCE IN COLUMBUS, OHIO:

Member, MH/CD/MRDD Advisory Committee Columbus State Community College	1993 – present
Member, Steering Committee United Way Professional Advisory Council	1996 – present
Chairperson, Columbus Foundation Urban Affairs Committee	1997 – present
Member, Columbus Complete Count Committee United States Census 2000	1999 – 2000
Member, United Way Housing Vision Council	1997 – 2000
Member, Consolidated Plan Committee Franklin County	1994 – 1999
Past President, Treasurer Board of Trustees TogetherHome, Inc.	1993 – 1995
President, Member Friends/VVA Apartments, Inc.	1990 – 1995
Member, Chairperson, Past Chairperson, Columbus Coalition for the Homeless	1990 – 1995
Trustee, Co-Founder, Coalition on Homelessness and Housing in Ohio	1984 – 1988 1990 – 1995
Member, ADAMH Emergency Services ACCESS Committee	1993 – 1994
Field Instructor and Adjunct Faculty, OSU College of Social Work	2000 – 2002 1991 – 1994

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Member, Housing Action Council of Columbus, Ohio	1990 – 1994
Member, CHAS Planning Committee	1991 – 1994
Member, Community Shelter Board Planning Committee	1990 – 1993
Member, Person with Serious Mental Disabilities Task Force, ADAMH	1990 – 1993

COMMUNITY EXPERIENCE IN CINCINNATI, OHIO:

Member, Community Development Advisory Council, City of Cincinnati	Appointed 1989 – 1990
Co-Founder and Co-Chairperson, Member, Greater Cincinnati Coalition for the Homeless	1984 – 1988 1988 – 1990
Co-Project Manager, Spring Street Housing Project, Greater Cincinnati Coalition for the Homeless	1988 – 1990
Secretary and Trustee, Better Housing League	1987 – 1990
Co-Founder, Chairperson, Trustee, Volunteer, Bethany House of Services	1983 – 1985 1988 – 1989
Member, Organizing Committee, Cincinnati HOUSING NOW! Coalition	1986 – 1989
Co-Chairperson and Co-Founder, Advocates for Women's Housing	1986 – 1989
Member, Operations Committee for CARP, Hamilton County Mental Health Board	1986 – 1989
Member, Members Housing Blueprint Task Force, City of Cincinnati	Appointed 1987 – 1989
Appointed Representative, Emergency Services Coalition of Greater Cincinnati, Community Chest	1985 – 1988

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Member,
Comprehensive Homeless Assistance Plan Taskforce,
City of Cincinnati — Fall 1987

Technical Advisor,
Report on Homelessness in Cincinnati (1986),
Applied Information Resources, Inc.,
Cincinnati, Ohio — 1985 – 1986

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TESTIMONY OF MICHAEL T. PUCCI
EXECUTIVE DIRECTOR, HOUSING AUTHORITY OF THE CITY OF ALAMEDA

BEFORE THE SUBCOMMITTEE ON HOUSING AND COMMUNITY OPPORTUNITY
U. S. HOUSE OF REPRESENTATIVES
IN WASHINGTON, D.C.
JULY 13, 2004

Mr. Chairman, I appreciate the opportunity to testify before the Committee as Executive Director of the Housing Authority of the City of Alameda. While the primary thrust of this hearing is about the Samaritan Initiative and funding adequate means to prevent homelessness, I am here to address the recent changes to the Section 8 Housing Choice Voucher Program and the impact those changes are having on our community and Section 8 Participants who are now at risk of becoming homeless. Our failure to speak candidly about recent changes in the Section 8 Housing Choice Voucher Program and the effect these changes are having on families around the country who are at risk of becoming homeless if something is not done to reverse the perilous course we are on would be unconscionable.

Alameda is a community of nearly 72,000 people located in the San Francisco Bay Area. This is an expensive place to live; rents here are some of the highest in the nation. The low-income members of our community depend on the Section 8 Housing Choice Voucher Program to stay in this community – near friends and family members who provide critical support. In addition to the over 1,600 families that we serve through the Section 8 Program, we have a list of 6,000 additional families waiting for assistance.

HUD's failure to pay on an "actual cost" basis and its failure to fund our reserves resulted in the Housing Authority no longer having enough money to pay for 1625 authorized vouchers. This situation has put 108 families at risk of becoming homeless on August 1. We are seeking immediate relief in the form of increased Housing Assistance Payments funding to prevent this from happening.

This situation is having a direct impact on these families. Recently, Malika Nassirrudin, a young woman who has lost her assistance testified before the Alameda City Council. She said, "I don't want to port out to another county that is getting ready to endure the same hardships.... the uncertainty is physically and mentally draining for me and my family. My son's social behavior is declining. He hesitates to make new friends in Alameda. He likes it so much, it's hard to lose good friends and that moving around is

not fun." Another young man, named Anthony, a single parent of a teenage son, told me that this past year was the first time he and his son were able to live together. The Section 8 Voucher allowed him to get a decent place to live so he was able to get custody of his son. This was the best year of both of their lives. If he loses his Section 8 Voucher he will lose his housing, if he loses his housing he will lose custody of his son. We need to help these families and the other 106 families at risk of becoming homeless.

This is an intolerable situation for these families. It also is a burden for the broader community. If made homeless, there would be 108 families, consisting of over 400 women, children, the elderly and disabled, who would be easy victims of street crime. They would need more social services, posing a burden on state agencies that can ill afford it.

A reduction in the number of children attending local schools will hit the Alameda Unified School District hard. The State of California provides approximately $5,000 per child enrolled; a reduction in enrollment would also mean a reduction in funding, which would result in laying off teachers and adversely impacting all of Alameda's children who rely on the services that this school funding provides.

These changes to the Section 8 program are unprecedented. In 1999 and 2000, the housing market was tight in the Bay Area. Rents skyrocketed; Fair Market Rents could not keep up with escalating market rents. Landlords no longer wanted to rent to Section 8 voucher holders. As a result, our Section 8 program was under leased and HUD recaptured over $4 million of our funds during this period. By late 2002, the market had softened and voucher holders started to lease up. By the end of our fiscal year 2003, the Housing Authority was 98 percent leased up. HUD used all of the Housing Authority's program reserves to pay for the increased leasing costs. Even though we were not over leased for fiscal year 2003, HUD has failed to replenish our FY 2003 reserves, even though required to do so by its own regulations. This has exacerbated the underfunding situation and directly impacts these 108 families.

During our fiscal year 2004, the housing market continued to be soft and voucher holders continued to lease up. Due partly to the weak economy, Voucher holders also were less inclined to leave the program or move; therefore, our turnover rate declined dramatically causing us for the first time to be over leased. Despite the softer market, costs for the program continued to rise because of increases in utility rates, decreases in family income, portability moves to higher cost areas, reasonable accommodations provided to the disabled and several other reasons.

On May 6, 2004, the Housing Authority received a phone call from the San Francisco HUD office advising us that due to the renewal formula our funding would be significantly cut and that these cuts were retroactive to January 1. Since we were already more than five months into the calendar year and less than two months away from our fiscal year end and HUD had failed to replenish our reserves, this news was catastrophic. The new formula would leave the Housing Authority with a shortfall of $3 million for our 2004 fiscal year. At that point, it appeared that our only option was to terminate housing assistance payments contracts for ALL Section 8 voucher holders for the month of June.

Because we have a City Council and Board of Commissioners in Alameda that cares deeply about its citizens, this action was averted. All available Housing Authority reserves were used to pay HUD Section 8 housing assistance payments for June. Of the total $3,000,000 needed to fund HUD's Section 8 program, only $600,000 was paid with Section 8 Administrative Fee reserves--the balance of $2,400,000 was paid from non-HUD Housing Authority reserves, monies that were to be used for making repairs and improvements to the low-income rental units owned and managed by the Housing Authority. These repairs and improvements now have to be deferred indefinitely.

Unfortunately, use of all reserves provided only a temporary reprieve. The new funding formula will leave us $200,000 short each month for the remainder of calendar year 2004, and the Housing Authority had exhausted all of its reserves to pay for the single month of June. The Housing Authority had no choice but to send notices to landlords and tenants of its intention to terminate assistance for 240 families effective June 30.

