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REAUTHORIZATION OF THE McKINNEY–VENTO HOMELESS ASSISTANCE ACT, PART II

HEARING

BEFORE THE

SUBCOMMITTEE ON
HOUSING AND COMMUNITY OPPORTUNITY

OF THE

COMMITTEE ON FINANCIAL SERVICES

U.S. HOUSE OF REPRESENTATIVES

ONE HUNDRED TENTH CONGRESS

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REAUTHORIZATION OF THE McKINNEY–VENTO HOMELESS ASSISTANCE ACT, PART II

Tuesday, October 16, 2007

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

The subcommittee met, pursuant to notice, at 10:07 a.m., in room 2128, Rayburn House Office Building, Hon. Maxine Waters [chairwoman of the subcommittee] presiding.

Members present: Representatives Waters, Cleaver, Green, Sires, Murphy; Capito, Biggert, Shays, Neugebauer, Davis of Kentucky, and McCarthy.

Ex officio: Representative Frank.

Mr. GREEN. [presiding] Good morning, friends. I would like to call this hearing of the Subcommittee on Housing and Community Opportunity to order.

I would like to thank the ranking member, Ms. Capito, who will be joining us shortly, for her efforts to help us—she is here now—have this hearing this morning.

I would also like to thank the chairwoman, the Honorable Maxine Waters, who is not with us. She has another hearing. We know that wherever she is, she is not only doing the work of the House, but she is also doing God's work. She is truly a person who is committed to the homeless in this country.

I would like to also thank all of the witnesses who are here with us today. At this time, I will make a brief opening statement, and then we will hear from the ranking member, and we will proceed in this fashion, and then hear from the witnesses.

Friends, this is the second of two hearings on the reauthorization of the McKinney-Vento Homeless Assistance Act.

This year marks the 20th anniversary of this Act. When Congress passed it 20 years ago, the legislation was thought to be the first step to help us end homelessness in America.

We are here today to examine some additional steps that should be taken to end the plight of homelessness in America. With limited funding, the homeless assistance program has not been as beneficial as it can be, although some good things have happened.

We will hear from witnesses today who will give us both sides of the story, and help us to make intelligent decisions about how we should proceed with ending homelessness in America.

I would like to share some information with you about homelessness in America. Right now in this country, where 1 out of every 110 persons is a millionaire, we have approximately 3.5 million people, 39 percent of whom are children, who are likely to experience homelessness in the course of a year.

In our country, where we have houses for our cars—we call them garages, of course—on any given night, between 700,000 and 800,000 men, women, and children are without homes or do not have shelter.

We live in a country where we are spending $229 million per day on the war, and we have approximately 200,000 veterans on any given night who are homeless.

In my county, Harris County, Texas, 28 percent of the homeless persons are veterans: 66 percent have no income at all; 59 percent are homeless because they have lost a job; 57 percent have a history of substance abuse; 55 percent have a history of some sort of mental health problem; 11 percent have experienced domestic violence; and 24 percent have been incarcerated.

Obviously, these numbers do not add up to 100 percent, which means we have overlapping. We literally have persons who are veterans, who may have some mental concerns to be dealt with. Persons who are suffering domestic abuse, who may have also a substance abuse problem.

The problem is pervasive and merits our consideration. Today, as we look at the McKinney-Vento Homeless Assistance Act, there are four programs that are authorized by this Act: The emergency shelter grants, known as ESG; the supportive housing portion of the program; the shelter plus care program; and the Section 8 moderate rehabilitation assistance for single room occupancy dwellings. All four of these are parts of the Act that we will be looking into.

There are two bills that we are considering. HUD has indicated that there may be a third bill. We have not seen evidence of it thus far, but there is an indication that it will be introduced.

We have H.R. 40, which is the Homeless Emergency Assistance and Rapid Transition to Housing Act of 2007. This is being sponsored/introduced by Representative Carson and Representative Davis.

We also have Senate Bill 1518, the Community Partnership to End Homelessness Act of 2007, introduced by Senators Reid and Allard. These two bills are the subject of discussion today. We look forward to hearing from the witnesses.

At this time, I will yield to Ranking Member Capito, who is doing an outstanding job. She will be recognized for 5 minutes.

Mrs. CAPITO. I want to thank Mr. Green for recognizing me and for chairing this committee today, and for his steady hand and great guidance in this area and other areas of housing. Thank you for that.

I would like to take this opportunity to welcome Mr. McCarthy from the full Financial Services Committee to the Subcommittee on Housing and Community Opportunity. He has just joined us. He is a good California Representative; welcome to your first Subcommittee on Housing hearing.

I just briefly want to say that we learned 2 weeks ago many of the issues concerning the reauthorization of the legislation before

us. I look forward to the many witnesses who are going to be before us today. I thank you all for traveling to Washington. I look forward to the hearing.

Thank you.

Mr. GREEN. I will now recognize Mr. Cleaver for 3 minutes.

Mr. CLEAVER. Thank you, Mr. Chairman. I thank you and Ranking Member Capito for having this hearing.

Very quickly, I would just say that I am very much concerned about this issue because of the de-institutionalization. We are finding that there are any number of men and women on the streets, sleeping under bridges, or sleeping along—in my State—the Missouri River.

Each August, we do a stand down and miraculously, this year, we had about 600 homeless veterans show up—600. There was nothing in the newspapers. Nothing on television. Of course, they do not have either.

Somehow, the word is able to circulate and they show up. We give some of them their one haircut of the year. We give them a breakfast. They see a dentist. They spend most of the day out there getting services.

That is stop-gap. That is something that we do, and maybe it makes us feel better than the service we provide.

The truth of the matter is we have to do something about this problem. This is the most powerful nation on the planet, and I think it is embarrassing that we have millions of Americans, particularly those who have gone out and fought for this country, sleeping under bridges and in cardboard boxes.

I would reserve the rest of my time, Mr. Chairman, to raise questions with our witnesses. Thank you.

Mr. GREEN. Thank you, Mr. Cleaver.

At this time, we will hear from the first panel. We would like to welcome you. Our first witness will be Mr. Mark Johnston. He is the Deputy Assistant Secretary for Special Needs, U.S. Department of Housing and Urban Development. Welcome, sir.

The second witness will be Mr. Philip Mangano, the executive director of the United States Interagency Council on Homelessness.

The third witness will be Mr. Zev Yaroslavsky, the chair of the Board of Supervisors of Los Angeles County.

We will now start with Mr. Johnston. We will recognize you for 5 minutes, and will proceed with the witnesses as announced.

STATEMENT OF MARK JOHNSTON, DEPUTY ASSISTANT SECRETARY FOR SPECIAL NEEDS PROGRAMS, U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

Mr. JOHNSTON. Congressman Green, Ranking Member Capito, and distinguished members of the subcommittee, I am Mark Johnston, the Deputy Assistant Secretary for Special Needs Programs at the U.S. Department of Housing and Urban Development.

It is a privilege to represent the Department at this hearing today. I ask the subcommittee to accept the Department's written statement for submission to the hearing record.

Mr. GREEN. Without objection.

Mr. JOHNSTON. Thank you.

I am pleased to be here to discuss the Administration's proposed consolidation of HUD's three competitive programs into a single Continuum of Care program to alleviate homelessness in this country.

I also want to thank the members of the Financial Services Committee for introducing the HEARTH Act, which includes a number of provisions supported by the Administration.

We look forward to working with the committee on this important effort with the ultimate goal of getting a bill to the President's desk.

Consolidation of these three programs would provide more flexibility to localities, give grant-making responsibility to local decisionmaking bodies, allow more funds for the prevention of homelessness, and dramatically reduce the time required to distribute funds to communities.

HUD developed the Continuum of Care planning and grant making process in 1994. The continuum is an unique and comprehensive public/private partnership. It calls for all stakeholders within a community to be involved in shaping solutions to homelessness.

These stakeholders include local government, nonprofit providers, businesses, foundations, and homeless persons themselves.

The over 3,900 jurisdictions which participate in the Continuum of Care process represent over 95 percent of the U.S. population.

Our bill would codify this approach, which was created by HUD through administrative means. A significant enhancement in this bill would add prevention as a new eligible activity under the statute. Prevention is a key part of solving homelessness and is an important element in our bill.

In addition to preventing homelessness for those who are at risk, HUD now addresses, and would continue to address in the new program, the needs of persons who are already homeless, including the chronically homeless.

The Administration set a goal of ending chronic homelessness. Through the Continuum of Care grants, HUD funds have been working to achieve this goal.

The congressional requirement that 30 percent of HUD funds be used to provide permanent housing has contributed to these efforts.

Through the consolidation process, HUD remains committed to targeting its homeless assistance resources to homeless families and individuals who are in most need of housing and services.

HUD's preliminary review of proposals to expand the definition of "homelessness" indicates that the number of people who would become eligible for HUD's programs would increase significantly.

Expanding the definition of "homelessness" beyond the current statutory definition would cause HUD's homeless programs to lose their focus on reaching those who literally have nowhere to sleep tonight.

Further, the definition need not be expanded because with homeless prevention as a new eligible activity, communities could for the first time use Continuum of Care funds to serve those at risk of homelessness.

The Continuum of Care approach encourages local performance. The grant application continues to have a performance section, the core of which is the Government Performance and Results Act indi-

cators, by which Congress assesses HUD for the area of homelessness.

HUD's GPRA efforts related to the Continuum of Care program have been touted by OMB as exemplary for other Federal programs to emulate.

HUD's Continuum of Care program was rated "Effective," which is the highest possible rating by the Program Assessment Rating Tool or PART. That rating underscores the efficacy of the Continuum of Care approach embedded in the HEARTH bill and the Administration's proposal.

Performance will continue to be a key element of the new consolidated and more flexible program. Overall, consolidating the three Continuum of Care programs into one and codifying it in the statute will allow for greater local flexibility, which will enable improved local performance and effectiveness in using HUD's homeless programs.

Thank you very much for inviting me to be here today. I look forward to more discussions on this critical issue.

[The prepared statement of Mr. Johnston can be found on page 123 of the appendix.]

Chairwoman WATERS. Thank you very much.

Mr. Philip Mangano.

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

Mr. MANGANO. Thank you, Madam Chairwoman, Ranking Member Capito, and members of the subcommittee.

I am pleased to be here with so many who have done so much for homeless people, and pleased especially to be here on this panel with Mark Johnston, who has a long and distinguished career on this issue at HUD, and with County Chair Yaroslavsky, whom I have gotten to know in recent years. His deep and deliberate commitment to see change and results in Los Angeles County is commendable and needed.

I bring you greetings from the full Council, 20 Federal agencies, and specifically from HHS Secretary Michael Leavitt, who is the Cabinet Chair of the Council this year in the rotation recommended by Congress.

In my 27 years of involvement in this issue, I have never been more confident that Dr. King's great insight is applicable to homelessness, that the long moral arc of the history of our American experience, as he reminded us, bends toward justice, righting social and moral wrongs.

He had seen that in his own lifetime as segregation was overcome and in the history of our country's abolition of slavery and the expansion of suffrage. That is our context, moving that arc into the lives of our homeless neighbors. The reauthorization of McKinney-Vento offers us an opportunity to move beyond what we were satisfied with 20 years ago to appropriate new ideas, resources, and results in bending that arc.

Over the past 5 years, the United States Interagency Council has been "constellating" a national partnership with one goal, one objective, and one mission: ending the homelessness of our poorest neighbors.

When the President set a new marker in front of the country asking us to end the homelessness of those who were the most vulnerable and disabled, those the researchers identified as experiencing chronic homelessness, the Council set out to bring Federal and State agencies together, along with local communities and the private sector.

When we did that, some were skeptical. Now 4 years later, 20 Federal agencies meet regularly in Washington; 49 Governors have created State Interagency Councils on Homelessness; and more than 300 local communities are partnered through their mayors and county executives in Ten Year Plans to End Homelessness, a partnership supported both by the U.S. Conference of Mayors and the National Association of Counties.

With 6 consecutive years of increased Federal resources and more State and local resources, investments are being made to create results. That has precipitated an unprecedented involvement of the private sector in those local plans, and most importantly, more than 30 cities across our Nation, coast to coast, large and small, are reporting decreases in street and long term homelessness for the first time in 20 years.

We are at a new place; the arc is bending. There is much more work to do for both individuals and families, but we have learned a lot in the past 20 years that is informing us as we move forward with reauthorization.

We have learned that no one level of government and no one sector can do it alone. That if good intentions, well-meaning programs, and humanitarian gestures could get the job done, homelessness would have been history long ago.

That field tested, evidence-based innovations can end homelessness, especially permanent supportive housing, along with employment and appropriate services.

That jurisdictional leadership in business-oriented community based Ten Year Plans creates results. That cost benefit analysis reveals the economic impact and consequences of chronic homelessness. Crisis interventions, emergency rooms, or police sweeps are not the solution. They are expensive and ineffective in solving the problem.

Prevention of homelessness is cost effective and requires many approaches for both individuals and families, and consumers have a role in planning and partnership.

In the reauthorization, we support the following in the Administration: One, the Administration proposal along with the two congressional bills support the consolidation of homeless assistance competitive grants at HUD. That would provide flexibility for local communities, more focus on prevention, and customer friendly applications for the field. That just makes sense.

Two, we should maintain and increase our emphasis on homeless veterans in every activity of the reauthorization. They deserve our priority.

Three, we are close to completing the research on homeless families, which will become the basis for policy development and investment. Policy should wait for research and data.

Secretary Leavitt opened the Council's mission and priorities in his call for renewed attention to families and youth, beginning with research and an inventory of current Federal resources.

Four, as the central anecdote to end homelessness, the 30 percent set-aside of HUD's resources for housing instigated the creation of tens of thousands of housing units specifically targeted to homeless people. That set-aside should be maintained.

Five, and finally, having worked on behalf of homeless people, including in street outreach and shelters in a city creating initiatives for homeless families and advocacy, the definition of "homelessness" as it now stands at HUD, has been instrumental in targeting our finite resources to those who are the most vulnerable and disabled.

That targeting and focus has not included doubled-up families, not under Secretaries Kemp, Cisneros, Cuomo, Martinez, or Jackson.

There are needs there, but as Senator McKinney said last week, "While it is admirable to want to address all people who are in need, I am concerned that this could lead to a thinning of resources."

We should instead be examining the use of mainstream resources of the Federal and local governments to respond to the needs of doubled-up families. In doing so, many more billions of dollars are available, as indicated in an 1999 GAO report on homelessness.

We would also avoid the stigma of homelessness being applied to more mothers and their children.

Finally, we are seeing results in our investments through Ten Year Plans. Again, 30 cities across our country have seen decreases on their streets and in their shelters. That is the trajectory of our national goal, to put to work for homeless people jurisdictional leadership, innovative ideas, and increased resources to the mission of reducing and ending homelessness in our country, beginning with those on our streets long term and in our shelters.

What seemed intractable at the beginning of this decade is now yielding to strategic solutions and informed investments.

McKinney-Vento reauthorization offers a new opportunity to re-evaluate and re-invest in what works.

Thank you.

[The prepared statement of Mr. Mangano can be found on page 141 of the appendix.]

Chairwoman WATERS. Thank you very much. Our next witness is a friend and a colleague from Los Angeles. He is listed as a member of the Board of Supervisors, but he actually is the chair of the Board of Supervisors.

I have known Zev Yaroslavsky for many years. When I served as chief deputy to a city councilman, he was elected to office. He served on the City Council for a number of years before going to the Board of Supervisors, and has a great reputation for dealing with the homeless issue in the greater Los Angeles area.

I am delighted that you could be here today, Zev. Thank you very much.

STATEMENT OF ZEV YAROSLAVSKY, CHAIRMAN, LOS ANGELES COUNTY BOARD OF SUPERVISORS

Mr. YAROSLAVSKY. Thank you. Madam Chairwoman, and Ranking Member Capito, thank you for the invitation to testify before your subcommittee.

Members of the subcommittee, I will just abbreviate my prepared remarks and give you a little taste of one county in the United States and how homelessness impacts it. It happens to be the biggest county in the United States, with over 10.3 million people and an annual budget of $23 billion.

On any given night in Los Angeles County, the overall homeless population is approximately 73,000. If the homeless were their own city in our county, they would be one of the largest cities in our county.

There are three overarching factors contributing to homelessness in Los Angeles: First, a pervasive lack of permanent affording housing, not only a lack of supply but a diminution of supply, as we see an epidemic of demolitions of affordable housing taking place; second, insufficient resources and funding to help clients achieve and sustain self-sufficiency; and third, severe psycho-emotional impairment of clients related to and exaggerated by substance abuse and/or mental illness.

In recognition of these serious issues, our county has invested an additional $100 million this past year, over and above the many tens of millions we already spent on human services in a new homeless prevention initiative intended to strengthen homeless and housing services in our county.

The goal is to enhance the regional system of care, connect all of the county's homeless programs, establish comprehensive services to prevent homelessness, and move homeless individuals and families to safe, permanent, affordable housing.

In Los Angeles, approximately 22,000 persons are chronically homeless—22,000. Unfortunately, chronic homelessness is a complex, persistent, and long term problem. Perhaps the greatest barrier in addressing chronic homelessness is a lack of permanent supportive housing to address multiple issues of the chronically homeless.

Studies show that supportive housing programs which link permanent affordable housing with supportive services to chronically homeless persons in need of public assistance and/or services effectively reduce homelessness.

This housing model improves housing stability and reduces the use of high cost public services. Additionally, placement of homeless persons with severe mental illness in permanent supportive housing is associated with reductions in hospitalizations, incarcerations, and subsequent use of shelters, emergency rooms, psychiatric, and detoxication programs. At the end of the day, this saves the public taxpayer a lot of money.

In Los Angeles County, there is a growing interest in and commitment to the establishment of permanent supportive housing as a key strategy to reduce regional homelessness.

The linkage of housing and supportive services requires partnerships which facilitate collaboration and coordination between housing development efforts in the 88 cities that make up our county,

supportive services of the county, and resources of other governmental agencies and private entities.

The complexities of pulling together housing developers, capital funders and organizations that can supply and finance the provision of permanent housing with supportive services will require extensive coordination and integration among the entities involved.

One of the county's mandates is to promote State and Federal legislative and regulatory policy change that enable the creation of adequate funding streams for permanent supportive housing, to include but not limited to, pre-development and operational expenses, and additional resources for county supportive services for homeless individuals and families, and those at risk for becoming homeless.

For these reasons, Los Angeles County strongly supports the inclusion of resources to advance the development of permanent supportive housing, which incorporates funding for ongoing support of services for chronically homeless persons, including those who are elderly, disabled, and mentally ill, in the reauthorization of McKinney-Vento.

The county strongly supports provisions that would expand the use of grants to fund homeless assistance and homeless prevention services, increase resources to advance the development of permanent supportive housing, including ongoing funding for supportive services, and appropriate $2.5 billion for homeless assistance grants in Federal Fiscal Year 2008.

Madam Chairwoman, if I could just take one more second on a personal note.

Chairwoman WATERS. Yes.

Mr. YAROSLAVSKY. I got really focused on this issue several years ago, viscerally as opposed to intellectually focused, when my daughter, who was in a summer between the years at the Kennedy School getting her master's was working for the City of Oakland in the Department of Human Services.

She called me one night and she said, "Dad, an interesting thing happened to me today, I wanted to share it with you." I asked what it was. She replied, "I was walking up Telegraph Avenue in Berkeley and there was a homeless person sitting on the curb. I sat down next to him and I talked to him for 20 minutes, and we talked about issues and what was troubling him, the whole 9 yards.

"At the end of 20 minutes, I opened my purse, dad, and I was going to give him a couple of bucks, and he said, 'I do not want your money. You have given me something far more valuable. You have given me respect and dignity, for which I am appreciative.' "

Then she said, and this is what lowered the boom on me, she said, "Dad, we sat there for 20 minutes and not one person of the dozens and dozens who walked by ever made eye contact with either him or me."

The reauthorization of this bill, Madam Chairwoman, is America's way of saying we are going to make eye contact with this issue and with these people. These are individuals, people. We have 73,000 homeless in Los Angeles County. Let us start with one. Each one is God's creation. Each one is a human being with a story about whom a book could be written.

This is our opportunity to make eye contact with each and every one of them. Thank you.

[The prepared statement of Mr. Yaroslavsky can be found on page 208 of the appendix.]

Chairwoman WATERS. Thank you very, very much. That was powerful testimony.

I would like to thank each of you for the testimony that you have given today, and I now recognize myself for 5 minutes for questions.