Our efforts to help these families were unflagging. Between June 4 and the end of the month, the Authority was able to rescind terminations for all but 108 families. This was done through the generosity of some voucher holders, who voluntarily gave up their assistance, landlords who voluntarily lowered their rents, and other housing authorities who agreed to absorb the costs of some voucher holders who had ported to their communities. Nonetheless, 108 Housing Assistance Payment agreements were terminated effective June 30, 2004.

The City of Alameda provided temporary assistance to these 108 families by making HOME funds available to assist their rent payments for the single month of July 2004. This generosity prevented the likely evictions of most of these families on July 1. Nevertheless, they face the same fate on August 1 if nothing is done by HUD to restore sufficient funding to support the Housing Authority's baseline allocation for 1625 vouchers. The agony of month after month of not knowing whether they will have a home is devastating for these families. We have exhausted all available resources in our community. The homeless shelters in Alameda County are full and there is a long waiting list for transitional housing. The safety net is small and not available for these families.

The Section 8 Program is in serious trouble. Though we may be the first Housing Authority to suffer to this extent, we are not the only one feeling the pain. HUD and the Section 8 Program have failed the low-income citizens of Alameda. It has failed because it no longer pays on an "actual cost" basis as was past practice and HUD has failed by not funding our reserves in FY2003, which under the rules at that time, was required. In January 2003, HUD advised that our reserves would be restored, yet HUD has failed to act. Our reserves should have been funded as we were not over leased in FY 2003.

We have been trying to get additional assistance from HUD to address these issues since January in order to prevent termination of assistance from happening. HUD has not come through. Part of our problem is due to understated data for the renewal formula which was submitted by the Housing Authority to HUD. Although we have provided corrected data to facilitate HUD's correction of its funding formula for the Housing Authority, HUD has still not made these corrections. Corrections to the

renewal funding formula would result in increased funds for the Housing Authority, which would greatly help relieve the underfunding problem for these 108 families.

While we wait for HUD to act to correct the renewal funding formula error and to replenish our reserves—both actions which are required of it--there are 108 families at risk of becoming homeless in less than one month. Many of these families have organized and participated in demonstrations in our City to protest these Section 8 terminations. A copy of one of their fliers is attached. These are families that the Alameda Housing Authority is authorized to serve, but HUD has not provided the funding needed to pay their rent subsidies. These families need your immediate help. Direct HUD to give us the funding – Housing Assistance Payments and replenish the reserves- needed top keep these families intact and in their homes. These families should not be made to suffer.

"How do I tell my children they're going to be homeless?"

ALAMEDA NEWS: 140 Alameda families still facing eviction on Aug.1st
Low-income families trying to get on their feet, get 20 days notice from Section 8.

" We are not just numbers. We are real people, with real lives"

Brenda

Tranh & Siblings

Khalil

Lucinda

The disabled, low-income moms, children, and the elderly.... Should Alameda be evicting them?

In the richest country in the history of the world... How can we say there's no money to stop these families being thrown on the street?

Call your Elected Officials -

Let the Mayor Know

This isn't right

Call Alameda Mayor Beverly Johnson 510 747-4701

What else can you do to help?

1. **Join us** this Tuesday July 6th, 6:30pm at City Hall (2263 Santa Clara) Let our Council Know!
2. **Join us** again for the Housing Hearing on Tuesday July 20th, 6:30pm to Save our Homes

*** Polls consistently show that most Americans believe the country is heading in the wrong direction: the war, education cuts, job closures, low pay, transit cuts... Do something to change things!**

Campaign for Renters Rights & Section 8 Tenants' Union 595-5545

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

July 13, 2004

H.R. 4057
The Samaritan Initiative Act of 2004

Mr. Chairman, Ms. Waters and members of the Subcommittee, on behalf of our Board of Directors, I am honored that you have invited the National Alliance to End Homelessness to testify before you today in support of the Samaritan Initiative Act of 2004. The National Alliance to End Homelessness is convinced that not only could our nation do a better job of helping homeless people, but also that ending homelessness is well within our reach. We very much appreciate the Subcommittee's history of leadership on the issue of homelessness.

The National Alliance to End Homelessness

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 emergence of a new social phenomenon – thousands of Americans living on the streets. It is important to remember that prior to the 1980s, there was not widespread homelessness in the nation. While there were certainly problems such as mental illness, drug abuse, and deep and pervasive poverty, people experiencing these problems were able to find a place to live. But then the loss of affordable housing stock, destruction of a million units of single room occupancy housing, deinstitutionalization, the emergence of HIV/AIDS, new kinds of illegal drugs, and an increase in poor, single parent households began to take root. In the 1980s, they grew into homelessness. The absence of widespread homelessness before the 1980s is a reminder that homelessness is not inevitable. It has not always existed, and it does not have to exist now.

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Since its founding in 1983 the National Alliance to End Homelessness (the Alliance) has shifted its focus as the problem of homelessness and our knowledge about it have changed. Once focused on food and shelter, today the Alliance and its over 5,000 nonprofit, public sector, and corporate partners in every state in the nation concentrate on permanent solutions to homelessness.

Ending Chronic Homelessness

People who are homeless for long periods of time – chronically homeless people – are approximately 10% to 20% of the homeless population in most communities. The federal government defines a chronically homeless person as an unaccompanied disabled individual who has been homeless for at least one year or had four or more episodes of homelessness in three years. Data indicates that there are also families that are chronically homeless.

Why are people chronically homeless? The homelessness system, effective for most people who enter it, cannot claim success with this group, most of whom have chronic disabilities. The most common form of assistance offered to those who eventually become chronically homeless is emergency shelter. Often this shelter is only available in the evenings, leaving people to wander the streets in the daylight hours. Shelter itself can be sporadic as people sometimes run up against shelter-imposed time limits of 30, 60 or 90 days.

Despite their best efforts and intentions, most shelters cannot offer their disabled clients the services they need. Some case management and referral may be available, but much of the follow-up is left to the individual, whose housing instability leaves him or her far from capable of handling the responsibility. As a result, some homeless people with disabilities end up living on the street, in shelters and other institutions for years on end.

And yet, the solution to the problem of chronic homelessness is readily available. In 2000, the National Alliance to End Homelessness, based on analysis of research and on the experience of homeless programs around the nation, announced an ambitious plan to end homelessness in ten years. The elements of this plan, though bold, are simple. First, take a more outcome-oriented approach to the problem by planning to end homelessness, not simply manage it. Second, look at where homeless people come from and begin intervening at that point to prevent their homelessness. Third, focus on getting people back into housing much more quickly. And finally, continue to address the structural needs for an adequate supply of affordable housing, service, and incomes.

Our approach recognizes that homeless people are not all the same. Therefore, while our plan calls for communities to end homelessness overall, we recommend a specific, proven and cost-effective strategy for people who are chronically homeless -- supportive housing. Based on data from the University of Pennsylvania and the federal government, we determined that there were somewhere between 200,000 and 250,000 chronically homeless people. It is generally accepted that, given the current supply of permanent supportive housing, an incremental 150,000 units would end chronic homelessness for those who are currently experiencing it. In addition, ending chronic homelessness would require a prevention strategy focused on housing at-risk individuals and families and providing them with services. Clearly, permanent affordable housing is the key to ending chronic homelessness.

This framework for ending homelessness, including ending chronic homelessness, has caught on. In 2002 the Bush Administration adopted the goal of ending chronic homelessness in ten years. Congressional appropriators set aside 30% of McKinney resources for permanent supportive housing and ensured that more of the renewals of this housing were covered. Additional resources were added to McKinney-Vento to ensure that chronically homeless people were not assisted at the expense of other homeless people. Communities across the nation began to develop plans to end homelessness and more recently, with the encouragement of the U.S. Interagency Council on Homelessness and its Executive Director Philip Mangano (with whom we had worked closely on the development of the plan to end homelessness when he was directing the Massachusetts Housing and Shelter Alliance), plans to end chronic homelessness. Today, scores of communities across the nation have developed plans to end homelessness and/or chronic homelessness. Clearly there is a growing capacity and will to do so. What is needed now to accomplish the goal are sensible, outcome-oriented prevention policies; targeted and sustainable resources; and political will.

Why We Need the Samaritan Initiative

As communities have begun implementation of their plans to end chronic homelessness, they have faced many challenges. Providing chronically homeless people with supportive housing is complex business. Because of their intensive housing and service needs and their virtually nonexistent incomes, many streams of public funding and programs have to be intertwined to provide them with support. Frequently these funding streams have different requirements – different applications, different funding cycles, different match requirements, different target populations. And, of course, the need for resources is a fundamental problem.

The Samaritan Initiative Act of 2004 promises to encourage communities to take on the complex but do-able task of moving chronically homeless people into housing by providing resources in a flexible but targeted fashion. There are, of course, many things that it *won't* do. Clearly it will not, by itself, end chronic homelessness – it is far too small. But it will give communities a new way to approach the problem. It will not, alone, prevent chronic homelessness. But it will, by insisting on an outcome focus, give communities the tools they need to assess how they might more efficiently apply resources to get people into housing rather than leave them on the streets. It will not result in the creation of new housing. But it will ensure that where housing units are available, they are wisely used for the neediest among us. The Samaritan Initiative is not, in and of itself, the solution to chronic homelessness. But it holds the promise of being an important and valuable tool. The National Alliance to End Homelessness supports the Samaritan Initiative and urges Congress to authorize it.

The Samaritan Initiative

The National Alliance to End Homelessness supports the Samaritan Initiative as an important new tool that can contribute to the effort to end chronic homelessness. It provides flexible resources for activities that must be undertaken if progress is to be made.

- *Outreach.* In order to end chronic homelessness, there must be a system of outreach to people on the street and in shelters. Such a system will engage people and offer them housing and services that meet their needs. The Samaritan Initiative allows the expenditure of funds on outreach to engage chronically homeless people and connect them with permanent supportive housing.

- *Permanent Supportive Housing.* In order to end chronic homelessness there must be a supply of permanent supportive housing commensurate with the size of the population. The number of units needed is generally thought to be approximately 150,000. Experience indicates that approximately half of the units could be leased from existing stock, while the other half would have to be developed through rehabilitation or new construction.

  The Samaritan Initiative focuses on the provision of permanent supportive housing. It is flexible in allowing communities to use resources as they are needed for a variety of housing and services activities, although the emphasis is clearly on providing housing that is readily available for occupancy through lease or acquisition, rather than on development.

  In order to provide permanent supportive housing, the following are needed:

  - *Capital.* The Samaritan Initiative allows funds to be used for acquisition and minor rehabilitation of housing.
  - *Rent Subsidies.* The Samaritan Initiative allows funds to be used for operating costs, leasing, and project- or tenant-based rent assistance.
  - *Services.* On the services side, funding can support primary health care, substance abuse treatment, mental health care, outreach, case management and other services.

We applaud the design of the program in which communities have freedom to use funds as they see fit as long as the outcome of housing chronically homeless people is achieved. It will serve as an incentive, providing targeted resources for communities to take on this difficult task. It will model a level of federal coordination that will make it easier for communities to address the problem. Its focus on measurable outcomes will help us to ensure that the interventions being undertaken are having the desired effect. For these reasons, we support the Samaritan Initiative as a valuable component in the effort to end chronic homelessness.

The Role of Services in Ending Chronic Homelessness

Because the Samaritan Initiative defines chronically homeless people as having disabilities, the provision of services will be key to housing stability. The Samaritan Initiative provides services funding through both the U.S. Department of Health and Human Services (HHS) and the U.S. Department of Veterans Affairs (VA). The VA will provide $10 million worth of in-kind case management to veterans. HHS will provide $10 million for services. Experience has taught us that this amount of funding will not be adequate for the number of housing units contemplated. Communities can access additional services funding through mainstream sources. However, the Samaritan Initiative would have a much more powerful impact on chronic homelessness if it included more funding for services, and if it had stronger provisions to leverage mainstream funding resources, including those that are Federally supported.

Recommendation: The contribution of the US Department of Health and Human Services to the Samaritan Initiative should be increased to $50 million.

Recommendation: Non-McKinney Act Federal funds should count toward the match.

The Role of Housing in Ending Chronic Homelessness.

Rent subsidies are key to ending chronic homelessness. While the Samaritan Initiative does make some resources available for this purpose and is an important tool, it does not contain adequate resources to achieve the Administration's goal of ending chronic homelessness in ten years. Other Federal, state and local programs will have to be utilized, and the Samaritan Initiative should be designed to leverage such investments.

To meet the Administration's goal of ending chronic homelessness in ten years[1] would require the provision of some 150,000 units of supportive housing, or 15,000 units per year. In the Samaritan Initiative, $50 million is available for housing in grants that last for three years. This $50 million minus the amounts to be spent on technical assistance and administration, if used entirely for rent subsidies, could be expected to support approximately 2,500 units per year against the goal of 15,000.

One critically important additional source of housing subsidy impacting chronic homelessness is the Section 8 Voucher Program. This program is used to provide both project-based and tenant-based rent subsidies in supportive housing. Not only is it important as a direct source of assistance, but also it provides the basis upon which the capital financing for supportive housing is committed. The Administration has proposed changes to the Section 8 Voucher Program that will impact its ability to serve extremely low income people. Further, funding and program proposals the Administration has made with respect to the Section 8 Voucher Program are already impeding the ability of projects to attract capital for the development of permanent supportive housing. Finally, Section 8 is the core housing program that helps extremely low-income people accommodate the market-driven gap between their incomes and the cost of housing. As such, it is the barrier between housing and homelessness for many families and individuals, and a key prevention component of any plan to end chronic homelessness.

Recommendation: The Congress should fully fund all existing housing vouchers and maintain the program's targeting to extremely low income households.

If chronic homelessness is to be ended, private and public capital will have to be attracted for the development of permanent supportive housing. It is worth noting that Fannie Mae recently made a commitment to provide capital and pre-development loan money for the development of permanent supportive housing for chronically homeless people. Rent subsidy money through the Section 8 Voucher Program and other sources such as Samaritan Initiative will be necessary to create the public/private partnerships that can provide the 150,000 units of permanent supportive housing needed to end chronic homelessness.

Recommendation: Congress should consider creating a pool of incremental housing vouchers that could be linked to private and public sector capital sources for the creation of additional units of permanent supportive housing.

Recommendation: Congress should address the overall need to increase the supply of housing affordable to extremely low income people through a well-targeted housing production program such as the National Affordable Housing Trust Fund.

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[1] Although the Administration set the goal of ending chronic homelessness in ten years in 2002, we will assume for the purposes of this testimony that the goal would be met in 2014 – ten years from now.

It should also be noted that the structure of renewal in the program is likely to impede the ability of communities to acquire property for permanent supportive housing, or even to provide stable housing through leasing of units. The program will provide rent subsidies for three years, although the term of use for acquisition is ten years. Renewals will be considered in subsequent three years increments. However, these will be competitive and for only a portion of the original grant.

Recommendation: The Samaritan Initiative should ensure the renewal of the full amount of the permanent supportive housing rental subsidies provided through the program.

Summary

Ending chronic homelessness is a worthy goal and one that the National Alliance to End Homelessness wholeheartedly supports. It is a component of the effort to end homelessness overall and we caution that care must be taken to ensure that chronic homelessness is not addressed to the exclusion of, or at the expense of, other homeless people. It is in that context that we applaud the Administration for setting the goal of ending chronic homelessness in ten years, and look forward to continuing to work with them to achieve this it

The National Alliance to End Homelessness supports the Samaritan Initiative of 2004 as an important tool to be used by communities to end chronic homelessness. We fully recognize that the Samaritan Initiative is not, in and of itself, sufficient to achieve the goal. We further recognize that other sources of funding, particularly funding for rent subsidies through the Section 8 Voucher Program and service funding from the US Department of Health and Human Services, will be required. But the Samaritan Initiative is unique in its flexibility, in its focus on outcomes, in its targeting to the neediest among us, and in its modeling of federal coordination. It will make a valuable contribution to local efforts to end chronic homelessness

Ending chronic homelessness is a difficult and complicated task for a troubled and extremely needy population. But it is something that we should do because people are suffering, because we know how to do it, and because it is cost effective. On behalf of the Board of Directors and partners of the National Alliance to End Homelessness, I extend my gratitude to the Subcommittee for taking on this difficult task. We support your efforts and look forward to continuing to work together to end chronic homelessness in our great nation.