It has struck me as I have observed effective programs, especially permanent supportive housing, that one of the keys to success is the provision of flexible, accessible supportive services.

However, it seems that a particular homeless individual or family often requires a range of services, and further, does not always fit into the neat categories that public administrators of services fund and construct in distributing their funds.

I wonder if I might hear about any lessons learned or keys to success in overcoming these sorts of bureaucratic and administrative obstacles to efficient services funding?

This is kind of a convoluted, almost question. Let me just say to Zev, we are confronted with this homeless problem in Los Angeles, which you have so adequately described. Go to downtown Los Angeles, right near City Hall, onto some of the side streets, and it just blows your mind.

I know both county elected officials and the city elected officials have done a number of things to try to eliminate homelessness and to provide services to get people off the streets.

It seems to me there is a discussion going on about resources being provided to the temporary facilities, because people need some place to sleep at night, as opposed to resources going to permanent housing for the homeless.

There seems to be a debate going on somewhere underneath all of this. Can you share with me and unfold for me what is happening? Even though we are talking about the entire country, right now, I am focused on Los Angeles, Los Angeles County.

What is going on with this debate?

Mr. YAROSLAVSKY. Madam Chairwoman, I think there are a lot of people in recent years who focused on shelter, if I can steal a line from Mr. Mangano. It was really in the spirit of managing rather than solving the problem.

I think we need to make the distinction between managing and solving the problem. Shelter is managing the problem. Permanent housing is solving the problem.

If you want to end homelessness, you have to take the "less" out of "homeless." You have to provide a home, then you are not homeless. If you do not provide a home for the homeless, they are going to be homeless.

It is just that simple. The goal has to be—I think our county's thinking has evolved very rapidly, thanks to seeing what is going on in other parts of the country and even in our own county has evolved very rapidly into believing that our focus needs to be on permanent supportive housing. That is the only way to solve the problem.

That is not to say that in the short term that we are not going to have winter shelter programs, for sure, we will. It is not to say that between now and the time we wrap up more supportive housing in some of the 88 cities of our county, starting with the City of Los Angeles, which is our biggest city, but there are others that are quite large, as they ramp up their supportive housing construction and hopefully stop the demolition of affordable housing so that we do not compound our problem, while that is being ramped up, that we will provide temporary or transitional housing.

Our goal has to be and I think our thinking is permanent supportive housing.

Chairwoman WATERS. Thank you very much, Zev. I really appreciate that.

Now Ranking Member Capito, for 5 minutes.

Mrs. CAPITO. Thank you, Madam Chairwoman.

First of all, I would like to ask Mr. Johnston a question. You talked about consolidating programs within HUD and how that will make the process much more fluid, and easier to access.

We had a penel 10 days ago, with someone from my district, West Virginia, representing rural America and rural homelessness. It is a lot different from Los Angeles. How will this consolidation help those folks who are trying to meet the challenge of rural homelessness?

Mr. JOHNSTON. A very good question. A couple of observations. The first is that we recently did an analysis to look at rural America in terms of how well do with getting HUD competitive homeless funding.

We looked at all continuums across the country versus those continuums that are rural. The same percentage of rural continuum applications that score high enough to get our funding is essentially exactly the same as the percentage of all continuum applications that score high enough to get our funding. We have a very high scoring level to receive this funding because there is so much demand.

I was very impressed that in rural areas, they compete frankly very, very well.

I think one of the benefits of the proposal, both in the HEARTH Act as well as the Reid Bill and the Administration's proposal, is to add prevention as an eligible activity.

In many rural communities where there are not shelters and certainly people are not on the streets, there certainly is still a need to be addressed. We think adding prevention as a new eligible activity, which is not allowed currently under law, would go a long way to address the needs within rural communities.

Mrs. CAPITO. Thank you. Mr. Mangano, you represent an interagency outlook, a more overarching outlook on homelessness. It seems the crux of a lot of the debate that we are going to be having as we move through this legislation is the definition of "homelessness" and whether to expand it and include other forms of homelessness or other definitions.

When you look at the different agencies, like the Department of Education has a different definition than HUD, do you see this as a problem having conflicting definitions within very large Federal agencies?

Mr. MANGANO. As this issue became more pointed in our country, actually the Council convened its member agencies, the 20 Federal agencies, and we looked through the various definitions that are available at the different Federal agencies.

What we discovered was actually the majority of Federal agencies, including Veterans' Affairs, HUD, FEMA, and a variety of other agencies, the majority of Federal agencies use the definition that HUD uses, and there are other Federal agencies, Agriculture, the Health Care for the Homeless program at HHS, Justice, and Education, that use other definitions.

In fact, in terms of the conversation on this, the definition that HUD uses is the most commonly used definition with Federal agencies.

I think we are faced with the notion of finite resources targeted to those people who are the most vulnerable, and the efforts that have been made across Administrations for many, many years, from my earliest involvement in this issue back in 1980 to today, every HUD Secretary has had the exact same position on this, which is the definition of HUD is the appropriate definition for the investment of HUD resources.

Mrs. CAPITO. Thank you. One final question. You had mentioned in your remarks that you are doing a survey. I think you said, do not let the policy get in front of the facts or something of that nature.

Are you all conducting right now a survey of homelessness? Is my understanding correct?

Mr. MANGANO. That was specifically on family homelessness, part of the effort that we have been making on the issue is to conform the creation of policy to the President's management agenda, which asks that any Federal investment be data and research-driven first, performance-based, and then results oriented.

We need to start with the data and the research. We had very good data and research on people experiencing chronic homelessness which led to the President prioritizing that as one of our objectives.

Now we are gathering the data and research under the leadership of Secretary Leavitt, who is the chair of the Council this year. We are gathering that data and research on families.

In fact, outside of government. Dr. Culhane, who will be on a panel coming up, has completed some research specifically on homeless families, and there is a federally funded research effort going on specifically on homeless families as well.

I think our sense is we need to gather together that research and the data that is associated with it, and what investments are already being made from the Federal Government with regard to homeless families, take a look at all of that, and then out of that, create policies, and then make the investment in those policies.

Mrs. CAPITO. Thank you. Thank you, Madam Chairwoman.

Chairwoman WATERS. Thank you very much. I recognize the gentleman from Missouri, Mr. Cleaver, for 5 minutes.

Mr. CLEAVER. Thank you, Madam Chairwoman.

One of my concerns is frankly HUD has not, in my estimation, been as strong an advocate in many areas as many of us would have liked. Whenever I hear HUD talking about consolidation, I

tremble. As you know, we had to fight off consolidation last year, 18 department heads into the Department of Commerce. That creates some paranoia, Mr. Johnston.

Is there a word of comfort?

Mr. JOHNSTON. There is. There are several words of comfort, actually.

Mr. CLEAVER. I would like a word.

[Laughter]

Mr. JOHNSTON. All right. If you look at HUD's request, that is the Administration's request for homeless funding over the last 5 years, you are going to see increases every year.

We have had a 41 percent increase in funding for HUD homeless programs since 2001. Just in the last 2 years, we have had a 20 percent increase. We put our money where our mouth is in a sense.

If you look at our 2008 proposal, which would consolidate these programs, it came attached to a budget that will increase significantly the homeless budget at HUD.

The 2007 level is at $1.44 billion. We are asking for nearly $1.6 billion.

We do not look at consolidation as a way to save money. We are looking to put more money into this very good investment.

Mr. CLEAVER. Thank you. We are friends. Thank you.

[Laughter]

Mr. CLEAVER. The final question is, would you agree that there is some confusion in the Federal Government about what the word "homeless" means? We have homeless programs in a number of Federal agencies. I am not sure that we know what it is. I am not sure that there is a definition used by the United States Federal Government to define "homelessness."

We have the Department of Education. We have Veterans' Affairs. We have Labor, Homeland Security, and FEMA.

Is there something that all of us can agree on, and if not, do we need this committee to define "homelessness?"

Mr. JOHNSTON. From my vantage point, there are essentially two Federal definitions of "homelessness." Both are provided by Congress.

One is provided to the Department of Education and is also used by Health Care for the Homeless at the Department of Health and Human Services, which includes persons who are living outside, persons who are in homeless facilities, and most significantly, persons living doubled-up with others.

The definition that is provided to HUD in statute and is also given to the other agencies that Mr. Mangano referred to, is a little bit narrower than that. It includes number one and number two but not number three. That is persons living outside, and persons living in homeless facilities. It does not add persons living doubled up.

I think it was intentional that Congress did that, that expanded the definition for Department of Education, for instance, and not for HUD.

From my perspective, at the Department of Education, the mandate is a very important and narrowly targeted focus of helping ensure that children attend school.

For HUD, the definition implies and requires HUD to have a very broad mandate, that is to provide emergency shelter, transitional housing, permanent housing, and a whole array of supportive services, such as mental health treatment, drug treatment, day care, food, etc. We are also charged by law to not just serve one narrow slice of the population but all homeless persons.

I think from my perspective, it is intentional, and I think it makes sense, that there are two essentially different definitions of "homelessness."

I think the bridge to narrow that gap is homeless prevention. If in the consolidation bill, you were to add homeless prevention as an eligible activity, then those persons who are doubled-up, who are not homeless, could still get the assistance they need.

Mr. CLEAVER. Thank you, Madam Chairwoman.

Chairwoman WATERS. You are welcome. Mr. Shays, the gentleman from Connecticut, for 5 minutes.

Mr. SHAYS. Thank you. I would like to ask all three of you about this issue which we sometimes do not seem to want to talk about. I really wrestle with how I integrate my concern for the homeless and what I feel my obligations are for the homeless, and that is illegal immigrants.

It astonished me. One of you mentioned all the reasons for homelessness, and illegal immigration never came up. Is that because it is a topic we do not talk about or is that because you think it is irrelevant?

I would like to ask each of you.

Mr. JOHNSTON. I guess I will begin. It certainly is not an irrelevant topic. We do not have great data on illegal immigrants, for instance, using systems. We do hear anecdotally in a variety of emergency shelters in this country, especially near the border, that illegal immigrants are likely being assisted. I do not really have specific hard information to provide you.

Mr. SHAYS. Why did it not come up in your dialogue? Let me go to the next witness, please.

Mr. MANGANO. In my travels around the country and in my conversations with people who operate homeless programs across our country, this is not an issue that has been one of the most pronounced or visible issues in their experience.

There is not good data on this issue. There have been certainly reports more in border areas of our country that this is more of an issue in homeless programs. In general, this is not a highly reported activity in shelters and homeless programs across our country.

Certainly, it exists. It is not one of the more visible expressions of homelessness.

Mr. YAROSLAVSKY. Let me just speak anecdotally because we do not have any statistics per se on that issue. Anecdotally, in Los Angeles, even in Los Angeles, I might say, I think the percentage of homeless who are illegal immigrants, my bet is it would be a relatively small number.

Mr. SHAYS. What is a small number?

Mr. YAROSLAVSKY. I do not know. Fifteen percent or less.

Mr. SHAYS. Your point would be that the homeless in California and parts of California—

Mr. YAROSLAVSKY. I said Los Angeles.

Mr. SHAYS. Los Angeles, would be less than 15 percent. Why would you make that statement?

Mr. YAROSLAVSKY. Because I know my city and I know my county, and I spend a lot of time on the streets of my county. I see who our folks are. I see who comes in for services.

Mr. SHAYS. Municipal hospitals, what is the number of homeless?

Mr. YAROSLAVSKY. That is a different issue.

Mr. SHAYS. What is it?

Mr. YAROSLAVSKY. What is what?

Mr. SHAYS. What is the number of illegal immigrants in municipal hospitals?

Mr. YAROSLAVSKY. I am not sure I could give you an accurate figure, but it is much higher than 15 percent.

Mr. SHAYS. Why would this be anecdotal? Why would we have to ask a question like—none of you mentioned it. Is it because it is just a taboo subject? Is it just because it is irrelevant? I need to understand why.

Mr. YAROSLAVSKY. If I can be blunt, the reason it is not raised is because it really is not relevant.

Mr. SHAYS. Tell me why it is not relevant.

Mr. YAROSLAVSKY. Because it is not a significant portion of the problem.

Mr. SHAYS. How do you know that?

Mr. YAROSLAVSKY. I want to be responsive. I am just trying to collect my thoughts so I can be directly responsive.

Mr. SHAYS. Sure.

Mr. YAROSLAVSKY. Almost 25 percent of the homeless on the streets of our county are veterans—veterans. I would take that 25 percent and put them aside. We see through the number of people who come through our service agencies all over the county, not our hospitals, but our homeless service agencies, our human services agencies, some of our mental health facilities, they are local people. Many of them are citizens. Most of them, I would suspect, are citizens. They have served their country.

Mr. SHAYS. Do not get on a separate topic. It is like distraction here. We know that we have a primary problem with veterans, but do not use veterans to disguise the fact that it is an anecdotal comment, because we do not understand, and I want to understand why we do not try to understand what the problem is.

I am not saying that we will not deal with it. We are saying—it is like we do not want to know, my feeling is, because it is a bigger problem than we want to admit. That is where I come down.

Mr. YAROSLAVSKY. I understand. Congressman, I think the reason—it is very hard to get information and statistics about homeless in general. We just completed our second census of homeless in Los Angeles County, just announced last week. That is where the 73,000 figure comes from.

I am not sure the 73,000 figure is accurate. It is based on extrapolations and assumptions and formula's.

We do not know the number of homeless, let alone what the demographics of the homeless are.

We do know this, that when we have homeless come into our agencies, a good percentage of them have mental issues. A good

percentage of them have substance abuse issues, etc. A good number of them have issues relating to serving in combat.

I have honestly, Congressman, served in public office in Los Angeles County for 32 years, and this is the first time that the question of homeless illegals has ever come up. It has come up in emergency rooms and it has come up in a lot of other contexts. It has never come up in the context of homeless.

Mr. SHAYS. It seems to me like a very logical question to ask and then to confront, and hopefully, with humanity and caring. Thank you.

Chairwoman WATERS. Thank you very much.

Let me just say I would dare say if that question was asked of anybody from any city, they would not know what that number will be. We do not inquire of individuals who are seeking homeless services whether or not they are legal. It is not documented, in California or Connecticut.

The other thing is anecdotally, we do know that in many of our communities, illegals/undocumented double up an awful lot. We have cases of not only several families living together, but even in the garages on the property where the front house may be full.

I think doubling up is more of a response to the family members who do not have homes rather than going to a public shelter, if that helps you at all, Mr. Shays.

Mr. SHAYS. I agree.

Chairwoman WATERS. Thank you very much. Mr. Sires, for 5 minutes.

Mr. SIRES. Thank you, Madam Chairwoman.

Mr. Johnston, I share Congressman Cleaver's concern, when you say consolidating and restructuring. I guess it must come from the fact that we were both mayors of cities, and when we hear that word, we find out that only means that you dump it on the municipalities, on the local municipality.

You talk about restructuring. You talk about consolidating. Do you have any guarantees that this is not going to happen, where all these problems are going to be turned over to the municipalities and just abandoned? I have past experience. That is why.

Mr. JOHNSTON. Let me give a little bit of perspective on our proposal. When the McKinney programs were created in 1987, they were separate independently appropriated programs.

HUD on its own initiative administratively collapsed them in a Notice of Funding Availability, three of these programs, the programs that we seek here to consolidate.

The communities would no longer have to apply three different times to get some funding. They would not have to choose from one program if they did not really want it.

We are simply trying to codify what we are doing on a regulatory basis and have been doing for about 12 years. In addition to making it simpler, to simply apply to one program, we would be eliminating the eight or nine different match requirements that are currently in the law, that are all at different levels.

In just the Supportive Housing Program, there is a match requirement of 100 percent, if you want to build something. There is a 25 percent match requirement for operating costs. There is a 20 percent match requirement for services.

We would love to eliminate all the complexity in these programs and simplify it with a simple 25 percent match requirement.

This proposal is simply furthering what we have been trying to do for many years administratively and change the law to make it much more flexible for communities.

Let me just throw out one example. Back in 1987, the law did and still does say that if you want to develop a housing project, you can only use $400,000 from HUD to do it. To do that today in Los Angeles or any other city would be an impossibility, and is an impossibility, to develop an entire project with $400,000 from HUD.

We do not want to disincentivize housing. We want to encourage housing. We would eliminate a number of disincentives that were not intentional but now that we are here many years later, since 1987, we would like to improve upon.

The other point I wanted to emphasize, which was discussed a little bit when Mr. Cleaver asked his question, if you look at our history on this program in the last 6, 8, or 10 years, this is a bipartisan issue. This is not a partisan issue.

Helping homeless people is something everybody wants to do. If you look at this Administration's request, from the very first one forward, we always ask for increases, and we have proposed a consolidation for 3 years now, and every year, we have asked for an increase.

This year, we will be going up well over $120 million above the current funding level. We are committed to making good change and providing the resources to do it with.

Mr. SIRES. I also had the experience where a large percentage of the homeless were veterans, and the problem with housing is certainly a big problem since HUD walked away, I think, from the housing for veterans, and they just turned that over to the local housing authorities years ago. I do not know if you are aware of that.

Mr. JOHNSTON. I have been at HUD since 1989. I am certainly aware of HUD's policies on the issue of homelessness.

Mr. SIRES. And you did not use any of the money from housing authorities to fix up veterans' housing that was built after the war? This is the experience I had.

Mr. JOHNSTON. In our homeless programs, the homeless programs that we are referring to today for consolidation, we have always used these programs to help all homeless populations, including veterans.

We highly value the need to provide housing and services to homeless veterans. We have a great relationship with the VA. I am talking with my counterpart at VA on a weekly basis. We have done joint initiatives with the Interagency Council on Homelessness, where we provide the housing and the VA provides the services.

We provide tailored kinds of programs to accommodate the special needs of veteran specific projects.

We are very committed and have been for a long time in providing resources to homeless veterans, whether it is a project specifically just for veterans, and we fund many, many dozens of those, or if it is a program that will serve veterans among another population, we serve those as well.

Mr. SIRES. I am concerned, we are getting a lot of veterans back. We are going to have to really look at that in the future. Most of the problems with the veterans is mental in many cases. We need to address that.

Mr. JOHNSTON. I represent HUD on the Secretary of the VA's Advisory Committee on Homeless Veterans, and work with them on a regular basis. That is certainly an issue that is coming up.

At this point, the data that the VA has indicates the numbers are very, very small, but no doubt, that number is going to increase somewhat.

Mr. SIRES. Thank you very much.

Chairwoman WATERS. Thank you very much. I would now like to recognize our newest member, Mr. McCarthy. I understand you were welcomed to the subcommittee earlier by Ms. Capito, and I welcome you also, and recognize you for 5 minutes.

Mr. MCCARTHY. Thank you, Madam Chairwoman.

Mr. Johnston, you struck me, not in your written statement, but something you said off the cuff on an answer about something that is missing is preventive, ahead of time.

I would like you to elaborate on that, but also I would like you to answer, from your perspective, since you have been there since 1989, what assistance do you find the most effective to this population, and what do you find as assistance that is the least effective in this population that we are assisting?

Mr. JOHNSTON. In terms of prevention, currently under the statute through the emergency shelter grants program, prevention is an eligible activity. The statute, however, limits it to just 30 percent. That program is funded at about $160 million, so relatively little of that set of funding can be used for prevention.

We would like to open up prevention in the much bigger consolidated program. For instance, the combination of these three programs that we would like to consolidate this year represent about $1.3 billion. We would allow up to 30 percent of those funds to be used for prevention.

As I go around the country and I know Mr. Mangano has done the same, we see time and time again where people have slipped into homelessness for a whole variety of reasons.

If they could have been assisted before then, through mediation in the courts, through paying the utilities, through helping on the rent for a couple of months, and that person would not have slipped into homelessness, it would have cost HUD a lot less, just in terms of pure budget.

Of course, for that person, it is a very traumatic effect, to slip into homelessness, to live on the streets for just one night is horrific.

We would very much like to expand the eligible activities of prevention because it would be very humane for people not having to come into a shelter and also it would reserve our funds to address it in a much more effective way, both through prevention and through permanent supportive housing.

In terms of your second question as to what is most effective, HUD realized many years ago that emergency shelter is absolutely not the solution to homelessness.

If you look at how HUD allocates its funds now through the homeless programs, only about 10 percent of our entire homeless appropriation goes to emergency shelters, because we realized that long term solutions are really needed to solve the problem.

The vast majority of funds go to long term housing as well as supportive services.

I was looking yesterday in preparation for this hearing at what percent of our new awarded funds go to permanent housing versus other activities, and it was about 87 percent, as I recall, of all of our new funds go to permanent supportive housing.

I do want to emphasize "supportive." We recognize that HUD, while we want to be the houser, we recognize there are services that are very difficult to get from other Federal agencies, so a significant portion of our budget is used for vital services that providers cannot readily get somewhere else.

Mr. MCCARTHY. Thank you, Madam Chairwoman. I yield back.

Chairwoman WATERS. You are certainly welcome. The gentleman from Texas, Mr. Green.

Mr. GREEN. Thank you, Madam Chairwoman, and I thank you and the ranking member for having this hearing today.

Mr. Johnston, sir, your comment caught my ear, emergency shelters are not a solution to homelessness. I concur with what you said. However, for that one person who receives the emergency shelter, for that person, for that period of time that he or she would be without shelter, it is a solution to the problem at hand.

My assumption is that you would not want us to eliminate emergency shelters. You were just emphasizing that for some reason, and it may have escaped me, so would you kindly emphasize why you were emphasizing that point?

Mr. JOHNSTON. Certainly. We absolutely value the need for emergency shelter. As the representative from L.A. County mentioned, in the winter times, when you have an influx of persons that need shelter, you need immediate assistance there. You have to have facilities ready to accept them.

My emphasis was, however, that emergency shelter, while it will be the solution for the short term, for that 30 days or so that they are in a shelter, it is not a long term solution for that individual. They need long term housing and long term care to address their issues, such as helping them with job training, helping them get off the drugs, helping with their mental health issues.

While many of those services can be provided in emergency shelters on a short term basis, it is very difficult to transition right out of an emergency shelter into full self sufficiency.

Mr. GREEN. HUD is proposing a bill, but the bill has not been presented; is that correct?

Mr. JOHNSTON. We transmitted the bill this summer. We realized that the House and the Senate both have active bills on the same issue. We have been working closely with the Senate on their bill, and we would love to work closely with the House on your bill, and frankly, work with what is already there, rather than introducing a third competing bill.

We do think there are some strong provisions in our bill that would strengthen the provisions in the Senate and House bills.

Mr. GREEN. Your position is that you will not be introducing a bill? I question you on this because you say some provisions in our bill, but at the same time, you say that you would want to help us with the two bills that we have before us.

Are we to expect a bill or are we to expect a proposal?

Mr. JOHNSTON. We transmitted the bill. It has not been introduced. At this point, we are not actively pursuing to introduce it. We would rather work with the committee.

Mr. GREEN. HUD has at some point indicated that there would be a long term plan for ending homelessness; is this correct? A 10 year proposal, I believe.

Mr. JOHNSTON. I will begin this response and then I know Mr. Mangano will also want to insert himself here.

The Continuum of Care, which I refer to as our process for allocating grants and for planning at the local level, has a Ten Year Plan to end chronic homelessness. That is married with an initiative that the overall Interagency Council under the leadership of Secretary Leavitt and Executive Director Philip Mangano have espoused and have worked very closely with elected officials.

I am going to turn now to Philip for any additional comments that he would like to make.

Mr. MANGANO. We have been working together again with States and local communities around the country. Forty-nine Governors have moved forward with State Interagency Councils, many of them are moving forward with Ten Year Plans. Local communities are making their partnership with us tangible in the creation of Ten Year Plans.

Part of that effort is to find out what is happening in communities to more inductively understand what the Federal response should be.

Even thinking about Congressman Shays' question earlier in terms of the issue of illegal immigrants, which has not come up in any of the 300 plans, the notion is to gather information from both States and localities so that in fact Federal resources are invested and targeted into inductive plans which actually begin at the community level.

Part of the effort that is being made in Washington among the Federal agencies in the Interagency Council is to use that information to come up with a national plan that will be part of a national partnership, a national Ten Year Plan, but that plan would be informed and part of a larger effort at every level of government, no one level of government can do this, no one plan will effect what we want to see in this country.

Every level of government is moving forward with planning.

Mr. GREEN. Thank you. I yield back the balance of my time.

Chairwoman WATERS. Thank you very much. I recognize the gentleman from Kentucky, Mr. Davis, for 5 minutes, for questions.

Mr. DAVIS OF KENTUCKY. Thank you, Madam Chairwoman. I have a question first for Mr. Johnston. I just have one question for you.

Can you provide the committee with recent statistics proving that chronic homelessness has decreased?

Mr. JOHNSTON. We could.

Mr. DAVIS OF KENTUCKY. I would appreciate that, if you would share that with us. We might have a difference of opinion from our perspective here versus what we see out in our districts and on the street versus the numbers.

Also with those numbers, I would appreciate it if you would share the criteria for calculating those metrics, what defines somebody who is decreasing, which leads me to my next question for Mr. Mangano.

You mentioned you had concerns about the proposal of expanding the HUD definition of "homelessness," in terms of including long term voluntary arrangements of people living together for cultural preferences.

I am coming to this not simply as a co-sponsor of legislation with other members sitting here, but having worked with families in crisis since the early 1980's.

One thing that I have to say candidly that I have personally seen is most of the homeless that we would see or we would deal with, for example, we had one of our agency leaders from Kentucky testifying week before last, a single parent, oftentimes a woman coming from a battered or abusive relationship, with no means of support, and small children, versus the traditional image that we have with folks on the street.

The Departments of Education, HHS, and Justice define "homelessness" to include people in doubled-up situations, some of these unconventional situations, as long as it is not fixed, regular, a voluntary choice, for example, to reduce rent, not on a long term basis.

The definitions, I think, that we are discussing that we would like to see changed in legislation do not really reflect a cultural preference decision or something that would be long term.

Are you aware of this distinction in definitions between what we would like to see and what I think the break in dialogue might be?

Mr. MANGANO. Certainly, both in my written testimony and earlier in my oral testimony, I spoke to the definition issue. One of the things that the Interagency Council did was bring together all of the Federal agencies to talk specifically about this issue.

What we discovered was that the majority of Federal agencies actually use the same definition, and there are several other definitions that are used, one at Agriculture, one in Health Care for the Homeless program in HHS, Justice, and one at the Department of Education.

In that dialogue with those Federal agencies, I think the common consensus was there were appropriate reasons for the expanded definition at Education, specifically as Mr. Johnston mentioned earlier, for the well being of those children, and in Agriculture and Health Care for the Homeless, for very specific reasons.

Again, the majority of Federal agencies, including the primary agencies that devote McKinney resources to the issue of homelessness, Veterans' Affairs and HUD and most of HHS, actually utilize the definition that is currently used by HUD.

I think there are other reasons to be assembled on this issue. I think the Mayors have indicated at the U.S. Conference of Mayors when this issue came up, they felt it was an issue that needed to be tabled, primarily because no analysis has been done with regard

to the cost. No analysis has been done with regard to how many people that would actually mean coming into the system.

What State Senator McKinney from Connecticut talked about last week was in fact the idea of diminishing the current resources that are used, all of them are accounted for, all of them are already invested, so if there would not be a substantial increase, and we do not understand what that substantial increase would be because the analysis and the research has not been done, then we would actually be diminishing the resources that are already targeted.

Mr. DAVIS OF KENTUCKY. If I could reclaim my time, I would suggest politely that the Mayors who were making that recommendation probably have not spent a lot of time working down on the front lines. We do not have an organization in our State that I have met with or groups I have volunteered with that did not recognize this as a very substantial problem.

I grew up in a single parent household myself and came to the edge a couple of times. I think the perspective here that is getting missed is by saying that in effect what we are saying is somebody who is escaping an abuser or some other type of what ought to be a transitory recovery situation, that we are not going to provide the Continuum of Care and we are going to invest in folks that frankly do not have a high likelihood, and I am not saying we do not take care of them, but we would invest money in folks who statistically do not have a likelihood of recovery and we are leaving out what I would consider, at least for my small piece of the pie, the largest single population of homeless are not going to be affected by this.

I think you do not have any choice but to change this definition.

Mr. MANGANO. I think in our discussions with all of the Federal agencies, there was a real care and concern about those families. It is not that there are not needs there. It is not that there is not a response that is necessary.

The concern was that the Federal resources targeted to homeless people are very limited, and in the GAO report of 1999, for example, it talked about the much deeper resources of the Federal Government being available and accessible and to be targeted anew to people experiencing homelessness, I think the consensus among those Federal agencies was that it is the deeper Federal resources that should be matched up with the needs of people who are doubled up, not trying to bring those doubled up people into homelessness with all of the stigma that might associate with that, but in fact to invest mainstream resources in those lives.

It is certainly an issue that needs to be responded to. It certainly requires resources. I think part of the concern was that there were deeper resources that could attend to that issue.

Mr. DAVIS OF KENTUCKY. Madam Chairwoman, with your indulgence, if I could just continue for one more minute.

Coming back to the statement that Mr. Johnston made, that I think is a corollary to this when we are talking about resources.

You made mention that the overwhelming majority was put into permanent housing facilities.

Mr. JOHNSTON. Of the new money.

Mr. DAVIS OF KENTUCKY. Of the new money. You said 87 percent. In relation to this, and I think it is fine to do inductive studies among the agencies, but I think the providers, particularly the

successful public/private partnerships that are working at a community level who, I think, have generally been very good stewards of the resources that they receive, have found a lot of disconnects.

You can pay for permanent housing but we cannot have counseling support or job training or some of the other things providing for the Continuum of Care.

I just want to say in closing, as a priority for me personally, and I think probably speaking for other members of the committee as well, what we want to see enacted in this legislation is making sure that the Continuum of Care is there for flexibility in use of the resources, and also specifically coming about with this re-definition, so it really gets to the root of the problem.

I think it is both compassionate and also conservative because what we are going to do is help people get a leg up, become productive in the community, and be able to support their families, which is what the overwhelming majority want to do, be successful and build a future for themselves.

Thank you, Madam Chairwoman. I yield back.

Chairwoman WATERS. Thank you very much. I understand, Mr. Sires, you would like to have 30 seconds to bring up an issue that is very important to you.

Mr. SIRES. Yes, Madam Chairwoman. Thank you very much.

I was just wondering the percentage of homeless women, do you see that as a trend that is increasing? I noticed that when I served—do you have any statistics?

Mr. MANGANO. In the research that has been done from 1987 until recent research done by HUD, the percentage of homeless families has remained fairly fixed as a percentage of the total number of homeless people.

There will be three of the Nation's leading researchers who will be testifying in further panels. They have conducted some of that research that indicates what the percentages are of homeless families versus homeless individuals. I am sure they will be able to respond.

My understanding from the research is that while the numbers may have increased on the family side, the reality is that percentage remains the same percentage as it was years ago.

Mr. SIRES. Thank you, Madam Chairwoman.

Mr. YAROSLAVSKY. Madam Chairwoman, if I could just shed light on that question. In a recent census that I referred to earlier, my staff just handed me the sub-demographics, adult women in 2005, I would not hold these numbers to be etched in stone, but on an order of magnitude, you can get an idea, 11,200 adult women in the 2005 census; 9,598 in the 2007 census.

If the trend is an indicator, it has diminished somewhat.

I would caution one thing, and again, this is anecdotal, it is more than anecdotal, I do not know what is happening in your parts of the country, but in Southern California, notwithstanding the housing market situation, we are seeing a rash of demolitions of older units that are rent controlled and are relatively affordable, and in their place are coming market rate, either market rate apartments that are very expensive, or condominiums.

The people who are being evicted from those affordable or rent controlled units are vulnerable. They are on the bubble.

In the conference that Mr. Mangano co-sponsored with me in Los Angeles 2 weeks ago, I asked our deputy director of welfare for the county how many homeless people have come in and out of the system in the last year that touched his department? He said 3,500 had left homelessness, but 3,200 had come into homelessness in that same period of time.

I asked who were those 3,200? He said those 3,200 were largely people who were either the reasons indicated earlier, spousal separation, in which case, the spouse may have taken the kids with them, or they were evicted from their units because they were going to be demolished for some other development, and the overwhelming majority of those 3,200 new homeless people in our county that came through the Welfare Department were as a result of that.

It is something we need to watch. It will affect people who otherwise—this is on the prevention side—one of the ways you can prevent homelessness is not to lose a considerable portion of your affordable housing stock.

Chairwoman WATERS. Thank you very much. I would like to thank all of our witnesses who have served on this first panel, and 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 members to submit written questions to these witnesses, and to place their responses in the record.

Thank you. This panel is now dismissed. I would like to welcome our second panel. Thank you very much.

I am going to start with the second panel introductions of some witnesses who are here from my City. I am going to leave for a short period of time. My colleague, Mr. Green, will be chairing.

Allow me to introduce Ms. Mercedes Marquez, general manager, Los Angeles Housing Department, City of Los Angeles. I want to recognize Ms. Marquez, with whom I and my staff met in Los Angeles during the August recess.

I was very impressed by her dynamic efforts to engage the Los Angeles Housing Department in the fight to remove the City's and County's dubious distinction as the homeless capital of the country.

In particular, the Housing Department is partnering with the City's Housing Authority to create a real permanent supportive housing pipeline. I expect when Mayor Villaraigosa rolls out this affordable housing plan, Ms. Marquez will be at the center of other innovative initiatives. I thank you for being here today, Ms. Marquez.

I would also like to introduce Ms. Elizabeth Gomez, executive director of the Los Angeles Youth Network. The Los Angeles Youth Network is a private nonprofit organization providing services to runaways homeless, and foster care youth.

Ms. Gomez has worked with youth since 1980 and her specialized training includes comprehensive program development for runaway, homeless and foster youth. She serves on community advisory boards as well as private and state boards, and has presented frequently at national conferences regarding youth issues, youth development prevention, crisis intervention, suicide intervention, strength management, and program development.

I thank you very much. I am going to ask Mr. Green if he will take the Chair while I go to another committee that I am serving on, and I will return shortly.

Mr. GREEN. [presiding.] Thank you, Madam Chairwoman.

Continuing with the introductions, we have Dr. Dennis Culhane. He is a Ph.D. professor of social policy and practice at the University of Pennsylvania.

Ms. Arlene McNamee, executive director of Catholic Social Services, Diocese of Fall River in Massachusetts.

Next we will have Dr. Jamie Van Leeuwen, Ph.D., project manager for Denver's Road Home, City and County of Denver.

Finally, we have Ms. Nan Roman, who is the president of the National Alliance to End Homelessness.

I believe I covered everyone. Did I miss anyone?

Because I am told that we may have some scheduling concerns with Dr. Jamie Van Leeuwen, we will hear from Dr. Van Leeuwen first. I beg the others to indulge us given that we have these concerns, and then we will go back to the regular order announced.

Doctor, if you would, please. You will be recognized for 5 minutes.

STATEMENT OF JAMES MICHAEL VAN LEEUWEN, PH.D., PROJECT MANAGER, DENVER'S ROAD HOME

Mr. VAN LEEUWEN. Thank you, Congressman Green.

Mr. GREEN. Excuse me just a moment. Pardon my interruption. The chairman of the full committee has arrived, Chairman Barney Frank, and he will be recognized. The Chair recognizes him for 5 minutes.

The CHAIRMAN. Thank you, Mr. Chairman. I apologize for my lack of etiquette, but you get what you can, you know.

I did want to thank you for being here and thank so many old and new friends who are here. I do want to emphasize it is very important that we go ahead with this. I really take pride in the fact that we are going ahead and dealing with the homeless in an integrated way, and we are including in that places where people can live.

We are remembering that we cannot resolve the problem of homelessness or diminish it without building some homes.

I want to thank so many friends, and in particular say I am very delighted that Arlene McNamee is here, who has been in the southern part of my district where the economic issues are the greatest, representing the Diocese of Fall River, a great advocate for dealing with housing problems or social service issues in an integrated way.

I just wanted to welcome Arlene McNamee and Nan Roman and all the other friends, and say thank you. I have other duties, but I did want to make clear how important this is, and to promise people that this will be on the agenda, and I know that Chairwoman Waters is dedicated to this, and this bill will be coming to the Floor as part of the package.

I just welcome everybody here. I would say as long as you are up here on the Hill, if you get a chance, please go talk to the Senate.

[Laughter]

The CHAIRMAN. Thank you, Mr. Chairman.

Mr. GREEN. Thank you. The chairman is always recognized upon his arrival. We will now continue with Dr. Van Leeuwen.

Mr. VAN LEEUWEN. Thank you, Congressman Green, Chairman Frank, Ranking Member Capito, and distinguished members of the subcommittee.

On behalf of Denver Mayor John Hickenlooper and the U.S. Conference of Mayors, I want to thank you all for the opportunity to testify in support of the reauthorization of McKinney-Vento.

In this testimony, I want to provide an overview of the work that we are doing in Denver as it relates to our Ten Year Plan on homelessness, and our well-established partnership with the U.S. Interagency Council on Homelessness and the U.S. Conference of Mayors. This testimony is also supported by the National Community Development Association.

I want first and foremost to acknowledge the leadership and partnership that Denver shares with the U.S. Interagency Council on Homelessness and the U.S. Conference of Mayors, in our efforts to forge collaboration and build strategic alliances allowing us to more effectively respond to the homeless in Denver.

This overview assesses both our progress as well as the cost savings we are experiencing as a result of our coordinated responses to assist the homeless in Denver.

Denver's Road Home, which is our Ten Year Plan in homelessness, began in 2003 in response to an increasing rise in homeless persons in the City and County of Denver.

Through that, we developed a strategic and comprehensive plan with eight measurable goals, objectives, and outcomes, combining accountability with compassion.

The plan was approved by the Denver City Council and Mayor Hickenlooper in 2005 and went into implementation as of July 1, 2005.

From the beginning, the citizens of Denver were promised a plan with achievable and sustainable goals, with measurable action steps as well as a plan that emphasizes collaborative efforts and accountability.

What this translates to is we are 2 years into our implementation in Denver. Through our point in time count, through the Metropolitan Denver homeless initiatives, we have experienced an 11 percent reduction in overall homelessness, and a 36 percent reduction in chronic homelessness in the City and County of Denver.

This translates to about 789 new units of housing, 2,455 homeless have been assisted in finding work, 2,003 individuals have had increased access to public benefits and treatment services, 563 families receiving eviction assistance, 132 homeless persons entering housing through our street outreach collaboration, and 233 families being partnered with our faith based mentoring teams.

While our accomplishments are significant, we also know there is a lot more work that needs to be done. We have 3,900 men, women, and children in our City who remain homeless at the time of this testimony.

There are over 600 homeless households with children totaling 1,563 individual people. Of these households, 465 are single parent families.

The most commonly reported reason for homelessness in Denver was loss of a job followed by relationship or family break-up and substance abuse.

In terms of the cost savings, I want to spend just a brief moment on that. We know that permanent supportive housing is demonstrating proven outcomes in our ability to transition the homeless off the streets and into housing.

It costs Denver taxpayers over $40,000 per homeless person per year to live life on the streets. To operate one bed at a shelter, it is costing Denver $18,000 annually versus $15,000 to maintain one unit of permanent supportive housing.

When taking into consideration Denver Cares, the primary detox center for the City and County of Denver, the 25 highest users logged an accumulative total of 2,657 admissions last year, an average of 100 nights per homeless individual in our detox facility.

After moving these individuals into 1 year of permanent supportive housing, we experienced a 79.6 percent reduction in admissions, to an accumulative total of 541 admissions per year.

We went from 2,657 admissions to detox for these 25 highest users to 541 admissions when they moved into housing, permanent supportive housing, combining service requirements with accountability.

The Colorado Coalition for the Homeless in their study looked at the chronically homeless, and after 1 year in housing, 77 percent of those chronically homeless were still in housing. Their incomes went from $185 at entry to $431, and emergency service utilization was 44 percent fewer days than at enrollment.

We know that by putting the homeless into housing, especially the chronically homeless, that we are not only able to improve the quality of life but also significantly decrease the costs they are impacting in terms of our service delivery.

I want to thank you all for the opportunity to address this subcommittee. I look forward to your questions.

[The prepared statement of Dr. Van Leeuwen can be found on page 201 of the appendix.]

Mr. GREEN. Thank you, Doctor. Because time is of the essence as it relates to you, we will ask questions of you at this time, taking you out of order.

I have one quick question. Should agencies that deal with the homeless be required to ascertain whether or not a person is a citizen, and if so, why, and if not, why?

Should agencies be required to ascertain citizenship?