Mayor-President Bobby Simpson
East Baton Rouge
Testimony
On H.R. 4057
House Financial Services Subcommittee on Housing and Community Opportunity
Tuesday, July 13, 2004 at 10:00 am

As Mayor-President of East Baton Rouge Parish I represent a diverse community of both rural and inner city. Our community has been fighting the problem of chronic homelessness. The problem of chronic homelessness is not just a big city problem; it is a problem that affects communities across the country large and small, urban and rural.

We have formed the Mayor's Task Force to End Chronic Homelessness. This task force was established to link and expand the local network of homeless service providers to include businesses, schools, local law enforcement and the faith community. Our goal was to create a "one stop shop" for homelessness support. No one agency will be able to solve chronic homelessness. This has to be a collaborative community effort.

As a community we took what we have learned from our Mayor's Task Force to End Chronic Homelessness and applied it to our strategic ten-year plan. Our ten-year plan, encouraged in partnership and collaboration with the U.S. Interagency Council on Homelessness, is an example of the way that public and private agencies can come together to strategically coordinate and collaborate in the development and implementation of a community-wide plan to end chronic homelessness. Our office of Economic and Community Development, along with entities such as the Capital Area Alliance for the Homeless, Volunteers of America, Salvation Army, St. Vincent de Paul Society, Myriam's House, Catholic Community Services and other non-profit providers, represent a diverse and strong community response, which includes both faith-based and traditional non- profit providers organizations.

As president of the Louisiana Conference of Mayors I am familiar with the Samaritan Initiative. In June of 2003, the U.S. Conference of Mayors met and passed a resolution endorsing the Administration's effort to end chronic homelessness and supporting the 10-year planning process for cities. January 15, 2004 East Baton Rouge Parish unveiled its 10-year plan to end chronic homelessness. Mr. Mangano from the Interagency Council was with us for that announcement. The city-parish of Baton Rouge supports the concept of the single application process provided by the Samaritan Initiative. It fits ideally into our city-parish efforts of one stop shopping for homelessness services. We support the housing strategies that move the chronic homeless from the streets and shelters into housing. We have created the Neighborhood Housing Network to partner with the city to utilize adjudicated properties for developing housing for the homeless. We continue to identify available land to construct "Housing First" Homeless Development. We have formed a partnership with the Baton Rouge Police Department to create the Homeless Triage Center. This center gives police somewhere else to bring the homeless instead of prison. The Homeless Triage Center puts the client in touch with proper services to help end chronic homelessness. The goal is to have all our assets working together. East Baton Rouge Parish has many services but for them to have the most effect there needs to be collaboration and strategic partnerships. The Samaritan Initiative encourages this collaboration and partnership.

Chronic Homelessness is a challenge we must fight together. It is not just a big city problem, chronic homelessness affects us all. This is a problem that taxes our police department, health services, our community and our budget. No one agency will be able to solve it. To accomplish our goal of ending chronic homelessness, local, state, and federal entities must work together to maximize our assets. I truly believe that in the world's most prosperous county it is unacceptable to have men, women, and children living on the streets. A home is fundamental to an individual's happiness, health, and success. I am committed to our community effort to end homelessness in Baton Rouge.

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Testimony of
Donald Whitehead, Executive Director of the National Coalition for the Homeless
U.S. House of Representatives Financial Services Committee
Subcommittee on Housing and Community Opportunity
July 13, 2004

Chairman Ney and members of the committee, it is an honor to be asked to testify today on H. R. 4057, The Samaritan Initiative Act of 2004. I appreciate the opportunity to be here today with many of my esteemed colleagues to offer insight on this proposed legislation.

I am Donald Whitehead, Executive Director of the National Coalition for the Homeless, the Nation's oldest and largest advocacy organization that works exclusively with and on behalf of people experiencing homelessness.

The National Coalition, like many of our partners, is deeply concerned about the recent growth of homelessness across America. We are pleased that the Interagency Council on Homeless is coordinating with other federal agencies to respond to the growing needs of homeless individuals. This coordination is essential as we work together to end homelessness.

The number of people experiencing homelessness continues to grow unabated and new resources are required to meet the demand, but those new resources cannot come at the expense of reduction to existing programs. The Samaritan Initiative would be funded at the expense of the McKinney / Vento Homeless Assistance Program. The President's budget proposal for McKinney/Vento is $1.26 billion. It is estimated that $1.3 billion is required to maintain the current programs at FY 2004 authorization levels. Leaving the program at FY 2004 levels still leaves us with a huge amount of unmet need. In FY 2004, HUD had to turn down $273 million in Continuum of Care requests due to lack of funding. Instead of using resources to start new programs, we should be concentrating on fully funding the programs that already exist. The Vento/Vento Program offers greater flexibility in geographic targeting and eligibility of participants, while also targeting the chronically homeless population. Furthermore, by putting this money in McKinney/Vento, the administrative costs associated with starting and administering new programs can be avoided, and more people can be served.

The Samaritan Initiative is only available to people experiencing chronic homelessness, and the government definition of Chronically Homeless applies only to unaccompanied homeless individuals with a disability who have been continuously homeless for a year or more or have had at least four episodes of homelessness in the past three years. While this is an important population to serve, this definition excludes families who have experienced long-term homelessness. Families are the largest growing sector of the homeless population. Families now represent 40% of the homeless population. Even families whose head of household is disabled are excluded from the Samaritan Initiative.

Furthermore, we object to the codification of this definition of chronic homeless. There is widespread disagreement among practitioners about the definition of "chronic homeless" as well as the ethics and practicality of using this definition to deliver services. Congress should not put this definition into statute

We are also concerned that this initiative on its own does very little for its target population. Ten million dollars in the Department of Health and Human Services to be distributed across 50 states for people with complex health and mental health needs is woefully insufficient.

In addition, this program provides only three-year grants followed by the option to reapply for another three years of funding at half the amount. The people who will be served by this initiative have, by definition, severe mental or physical disabilities. In order to remain in permanent housing they will likely need supportive services for the rest of their lives. If funding is cut off, they will be at risk of becoming homeless again.

We applaud the drafters and sponsors of this bill for their recognition that both supportive services and affordable housing are necessary to end homelessness, but we question the effectiveness of earmarking $50 million for affordable housing production while, at the same time, cutting $1.6 billion from the Section 8 Housing Voucher Program. As long as the Section 8 program is in crisis, we cannot end homelessness in this country.

Furthermore, any initiative to end homelessness or chronic homelessness in this country must be forward thinking and comprehensive, and it must include the production of large amounts of affordable housing. There are two such initiatives in the House of Representatives right now, both of which have more cosponsors than H.R. 4507. These are the National Housing Trust Fund (H.R. 1102), which would provide funding for 1.5 million units of affordable housing over the next ten years, and the Bringing America Home Act (H.R. 2897), which is a comprehensive bill to end homelessness in this country. The Bringing America Home Act includes housing, health care, economic justice, and civil rights provisions. A list of endorsers is attached to this testimony and we ask that it be entered in the record.

We appreciate the recognition by this committee that ending homelessness must be a priority, but the Samaritan Initiative is not an effective way to accomplish that goal.

Thank you for the opportunity to testify before you today.