Mr. VAN LEEUWEN. Right now, it has been a dialogue that we have been having with our homeless providers, and referencing the previous question, Congressman, we are still trying to get a better sense of how much that issue is impacting our agencies.

Right now, they ask for citizenship in order to move them into housing and follow the laws that are in the State and in the City and County of Denver.

In terms of whether or not they should do it, we know that we are assisting them in accessing the services in terms of food and basic shelter, and really before I can answer that question, we really do not have the data to tell us whether or not this is an issue

in the City and County of Denver or in other cities around the country.

Mr. GREEN. Thank you. The ranking member is recognized for 5 minutes.

Mrs. CAPITO. Thank you. I am going to hold my questions for the rest of the panel. Thank you. Thank you, Doctor.

Mr. GREEN. Representative Davis is now recognized for 5 minutes.

Mr. DAVIS OF KENTUCKY. Just one quick question. In the last hearing, for those of you who were here to listen to that, there was quite a lot of talk about Federal agencies, and I get the sense that what I am hearing is that the Federal agencies will determine the winners and losers, that the Federal agencies are typically in these areas very far away from the front lines.

I just wonder if you might comment briefly on whether you feel that critical decisions like this should be made at a local level with a little bit more flexibility in addressing this Continuum of Care issue based on what you have been working on.

Mr. VAN LEEUWEN. I know that on behalf of Mayor Hickenlooper, the jurisdictional leadership via our Mayor and having that flexibility of asserting that jurisdictional leadership has made a significant difference in terms of our ability to carry out the initiative that we have in Denver.

When you look at Denver's Road Home and the accomplishments that we have been able to achieve over the last 2 years, the silver bullet has been political will at the local level, and having the Mayor going and reaching out to our homeless providers and really putting that piece of this is about quality of life, but this is also about the fact that we need to hold our nonprofits accountable and we need to hold our homeless accountable.

If we create these services, we need to make sure that they are being used cost effectively as we transition them off the streets.

Mr. DAVIS OF KENTUCKY. Thank you. I yield back.

Mr. GREEN. Thank you, Doctor. We greatly appreciate your sharing your time with us and the information you shared as well. We wish you well as you make your exit.

Mr. VAN LEEUWEN. Congressman, I appreciate your sensitivity to my schedule today as well. Thank you.

Mr. GREEN. We will now move to Dr. Dennis Culhane. I am looking at the door because I am told that Representative Cleaver may come in at any moment. As he is not here, we will continue.

Dr. Culhane, we will now hear from you for 5 minutes.

STATEMENT OF DENNIS CULHANE, PH.D., PROFESSOR OF SOCIAL POLICY AND PRACTICE, UNIVERSITY OF PENNSYLVANIA

Mr. CULHANE. Thank you, Congressman Green, Ranking Member Capito, and distinguished members of the subcommittee.

I want to commend you for taking up the reauthorization of the McKinney Act, which is now in its 20th year of existence. Many lessons have been learned, especially in the last 10 years. I would like to reflect on some of the lessons which have been learned as I address some of the issues that I know are before the committee.

First, with regard to this issue of definitions of "homelessness," it is my understanding that the different definitions that exist in the Federal agencies actually reflect the appropriate missions of those agencies.

For example, with regard to HHS and the Department of Education, I think it is important to distinguish between mainstream resources for homeless individuals and targeted resources.

The HHS and DOE definitions are purposely broad because they are intended to ensure access to mainstream resources, that being public education in the case of DOE, and transportation to education, as well as health care services through HHS, for these broader populations.

With regard to HUD, however, their definition relates to the targeted resources, dollars that are focused on making sure that people who are literally homeless have access to emergency shelter.

Unfortunately, right now, based on a report that was given to the Congress this last spring, nearly half of the homeless people today are literally living on the street, and are not in shelters, and are not currently being served.

I think that suggests to me that we should be very careful about expanding the definition to populations who are in conventional housing, however substandard or unfortunate those conditions may be, when we have 300,000 people on the streets today who are not accessing these resources at all.

I also would note that the McKinney resources, as you know, are not an entitlement. There is not a proportionate increase in the resources from adding new people to the pool who are counted as homeless. In effect, by not increasing those resources, we would be diluting the value of the program.

Right now, there are about 2.5 million people who experience homelessness annually in the United States. That means that there is an average of about $750 per person from the McKinney Act that can go to those persons. If we increase the number of eligibles three-fold, we may reduce the per person amount available three-fold.

It is also worth noting that there are major problems with trying to certify eligibility and trying to measure results if we include people who are less visible and in these conventional housing units.

With regard to the issue of prevention, I think it is very important that we do try to serve people who are near homeless. However, research has not shown that broad based community interventions to prevent homelessness actually reduce the number of people who come into the shelter system.

That does not mean that those resources do not do something that is effective for families in need, but it does not reduce the number of people who become homeless.

Given the limited resources that are provided by the McKinney-Vento Act, I think it is important that if we do add prevention that we are careful to make sure those dollars are used to leverage mainstream resources like in TANF, in the mental health system and elsewhere that can provide and expand services and housing for these populations.

I would encourage you to use the McKinney-Vento resources for demonstration projects because as yet, we do not have the research

and results to direct a new Federal prevention program. We do need demonstration projects to test what would work and what could work and then to have those results drive policy.

With regard to the issue of meeting the challenge of family homelessness, we now know clearly from research that homelessness negatively impacts children and families. I think it would be wise for the new McKinney Act to consider as a statement of principle that no family should be homeless for more than 30 or 60 days. Long shelter stays have no established benefit yet they consume most of the resources in the shelter system.

My colleagues and I recently completed a study finding that a relatively small proportion of families, 20 percent, used 50 percent of the resources. They are staying in shelters on average more than a year, and the cost of having those folks in shelters could translate into 4 or 5 years of a permanent housing subsidy for those families.

The McKinney resources cannot solve the affordability problem, but they can be used to leverage TANF dollars and child welfare agencies into doing relocation and transitional rental assistance, a bridge, if you will, to permanent subsidies when necessary.

Of course, HUD needs to have more resources to provide those permanent subsidies to address the housing affordability that underlies this problem.

One of the other things that has been learned in the last 10 years is that the permanent housing set-aside has been associated with significant results. We cannot justify the continued use of resources for emergency shelter and having people warehoused in shelters when we know those same resources can provide a permanent solution to homelessness. It would not be ethical. The research also shows that it is not economically efficient to do so.

The set-aside has been crucial to producing these results, and I would urge the committee to codify the set-aside into law.

Another lesson that has been learned in these past few years is that jurisdictional partnerships have been very important to advancing solutions for this population. In particular, the chronic homeless initiative through the work of the United States Interagency Council on Homelessness has helped communities to develop Ten Year Plans. These Ten Year Plans have brought new research and new accountability to homeless programs, more than 40 studies have recently been done by communities, as Denver, as Dr. Van Leeuwen noted, looking at the high costs associated with chronic homelessness, and the reductions in costs that are associated with having folks placed in permanent housing.

Those kinds of results have the opportunity to drive more resources into the system. Thank you.

[The prepared statement of Dr. Culhane can be found on page 98 of the appendix.]

Mr. GREEN. Thank you, sir.

We will now move to our next witness, Ms. Marquez.

STATEMENT OF MERCEDES MARQUEZ, GENERAL MANAGER, LOS ANGELES HOUSING DEPARTMENT, CITY OF LOS ANGELES

Ms. MARQUEZ. Good morning, Congressman Green, Ranking Member Capito, and members of the subcommittee.

On behalf of the City of Los Angeles' Mayor, Antonio Villaraigosa, thank you for the opportunity to let you know how grateful we are that you are taking up the reauthorization of McKinney-Vento.

My name is Mercedes Marquez, and I am the general manager of the City of Los Angeles Housing Department. Along with the Office of the Mayor, the Housing Authority of the City of Los Angeles, the Los Angeles Homeless Services Authority, I am responsible for the administration of Federal homeless assistance programs in the City of Los Angeles.

Particularly, it is my responsibility to create and maintain, build and support a production based system of permanent supportive housing in the City of Los Angeles.

In 2006, Mayor Villaraigosa launched the first permanent supportive housing program in the City of L.A. He has committed now for the third year in a row that half of our $100 million affordable housing trust fund be specifically directed to the homeless program for permanent supportive housing.

That means that in less than 3 years, we will have $150 million specifically dedicated to the construction of permanent supportive housing.

In addition to that, the City has committed to expanding the Homeless Section 8 program and is providing an estimated value of $129 million in rental assistance to homeless individuals and families.

Moreover, a portion of this funding is supporting a partnership with the County of Los Angeles to move 500 families out of Skid Row and into affordable housing elsewhere in the City.

We have already had discussion about the different statistics in Los Angeles. We are unfortunately the homeless capital of homelessness in the country. It is true that approximately, at last count, 22,000 folks in the City of Los Angeles find themselves homeless on any given night, and 13,000 homeless children currently attend the Los Angeles Unified School District schools. Against this backdrop, we support the McKinney-Vento Homeless Assistance Act.

Because my responsibility is particularly on creating a supportive system of construction, I am going to focus my particular comments on those issues within the Act that support a production based system.

For us, it is very important that you maintain a set-aside for permanent supportive housing for all homeless people with disabilities and sustain this housing inventory with adequate program funding.

At the moment in the City of Los Angeles, our permanent supportive housing fund is funded both with CDBG, with HOME dollars. I use general fund money from the City of Los Angeles, municipal bond financing income that comes to the Housing Department. I am now in a partnership with the Department of Transportation to contribute land to the effort, as well as working with our Department of Water and Power for energy efficiencies.

You can see that we use everything and everything we can to make these programs work. It is important for us that a set-aside be maintained in order to continually fund it.

The most important thing about creating a production based system is it is a business like any other. Developers must know that the funding stream is consistent, that the rules are clear and fair. It is only in that way that they will continue to make the type of investment that is necessary, the holding costs for land, architectural fees, environmental assessments to move forward with building the housing.

It is important for us to be able to project out years ahead of time the funding levels that we will be able to provide with the rules that are applied so that people will invest.

Having a set-aside is important. It is also incredibly important that you extend from 12 months to 24 months the amount of time necessary to fulfill all of the requirements for the obligation of funds, including site acquisition and control, the provision of matching funds, environmental reviews, and the completion of construction and rehabilitation of supportive housing projects.

It is very difficult to work within the system. I have to match every dollar for dollar with State leveraging. Our programs follow this different State cycles of funding, and it is very difficult to do all that, get it all in line and actually build the housing.

If we only have a 12-month period, we are pretty much excluding our construction based program of providing supportive housing. We really need that.

In addition to that, ensure the coordination with the low income tax credit program. Since we do leverage in the City of Los Angeles, while permanent supportive housing is more expensive to build, for every dollar that the City is investing, we are in leverage securing approximately $3.25.

In order for us to work within tax credit programs, different State funding and Federal funding guidelines, we need the 24 months and we need the rules to match the low income housing tax credit program, so we can all make it work together.

We would also echo what we have heard many people on both panels now say, that we do not support the expansion of the definition.

[The prepared statement of Ms. Marquez can be found on page 152 of the appendix.]

Mr. GREEN. Thank you.

We will now recognize Ms. McNamee for 5 minutes.

STATEMENT OF ARLENE McNAMEE, EXECUTIVE DIRECTOR, CATHOLIC SOCIAL SERVICES, DIOCESE OF FALL RIVER, MASSACHUSETTS

Ms. MCNAMEE. Thank you, Representative Green. I would like to thank Chairwoman Waters and Ranking Member Capito for devoting the time and attention of the subcommittee to this important matter. I wish to express my appreciation to Chairman Frank for inviting me to share my experience in serving homeless families and single adults in his district. Representatives Carson and Davis deserve our deepest gratitude as well for introducing the HEARTH Act.

We wish Representative Carson a speedy recovery, and she is in our thoughts and our prayers.

My name is Arlene McNamee, and I am the executive director of Catholic Social Services of the Diocese of Fall River, Massachusetts, and I also serve on the Board of Directors of Catholic Charities USA.

CSS is the largest provider of services and shelter for the homeless outside of the Greater Boston Region. Last year, we served a total of 42,523 individuals with a range of services including food, medicine, financial assistance, and housing case management advocacy and counseling, services that often function as a means of preventing homelessness.

CSS provides services and shelter for more than 348 homeless families and individuals each night in housing programs that include emergency shelter, transitional housing for homeless women and children, women returning from prison, 70 permanent housing units for families, and 65 units for singles who were formerly homeless.

My testimony will reinforce the following three points: First, HUD is not keeping its commitment to provide affordable housing for the extremely-low-income households; second, reauthorization of the McKinney-Vento Act must expand HUD's definition of "homelessness" and restore the ability of local communities to act on all they have learned since the last reauthorization; and third, the HEARTH Act will best enable communities to put into practice all we know about preventing and ending homelessness among all households—urban, suburban, and rural.

HUD must re-establish a commitment to produce and subsidize and preserve affordable housing for the poor. Last week, the Commonwealth of Massachusetts reported that 1,800 families were in homeless shelters. According to the Massachusetts Coalition for the Homeless, more families are in shelter now than at any time since the inception of the State's family shelter program in 1983.

This is not a function of overabundance of shelter beds. This is a result of a dwindling supply of affordable housing options for the very poor.

In order to begin to reverse the growing problems of homelessness, the Federal Government must be an active partner in the creation of affordable housing. We must enact the National Housing Trust Fund to bring these solutions to scale.

The chronic homelessness 30 percent set-aside carved out of the McKinney-Vento programs is applied without regard to the number of chronically homeless individuals in each community. HEARTH rejects HUD's current practice of prescribing solutions aimed at big cities like New York and San Francisco, directing dollars away from small towns and rural areas.

Most Americans are living in cities like mine, with populations of 90,000 to 250,000. Our needs are different than that of big cities, and we need to have control over our problems.

The eligibility criteria associated with the set-aside is exclusionary and burdensome. Take, for example, the Donaldson family. After Mr. Donaldson lost his job and fell behind in his rent, the landlord placed him in what amounts to a servitude, requiring him to work as a janitor in order to maintain housing for his wife and four children. This, of course, interfered with his plan to find a new job, further driving the family into poverty.

After the landlord began to verbally abuse him in front of his wife and children, Mr. Donaldson went to the local shelter for help, but the shelter was full. Donaldson did not quite qualify for the our HUD funded permanent housing program.

For 2 weeks, this family of six lived in a car until they could complete the necessary paperwork to qualify under the current HUD definition for the housing program. While they met one part of the current definition, which was living in a car, they did not have the documentation for a disability.

This story begins to illustrate the need to expand HUD's definition of "homelessness" and restore local flexibility.

Research coupled with practice teaches us that families are best served in their own homes, and that to prevent homelessness whenever possible is the best option.

We have learned that each family and individual does not neatly fit into HUD's rigid categories. HUD must expand its definition of "homelessness" to include families who are doubled-up and living in motels for lack of other options.

While doing outreach to a local motel, one of our workers found a mother with two children, ages 4 and 11. The 11 year old daughter was severely disabled and suffering from advanced cerebral palsy. As such, she was lying motionless on a mattress on the floor. Placing a mattress on a floor is a common practice of protecting children with CP from falling out of their beds.

Without money for a wheelchair that was left behind when she fled her abuser, the mother had to carry the child wherever she went. This and her fear of being located by her abuser prevented her from leaving the motel room.

Sadly, this family did not qualify for our permanent supportive housing program because the current definition states that the head of the household must have the disability. In fact, because they are living in motels, they are not considered homeless by HUD, and not entitled to McKinney-Vento services at all.

Finally, children living in families who are doubled-up or living in motels suffer in unimaginable ways and are at risk of similarly poor outcomes to those of homeless children.

Congress must expand the HUD definition of "homelessness" to include persons who are sharing the housing of others due to loss of housing, economic hardship, or similar reasons, and those who are staying in motels because of lack of adequate alternative accommodations.

We ask that the committee weigh heavily the findings of practice wisdom and research and reject HUD's overly prescriptive Federal policy which aims to standardize the response to homelessness.

HEARTH consolidates the separate HUD programs and codifies the Continuum of Care and restores the local flexibility necessary to operate properly.

Lastly, HEARTH extends the HUD definition to include persons who are sharing the housing of others due to loss of housing, economic hardship, or similar reasons, and those who are staying in motels because of a lack of adequate alternative accommodations.

HEARTH makes the Continuum of Care approach responsive to all communities by restoring local flexibility, streamlining the ap-

plication process, adding double upped and multiple families to HUD's definition, allowing more money to be used for prevention.

HEARTH is the optimum approach and we urge the committee to support HEARTH and thank the 79 co-sponsors of this bill.

Please refer to my written testimony for further comments, and I would like to thank the committee and Chairman Frank for this opportunity.

[The prepared statement of Ms. McNamee can be found on page 161 of the appendix.]

Mr. GREEN. Thank you.

Ms. Gomez is now recognized for 5 minutes.

STATEMENT OF ELIZABETH GOMEZ, EXECUTIVE DIRECTOR, LOS ANGELES YOUTH NETWORK

Ms. GOMEZ. Thank you for having me here today. As we talked earlier, I am a little bit different in my representation in that I am a local service provider providing services to runaway, homeless, and foster care youth.

Today, I am here as a representative of the National Network for Youth, the Nation's leading organization on youth homelessness.

It is an honor to testify. It is the first opportunity in the 33 year history of the National Network to appear before this committee. Our absence before this body is indicative of the inattention to youth and public policy regarding housing and homeless assistance.

An analysis of community plans to end homelessness conducted by the National Alliance to End Homelessness concludes that only 49 percent of such plans have youth specific efforts.

In Los Angeles, while we have been invited to the discussions, our appeals for accommodations to address the unique developmental needs of homeless youth go unheeded.

Therefore, we are very grateful today and thankful that we are here to talk about the needs of homeless youth.

As many as 3 million youth and young adults experience a homeless situation annually. In Los Angeles, as was stated earlier, a recent count shows that 20,000 of those homeless are under the age of 18; 11,000 between the ages of 18 and 24; another 3,000 of unaccompanied minors.

Some sit innocuously in classrooms in Jordan or Hollywood High School and sleep on the couches of their classmates if they are lucky. Others go to work at minimum wage jobs and sleep in shifts in efficiency apartments or motels, just to make ends meet.

Many of these young people end up homeless as well on the streets and go back and forth to these efficiency apartments or motels.

Other children hang out on the streets of Hollywood, Santa Monica, Pasadena, South L.A., and yes, the infamous Skid Row, or Cardboard City, as it has been called.

A fortunate few make it to a homeless youth organization such as the Los Angeles Youth Network.

A primary source of funds for us, the youth providers, is the Federal Runaway and Homeless Youth Act. This is a great resource. However, the Runaway and Homeless Youth programs have their limits. Emergency shelters can only serve youth up to age 18, grant awards that are capped at $200,000, funds are not available for

supportive services only, and Congress appropriated in 2007 only 7 percent of what was appropriated to the McKinney-Vento Act.

Runaway and homeless youth agencies must look for funds in other areas, thus we return to the McKinney-Vento Act as it is a program that Congress established for all homeless people, and I emphasize the word "all." Young people, youth, should be included in that process.

We receive about $42,000 for supportive services, a 50 percent reduction over the years, a loss attributed to our county's shift toward permanent supportive housing, due to the Federal chronic homeless initiative.

I know of many other organizations that we work with that are in similar situations. No other public agency has stepped up to replace those funds.

It is one of the reasons the National Network for Youth supports the HEARTH Act. The bill would restore flexibility to communities to use HUD's McKinney-Vento funds as they determine most appropriate. Also, it would revise the HUD definition of "homelessness" to include additional living arrangements, common among homeless youth, and recognized as "homelessness" by Congress several times already.

The Senate reauthorization bill misses the mark on many counts, although we do favor the prohibition on HUD funded family shelters and family housing from denying admission of a whole family or a youth member of the family on the basis of age.

This practice is harmful to families, stigmatizes the youth and is a causal factor for youth homelessness.

The current HUD McKinney-Vento programs are critical to reaching some homeless youth. They could support more youth, however, if we rolled back the current restrictive administrative policies, strengthened the laws so that all homeless subpopulations may have equal access to funds, and increased authorization and appropriation levels.

The HEARTH Act meets these needs.

The reauthorization of the HUD McKinney-Vento Act must be considered as just a part of a larger effort. We must take bold steps such as those offered in H.R. 3409, the Place to Call Home Act. This bill by Representative Hinojosa seeks to end youth homelessness, and we urge the subcommittee to give attention to the permanent housing provisions of that bill in a future hearing.

We also urge everybody on the committee to visit youth programs in their local communities so they can meet the young people in our Nation who are part of the homeless population, as important as any other group, and who are just as desperate for a safe place to call home.

Thank you.

[The prepared statement of Ms. Gomez can be found on page 111 of the appendix.]

Mr. GREEN. Thank you.

We will now recognize Ms. Roman for 5 minutes.

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

Ms. ROMAN. Thank you so much. Thank you to the members of the subcommittee for your leadership and congratulations on the passage of the National Affordable Housing Trust Fund. Affordable housing is ultimately the solution to homelessness.

The HUD McKinney-Vento programs have been well-run over the past 20 years, well-administered by HUD, and well-delivered by a network of nonprofit and faith based providers.

Over these past 20 years, we have also learned a lot about what works. The reason it is important to reauthorize McKinney, I think, is to take advantage of what we have learned about what works and to apply it more broadly.

Our goal in reauthorization should not be to have an expanding shelter system that more and more people enter with no clear way out. That would be going backwards. Our goal should be to use best practices to reduce the number of homeless people and create a system that is all about preventing homelessness and moving people back into housing fast. That, I think, would be the path forward.

Furthermore, it is important to keep a balance in the program. It is not a matter of ending homelessness among children say or chronically homeless people first. The program has to address the needs of all homeless people in a sensible and balanced way. It is not one or the other, while retaining a focus on best practices to improve outcomes.

What have we learned in the past 20 years that would help us to achieve these goals?

I think we have learned that permanent supportive housing works for people who are disabled. It solves the problem of homelessness. The 30 percent set-aside, which is a national set-aside, not local, works to make sure that a proportionate amount of resources goes to that group.

Some focus on chronic homelessness work because by definition, this is a group of poorly served people whose interests must be protected.

We cannot just focus on the chronic population. Rapid re-housing works for at least 80 percent of families and children. Permanent housing provides a stable base for children, education, services, and employment. Shelter does not.

What we want to do is get children and families back into housing faster and not prolong their homelessness.

The other 20 percent of families and children have more serious problems including disabilities. Some are chronically homeless. They should be included in the definition. Chronic homelessness, they need long term housing subsidies and services assistance.

Other things we have learned is that data are important. Rural areas present different challenges. The Federal response should be different in rural areas. Prevention works but it has to be tightly targeted to those at eminent risk.

A key learning of the past 20 years is that places that are making progress in reducing numbers are targeting better and more tightly.

In this regard, I want to speak to the HEARTH Act's proposal to broaden the definition of "homelessness" to include people who

are doubled up for economic reasons. That broad inclusion, I think, is a bad idea for several reasons.

First of all, we have actually—there are currently, as has been said, 744,000 people who are defined by HUD as homeless. Only slightly more than half receive shelter. We are not meeting the current needs of people who are defined as homeless by HUD.

We have looked at the American Community survey data to try to estimate what expanding the definition would mean. We estimate that it would mean 3.8 million more people would be eligible for assistance than are currently assisted or defined as eligible. That is 5 times the current number of people who are eligible.

We would need $7.8 billion on a pro rata basis to provide services to those people at the same fairly misery level of services we now provide to people who are eligible.

Second, "doubled up for economic reasons" is probably way too broad. Many people are doubled up for economic reasons, but they are not homeless. They are stably housed. Their housing may not be optimum, but the homeless system has nothing to offer to remedy that situation.

Section 8, the National Affordable Housing Trust Fund, and other housing programs should address their housing needs and we need more of those. CDBG, TANF, Child Welfare, and other service programs need to address their service needs.

There are doubled-up families who are not stably housed, who are couch surfing or moving from one home to another. They are literally homeless and they should be included in the definition.

For most doubled-up families who cannot get help from the homeless system, the problem is not that they are not eligible for assistance. The problem is that we do not have enough resources to help them in the system.

Calling 5 times more people homeless will not help that problem. It will just exacerbate it.

We can do a better job of helping homeless families with children, youth, veterans, and single adults. In my view, the Community Partnership to End Homelessness Act in the Senate provides a great legislative template for achieving the balance and sensible approach it takes to meet all of these needs.

I urge you to look at it closely. I think it has arrived at some pretty creative solutions to these conflicting needs and opinions, and is a good road map for moving forward.

Thank you.

[The prepared statement of Ms. Roman can be found on page 189 of the appendix.]

Mr. GREEN. Thank you all for your testimony. I will now recognize myself for 5 minutes.

Dr. Culhane, you indicated that you thought a 30 day rule would be appropriate. Would you please restate your 30 day rule?

Mr. CULHANE. I am just suggesting, sir, that in the statement of principle, we should be committing ourselves to the goal that families should not be homeless for more than 30 or perhaps 60 days.

The idea that families should be lingering in shelters for a year, a year-and-a-half, or 2 years, as is now actually permitted, and in some cases, actually encouraged programmatically, that should be done away with.

Mr. GREEN. Thank you. Would everyone agree with this? If not, I would like to hear anyone with an opposing point of view.

Ms. Gomez?

Ms. GOMEZ. I think for young people, for youth, we have a very different perspective. You cannot put an unaccompanied 16-year-old into permanent housing. They cannot even sign a lease. There is a group of young people who based on their developmental needs do need to stay in emergency shelter longer because they also do not have resources. They might not have a family to go back to. They might not have a relative that we found, and they might not have appropriate resources to transition to stability.

Rather than putting them on the street, you keep them in shelter until you can find an appropriate housing situation.

Mr. GREEN. Yes?

Ms. MCNAMEE. Representative, I would just like to make sure that Dr. Culhane is only talking about emergency shelters and not transitional.

Mr. CULHANE. I am including both because we do not see a benefit in the research for families who stay in transitional versus emergency shelters.

We do not see a benefit associated with those longer stays. Families who are housed, regardless of how long they stay and whether they are in emergency shelters or transition shelters, do well in housing, and that should be our goal.

Mr. GREEN. Ms. McNamee?

Ms. MCNAMEE. Thank you. Our finding has been that there are certain populations of women and children who really do need the transitional step prior to going to permanent housing. In that case, it typically has been women who have come from domestic violence situations where they really need time to reconstruct their lives and time to sort of—the word I would use which is not very therapeutic—be. Meaning where the pressure is off. There is someone to assist with supporting the child care because the children have also been traumatized.

They need to establish their identity. They need things like licenses, cash, apply for benefits, all of which are pretty difficult, and they are usually very afraid to be by themselves for the first 3 to 4 months of leaving a domestic violence situation. We have had them leave and come back.

Mr. GREEN. Thank you. Doctor, back to you again. You indicated that prevention dollars do not diminish the number of persons who are going into shelters, I believe you said.

Would you care to elaborate on that? I would like to get some responses from other members of the panel as well, more specifically, Ms. McNamee.

Mr. CULHANE. I was speaking specifically with regard to untargeted prevention dollars. There have been several efforts to experiment with community based homelessness prevention programs where dollars are given to families to avoid eviction and to deal with rent arrearages.

These programs, we find, are very successful in that very few of the families end up becoming homeless. However, there is no net impact on the shelter system. It is not clear that these families would be homeless if they did not get that assistance.

The issue, as I heard it described by one of the providers who deals with these programs, is that trying to find the families who would become homeless is worse than trying to find a needle in a haystack. It is like trying to find a piece of hay in a haystack because the families are all so similar, the need is so widespread.

For that, I was suggesting that we really need to look at the safety net programs that should be preventing homelessness in the first place and why they are not working. Why is TANF not effective in providing adequate income to families so that they do not become homeless? Why does the mental health system and the substance abuse treatment system—why are they not effective in providing appropriate treatment and support so people do not become homeless?

Mr. GREEN. Because my time is running out, I am going to have to beg that I move to another person. Ms. McNamee, would you care to respond?

Ms. MCNAMEE. The issue of TANF supporting, people in fact get sanctioned off TANF or their time period is over. They are part of the population that is becoming homeless because they were never able or probably will never be able to sustain reasonable employment or to earn sufficient income to maintain an apartment.

It is not that people are not working. It is that they do not have enough money to afford the housing stock, and there is not enough housing stock.

We do tremendous amounts of preventive care. We probably spend for our budget somewhere around $150,000 to $200,000 a year in financial assistance, preventing homelessness, and in giving rent money.

The trick to it is you need to make sure the people can afford their rent the next month. Most people cannot. Many people cannot. While you are waiting for either the voucher for public housing to kick in, you are dealing with the homelessness factor. The waiting lists on public housing and Section 8 can be 4 to 5 years. During that time gap, even though people have money, there is no affordability.

Mr. GREEN. Thank you. One final question to each of you, and it will be a yes or no question to be answered quickly.

At an emergency shelter, should we ascertain citizenship? Yes or no?

Mr. CULHANE. I would say no.

Ms. MARQUEZ. No.

Ms. MCNAMEE. No.

Ms. GOMEZ. No.

Ms. ROMAN. No.

Mr. GREEN. Thank you. We will now recognize the ranking member for 5 minutes.

Mrs. CAPITO. Thank you. I want to thank the Chair.

I want to pose a question here because a lot of what we are talking about is going back to what I asked in the last panel, expanding the definition of "homelessness" with HUD to include more children and families, single parents, in different situations.

I am kind of fast forwarding. Let us say we do that. Do you envision a situation—Ms. Gomez, you said you are where the rubber meets the road. You are right there. You are a service provider.

A situation where you are going to have to prioritize within your own shelter, within your own community, who—we have already said the resources are going to be thinning. I think Mr. Mangano made that point.

How are you going to be able to prioritize the homeless, is it chronic that has more need or is it the families? To me, I think those are going to be very difficult decisions that are going to be made. I am wondering if any of you have thought about this and how that is going to set up in a real life situation.

Ms. GOMEZ. I will take that. With us, the young people, the youth who are living in doubling-up situations, motels or efficiencies, are young people who probably transition into street homelessness also. They might go back and forth into those different environments. A lot of those young people, for youth specifically, we work with those youth on a regular basis in our drop in centers and emergency shelters.

Our goal is if they are stable enough to work and to try to stay in a doubled-up situation, to transition them into a more permanent situation rather than making them become homeless and living on the street before they can access service.

Ms. ROMAN. I think that generally you have to look at how to set those priorities community-wide. Programs are designed to help specific populations. Community-wide, what I think will happen—you have to have a balance because you have to serve everybody. You have to meet all of the needs.

I think what might happen is if you have a lot more people, you basically will be increasing the demands by a factor of several times, unlikely to have a lot more resources.

What I think is going to happen is you are going to get thinner interventions, less rich interventions, fewer outcomes, and more emergency assistance. I think you are also going to see the shelter systems start to clog up because you are not going to have the exits to get people out, especially the high end users that consume the majority of shelter resources.

Ms. MARQUEZ. What we already do in Los Angeles, we have a $100 million affordable housing trust fund. It is split 50 percent of it for the chronically homeless specifically. Within that group, we already target homeless adults, emancipated foster youth, transition age youth, and very-low-income families who have experienced already the beginnings of chronic homelessness. We are already doing that.

What we are now doing to help what we are calling situationally homeless families, who are not yet needing the very rich level of services, and this has everything to do with it—when you have to build a building that is going to have to contain all of the space for services, that is much more expensive.

If we are going to have folks who need very heavy duty services, we need to have them together so they are taking advantage.

Our other program, the regular affordable housing trust fund, which is now funded in the last 4 years, we are butting up against 6,000 units. The vast majority of those units go to very-low-income families. We are now this year going to add a 10 percent set-aside in our regular program, not the homeless program, our regular program, a 10 percent set-aside for situationally homeless families

who need a much lower level of service, that will marry with the Section 8 voucher.

We are trying to handle that. It is a huge part of our population, but we handle it through our regular affordable housing program because their services needs are lighter and as a result, less expensive.

Mrs. CAPITO. If I could just clarify that. You have spotted this as a need and a potential conflict here. What you are doing in Los Angeles is really with the flexibility that your city and the support obviously, and that you have vast resources, have made those decisions at the local level rather than have those decisions made at the Federal level.

Ms. MARQUEZ. Yes. If it were made at the Federal level, it would be much more difficult because it would add more expense for us as we are building the type of supportive housing with rich services that are necessary. It would be a very different thing and the per unit cost would soar.

With what I am doing now, you are right, I am lowering the cost by putting those families where they belong, with other families that need less services.

Mr. CULHANE. If I could just follow up.

Mr. GREEN. Yes.

Mr. CULHANE. I think that there are a number of priorities that the McKinney Act, and as it has been administered through HUD, a number of priorities that have been very effective in helping to make sure that resources are targeted and have an impact.

I think the concern about expanding the definition or leaving it up to localities is that there are many localities that do not like the homeless. As the research has indicated, there are close to 40 percent of the people who do not have any shelter whatsoever, are not getting any services. They are living and in some cases dying on the street.

Some communities may choose to expand the definition to serve people that they prefer to serve, and to continue not to serve people who are on the street. I think that has been the value of the Federal priorities, they have made localities have to recognize and understand these needs that they might otherwise ignore.

Mr. GREEN. Thank you. I now recognize Mr. Cleaver for 5 minutes.

Mr. CLEAVER. Thank you, Mr. Chairman. I have a number of questions that I think are for me very critical.

Dr. Culhane, you mentioned 2.5 million homeless in America. Is there any way for us to better document the homeless? How comfortable are you and frankly everybody on the panel with the numbers that we throw around?

In the State of Missouri, for example, we said 8,000 homeless and 1,600 in my City. Whenever I hear those numbers, I usually just disregard them because I just think that some person is down in the basement with really thick glasses—okay, thin glasses, and they are just coming up with a number.

Mr. CULHANE. I think it is good to be cautious. In the 1980's in this room here, there were two separate hearings held on the issue of, "How many homeless are there in America?" Fortunately, in the 1990's, there were no hearings focused on that because the re-

search community came to a resolution on that issue from different yet convergent methodologies. We have estimated that about one percent of the population is homeless each year. Of course, that varies by region.

Furthermore, one of the more important things that the Congress has done in the last 10 years is required communities to implement information systems that are gathering systematic data on everybody who comes into the homeless system.

On that basis, the Congress received its first report this past spring, the Annual Homelessness Assessment Report, that will be delivered to the Congress annually, and is providing a reliable annual estimate of the number of people who experience homelessness in the United States.

We have made a tremendous amount of progress. It is not an exact science by any means. I think we are very comfortable saying the number is between 2.5 and 3 million and the number on a given night is around 700,000.

Mr. CLEAVER. You understand the importance of it as we are talking about block grants?

Mr. CULHANE. Yes.

Mr. CLEAVER. I think all of you—I hope I saw this correctly—were opposed to expanding the definition.

Mr. CULHANE. I am opposed.

Ms. MARQUEZ. We are supporting it.

Ms. GOMEZ. I am opposed.

Mr. CLEAVER. With what is happening in the secondary market, subprime market, with an estimated two million foreclosures on line when the new rates are triggered this year, don't you think we need to do all kinds of things to accommodate the new homeless, I think they are called "couch surfers," in other words, people who are sleeping on the couch in their aunt's house because they lost their home, and the church where I am, I know of seven people who lost homes and are living with others.

Do you not think, based on what is happening in the subprime market, that we need to make some adjustments?

Mr. CULHANE. If I could, Mr. Cleaver, I would distinguish between people who are literally homeless, people who are on the street or in an emergency facility, versus people who are at risk of homelessness and who have unstable housing.

I think the situation you are describing is something that as a society we absolutely should be doing more to make sure that people who are at risk of homelessness do not become homeless.

I do not think that defining everyone as homeless and trying to shoehorn them into the homeless programs is going to do that. We need to have more effective anti-poverty programs in general, including programs that deal with folks who are facing foreclosure.

Those problems are much broader than the problem of literal homelessness.

Mr. CLEAVER. Yes. The people I have spoken with, I went undercover at a local ABC station a few years back. I let my beard grow and I put on ragged clothes and I went out. They had a camera on me, Channel 9, KNBC, an ABC affiliate, and they were in a plain truck and they followed me around and so forth.

As I talked to people who were homeless, many of them started out pretty much like what is happening to folk who are losing their homes.

I do not know of anyone who said, "After careful study and reading several booklets, I decided to become homeless."

It was the movement of events that triggered the homelessness. With people losing their homes, that could actually trigger what is being called "chronic homelessness," which I think there is some controversy over that.

I know my time is running out. Ms. Roman?

Ms. ROMAN. I think the solution to that really is we do not have much to offer those people in the homelessness system. We have shelter and some kind of case management. Those people need affordable housing. They need the other things you are doing in this committee, the National Affordable Housing Trust Fund, the Section 8 issues, that is what those folks need.

I think what we want to avoid is having all those people become homeless. That is a terribly important thing for us to do.

The community partnership also does have a lot of prevention, new prevention resources, and we should get better at getting people back into housing faster and having some flexibility to do that.

Ms. MCNAMEE. I agree. I think much like the last time we went through this, we tend to be much more responsive this time, and there has been some efforts made to train the housing counseling people. There are some programs around foreclosures and a lot more outreach to families who have in fact lost their houses, and hopefully before they lose their houses, to provide the interventions to do it.

I think we have gotten a little better. I think with much more outreach to those individuals, hopefully we will not see them sleeping on the couches.

Mr. GREEN. Thank you. We will now recognize the former ranking member, Mrs. Biggert, for 5 minutes.

Mrs. BIGGERT. Thank you, Mr. Chairman. I am sorry I missed part of your testimony. I would like to ask Dr. Culhane, your research on public shelter utilization in New York and Philadelphia found that children were more likely than the general population to become homeless.

I think your analysis also found that the younger the child, the greater the risk. Indeed, infants under the age of one had the highest rates of shelter usage.

Would you conclude that infants and toddlers do not suffer lasting ill effects from homelessness? Do you think they do suffer more or less?

Mr. CULHANE. I think the literature shows that in the near term we know that families and children who experience homelessness do suffer ill effects of that. I do not know that we have evidence yet as to what the long term effects are.

Mrs. BIGGERT. Are you concerned that it could be that extreme stress in early childhood would cause physical and mental disabilities later in life?

Mr. CULHANE. It is certainly possible. It is also the case that we know that families when they are in the homeless system are less

likely to access other resources, for example, early care programs, including Head Start programs.

I think one of the reasons that it is important to get families back into stable housing as quickly as possible is that it will enable them to access some of the mainstream programs more effectively, have more stable schooling, and not have to move around as much, all of those things.

Mrs. BIGGERT. I think one of the things that we have been working on, on the education side of it, is that Head Start would be available to the homeless.

This is for a couple of people. I will start with Ms. Roman. I understand that your organization endorses the Senate bill. In order to be eligible for HUD homeless assistance, a family in a doubled-up situation must be notified by the owner of the residence where they are staying that they can only stay there for a short period of time, and having moved 3 times in a year or twice in the previous 21 days, and not had significant resources to contribute to rent.

Are you concerned about the impact this definition's requirements would have on homeless children?

Ms. ROMAN. I think the balance that we need to strike is between doubled-up for economic reasons, which I think includes a lot of people who may have bad housing situations but are not homeless, and who among the doubled-up population is actually homeless.

We were looking for some way to describe couch surfers or people who are unstably housed but doubled-up. If that is not the way to do it, I think there is plenty of room for compromise on this between what is too broad a definition and what I think many people anyway are really meaning, which is there is definitely a group of people who are doubled-up, who are homeless and need help.

Of course, we are always concerned about the effect on children. I guess my concern is the homeless system—what children need is stable housing. We do not really have that to offer them in the homeless system. We have shelter.

Mrs. BIGGERT. Just take, for example, a mother and her children who are in an abusive situation, domestic violence, and they are fleeing really to find some place, safety, and they go to maybe a relative and they are staying, so they are going to have to document the proof of all of these things in order for them to stay some place?

To me, they are almost like refugees who are fleeing with the clothes on their back and they need to find a place.

Ms. ROMAN. If they need a place to stay and they present as homeless, they are homeless, and they are eligible for homeless assistance.

I think the question is, if you are trying to get them services while they are living with somebody—

Mrs. BIGGERT. They are the people who very much need that. If they can only stay for a short time, then they are going to have to move from place to place, and maybe they will end up in a shelter or maybe they will end up in a car, if they have one. Maybe they will end up in a motel.

It just seems to me to focus on such a definition is not the way to go.

Let me ask Ms. McNamee. Do you not think we should broaden that definition?