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Organizations who have endorsed the Bringing America Home Act include:

National Organizations

- Call to Renewal
- Child Welfare League of America (CWLA)
- Coalition on Human Needs
- The Corporation for Supportive Housing
- ENPHRONT
- Local Initiatives Support Council
- The NAACP (National Association for the Advancement of Colored People)
- National Association for the Education of Homeless Children & Youth
- National Association of HUD Tenants
- National Center on Family Homelessness
- National Coalition for Homeless Veterans
- National Council of La Raza
- National Health Care for the Homeless Council
- National Housing Law Center
- National Housing Law Project
- The National Housing Trust Fund Campaign
- National Law Center on Homelessness and Poverty
- National Low Income Housing Coalition
- National Organization for Women (NOW)
- National Policy and Advocacy Council for the Homeless
- National Student Campaign Against Hunger and Homelessness
- NETWORK
- North American Street Newspaper Association
- Prisons Foundations
- Rainbow-PUSH Coalition
- Religious Action Center for Reform Judaism
- SEIU
- Sisters of Mercy Institute
- Southern Christian Leadership Conference (SCLC)
- U.S. Conference of Mayors
- United Farm Workers of America
- United for a Fair Economy
- North American Alliance for Fair Employment
- Poverty & Race Research Action Council

Local/State Organizations

- Aids Volunteers of Cincinnnati (AVOC)
- The Alpha Connection (Punta Gorda, FL)
- Beyond the Boundaries Housing Subcommittee (Ellicott City, MD)
- Calvary Women's Services (DC)
- Center for Women in Transition (Champaign, IL)
- Colorado Coalition for the Homeless (Denver, CO)
- Community Home Ownership (Fridley, MN)
- Community Psychologists of Minnesota, Inc. (Columbia Heights, MN)
- Cradles to Crayons (Quincy, MA)
- Elim Transitional Housing, Inc. (Minneapolis, MN)
- Empowerment First (Florida)
- First Christian Church (Port Charlotte, FL)
- Free to Camp Coalition (Phoenix, AZ)
- Georgia Task Force for the Homeless (GA)
- Greater Cincinatti Coalition for the Homeless
- Haven House, Inc. (Jeffersonville, IN)
- HAVEN House (MO)
- Heart House, Inc. (Lawrenceberg, IN)
- High Hope Employment Services, Inc. (MO)
- Hogar Padre Venard (Puerto Rico)
- Homeless Action Network of Detroit (Detroit, MI)
- The House of Hope Transitional Living Center (KS)
- Housing Alliance of PA (PA)
- Hunger Action Network of New York State (NY)
- Indiana Coalition for the Homeless
- Integrated Community Solutions, Inc (Fridley, MN)
- La Coalicion de Apoyo Continuo a Personas Sin Hogar (Puerto Rico)
- La Fondita de Jesus (Puerto Rico)
- Labor Line Services (FL)
- Leadership Conference of Women Religious (Silver Spring, MD)
- Los Angeles Coalition to End Hunger & Homelessness (Los Angeles, CA)
- Mercy Hospital and Medical Center (Chicago, Ill.)
- The (Metro Atlanta) Task Force for the Homeless (Atlanta, GA)
- Multi-County Community Service Agency (Meridian, Miss.)
- N Street Village (Washington, DC)
- Nashville Peace and Justice Center (TN)
- Nashville Homeless Power Project (TN)
- New Hampshire Homeless
- The Next Step Foundation, Inc. (Princeton, NJ)
- Northeast Ohio Coalition for the Homeless (Cleveland, OH)
- Northern Kentucky Housing And Homeless Coalition, Incorporated
- Ohio District 10 Congressional Homelessness Summit (Lakewood, OH)
- Operation Enduring Independence (Kenner, LA)
- Operation Get Down (Detroit, MI)
- Operation Hope Educational and Development Corporation (Decatur, GA)
- Orange County Community Housing Corporation (California)
- Our Brothers' Keeper (Detroit, MI)

- The Partnership Center, Ltd. (Newport, Kentucky)
- People's Emergency Center (Philadelphia, PA)
- People Who Care (Canada)
- President Advisory Board City of Boston (Boston, MA)
- Project Home (Madison, WI)
- Rays of Hope Advocate for the Homeless (Nashville, TN)
- Resident Advisory Board City of Boston (MA)
- Residents for Affordable Housing (Minneapolis, MN)
- Rhode Island Coalition for the Homeless
- Sacred Heart Church (Jeffersonville, IN)
- Sts. Joachim and Ann Care Service (St. Charles, MO)
- St. Joseph's Mercy Care Services, Inc. (Atlanta, Georgia)
- Saint Louis University School of Social Service (St. Louis, MO)
- St. Louis Catholic Church (Ellicott City, MD)
- St. Stephens Housing Services (Minnesota)
- The Salvation Army, Laconia, NH
- The Salvation Army, Concord, NH
- San Francisco Coalition for the Homeless
- Sisters Of Mercy (Cudahy, WI)
- Sisters of Mercy, Chicago
- Sisters of Mercy (Bronx, NY)
- Sisters of Mercy (WI)
- Sisters of Mercy, Regional Community Leadership Team of New Hampshire (Windham, NH)
- Sisters of Mercy Associates- Omaha Region
- Sisters of Mercy Associates- Rochester Region
- Sisters of Mercy Associates- Regional Community of New Jersey
- Sisters of Mercy Associates- Vermont Regional Community
- Sisters of Mercy of the Americas, Rochester Regional Community
- Sisters of Mercy Baltimore Regional Community (MD)
- Souls For Christ Deliverance Center (Detroit, MI)
- Southern Indiana Housing Initiative
- Southwest Florida Addiction Services, Inc.
- Southwest Florida Coalition for the Homeless
- Supportive Housing Association of NJ (Cranford, NJ)
- Taking It To The Street Ministries (Dorchester, MA)
- Transitions, Inc. (Bellevue, KY)
- Welcome House of Northern Kentucky, Inc.
- Williams Emergency Housing Center (Jeffersonville, IN)
- Wyoming Coalition for the Homeless (Cheyenne, WY)
- Progressive Options, Inc. (OR)
- Housing Alliance of PA
- Wider Opportunities for Women (DC)
- Universal Healthcare Action Network (OH)
- Beyond Shelter (CA)
- Bethany House Serivces (OH)
- Charlie's Place (DC)
- DC Action for Children (DC)
- Iglesia del Santo Cristo Soberano (PR)

SUPPORTING SECTION 8 FUNDING

WHEREAS, Section 8 voucher assistance is critical to ensuring affordable housing currently for approximately 2 million families, elderly and disabled households in our cities nationwide; and

WHEREAS, mayors and their residents who receive Section 8 vouchers are facing a serious crisis as a result of a policy guidance by the U.S. Department of Housing and Urban Development (HUD) based on Congressional law; and

WHEREAS, Congress allocated an additional $1 billion dollars in the FY 2004 budget with the intent to fund every Section 8 voucher allocated throughout the country; and

WHEREAS, contrary to this congressional action, HUD plans to implement a renewal funding formula in FY 2004 for Section 8 vouchers based on costs incurred by the program as of August 2003 (adjusted for inflation), rather than actual cost data, which outpaces HUD's adjustment factor; and

WHEREAS, jurisdictions across the country will be forced to make an immediate decision to cancel existing Section 8 voucher contracts, reduce the federal subsidy and/or require the most needy citizens to pay higher rents in excess of 30% of their monthly income; and

WHEREAS, the President's proposed budget for FY 2005 contains a Flexible Voucher Program which proposes to block grant Section 8 voucher funding to local Public Housing Authorities (PHAs); and

WHEREAS, the Flexible Voucher program does not provide adequate funding levels to fully fund every Section 8 voucher currently allocated; and

WHEREAS, approximately 250,000 Section 8 vouchers would be eliminated across the country based on the FY 2005 proposed funding requests, resulting in unforeseen housing and financial hardships by the most needy of our low-income population and working poor,

WHEREAS, in addition to eliminating existing families from the Section 8 voucher program, the far-reaching effects of the Flexible Voucher proposal could result in (1) higher

rent payments by those citizens who can least afford an increase, (2) private landlords less willing to participate in the program if subsidies are eliminated or unreliable, which would severely reduce the already limited housing choices for low-income households that have been available over the past few years, and (3) fewer vouchers available for families, elderly and disabled households who have been waiting for years to receive a Section 8 voucher; and

NOW, THEREFORE, BE IT RESOLVED, that the U.S. Conference of Mayors urges HUD to reconsider its FY 2004 renewal funding formula and fully fund every Section 8 voucher currently in use across the country; and urges Congress to continue to fully fund in FY 2005 every Section 8 voucher currently allocated.

Department of Health and Human Services

Statement for the Record

Before the Subcommittee on Housing and Community Opportunity

Committee on Financial Services

United States House of Representatives

Hearing on H.R. 4057, the Samaritan Initiative Act of 2004

July 13, 2004

The Department of Health and Human Services (HHS) welcomes this opportunity to offer testimony for the hearing on H.R. 4057, the "Samaritan Initiative Act of 2004", before the House Committee on Financial Services, Subcommittee on Housing and Community Opportunity. We appreciate the Subcommittee's commitment to examine new approaches to a Federal response to addressing homelessness. We recognize that the approach laid out in the Samaritan Initiative is a departure from past practice and are grateful to the Subcommittee for considering these challenges.