Ms. MCNAMEE. I do. If you think about this domestic violence victim who leaves and has to demonstrate being homeless, and I believe it is 3 times in 21 days or something like that, they have to verify that. Where are they going to go? Go back to the abuser and say, "Oh, by the way, could you tell them that I was here?"

Or a youth who was on a couch and was sexually exploited in order to get an overnight stay, is he going to go back and ask the exploiter person to please tell them that I was here?

I think it creates a barrier in the definition and it is a real problem for very, very vulnerable populations. We also know that this population, because we have a fair amount of mentally ill folks, set each other up sometimes, so they are held captive.

If you want a verification from someone, well, I will tell you if, you know, I will tell them you were here if. I am just not sure that is quite the way we want to do that.

Mrs. BIGGERT. Thank you. I see my time has expired.

Mr. GREEN. The gentleman from Kentucky, Mr. Davis.

Mr DAVIS OF KENTUCKY. Thank you, Mr. Chairman. Just a parenthetical statement on this last comment, when we are dealing with the definition. You are going to have people fall through the cracks if you do not re-define it.

I was reminded of a humorous story after a system change when the Army payroll system went computerized many years ago. I walked in and discovered that none of my bills had been paid and my bank deposits did not happen because I had been deployed and I came back to find out that somehow I was lost.

When I went in to inquire about my check in uniform, I was told that I was not in the Army any longer, and was not a real person according to the computer until a kind person restrained me.

I think about how we got that fixed after a spirited discussion, but I had all the documentation to prove who I was.

The challenge that I think you run into here is you have people who are dealing with a wide variety of issues, those who have been victimized, young people who are going to be intimidated by any form of governmental system creates a huge challenge in dealing with that.

I would like to address a question to Ms. Marquez. In your testimony, you stated your support for the 30 percent set-aside for supportive housing. I agree with you in one sense, that permanent housing is successful in some areas.

Do you not think that instead of a bureaucracy in Washington, D.C., running things, setting arbitrary requirements, for example, a brilliant example of a rule made by somebody who has never worked in the real world is saying that you have to validate 3 times in 21 days that you were some place where you might get harmed by going back to prove that, or not have the means or know how to verify that.

Having Washington do it, would it not be better to have local areas have that control on the front lines, if there were appropriate mechanisms for accountability but not creating a bureaucracy that would incur a lot of overhead?

Ms. MARQUEZ. I guess I would say this, that the evidence the research does show is the need is so great that it makes sense to set a floor. I would like the opportunity at the local level to go beyond that if that is what is needed in my city.

For instance, it is often said that in Los Angeles City, we are housing and more people come from the County into Los Angeles City. If there is no requirement that anybody else has to build housing and has to use the money for that, then we continue to be a magnet.

I need to be able in my region to make sure that everyone is taking on their fair share of what is going on. It is for that reason that I would support a floor.

It is also true from the point of view of the family that you are speaking of, if you want to extend the definition, to make sure that is coming down the pike.

It is because it is a significant issue. I would suggest perhaps that what you are looking at in the National Affordable Housing Trust Fund, that might be a place to take a look at the issues of these families. They need affordable housing, not necessarily the subset of permanent supportive housing that has rich services that they do not need.

Mr. DAVIS OF KENTUCKY. For example, if what you are talking about is effective in Los Angeles, and that is great, you have a Continuum of Care, the ability to manage that. You have local resources. I come back to the context issue here.

You have a Federal regulation that may compete with common sense. I know that might sound paradoxical in this environment that there would be those types of problems.

I go back to this issue of verification of homelessness. The local professional and again somebody here sitting in a cubicle 5,000 miles from somebody with difficulties perhaps does not realize that good folks working on the ground are going to know their neighborhoods like the policemen, they are going to know who these people are in many cases, or when they come into the system on a localized level, that they can have this connectivity.

Would you agree that having flexibility say, for example, in my district, where maybe housing itself is less the issue but other Continuum of Care issues are the issue, to not simply warehouse the person but help get the problem dealt with or help get them back into the economy, that that flexibility would be of some value?

Ms. MARQUEZ. Flexibility is of some value. Of course, when we are dealing in local communities, many communities would come to the point of view that they do not have a problem with housing when in fact they do, and they are happy to transport it to other areas.

That is why, from our point of view, a floor is very important.

Mr. DAVIS OF KENTUCKY. I will just leave you with one final point on that. You had mentioned that you do not support the expansion of the definition. I do not think what any of us are talking about is a blank check. I think the biggest problem with the Federal Government are the silo's that do not work effectively together and create problems.

You can pick any situation whether it is this, national security. We have a 21st Century country running on a 1960 system architecture and it is broken.

To come back to this, definitions do have tremendous power. I know if we are going to think in the 1960 sense, then I perhaps could agree with Ms. Roman, but we are not there. We are in an entirely different world.

You mentioned 13,000 homeless children attending public school. That caught my ear. If there are so many homeless children or young people who are out of foster care and suddenly find themselves pushed out into the economy, why would not you support or why do you say you do not support expanding that?

I am asking you to step out of the regulatory framework you have to live with for a moment and make a statement in the context of the situation.

Ms. MARQUEZ. I guess I would say this. I do not support it in the context of the "homeless" definition. In Los Angeles, what we have done, because it is a significant issue, we have attached that great need to our regular affordable housing program, so much so that we are now going to do a set-aside in our regular program of 10 percent for families such as those that you are discussing. That has everything to do with the costs.

Those families need fewer services, less expensive services. The regular affordable housing programs that we fund that would be the target of your Affordable Housing Trust Fund, if it went national, are those families, and of the 6,000 units that the City of Los Angeles has funded as affordable housing, nearly 4,500 are targeted specifically to low income families.

In our city, we have taken care of it because they are not homeless in this context. They do not need that richness of service. They need other things. We are making sure that they are getting it.

That is why it is in this context only in the "homeless" definition that we would not support it because what comes with that is a heavy burden of services and it is very expensive. We think they belong in the regular affordable housing program, and that is where we fund it. That is actually the majority of our funding, going to those types of families.

Mr. DAVIS OF KENTUCKY. With the chairman's indulgence, I would just like to clarify one point. The services that are being provided by those monies outside of those specifically designated as the stereotypical definition of "homelessness," are those services provided by the same people to both groups?

Ms. MARQUEZ. In many situations, they are. For instance, if you are going to build a permanent supportive housing unit, there is a requirement that many of the services be onsite, because of the difficulty of getting folks to access them. You have to be right there working them all of the time to get them to participate.

A family like the ones you are concerned with, those are folks who have issues but are functioning in the world. They can walk 4 blocks to the services center to get what they need.

In affordable housing what we do, we have a requirement that services be provided, but they do not have to be onsite because these folks work. They are the working poor. They may come from a situation like the one that we have heard here, a domestic vio-

lence situation, but many of them work, including those who are doubled-up, and including those who have lost their homes to foreclosure.

It is not that they are not working. It is that the affordability gap between what they earn and the cost of housing is too great. They are functioning individuals. They do not have dual diagnoses.

It is for that reason that we would have them in a regular affordable housing where they can walk to the services around them rather than have the very expensive effort of having to have them housed in the building and the capital expense of building those units has to include the cost of building out all of the space for the services. That is why we distinguish it.

Mr. DAVIS OF KENTUCKY. Thank you.

Mr. GREEN. Thank you. I am told that we will have votes in a few minutes. Because we will have votes, we will excuse this panel and instruct the next panel to come back at 1:30 or after the votes have been completed, whichever is later. You do not have to come back before 1:30.

We look forward to seeing you at that time. You are excused until 1:30 or after the next series of votes.

[Recess]

Mr. GREEN. Friends, we would like to call the meeting to order at this time and proceed with our last panel. We would like to thank you for being so patient. We assure you that we try to get to you as expeditiously as possible. We always seem to have votes that will at some point intercede. Please accept my apologies on behalf of the entire committee for keeping you waiting so long.

Let me now introduce the members of this panel. If I should mispronounce a name, if you will just step right in and help me, I would greatly appreciate it.

We have with us Ms. Dora Gallo, with A Community of Friends in Los Angeles.

Ms. GALLO. That is correct.

Mr. GREEN. We have Mr. Moises Loza. He is the executive director of the Housing Assistance Council.

Dr. Ellen Bassuk, an associate professor of psychiatry at Harvard University.

Diane Nilan with HEAR US, in Naperville, Illinois.

Mrs. Biggert, please forgive me. I am told that we have a Representative who would like to say a few words by way of introduction, and we will now recognize Mrs. Biggert for this purpose.

Mrs. BIGGERT. Thank you very much, Mr. Chairman. I would like to introduce and welcome to today's hearing a constituent and a dear friend of mine from Naperville, Illinois, Ms. Diane Nilan.

Diane has spent over 21 years giving voice to homeless kids and their families. She comes to us today in her capacity as founder and president of HEAR US, Inc.—Homeless Education Awareness Raising in the United States—a nonprofit organization to empower homeless children and youth through video advocacy and other technologies. I know you will hear more about that.

She has had a distinguished career of public service. She has served as manager of emergency shelters, a long time board member and officer for the statewide Housing Action Coalition, a board member and 9 year president of the Illinois Coalition to End Home-

lessness, and co-founder of the campaign Forget Me Not, Kids' Day on Capital Hill, and co-author of several U.S. Interagency Council on Homelessness reports.

She is going to tell you a little bit about this, but in 2005, she sold her house and car and purchased an RV to travel across the country documenting the plights and dreams of America's homeless children. She has logged over 20,000 miles in just that short time.

I would like to welcome her here today and look forward to her testimony. Thanks.

Ms. NILAN. Thank you.

Chairwoman WATERS. Thank you very much.

From Los Angeles, we have Ms. Dora Gallo, A Community of Friends, Los Angeles. I want to thank Ms. Gallo for joining us. I and my staff were fortunate enough to be able to visit several of the 33 buildings that A Community of Friends has developed and operates in the Los Angeles area. We were very impressed at the quality of both the housing and the services delivered to the poor, often formerly homeless, disabled tenants of the projects.

I would like to see this subcommittee do all we can do to make sure that the production pipeline to this organization and others like it across the country are as robust as possible.

We also have Ms. Nancy Carter, the National Alliance for the Mentally Ill, Urban Los Angeles. I very much appreciate the work that Ms. Carter, whom I have long known, has undertaken on behalf of the National Alliance for the Mentally Ill, Urban Los Angeles Chapter.

I know that the testimony she will provide today will be invaluable to the subcommittee as we consider our actions regarding how the McKinney-Vento program will affect the severely and persistently mentally ill who live in shelters and on the streets in Los Angeles and nationwide.

Also, Dr. Martha Burt, Ph.D., senior principal researcher, Urban Institute.

We will start with Ms. Dora Gallo.

STATEMENT OF DORA GALLO, CHIEF EXECUTIVE OFFICER, A COMMUNITY OF FRIENDS, LOS ANGELES

Ms. GALLO. Thank you, Madam Chairwoman, and Ranking Member Capito, for the opportunity to provide testimony to the subcommittee. My name is Dora Gallo and I am the chief executive officer of A Community of Friends.

We are a nonprofit developer in Los Angeles County. As a practitioner, I can tell you firsthand how important McKinney-Vento funding has been to our efforts to end homelessness for individuals and families with special needs.

We are thrilled to see reauthorizing legislation proposed and a commitment to enact legislation that encompasses the best provisions of H.R. 840 and Senate Bill 1518.

The McKinney-Vento Act is unique, unlike other State, local, and Federal sources of funding, at least in Los Angeles County, the McKinney-Vento Act is the only source of funding that encompasses all three elements of permanent supportive housing, operating, construction, and services.

An award of McKinney funds from SHP, Shelter + Care, or SRO rehab allows ACOF and other developers to leverage millions of dollars in other funding, particularly in construction.

Therefore, it should come as no surprise that our organization supports the set-aside of 30 percent of McKinney funds for permanent supportive housing for people with disabilities.

One concern that we wish to convey to you, however, is a provision in Senate Bill 1518 that codifies a policy to limit supportive housing projects to 16 units or less, unless it can be demonstrated that, "Local market conditions dictate the development of a larger project."

No such provision exists in H.R. 840. While we understand the policy objective of not concentrating and isolating people with disabilities, the definition of "large" varies from community to community.

In urban areas where density is often much higher, setting a maximum of 16 units per project is too low and imposes an unfair burden in urban areas to prove that more than 16 units should be allowed.

ACOF has successfully developed, operated, and maintained supportive housing ranging in size from 7 units to 60 units, such as the successful 40 unit supportive housing project in South Los Angeles that is in Chairwoman Waters' District.

From a developer's standpoint and a service provider's standpoint, there are economies of scale to incorporating more than 16 supportive housing units in one building. That is not to say that integrating special needs housing is not a good policy objective.

We have two buildings now in operation with mixed populations, and we are developing more. Even with a 50 percent ratio, the special needs component of our new projects total at least 20 units and as high as 35.

I would like to also point out that it is going to take us a very long time to reach the Federal goal of 150,000 units of supportive housing if we are only building 16 units at a time.

Regarding the "homeless" definition, we do support the expansion of the definition to include those in camp grounds and motels for purposes of determining eligibility for the community homeless assistance programs, such as the Shelter + Care, SHP, and SRO mod rehab, but we do not support the expansion of the definition to include those who are doubling up or couch surfing.

Instead, we propose that those who are doubled-up or couch surfing be assisted under the new prevention program in the McKinney Act proposed in both H.R. 840 and Senate Bill 1518.

The last critical point we wish to convey is a plea for the subcommittee to think carefully about the long term sustainability of permanent supportive housing projects, both from a financial perspective as it relates to operating, and a human perspective, as it relates to services.

Goals of increasing economic self-sufficiency are admirable for individuals and families in supportive housing, but experience has shown us that for individuals who have a long term chronic disabling condition, it would take many years for them to be able to increase their income to a level to enable them to move into the private market, either on their own or with mainstream resources.

Therefore, housing must continue to be affordable through project based rental assistance. The consequence is homelessness again caused by economic instability or poorly maintained housing throughout communities.

Services funding should also be consistently available. As a developer, we sometimes find that government agencies and the larger provider community do not realize that once a homeless person with disabilities is in housing, their job is not over.

Our onsite service coordinators with a staffing ratio of 1:25 or 1:30 do not have the capacity due to lack of resources to provide intensive services if and when a tenant needs more help.

Nonprofits need to be able to develop long term plans for our services program and an opportunity to leverage HUD services funding.

Finally, we would like to express our appreciation to the committee for considering clean up provisions in both bills, which is itemized in my written testimony and referred to by Mercedes Marquez in the Housing Department.

A Community of Friends applauds the subcommittee for your leadership in putting best practices, lessons learned, into reauthorization legislation for the McKinney-Vento program.

Whatever final version you adopt, this legislation will have a tremendous impact on thousands of homeless individuals and families throughout the country.

Thank you to the subcommittee and to Chairwoman Waters for holding these hearings and for soliciting our input.

[The prepared statement of Ms. Gallo can be found on page 104 of the appendix.]

Chairwoman WATERS. Thank you.

Mr. Loza?

STATEMENT OF MOISES LOZA, EXECUTIVE DIRECTOR, HOUSING ASSISTANCE COUNCIL

Mr. LOZA. Chairwoman Waters, Ranking Member Capito, and members of the subcommittee, thank you for inviting the Housing Assistance Council to provide testimony on pending legislation to reauthorize Federal programs for the homeless.

My name is Moises Loza, and I am the director of the Housing Assistance Council, a national nonprofit dedicated to improving housing conditions for low income rural Americans.

HAC is particularly interested in the resources needed to address homelessness effectively in rural areas. Rural individuals and families do experience both literal homelessness and very precarious housing situations.

HAC's local partners have often reported and research has shown that homeless people in rural areas move from one extremely substandard, over crowded and/or cost burdened housing situation to another, often doubling or tripling up with friends or relatives.

Over 6 million rural households experience a precarious housing condition, threatening their ability to achieve housing stability and placing them at risk of homelessness.

Based on conservative estimates, 9 percent of the homeless population lives in rural areas. Many rural communities lack a system to meet emergency housing needs and face structural issues that

limit the creation of these resources in rural communities, such as lack of community awareness and support, lack of access to services, and lack of data on needs.

For these reasons, using Federal resources can be difficult in rural areas. Because the number of homeless people in a given community is often small and congregate shelter may be viewed as inappropriate, providers in rural areas have a strong incentive to emphasize homelessness prevention and permanent re-housing options.

Despite limitations, some programs, specifically HUD's Continuum of Care, have been useful in rural areas. For example, the Center for Family Solutions is located in Imperial County, the poorest county in California.

The Center operates two emergency shelters and 14 transitional shelter apartments for women and their children who are victims of domestic violence or who are homeless for other reasons.

Another example is Stop Abusive Family Environments, Inc., SAFE, located in McDowell County, West Virginia, which has been working for 25 years to break the cycle of violence through a social justice approach and combines domestic violence services and the provision of transitional housing with permanent housing and economic development.

SAFE operates a 31 unit transitional housing facility for victims of domestic violence.

Both H.R. 840 and Senate Bill 1518 have important components that can support the work of rural homeless providers and equip them to better serve homeless individuals and families in rural areas.

The bills would consolidate HUD's three main competitive homeless programs into one. This would improve rural communities' ability to apply for resources. The bills also make prevention an eligible activity in rural areas, which is a very important part of homeless assistance activities in rural communities.

These common themes would make the McKinney-Vento programs more accessible to rural homeless providers.

The definition of "homelessness" used by the Departments of Education, Health and Human Services, and Justice, as proposed in H.R. 840, would work better in rural communities.

HAC supports the new rural resource created in Senate Bill 1518 because it will help local rural organizations to both address and prevent homelessness.

Senate Bill 1518 would target resources to re-housing or improving housing conditions to stabilize the housing of individuals who are in danger of losing housing, provide a simplified funding application that recognizes the capacity constraints of rural community organizations, and allow successful applicants to use up to 20 percent of their grant for capacity building activities.

HAC also supports the simplified application in Senate Bill 1518.

Finally, HAC suggests following a change recommended in H.R. 840, allowing local communities to set their own priorities for spending McKinney-Vento funds. Communities could certainly choose to prioritize chronic homelessness if appropriate, but no community would be required to do so.

Thank you for this opportunity to comment on the bills before the subcommittee and on the housing needs of the rural homeless. I would be happy to respond to any questions.

[The prepared statement of Mr. Loza can be found on page 128 of the appendix.]

Chairwoman WATERS. Thank you.

Dr. Ellen Bassuk.

STATEMENT OF ELLEN L. BASSUK, M.D., ASSOCIATE PROFESSOR OF PSYCHIATRY, HARVARD MEDICAL SCHOOL, AND PRESIDENT, NATIONAL CENTER ON FAMILY HOMELESSNESS

Dr. BASSUK. Chairwoman Waters, Ranking Member Capito, and other distinguished members of the subcommittee, I am honored to have the opportunity to speak with you today on behalf of the 1.3 million children who are homeless in America each year.

Thank you for giving a voice to this vulnerable and often neglected group.

As a psychiatrist and president of the National Center on Family Homelessness for 20 years, I have witnessed a change in the face of homelessness with children and their families now comprising 35 to 40 percent of the overall homeless population.

I have had the privilege of seeing firsthand the spirit of homeless children. I have also documented their anguish.

Homelessness for children is more than the loss of a house. It takes away their belongings, reassuring routines, friends, and community. Instead of developing a sense of security, trust in care givers, and freedom to explore, they learn the world is unsafe and that violent things often happen.

As one homeless teenager described, "Not only did we lose everything, but we were looked at and treated like garbage, told we were dirty, no good, our parents were lazy, and should get jobs. I remember crying myself to sleep. At times, I still do, thinking why us? What did we do to be treated like this?"

In our work at the National Center, we have learned that residential instability, interpersonal violence, and family disruption are inextricably linked. In a population based longitudinal study we conducted, families moved many times in the year before they entered shelter. These moves were not positive ones.

Thirty percent were evicted. Many moved into doubled-up situations where they were faced with overcrowding, friends and relations who resented their presence, and significant risk of physical and sexual abuse.

Perhaps most shocking is the staggering rates of violence in the lives of these families. Over 90 percent of homeless mothers have been severely physically or sexually assaulted. Almost two-thirds have been violently abused by a male partner.

Homeless children are exposed to violent events, some many times, including adults hitting each other, seeing people shot, and even having their own lives threatened.

Homelessness is marked by family separation. Almost a quarter of homeless children have lived apart from their immediate family, with 12 percent placed in foster care compared to just 1 percent of other children.

These separations may interfere with caring attachments between a parent and child leading to behavioral problems and the inability to form supportive trusting relationships in adulthood.

The relentless daily stress of homelessness diminishes children's physical, emotional, behavioral, and cognitive development. They have more acute and chronic medical problems, many developmental delays, higher rates of anxiety, depression, and behavioral difficulties, and more learning disabilities.

By age eight, one in three have at least one major psychiatric disorder. They struggle in school, with almost three-quarters performing below grade level in reading and spelling and one-third repeating a grade.

Within this bleak picture is a ray of hope. In spite of their experiences, new data suggest that many homeless children are resilient and do well with proper support and clinical treatment when needed. Stable permanent supportive housing is critical for achieving these positive outcomes.

This brings us to the work of this subcommittee. We are dismayed by the current policy debate that focuses on how to allocate scarce resources by pitting one subgroup of homeless people against another. All homeless people are deserving of help. Any response to homelessness in America requires a substantially larger commitment.

We strongly advocate for adequate funding for McKinney-Vento to meet the needs of all subgroups experiencing homelessness. Until that time, we offer the following suggestions.

First, we urge aligning the HUD definition of "homelessness" with those used by other Federal agencies. Families, children and youth who are doubled up or living in hotels and motels and do not have a fixed, regular, and adequate living situation are homeless.

These temporary, chaotic situations are emotionally damaging to children and place them at an increased risk for physical and sexual abuse.

Second, we support provisions in the HEARTH bill that give communities greater flexibility to implement a range of housing and service options. This approach will also support better strategies, essential for closing the front door onto the streets.

Furthermore, the proliferation of Ten Year Plans to end homelessness indicates sufficient community momentum to allay our concerns about discrimination against individuals with disabilities.

Finally, if there is to be a set-aside for permanent supportive housing, it is essential that eligibility criteria be expanded beyond chronically homeless individuals to include homeless families and children.

Their mental health needs are different from those of homeless single adults, but some family members, both adults and children, are nevertheless disabled enough to warrant ongoing services and housing.

Homeless children do not become homeless by themselves. We cannot expect them to stabilize their lives alone. As a society, we have a moral responsibility to devise their rescue. We must act now before the homeless children of today become the chronically homeless adults of tomorrow.

The HEARTH bill takes important steps in that direction, but we are mindful that much more needs to be done.

Thank you.

[The prepared statement of Dr. Bassuk can be found on page 70 of the appendix.]

Chairwoman WATERS. Thank you very much.

Next we will hear from Ms. Diane Nilan.

STATEMENT OF DIANE NILAN, PRESIDENT/FOUNDER, HEAR US, INC.

Ms. NILAN. Thank you very much for the opportunity to testify, and my profound gratitude to Congresswoman Judy Biggert who has been a tremendous champion for this Nation's homeless children and youth.

I am president and founder of HEAR US, Inc., a national nonprofit whose mission is to give voice and visibility to homeless kids.

I sold my home and I have spent the last 2 years traveling in my RV across this Nation's back roads, interviewing homeless children and families. Our documentary, "My Own Four Walls," features these courageous kids talking about their homelessness. I speak on their behalf.

I have worked over 20 years with homeless children and adults, 15 years as director of an emergency shelter in Illinois, serving up to 150 men, women and children each evening.

My premise is simple. This Nation needs a new more promising approach to ensuring people in this country that they have a place to call home.

One family I met was in Las Cruces, New Mexico, and included Esperanza, who was crippled by polio all her life, who impressively managed to look after her grandkids while her daughter, Elizabeth, worked minimum wage jobs.

When I met them, they were living in a cramped motel room prior to moving into a palatial three bedroom handicap accessible subsidized apartment. Sadly, their stay was short lived. About 7 months after moving, Esperanza died, and the family had to leave because they did not require an accessible apartment.

They moved into a friend's cramped house because Las Cruces lacks a shelter for families with teenage boys. Elizabeth was working two jobs and sleeps on the floor with her three youngest children wrapped around her, knowing that their situation is precarious, utterly dependent on her friend's hospitality and her family's ability to endure this grueling arrangement.

Elizabeth is on a long waiting list for housing, with Esperanza, the Spanish word for "hope" in her heart.

Why would families like these, struggling to survive in motels, or doubled-up with others, not be defined as homeless?

I am haunted by an experience from over a decade ago. TJ and his mom turned to us for help off and on for years. This little guy changed places to live more often than he changed clothes. He encountered what is tragically common for kids in homeless situations, abuse which caused severe mental harm.

TJ, a severely disturbed 7-year old, snapped when he faced the prospect of living in our cramped family sleeping room. After spending hours holding this traumatized little boy to keep him

from harming himself or others, I had to commit him for psychiatric evaluation.

He and his mom continued to be homeless, with his fragile situation deteriorating further at great expense to him, his mom, and the community.

This tragedy may have been prevented had HUD recognized this homelessness when he and his mother were bouncing between homes prior to entering our shelter, and despite TJ's disability, the current HUD definition of "chronically homeless" does not include families at all, and the Senate's bill of "chronically homelessness" does not include families where the child has a disability. TJ's family would not be prioritized for assistance.

TJ is 18 now, facing a life filled with hardship.

To narrowly define "homelessness" in order to feign a successful war on homelessness defies comprehension. To force families to move repeatedly before assistance is provided as proposed in S. 1518 is short sighted and cruel.

To proceed with HUD's proposed direction of codifying chronic homelessness at the expense of homeless children, youth and adults, is fiscally and morally irresponsible.

Frontline shelter staff across our Nation await the day that HUD provides the opportunity for people in all homeless situations to receive assistance.

They long to focus on easing homelessness as it appears in their communities, on the street, doubled-up or in motels, instead of coping with arbitrary rules and restrictions. It is no coincidence that the local service providers who have testified at these hearings support an updated definition of "homelessness."

We need a new approach, much of the blueprint which can be found in H.R. 840, the HEARTH Act. Please incorporate the HEARTH Act into HUD's new approach to homelessness.

Thank you very much.

[The prepared statement of Ms. Nilan can be found on page 182 of the appendix.]

Chairwoman WATERS. Thank you very much.

Ms. Carter?

STATEMENT OF NANCY CARTER, NATIONAL ALLIANCE ON MENTAL ILLNESS, URBAN LOS ANGELES

Ms. CARTER. Hello. My name is Nancy Carter. I must admit I am a little choked up after hearing Diane speak.

I am president and co-founder of NAMI Urban Los Angeles, the National Alliance on Mental Illness. Our Urban Los Angeles Chapter was formed by five African-American women to reach out to families like ourselves who had loved ones who suffered from mental illness.

The stories that Diane is telling you are the stories that we live with every single day. We educate. We support. We advocate for our own families and for those in the community who affect us the most.

Chairwoman Waters, I am honored to be here, and I thank you so much for the invitation. Ms. Capito, thank you as well.

When I think about family, I think about the fact that I was raised in Logan County, West Virginia, where I saw homelessness

in rural areas every day of my life as a child, and then growing up living in Los Angeles, California, and raising a son who would one day develop mental illness.

I think today on this panel that there, but for the grace of God, go most of us. In a week, 2 weeks, or a month, so many of us can end up homeless and on the streets. For those families who have loved ones who suffer from mental illness, the risk is even greater, and that is why I am so honored to be here today to speak for NAMI, both for my Chapter, Urban Los Angeles, and as a National Board member as well.

Why do we support the McKinney-Vento reauthorization? Because it works, because it has been a success. The McKinney-Vento permanent housing programs are perhaps the most successful and effective Federal intervention for people with severe mental illness since the Community Mental Health Center Act of 1963.

Shelter + Care and SHP permanent housing have brought stability and the opportunity for recovery for thousands upon thousands of individuals with the most severe mental illnesses and co-occurring disorders.

These programs break the tragic and costly cycle that too many of these individuals experience through chronic homelessness, bouncing between the streets, the emergency shelters, the emergency rooms, psychiatric hospitals, general hospitals, and tragically in Los Angeles, jails and prisons.

Permanent supportive housing is an effective solution that works. It is also cost effective. There is substantial research that demonstrates that permanent supportive housing is an effective model.

Formerly homeless residents of supportive housing achieve decreases of more than 50 percent in emergency room visits and inpatient hospital days, and an 80 percent drop in emergency detoxification services. This translates into a savings of $16,000 plus in health care costs per unit per year. Eighty percent of people who enter supportive housing are still in housing a year later.

The focus of McKinney-Vento must stay on permanent housing needs of the most difficult to serve, experiencing chronic homelessness.

In NAMI's view, it is critical that any reauthorization of McKinney-Vento retain a Federal minimum requirement for permanent housing. This is the hallmark of what has made this program successful over the past decade.

Prior to enactment of the 30 percent set-aside in 1998, only 13 percent of McKinney funds went toward permanent housing, with the vast majority of funding going toward shelters and services. In effect, we were using McKinney programs to build a service system that would depend on keeping people homeless to sustain itself.

Investment in permanent supportive housing offers a different policy objective, that of ending chronic homelessness. NAMI is troubled that the HEARTH Act excludes a permanent housing set-aside. We are extremely concerned that without a minimum national requirement for development of new permanent housing, many local Continuums of Care would face strong incentives to spread limited dollars among as many local homeless programs as possible.

It is important to note that people who experience chronic homelessness are more likely than other McKinney-Vento eligible populations to be categorically excluded or screened out of other affordable housing programs.

These include restrictions on eligibility for both Section 8 and public housing based on previous history of substance abuse and involvement in the criminal justice system.

Ms. Waters, I am so grateful. NAMI is so grateful to you and Chairman Frank. Over the past 9 years, you have achieved enormous legislative and policy accomplishments with respect to addressing the affordable housing issue.

The Section 8 voucher reform bill, the GSE and FHA reform bills, the Gulf Coast housing bill, and most importantly, the National Housing Trust Fund bill, H.R. 2895, passed by the House just last week. Thank you. Thank you. Thank you.

These are the most impressive legislative accomplishments for affordable rental housing in a generation.

We thank you for your leadership in bringing this agenda forward. We thank the entire committee for the opportunity of NAMI's views to be heard today on the reauthorization of McKinney-Vento. We look forward to working with you and the subcommittee to produce a bill that will continue to move us down the road towards ending chronic homelessness.

Thank you very much.

[The prepared statement of Ms. Carter can be found on page 92 of the appendix.]

Chairwoman WATERS. Thank you.

Dr. Burt?

STATEMENT OF MARTHA BURT, PH.D., SENIOR PRINCIPAL RESEARCHER, URBAN INSTITUTE

Ms. BURT. Chairwoman Waters, Ranking Member Capito, and other members of the subcommittee, thank you for inviting me to share my views relating to various provisions of the reauthorization of the McKinney-Vento Homeless Assistance Act pertaining to the HUD housing programs.

I have been involved in policy oriented research on homeless populations and homeless service systems since 1983, and also helped shape the definition of "homelessness" that now governs the Department of Housing and Urban Development programs funded through the Act.

It is a pleasure for me to be asked to give testimony on these matters. I will address my remarks to five issues raised in the invitation letter, definitions first.

I very strongly urge the committee to retain the current HUD definitions with a couple of very important exceptions.

I do believe that for families, if a parent meets the definitions, the criteria of chronicity and disability that currently allow a single person to be considered chronically homeless and to access funds and programs directed to chronic homelessness, that family should also have access to permanent supportive housing.

On the other end of the spectrum, I think in certain situations, which I mostly have seen happen in rural areas, if a family or a person is seeking help, they are clearly homeless at the time they

seek that help, by HUD's definition, there is no place for them to go at the time, and Aunt Susie will take them in for 3 days with the clear understanding that 3 days is it, they should at the end of those 3 days be considered homeless and eligible for the housing.

At present, they are not or they are interpreted as not because people are afraid that HUD will reject a decision to continue to serve them.

My reasons for strongly advocating for retention of current HUD definitions for use in HUD programs with the exceptions just notes are that if you are going to create a definition, the definition has to tell you who is in and who is out. It is the only way to tell whether interventions are making a difference.

With the current HUD definition, you can in fact tell who is homeless and who is not. You can do surveys that let you do estimates of homelessness. I am responsible for the first two national ones of those, one from 1987 and one from 1996.

The Department of Education definition, and I have worked with State homeless coordinators and some local homeless coordinators around definitions and how they should count, it is really not a definition at all, in my opinion. It is so loose that it varies greatly from State to State and even from school districts within the States.

I have worked with it and I know it is flawed. It does not meet the criterion that I have just stated, which is measurable and it has an ability to count.

Furthermore, the departments that use the broader definitions that have been under discussion today are not actually charged with ending anybody's homelessness. They are charged with serving people who are already homeless. They have very narrow statutory responsibilities of keeping people in school or treating their health conditions, but they are not charged with measuring everybody in the country who could be eligible for their services. They are only charged with serving the people who walk up to the door, and that is who they report to Congress.

They do not have any responsibilities for telling you that they have reduced that number, changed that number, or affected that number in any way. HUD does.

It would be extremely counterproductive to burden HUD with a definition that cannot be measured when you are also requiring them to report to Congress progress in reducing homelessness every year through the annual homeless assessment report.

For doubled-up situations, I would suggest that if there has to be any expansion of definition to doubled-up populations, it should be limited in very careful ways. One possibility is first of all only for those who seek assistance from homeless assistance programs, rather than the whole universe, and second, to add specific easily documentable circumstances of extreme housing instability.

The allowable circumstances need to be very carefully thought out, and I think are better left with special panels to determine rather than to be codified into law, as they may change.

Prevention. One of the reasons that Congress has not added or included a lot of prevention money in homeless programs in the past is that it is easy to waste prevention money.

There are very, very large populations of very poor households, single and family, who could come under the rubric of being eligible for homelessness prevention. That was certainly true when Congress first passed the McKinney Act. We now know more and we are in a better position to target than we were 10 years ago. I think support for prevention resources is really important, but you really need to think how they are going to be used.

It would be very, very important to require good recordkeeping and outcome tracking for at least the first 2 years of funding any community to do prevention, so that you can be sure that you were actually preventing homelessness rather than just helping a lot of poor people with their housing costs.

I have complete respect for how much they need that help for housing costs, but the homeless programs are not the place for them to get it.

I want to cite to you the case of Massachusetts, increase in family homelessness, which has already been mentioned, because the way it happened was that the Department of Transitional Assistance, through which all families go to get homeless assistance, had been really working on prevention in exactly the way this law envisions.

They were actually succeeding. One of the consequences of their success was there were fewer families in emergency shelters. They emptied the motels and they reduced the number of families going into shelters.

Chairwoman WATERS. I have to end your testimony.

Ms. BURT. Okay. The reason there are more homeless families is the legislature was convinced to give everybody the right to 6 months of shelter, and as a consequence, there is a lot more family homelessness now.

The last thing I really want to say is on the composition and authority of local homeless planning bodies in relation to Ten Year Plans, please do not specify who should be on them, how they should work, what their decision making structure should be, because if you do, you will be recording a far larger number of them—

Chairwoman WATERS. Thank you very much. You will have to submit that for the record.

Ms. BURT. It is already in my written testimony.

Chairwoman WATERS. Thank you very much for your testimony.

[The prepared statement of Dr. Burt can be found on page 77 of the appendix.]

Chairwoman WATERS. With that, having heard all of you, we are now going to turn to questions for the panel, and I will recognize myself for 5 minutes.

Let me first tell you how moved I am and how impressed I am with all of you and the work that you do. Maybe I should not say this, but there are five women at this table, and I wonder if this is telling us something about who is doing the work. I thank you for being here, Mr. Loza.

Let me ask Ms. Gallo, you started to talk about what we should be doing if we are truly going to talk about permanent housing for the homeless, that we must understand that there still must be assistance for a long period of time for those who reached the level

of being able to have their own unit, their own place to live, and maybe some income. We cannot expect that is going to last forever.

Would you further explain to us what you were saying?

Ms. GALLO. Yes, I will be glad to. I was speaking specifically of individuals and families whose head of household has a chronic mental illness. The residents that we house in our buildings fit that description, which means they come to us on SSI. They are disabled for purposes of the definitions that allow them to access mainstream resources.

Off the streets with a disabling condition, once we moved them into the housing, once we get them stabilized, that is when we start to be able to treat the underlying causes of some of their issues, whether it is substance abuse, mental illness, that takes a long time. If we are successful, we can get people back participating in the community. We can get people to volunteer, hold part time jobs and even hold full time jobs, but that takes a very long time.

Again, I am talking about people who have been on the streets for a long time, and who have a chronic disability. That group of individuals is different than for instance a homeless person taking advantage of SRO mod rehab, where that homeless person does not have a chronic disability.

I am speaking specifically of the Shelter + Care program and people who have a disability.

Chairwoman WATERS. Thank you very much. I have heard a lot of discussion about the definition of "homelessness" today. I think you have helped me to come to grips with what I think was said by Dr. Bassuk, and that is we should not be pitting one homeless group against another homeless group.

Certainly, you have made the case as far as I am concerned about individuals who find themselves homeless but being able to stay with someone for a few days, and then all of a sudden, they are not eligible any more. That is just not right.

Thank you for helping me to understand that a little bit better, and for Ms. Nilan, thank you for having dedicated your life to documenting homelessness. It seems to me even as we explore the changing of the definition or expanding of the definition, there are going to be people who are going to fall outside of the definition and there needs to be some kind of a hotline that can be called to take care of extraordinary cases, that do not fit anywhere.

Your testimony was riveting. Thank you very much.

With that, I will turn to my colleague, Ms. Capito.

Mrs. CAPITO. Thank you, Madam Chairwoman. I, too, echo the chairwoman's sentiments, thanking you for your dedication to service and to folks who a lot of times cannot advocate or help themselves. I am glad to know, Ms. Carter, that you were born in West Virginia. I am sorry you went to L.A., however, but you are welcome back to West Virginia any time. You know that.

I have a question. I think maybe I would like to hear, Dr. Bassuk, in your clinical life, in talking with homeless children and youth, we have heard kind of conflicting opinions that if we expand the definition to include children that may be doubled up or living in different kinds of situations, that the stigmatism of labeling

them as homeless has a damaging effect. No doubt, to think you were a young person without a home, that is a damaging effect.

You have to weigh, I suppose, the pluses of being labeled homeless and being able to access services that we have talked about, permanent housing. How do you weigh that in your clinical assessment for the well being of a child becoming an adult that has been either labeled—is there a real damage effect that we should be cognizant of?

Dr. BASSUK. I think the way I would answer that is 40 percent of homeless kids are 6 years old or less. Their experience of the world is mediated to a large degree by their mom's. They are not going to have necessarily a direct experience of that labeling.

The teenagers tend to be humiliated and mortified about being homeless, many of the teenagers I have spoken to. In many of the shelter systems, they tend to age out after 12 or 13 years. They go with relatives, families that have split up. In certain States, they will not take boys who are 12 years old or older because of the domestic violence problem.

Weighing it, I think it is a small price to pay for providing services to a kid who is going to have extreme difficulties because of this experience, and everything that surrounds it.

Mrs. CAPITO. Thank you. I have a tendency to agree with you on that. I think the services and availability of services is critically important. Those ages, you cannot go back.

Mr. Loza, you mentioned a project in West Virginia, in McDowell County, I believe, that was servicing rural homelessness. I understand you have a perspective on that. I know you addressed this in your comments.

Flexibility seems to be the main thing that people in rural communities, places I represent, are asking for. How do you reflect on that?

Mr. LOZA. We work with a few hundred organizations around the country. The testimony is based on what we are hearing from them. Rural areas suffer from a dearth of resources and access to resources. Flexibility becomes more important for them.

For example, we heard about some of the great programs in Los Angeles. Los Angles has CDBG money. Many rural areas do not get CDBG money. Los Angeles has HOME money. Many rural areas do not get HOME money. Los Angeles is fortunate enough to have a trust fund. Many rural areas do not have access to a trust fund.

The lack of resources and just the difficulty in counting and assessing the need and finding where the homeless are because they are so invisible makes it necessary for those local organizations to have the flexibility, where they are able to really deal with their own unique situation in their own area.

For all those reasons, flexibility becomes very, very important in rural areas.

Mrs. CAPITO. I have one final question. I know we had a presenter from the Catholic Charities in the last panel.