For nearly two decades, HHS has been the steward of programs that address the treatment and support service needs of persons experiencing homelessness, including the delivery of primary health care, mental health and substance abuse services, and the reintegration of homeless

persons with their families and communities. We recognize the contribution of these services to the betterment of those experiencing homelessness. We also have recognized that their homeless status makes the delivery of such services more complicated, costly, and challenging. HHS welcomes the opportunity to work more collaboratively with other Departments, particularly the Departments of Housing and Urban Development (HUD) and Veterans Affairs (VA), so that treatment and support services can be linked to stable residential situations.

HHS has worked closely with HUD, VA and the U.S. Interagency Council on Homelessness in developing an Administration proposal and is pleased at the extensive list of co-sponsors who have joined Representative Renzi in offering H.R. 4057, the Samaritan Initiative.

This Initiative reinforces several directions that HHS believes should be pursued. First, as noted above, we believe that treatments and services to homeless persons will be more effective when linked to housing, a linkage accomplished with the Samaritan Initiative. Second, new resources and the administrative alignments of the Samaritan Initiative support HHS's goal to empower our State and community partners to improve their response to people experiencing homelessness, which was published in *Strategies for Action*, the Department's plan to uphold the Administration's goal of ending chronic homelessness. Third, we need to capitalize on what our research and experiences teach us. Prior research has taught us that coordination between treatment and housing systems leads to improved access to and retention in housing. Our current collaboration with HUD and VA is teaching us that communities are exceptionally receptive to the linkages supported by the Samaritan Initiative, but also require the administrative simplifications that the Act describes – efficiencies in the application for support, flexibilities in

the pooling of the resources, clearer designation of governance, and accountability for outcomes that is more meaningful and less burdensome.

We welcome the collaborations that are supported by the Samaritan Initiative and the authorizations that permit us to work as true partners with the States, cities and counties that have committed to addressing homelessness in new, bold, and creative ways. We look forward to working with the Committee as this legislation progresses.

STATEMENT FOR THE RECORD

DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT
REGARDING
H.R. 4057 - SAMARITAN INITIATIVE ACT OF 2004

BEFORE THE
SUBCOMMITTEE ON HOUSING AND COMMUNITY OPPORTUNITY
COMMITTEE ON FINANCIAL SERVICES
U.S. HOUSE OF REPRESENTATIVES

July 13, 2004

Mr. Chairman, Members of the Committee:

The Department of Housing and Urban Development is pleased to have the opportunity to make a statement for the record of our support of H.R. 4057, the Samaritan Initiative of 2004. This bill incorporates a proposal submitted to the Congress in the President's FY 2005 budget, which calls for $70 million in funds-$50 million from HUD for housing, $10 million for HHS for primary and behavioral health care, and $10 million for VA for case management and outreach. These funds would support community collaborative projects combining housing and support services to assist in helping chronically homeless persons to become self-sufficient.

The Samaritan Initiative is designed to help meet the Administration's goal of ending chronic homelessness over ten years. This is the first Administration to target funds to assist this most vulnerable of the homeless population – a group of people who the most difficult to help achieve stability. Our work to fulfill our commitment to house the chronically homeless population --- a challenge because of its need for a significant portion of emergency shelter services --- will also

strengthen our ability to serve other homeless populations. HUD collaborated with the Departments of Health and Human Services and Veterans Affairs to accurately determine who comprises this population, and we have agreed on the definition of a chronically homeless person as "an unaccompanied homeless individual with a disabling condition who has either been continuously homeless for a year or more OR has had at least four (4) episodes of homelessness in the past three (3) years." Ultimately, the engagement of the chronically homeless population in permanent supportive housing will allow communities to better utilize their funds by eliminating the revolving doors of shelters, emergency rooms, jails and prisons for this vulnerable population.

HUD has long supported and continues to support all groups of homeless people, such as homeless families and veterans, youth, and victims of domestic violence. The McKinney-Vento funding allows the community to identify their local needs and target the funds to meet those needs. Of the more than $1 billion awarded for targeted HUD homeless assistance projects in 2003, nearly half of the persons to be assisted by these funds are homeless families. Specifically, HUD's funding assisted over 200,000 families, including over 350,000 children. Housing and services programs have also been designated to serve youth, families moving from domestic violence situations and veterans, and others. Over 2,000 of the nearly 3,800 projects awarded will target homeless veterans among those they serve. Over 100 of these projects specifically target homeless veterans. A total of 930 awarded projects will serve homeless youth while more than 160 serve victims of domestic violence. Our commitment to serving all homeless groups is unwavering.

HUD's annual Continuum of Care competition emphasizes the importance of ending chronic homelessness. To be competitive for a portion of the approximately $1 billion available in the continuum competition, all communities are required to implement local plans to end chronic homelessness. As part of the competition, HUD has committed 10 percent of the 2004 appropriation to fund projects that primarily serve the chronically homeless. Communities are also encouraged to use mainstream housing resources, such as public housing, to address the needs of homeless persons, including those who are chronically homeless. HUD's Deputy Secretary chairs a task force consisting of representatives from our mainstream housing program offices. The task force is charged with identifying ways to use housing resources for this population. A recent by-product of the task force was the use of $6.5 million in HOME funds to develop more housing for the chronically homeless in thirteen (13) communities.

HUD has also worked with other agencies to end chronic homelessness. For instance, HUD, VA, and HHS jointly funded the 2003 Collaborative Initiative to End Chronic Homelessness. Nearly $20 million of the $35 million will fund HUD housing units. The other agencies will fund supportive services. A total of eleven (11) projects were awarded funding. The Chronic Collaborative is up and running. Approximately 6 months into the three years of funding, 300 of the units are leased up, and an additional 399 units soon will be coming on line. Considering the difficulty in initial engagement of the chronically homeless population, this represents an admirable initial phase.

HUD and the Department of Labor are collaborating on a joint initiative, "Ending Chronic Homelessness through Employment," funding five (5) projects to provide housing plus employment training to chronically homeless individuals to move them towards independence.

HUD provided $10 million for housing and Labor provided $3.5 million for employment services.

The prevention of individuals and families falling into homelessness is an important task leading to the ending of chronic homelessness. Current research highlights the necessity of improved discharge planning from institutions and transitional re-entry assistance. This is part of the prevention process. Understanding the role of emergency shelters and targeted assistance will also be included in the development of effective prevention programs.

The Administration's focus on the issue of chronic homelessness has encouraged analysis that is enhancing research into the complex issue of homelessness. A continuation of creative funding opportunities will provide the additional collaborative programming leading to better understanding that will result in long-term positive outcomes. These verified results will assist in the development of models in other jurisdictions.

The Homeless Management Information System (HMIS) will provide more specific and verifiable information regarding this previously difficult to enumerate populace. This information is already allowing communities, such as Spokane, Washington and Columbus, Ohio, to analyze their housing development and housing assistance programs. These communities are developing creative collaborations that will assist not only the chronically homeless, but affordable housing developers and first-time homebuyers. Although the replication and evaluation of programs involving this difficult-to-serve population will always be a

challenge, the research currently being developed through Federal, state, local and private funding promises to be an effective tool in our quest to end chronic homelessness.

HUD is involved in a number of other inter-agency initiatives that serve to help end chronic homelessness and serve all homeless populations:

- the successful completion of policy academies by 55 states and territories. The academies resulted in accessing mainstream resources and other cooperative partnerships. The National Learning Meeting scheduled in Washington, DC in October will highlight these efforts.
- HUD and HHS funded a multi-agency technical assistance collaboration that resulted in the distribution of 10,000 CDs and a continually updated website known as FirstStep. This information provided is assisting case managers in accessing mainstream resources for their clients.

The Samaritan Initiative is a natural extension of all these initiatives. HUD will serve as the administrator of this program to assist in the integration of the initiative with other existing programs. The Samaritan Initiative will expand the demonstration of the joint commitment of Federal agencies to move beyond traditional agency functioning. This commitment is an essential component of the nation-wide, multi-level organizational change that is seeking to end chronic homelessness

The program development generated by these joint initiatives far exceeds the direct dollar expenditure for housing and services. A community does not have to receive direct funding in

order to feel the impact. Changed attitudes, mindsets, ways of doing business, measures of success, and new partnerships are just a few of the additional outcomes that those funds have provided to communities, states and individuals all across the United States and perhaps the world. The Samaritan Initiative reminds us of the importance of the attitude of all citizens regarding the lives of all our neighbors.

Thank you again for this opportunity to support ending chronic homelessness through creative programs such as H.R. 4057.

STATEMENT FOR THE RECORD OF FREDERICO JUARBE JR
ASSISTANT SECRETARY OF LABOR
FOR VETERANS' EMPLOYMENT AND TRAINING
FOR THE SUBCOMMITTEE ON
HOUSING AND COMMUNITY OPPORTUNITY
OF THE COMMITTEE ON FINANCIAL SERVICES
U.S. HOUSE OF REPRESENTATIVES

July 13, 2004

Thank you Mr. Chairman, Ranking Member Waters and distinguished members of the Subcommittee on Housing and Community Opportunity, for the opportunity to outline the Department of Labor's important role in helping put homeless people on the path to self-sufficiency and more specifically, to express the Department's support for the proposed Samaritan Initiative Act of 2004.

Like each of you, we at the Department of Labor are committed to the Administration's objective of ending chronic homelessness by the year 2012. The proposed Samaritan legislation encourages the achievement of that goal by creating coordinated provisions of housing, health care, mental health and substance abuse treatment and other supportive services for the chronically homeless. The principles and concepts underlying this important initiative will result in key partnerships and collaboration among Federal, State and local authorities to support community efforts to successfully engage, house and reintegrate chronically homeless persons who are living on the streets and in shelters.

The Department supports the Samaritan legislation because our experience in serving the chronically homeless over many years demonstrates that collaboration, partnership and intervention are the essential ingredients for successful homeless programs. The Samaritan initiative incorporates all of these essential ingredients.

While the Department of Labor is not a direct funding partner in the Samaritan Initiative Act of 2004, we intend to support this important initiative through our network of established mainstream workforce programs.

With regard to the Department of Labor's own role in combating homelessness, we administer programs providing employment and training services that are crucial components in the comprehensive effort to end the cycle of chronic homelessness. We offer both mainstream and targeted employment-focused programs that help lead chronically homeless persons to self-sufficiency.

Our strategy focuses on helping those who want to work or become job-ready. The specific objectives of our strategy are: 1) to provide universal access to mainstream employment assistance and services, including those services authorized under the Workforce Investment Act of 1998 (WIA); and 2) to identify the skill needs of today's workforce and address the skill deficiencies of the homeless population.

We are currently witnessing many successes, model programs and practices if you will, in America's Workforce Investment System, that aim at ending chronic homelessness by helping homeless people achieve self-sufficiency through a comprehensive approach that includes adequate income support which comes from employment. We offer the experiences of these model programs and their "best practices" which will help support and inform the Samaritan grantees, and to assist implementation of the Samaritan initiative with our Federal, State and local partners.

I would like to add that under the Administration's proposal to reauthorize WIA, America's workforce system will become even more responsive and effective for both employers and workers, including homeless individuals. Our WIA Reauthorization proposal will help improve access to workforce development programs by special populations, including the homeless. Under the reauthorization proposal, the workforce system will offer incentives to states that operate employment-focused programs for special needs populations, such as the homeless.

In addition to using the Workforce Investment System more effectively to serve the homeless, the Department of Labor has been effectively addressing the needs of homeless Americans through a number of model targeted intervention and

prevention programs that are included in the Department's Fiscal Year 2005 budget request, such as:

1) The Homeless Veterans' Reintegration Programs (HVRP);
2) The Incarcerated Veterans Transition Program (IVTP);
3) The Ready4Work and Serious and Violent Reentry Initiative;
4) The Jobs-Corp-Foster Care Recruitment Initiative;
5) The Department of Labor/Department of Housing and Urban Development 'Ending Chronic Homelessness through Employment and Training grants'; and most recently,
6) The President's new Prisoner Reentry Initiative, which helps incarcerated individuals make the transition back into their communities and reduce recidivism among returning inmates when they are released from the institutional setting.

The Department's hallmark homeless program is the Homeless Veterans' Reintegration Program (HVRP). Chronically homeless veterans comprise nearly one-third of the chronically homeless population. The Department has been successfully dealing with this issue for many years. DOL recently awarded $17 million in HVRP grants on July 1st to train and employ homeless veterans for good jobs. Through the Department's Homeless Veterans Reintegration Program, about 12,000 American veterans will be served this year in 31 states with an expected entered employment rate of over 65%.

Successful HVRP programs employ the same proven concepts that are the basis of the Samaritan legislation, i.e., collaboration, partnership and intervention. HVRP grantees focus on building capacity to serve homeless individuals by providing coordination and linkages to other supportive services such as housing, transportation, medical care, and substance abuse treatment. This is accomplished by partnering with the Departments of Housing and Urban Development (HUD), Veterans Affairs (VA), and Health and Human Services (HHS), as well as local faith-based and community-based organizations and social service agencies. The HVRP concept takes this a step further by heavily emphasizing job counseling, job training, job referral, job placement and job retention services, which is what the DOL grants fund.

The Department's success in addressing homelessness, with both our mainstream and targeted workforce programs, is convincing evidence that passage of the Samaritan legislation will reduce chronic homelessness. This is because the Samaritan initiative will employ similar promising strategies that integrate systems of services and promote self-sufficiency and recovery among chronically homeless individuals.

As further evidence of the success that will likely result from the passage of the Samaritan legislation, the Department of Labor and the Department of Housing

and Urban Development entered into a similar collaborative initiative to award five "Ending Chronic Homelessness Through Employment" grants that we announced at last October's full meeting of the Interagency Council on Homelessness. Through these unprecedented new grants, workforce investment boards and homeless housing service providers are today applying customized employment and permanent housing strategies in five major cities in the United States, so that chronically homeless people with disabilities may live, work and fully participate in their communities.

At the Department of Labor, we have learned from over two decades of addressing this issue that collaboration among Federal, State and local agencies and entities is key to operating successful programs that help chronically homeless individuals achieve self-sufficiency. That is why we believe the Samaritan initiative will work.

Mr. Chairman, the Department is committed to pulling together our resources and working with Congress, the Samaritan Federal partner agencies and all federal, state and local partners to achieve the President's goal of ending chronic homelessness in 10 years. The Department believes that the Samaritan legislation will help achieve this goal.

Thank you for the opportunity to submit a statement for the record regarding the Department's homeless programs and our support for the Samaritan Initiative.

STATEMENT FOR THE RECORD OF
THE HONORABLE ANTHONY J. PRINCIPI
SECRETARY OF VETERANS AFFAIRS AND
CURRENT CHAIR, INTERAGENCY COUNCIL ON HOMELESSNESS
BEFORE THE
SUBCOMMITTEE ON HOUSING AND COMMUNITY OPPORTUNITY
COMMITTEE ON FINANCIAL SERVICES
U. S. HOUSE OF REPRESENTATIVES

July 13, 2004

Mr. Chairman, Members of the Committee:

Thank you for allowing me to provide testimony for the record on H.R. 4057, the Samaritan Initiative of 2004. As you know, the Samaritan Initiative would establish an inter-agency grant program designed to help end chronic homelessness through the coordinated provision of housing, health care, mental health and substance abuse treatment, supportive, and other services to disabled persons who have been living long term on the streets and in shelters, including veterans. This bill incorporates a proposal submitted to the Congress in the President's FY 2005 budget, which calls for $70 million in new funds - $50 million for HUD for housing, $10 million for HHS for primary and behavioral health care, and $10 million for VA for case management and outreach – to support collaborative community projects that combine clinical outreach, housing, and the supportive services necessary to sustain the tenancies. The VA resources would specifically be targeted toward working with local community collaborations to identify and assist chronically homeless veterans living on the streets and in shelters.

We are pleased to express our support for this important legislation. The coordinated program it would establish could offer a valuable new tool in support of the President's goal of ending chronic homelessness by 2012. As the current chair of the

U.S. Interagency Council on Homelessness, I very much appreciate how such interagency collaboration is needed to improve the effectiveness of services offered by each department.

If enacted, the Samaritan Initiative would allow VA to provide case management services to chronically homeless veterans who would be living in permanent housing provided under the legislation. The provision of stable, permanent housing, together with the furnishing of needed health care services (including mental health services and substance abuse treatment) and other support services, as proposed by the Samaritan Initiative, should greatly enhance the opportunities for recovery for homeless veterans and others afforded assistance under the Initiative.

The Samaritan Initiative would also require communities to develop comprehensive plans to address the needs of their chronically homeless individuals. This includes homeless veterans, who are too often overlooked. For example, case managers from the area VA medical center would coordinate with local agencies in an attempt to identify homeless individuals who might be eligible for VA medical care or benefits. After this direct outreach to identify eligible veterans, VA case workers would provide referrals related to social services, employment, and counseling to community agencies and VA hospitals and services as appropriate. In addition, the Samaritan Initiative would establish interagency implementing and monitoring teams that would review, select, and oversee program grantees.

Further, H.R. 4057 initiates a grant process that uses a single consolidated application form and a coordinated review of the applications received. It would also require the use of uniform performance standards and measures for performance outcomes. Such a collaborative effort at all levels (Federal, State, and local) coupled with the use of uniform standard and measures should make the delivery of services under the Initiative more effective, efficient, and amenable to evaluation and oversight.

Finally, I would like to add that VA's obligations under the Samaritan Initiative would complement the successful programs VA already has in place to assist homeless veterans, particularly our continuing efforts to provide transitional housing with supportive services to homeless veterans. To date, VA has authorized 10,000 beds in all 50 states and the District of Columbia, and we are treating nearly 100,000 homeless veterans in our hospitals and clinics each year. Moreover, thousands of homeless veterans are getting both service-connected disability benefits and non-service connected pension benefits. Undoubtedly, veterans' benefits are key to helping homeless veterans once again lead independent and productive lives.

Thank you again for this opportunity to convey VA's full support for H.R. 4057.

Dedicated solely to ending America's affordable housing crisis

Testimony of
National Low Income Housing Coalition
U.S. House of Representatives Financial Services Committee
Subcommittee on Housing and Community Opportunity
July 13, 2004

The National Low Income Housing Coalition is pleased to submit this written testimony to the Members of the Housing and Community Opportunity Subcommittee of the Financial Services Committee of the U.S. House of Representatives on the occasion of the hearing on H.R. 4057, the "Samaritan Initiative."

The National Low Income Housing Coalition is dedicated solely to ending America's affordable housing crisis. We consider homelessness to be the ultimate consequence of the shortage of housing that is affordable to the lowest income people in the United States. Members of the National Low Income Housing Coalition include non-profit housing providers, homeless service providers, fair housing organizations, state and local housing coalitions, public housing authorities, housing researchers, private property owners and developers, state and local government agencies, faith-based organizations, residents of public and assisted housing, and other people and organizations concerned about low income housing across the country.

The Samaritan Initiative will create a new program under the McKinney-Vento Homeless Assistance Act to provide permanent housing plus services for individuals who meet the criteria to be classified as "chronically homeless." It will authorize $70 million for FY 2005 to be distributed by HUD to qualified providers through a competitive grant process. The grant-making activity must be coordinated with the Departments of Health and Human Services and Veterans Affairs through the Interagency Council on the Homeless.

We strongly support increased resources to address the permanent housing plus service needs of disabled people who are homeless. The housing model as envisioned in the Samaritan Initiative is one that we heartily endorse. We do have several concerns with the legislation as proposed, however. Some of our concerns are specific to H.R. 4057, and some relate to the larger policy context of low income federal housing programs today.

Concerns about H.R. 4057 include:

1. *Codification of the term "chronic homeless."* There is considerable disagreement among professionals and practitioners about the concept of chronic homelessness, the definition that HUD is currently using, the practicality of classifying real people in need of housing using the criteria articulated in the bill, and the basic ethics of categorizing homeless

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people in this manner. Congress should not put into statute a definition that is so widely disputed.

2. *No reference to Continuum of Care or Consolidated Plan.* HUD and communities have committed significant dollars and time in the last several years to local planning processes to assure the best use of federal homeless and housing resources. H.R. 4057 does not appear to require Samaritan Initiative grant applications to be consistent with local plans to address homelessness and to meet the housing needs of low income people with disabilities. This runs counter to ten years of work to devolve decision-making about addressing homelessness to the community level, while maintaining federal oversight to assure dollars are spent to address the most serious needs.
3. *Creating a new program.* While we do not object to creating new programs in general, the McKinney-Vento Homeless Assistance Act needs to be simplified, not made more complicated. From a sound policy perspective, the Committee should craft legislation to consolidate the existing HUD homeless assistance programs, a policy objective about which there is unanimous agreement.
4. *Scale of authorization.* It goes without saying that the amount of money proposed in H.R. 4057 is too small in comparison to the need. It would be one thing to create a new program if the level of resources would be of sufficient scale to warrant a new approach. The Committee should advocate for an increase to the permanent supportive housing grants already made through the McKinney-Vento programs.
5. *Short term funding.* The bill provides for three year grants initially and allows grantees to seek renewal of grants for an additional three years, but at half the amount of the initial grant. This is a mistake in the design of grant programs that purport to provide permanent housing. The people intended to be served by the Samaritan Initiative are people who will likely need subsidized permanent, supportive housing for the rest of their lives. With short term funding and no provisions for transition to permanent funding, the people whose homes would be created through this program are at risk of becoming homeless again when the funds run out. We have already learned the lesson of the need for ongoing renewals of funding through the existing McKinney programs. We should not make the same mistake again.
6. *Housing Quality Standards.* H.R. 4057 exempts properties rented with Samaritan Initiative funds from meeting federal Housing Quality Standards that are required for other federal tenant-based programs. In the absence of a full debate about the merit of federal Housing Quality Standards, the Committee should not begin a process of dismantling federal expectations that housing that is subsidized with federal dollars meet these standards.

Beyond these outlined above, our most serious concern is not with the Samaritan Initiative itself, but with funding a new program to address homelessness while the Bush Administration is undermining the housing voucher program in a manner that will lead to increased homelessness at worst and stranding already homeless people in shelters at best. Both the HUD actions to underfund the voucher program in FY2004, the proposed reductions in voucher funding in the FY2005 budget, and the proposed program restructuring into a block grant are already damaging the program.

The ability of non-profit housing organizations to develop permanent, supportive housing to serve homeless people and other extremely low income people with disabilities depends on access to funds that will supplement the rents that these tenants can reasonably be expected to pay. Section 8 housing vouchers are the principle source of funding for operating subsidies. The number of such units that are in jeopardy because of HUD's Section 8 actions will far exceed the number of units that could be developed through the Samaritan Initiative. If the Appropriations Committee funds the Samaritan Initiative this year, while failing to correct the mistakes that HUD is now making and failing to fully fund the voucher program for next year, there will be a net loss of housing options for the neediest people in the country.

Finally, the Committee is well aware of the need for new resources to build, preserve, and rehabilitate rental housing that is affordable to the lowest income people. You have received extensive testimony on this matter in this Congress and the last. You received the report of the Millennial Housing Commission, which Congress created to recommend policy changes to address the housing needs of Americans. Quoting from the report: "The most serious housing problem in America is the mismatch between the number of extremely low income renter households and the number of units available to them of acceptable quality and affordable rents."[1] The Millennial Housing Commission says we need to build 250,000 rental homes affordable to extremely low income households each year for 20 years in order to solve the affordable housing shortage.

We once again urge the Committee to take up H.R. 1102, the National Affordable Housing Trust Fund Act of 2003. A national housing trust fund would provide dedicated funds to build, preserve, and rehabilitate rental homes for the lowest income people. The bill, which now has 213 co-sponsors (considerably more than H.R. 4057), offers a real solution to ending homelessness in the United States. The organizations and state and local elected officials who endorse the National Housing Trust Fund Campaign now total 5,077. A list of endorsers by state is attached to this testimony, and we ask that it be entered in the record as well.

Thank you for the opportunity to submit these comments.

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1 Millennial Housing Commission. (2002, May). *Meeting Our Nation's Housing Challenges. Report of the Bipartisan Millennial Housing Commission Appointed by the Congress of the United States.* Washington, DC.

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