This has been a great debate here on Capital Hill on the role of faith based organizations. Somebody who I have not asked a question, how do you perceive the role of faith based organizations in helping to address the problem of homelessness? Ms. Nilan?

Ms. NILAN. Having run a shelter dependent on faith based communities, I think I can answer that. Without faith based communities, this Nation would have a far worse homelessness problem across the lands.

That being said, I get very nervous when we start talking faith based because I do not think that should be the core of how the program is structured. It should be just the reason the volunteers are there. I think it is a very strained system.

Volunteers who have been doing this for 20 years get really tired in the fact that our program in Aurora started 20-some years ago, and it was an emergency shelter, and "emergency" tends to mean short term, something that is going to get better. We have far exceeded any definition of "emergency."

Mrs. CAPITO. Thank you, Madam Chairwoman.

Chairwoman WATERS. Mr. Green?

Mr. GREEN. I thank you, Madam Chairwoman. I will be brief. I thank each of you for your testimony today. It has been very insightful.

Let me ask Ms. Gallo, you mentioned the maximum of 16 units per project and you expressed your concern. Tell me how would you have this language be modified?

Ms. GALLO. I am not exactly sure how it got into current HUD policy. It is a policy. It is in the current applications where every single time we do a project, we are an affordable housing developer, so we do projects and we do permanent supportive housing projects, we have to justify every single time, proving market conditions.

The suggestion I have is either if for some reason there is a desire to have a limit, that you raise that threshold to 25, 35 units, something that makes more sense for urban areas, so that urban areas do not always have to justify that number.

I am aware of a project apparently in Louisiana where they did 35 units. I am sure they must have had to justify how they needed to go above 16.

The number needs to be higher—I do not know what that floor is—or eliminated, not have a floor at all, and not put that as a requirement. Let the local conditions of the particular community decide what is the appropriate size for a project.

Most municipal governments have zoning regulations as well, which governs that.

I would suggest that either there not be a number in there or raise that threshold substantially. It needs to make sense as to why we have to have a justification.

Mr. GREEN. Let me see if Mr. Loza has a quick comment on it.

Mr. LOZA. Again, getting back to the flexibility issue as Ms. Capito raised, the localities need to have some input into what floors or maximums are. The problem we have always faced in rural areas is that when you have those floors, they are automatically eliminated because we just do not have the scale or the population size that would make sense with floors on development size.

Mr. GREEN. Thank you. Moving to another topic quickly. We have a debate here about citizenship and resources being accorded persons who are not citizens.

My assumption is that everyone would agree that at an emergency shelter, we should not require citizenship at an emergency shelter. If I am incorrect, please raise your hand, at an emergency shelter. Does anyone differ with that proposition?

[No response]

Mr. GREEN. If we start to require citizenship, and my suspicion is there will be someone who will think that we should, and I respect the position, I just want to get some intelligence from people who are actually on the ground, who know what is going on, what will be the impact of requiring citizenship before persons can receive shelter who are homeless?

Would someone care to give me a statement on it, please, and I will leave it to you to decide. Ms. Burt?

Ms. BURT. I am not on the ground, so to speak, but I think you will harm far more people who are citizens than who are not because one of the basic problems of people who are homeless is documentation, and if you start requiring for everybody who comes into an emergency shelter that they be able to prove that they are citizens or resident, permanent residents, I assume that is okay, then a lot of people are not going to come and a lot of people are going to fail and the burden on the programs themselves is going to be much increased.

Mr. GREEN. Anyone else care to comment? Ms. Carter?

Ms. CARTER. I think it also ties into faith based. When I was growing up, there was very little homelessness because we took care of each other. There was no term as "couch surfing" or "doubling up." We doubled-up as families, because that is what was required of us.

We were our brother's keepers. It seems over time we have lost that. If we are truly a faith-based nation, then we must be our brother's keepers and we cannot separate out those who have a card and those who do not have a card.

People who are suffering are people who are suffering.

Mr. GREEN. Thank you. I yield back, Madam Chairwoman.

Chairwoman WATERS. Thank you very much. Mrs. Biggert?

Mrs. BIGGERT. Thank you, Madam Chairwoman. I would like to submit, without objection, a letter from 44 organizations starting with Alliance for Excellence in Education down to Youth Service of America, and the 42 in between, concerning the definition of "homelessness."

Chairwoman WATERS. Without objection, so ordered.

Mrs. BIGGERT. Thank you. Madam Chairwoman, I would also like to note that there are five women down there and one man, but there are three women up here and one man.

[Laughter]

Mrs. BIGGERT. My first question is for Ms. Nilan. Some of the panelists today have suggested that homeless families should have their needs met through mainstream programs such as Section 8 and TANF as opposed to the McKinney-Vento program.

As you have traveled across the country, do you think these programs offer real opportunities for homeless families?

Ms. NILAN. Thank you, Mrs. Biggert, for the opportunity to speak to that issue because I would have to say unequivocally that the families that I met across the country in non-urban areas are so

not served by those programs, mainstream resources, that it is shameful.

I have met families who are in motels or staying in churches or staying in their cars. I am sorry, but what is supposed to be out there is not working. For me to have the opportunity to come and say that to this respected committee today, I think you need to know that.

If it were working, I would be here saying you know, what you are doing is good, let's keep it up, maybe add to it. It is not. It is tragically not working at the expense of the children and the families and the teens that are not getting the help they need.

Mrs. BIGGERT. Thank you. Ms. Gallo, would you have any comment on that? I know you had said we should not expand the definition of "homelessness" to include doubling up. We obviously need some alternatives. Would TANF—

Ms. GALLO. I agree with Ms. Nilan. I think some of the existing systems, some of the existing programs in mainstream are not working.

I am not advocating that homeless families not be served under the McKinney program at all. We serve several hundred children in our buildings, people who are homeless.

I do support—we did not talk about the chronically homeless. I do support expanding that definition to include families, whether or not I believe the definition of "chronic" is a relevant definition, that is another matter, and that is in my written testimony. You can look at that.

I do believe families should be served. The doubling up, the reason I say that there is another source, it is not necessarily because of TANF, it is that most of the families that we are talking about who have fallen into homelessness have fallen in because of economic circumstances.

One of the things that I do not think is clear is that both legislation talk about a new program, prevention activities, which can pay for mortgage assistance, rental assistance, security deposits. I am not suggesting that—the program itself has not been defined.

It could be 3 months of mortgage assistance. If a family does not have to pay 3 months of mortgage, that can allow them to save that money to last them throughout the rest of the year.

I think that for Shelter + Care and SRO mod rehab, we should restrict that to the homeless, people who are actually homeless and on the streets and in camps, but for prevention activities, I think that is where it is most valuable to families, to take advantage of those types of activities to be funded, which is really new to the McKinney-Vento Act.

Mrs. BIGGERT. Thank you. Dr. Burt, and maybe I will come back to Ms. Gallo, too, talking about this, but you mentioned that the proposed expansion of HUD's definition of "homelessness" including all people living together, but to be clear, the U.S. Departments of Education, Health and Human Services, and Justice, use the definitions of "homeless" and include people in doubling-up situations and motel situations if the situation is not fixed, regular, and adequate due to specific circumstances.

If I read that definition, it seems to me that we are not including two families choosing to live together on a long term basis because the rents are high.

Do you read that differently than I do?

Ms. BURT. No. I would agree with you, that you are not—that definition does not include voluntary long term arrangements, two sisters and their kids, rent an apartment together.

Mrs. BIGGERT. You still think doubling up should not be—

Ms. BURT. I would not in any way disagree with anybody about the current inadequacy of mainstream services in two different directions. I would totally agree that they do not reach homeless people and they do not serve them very well. I would totally agree that they do not have the resources to do it.

I would totally agree that we need very much more—I would personally like to see the resources to eliminate every worse case housing need that stemmed from economic resource issues.

I think there is a lot of homelessness and a lot of it on the family side that is economic in nature, and you can see it as the cost of housing goes up, so do the number of families that are specifically desperate on the subject of housing, much more than you see it on the single side.

Mrs. BIGGERT. If I could just interrupt because I am out of time, just one question for everybody.

When we were talking about the disabled and the disabled parent and finding housing, do you think the definition of that should be changed to include if you have a disabled child? Dr. Burt? Rather than just the parent, where they were kicked out of the apartment.

Ms. BURT. That is actually rather hard.

Mrs. BIGGERT. I just need a yes or no.

Ms. BURT. Maybe.

Mrs. BIGGERT. Okay, maybe, too. Ms. Carter?

Ms. CARTER. Yes.

Mrs. BIGGERT. Ms. Nilan?

Ms. NILAN. Yes.

Mrs. BIGGERT. Dr. Bassuk?

Dr. BASSUK. Yes.

Mrs. BIGGERT. Mr. Loza?

Mr. LOZA. Yes.

Ms. GALLO. No.

Mrs. BIGGERT. It is close. Thank you, Madam Chairwoman. I yield back.

Chairwoman WATERS. Thank you very much. That completes the hearing for today. I would like to thank all of you who have been so patient and who have been so informative and so helpful to us as we make decisions about this very important public policy. We appreciate your time, your work, and everything that you are doing.

With 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 members to submit written questions to these witnesses, and to place their responses in the record.

This panel is now dismissed and without objection, we submit for the record a statement from a group known as Family Promise.

Thank you very much. This hearing is now adjourned.

[Whereupon, at 2:58 p.m., the hearing was adjourned.]

A P P E N D I X

October 16, 2007

The Testimony of

Ellen L. Bassuk, MD
President, National Center on Family Homelessness
and
Associate Professor of Psychiatry, Harvard Medical School

Before the Subcommittee on Housing and Community Opportunity
Financial Services Committee
United States House of Representatives

October 16, 2007

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Representative Waters and members of the Subcommittee, I am honored to have the opportunity to speak with you today on behalf of the 1.3 million children who are homeless in America each year (Burt et al., 1999). Thank you for giving a voice to this most vulnerable and often neglected group.

I am Ellen L. Bassuk, MD, Associate Professor of Psychiatry at Harvard Medical School and the president of the National Center on Family Homelessness. Founded in 1988, the National Center on Family Homelessness is a mission-driven, non-profit organization committed to ending family homelessness by understanding the needs of homeless families and children, developing and refining responsive programs, and delivering technical assistance to communities and service providers. We have conducted dozens of research, evaluation, and technical assistance projects, creating a body of knowledge that informs programs and policies across the country, including some of the first studies of homeless families in the early 1980s that helped put this issue on our nation's program and policy agenda. We currently work in 47 States across the nation. Drawing on knowledge gained from our 19 years of research and field experience, I respectfully offer the following comments on the Reauthorization of the McKinney-Vento Homeless Assistance Act.

For the first time in the history of the United States with the exception of the Great Depression, homeless children and their families have joined the ranks of the homeless population (Bassuk & Franklin, 1992). While the numbers of families and children in the mid-1980's were negligible, they now comprise 35%- 40% of the overall homeless population (Burt et al., 1999). It is astounding to consider that 1.8% of all families and 8% of poor families in the United States experience homelessness annually (Burt et al., 1999). We know these numbers underestimate the extent of the problem because they only capture families that received homeless assistance services. Local reports suggest that family homelessness is now increasing significantly. For example, Massachusetts has seen a 29% increase in family homelessness in a little over a year ("Homeless families fill shelters to highest levels since 1983," 2007).

Homelessness for a child is more than the loss of a house. It disrupts every aspect of life. It separates children from their belongings, beloved pets, reassuring routines, friends, and community. At a time when children should be developing a sense of safety and security, trust in their caregivers, and freedom to explore the world, they are severely challenged and limited by unpredictability, dislocation, and chaos. They begin to learn that the world is in fact unsafe, that their parents are understandably stressed and preoccupied, and that scary and often violent things happen around them. These experiences are not lost on children—even the youngest. Ongoing, chronic stress can have profound and lasting effects that may still be manifested in adulthood.

Based on a longitudinal study we conducted, The National Center on Family Homelessness has documented that residential instability, interpersonal violence, and family separation and disruption are inextricably linked. Ninety-seven percent of homeless families move, many up to three times in the year before entering shelter (Masten, Miliotis, Graham-Bermann, Ramirez, & Neemann, 1993). These moves are

not positive: 26% of homeless families have been evicted from their homes; 89% had been doubled-up where they were faced with overcrowding, friends and family who resented their presence, and significant risk of physical and sexual abuse (Bassuk et al., 1997).

Perhaps the most shocking finding from our research is the astoundingly high rates of interpersonal and community violence in the lives of these families (Bassuk et al., 1996). The pervasiveness of victimization in the lives of homeless mothers is staggering:

- 92% of homeless mothers have been severely physically or sexually assaulted during their lives—and their average age is 27 years.
- 63% of homeless mothers have been violently abused by a male partner, with 27% requiring medical treatment.
- 25% of homeless mothers have been victims of random violence.

These findings are particularly pertinent considering that a mother's emotional status is often the most important mediating factor determining the outcomes for her children—especially younger children.

Homeless children are also exposed to extreme levels of violence. For example, although difficult to document accurately due to under-reporting, we know from a recent study of homeless children aged 8 to 17 years:

- 62% have been exposed to at least one form of severe violence, 37% reported two or more events, and 23% reported three or more.
- 13% reported that grown-ups at home had hit each other.
- 53% reported hearing gunshots, 17% said they had seen someone shot, and 17% said they had seen a dead body.
- 8% report that someone had threatened to kill them.

This exposure to violence was a salient predictor of children's mental health over and above other explanatory factors (Buckner, Beardslee, & Bassuk, 2004).

Homelessness is also marked by family separations and disruptions (Barrow, 2004). Homeless children are at high risk for out-of-home placement: 22% live apart from their immediate family at some point; 12% are placed in foster care, compared to just over 1% of other children (Bassuk et al., 1996; Shinn & Bassuk, 2004). The impact of family separation is significant. Caring attachments between adults and children are fundamental to human development. When a child's bond with her mother or mother figure is precipitously disrupted or inconsistent, the child is likely to suffer long-term negative effects such as behavioral difficulties and an inability to form supportive, trusting relationships that may extend into adulthood.

Understandably, given their circumstances and the unrelenting stresses they experience, including the stress of homelessness itself, many homeless children face physical, emotional, behavioral, and cognitive development issues (Rog & Buckner, 2007; Cook et al., 2005). Compared to their housed counterparts, homeless children have more acute and chronic medical problems, four times the rate of developmental delays, three times the rate of anxiety, depression and behavioral difficulties, and twice

the rate of learning disabilities. By age 8 years, approximately one in three homeless children has at least one major psychiatric disorder. It is not surprising that they struggle in school and have difficulty learning. Almost three-quarters perform below grade level in reading and spelling. An estimated one-third have repeated a grade. Despite their extensive needs, most are not receiving appropriate special educational services or treatment when needed (Bassuk et al., 1996; Bassuk, Weinreb, Dawson, & Perloff 1997; National Center on Family Homelessness, 1999).

It is important to add a hopeful caveat to this dire picture. We have data that strongly suggest that many homeless children are resilient and do well with adequate supports and clinical treatment when needed (Huntington, Buckner, & Bassuk, in press). Stable permanent housing is the critical foundation for achieving these positive outcomes.

Homelessness is traumatic for children and its effects can last a lifetime (Guarino, Rubin, & Bassuk, 2007). It is not just the children who lose out. Our society as a whole faces a profound moral dilemma and pays a high economic price for this tragedy. Efforts must be made to strengthen the federal response to family homelessness before the homeless children of today become the chronically homeless adults of tomorrow. Permanent housing with transitional supports is the basis for the solution and can pave the way to ending homelessness. With children in such dire circumstances, we either pay now or pay later.

This national crisis demands immediate action. Unfortunately, much of the current policy discussion centers around how to allocate scarce resources among equally deserving and needy subgroups. These efforts pit one subgroup against another. This is counter-productive. The National Center on Family Homelessness fully recognizes the complex needs of single adults who are chronically homeless and we support efforts to overcome the widespread stigma that has led to substandard services or no services at all. We must continue to address the needs of disabled adults and provide permanent supportive housing for these individuals. We also believe that current policy is unbalanced and has inadvertently limited communities' efforts to address and prevent homelessness among children and their families. While insufficient resources have been committed to adequately address the needs of all homeless people, the solution is not to support one group to the exclusion of others. We strongly advocate for adequate funding of McKinney-Vento to meet the needs of all people experiencing homelessness. Until that time, we offer various suggestions.

First, we urge aligning the HUD definition of homelessness with those used by the Departments of Education, Health and Human Services, and Justice. Families, children, and youth who are doubled up or living in hotels or motels and do not have a fixed, regular and adequate living situation are homeless. These families live in overcrowded, unsafe, and unstable living situations with entire families often having to live in a single room with no access to cooking facilities or play spaces. Not only are these situations emotionally damaging for children they also can be physically damaging as children in these situations are at increased risk for physical and sexual abuse. These families are homeless and in need of services and safe, stable housing.

Second, we support provisions in the HEARTH Bill that allow communities the flexibility to implement a range of housing and service options based on local needs. These strategies are more likely to be responsive to local needs and allow the possibility of supporting preventive services. Only by further developing preventive strategies, which are now only in a rudimentary stage, can we hope to close the front door to homelessness. We are hopeful that the proliferation of local 10-Year Plans to end chronic homelessness indicates sufficient community momentum to allay concerns about discrimination against individuals with severe disabilities.

Finally, if there is to be a set aside for permanent supportive housing, it is essential that the definition is expanded to include the needs of homeless families and children. Homeless families and children have different mental health needs than those of homeless single adults, and these do not always fall under the category of "disability". Some family members have serious physical and/or mental health needs that are disabling enough to warrant ongoing community services and treatment, including placement in permanent supportive housing. Because research data on this remain limited, there has been disagreement about the percentage of families in this category. Many family members have problems such as post traumatic stress disorder (PTSD) and clinical depression which are often under-recognized and under-treated (Bassuk, Buckner, Perloff, & Bassuk, 1998). Among the mothers, these conditions, when untreated, often lead to difficulties accessing critical services, becoming self-supporting, and parenting effectively. If substance abuse is added to the equation, their challenges are even greater. Homeless children with disabilities must also be included within such a set aside. A significant number of these children suffer from disabilities that place increased demands on their families and can limit a parent/caretaker's ability to exit homelessness.

It is important to understand that current definitions of chronicity are ill-suited to the realities of family homelessness and ignore the unique needs of children. There are two generations within homeless families, parent/caretaker and child(ren) and a significant percentage of these children are under the age of 6. The impact of homelessness is very different for children; experiencing homelessness for even one to two months (much less a year or more or four times in a three year period) may have a devastating impact on their healthy growth and development. Current definitions do not take into account the unique experiences and needs of children who are homeless as well as the rapid growth and development of children.

Homeless children do not become homeless by themselves. We cannot expect them to stabilize their lives alone. As the society which has fashioned their condition, we have a moral responsibility to devise their rescue. The HEARTH Bill takes important steps in that direction, but we are mindful that much more needs to be done. The knowledge and strategies to end family homelessness exist. We now need the desire to ensure a decent life for all children and the will to make it happen.

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Reauthorization of the McKinney-Vento Homeless Assistance Act

Testimony submitted by

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Before the U.S. House of Representatives, Committee on Financial Services

Subcommittee on Housing and Community Opportunity

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[1] This testimony draws on my own and other researchers' published and unpublished work. The views expressed are mine alone and do not necessarily reflect the views of any organization with which I am affiliated.

Chairman Waters and Members of the Committee:

Thank you for inviting me to share my views relating to various provisions in the reauthorization of the McKinney-Vento Homeless Assistance Act. I have been involved in policy-oriented research on homeless populations and homeless service systems since 1983, when the first Emergency Food and Shelter Program legislation was passed, and also helped shape the definitions of homelessness that govern the Department of Housing and Urban Development (HUD) programs funded through the Act. So it is a pleasure for me to be asked to give testimony on these matters.

I will address my remarks to five of the issues articulated in the letter of invitation: (1) definitions of homelessness, (2) activities to prevent homelessness, (3) advisability of a setaside for permanent supportive housing (PSH), and (4 and 5) the composition of local homeless planning bodies and their relationship to the 10-year planning process. In addressing these matters I also touch on the issue of what works for whom and the issues of accountability, performance outcomes, and incentives.

1. DEFINITIONS OF HOMELESSNESS

I have been involved in the issue of "what is homelessness" since the first Emergency Food and Shelter Program passed in 1983. I have advised HUD on what should be included in a definition of homelessness, have written publications for HUD that describe and explain those definitions (Burt, 1992a; 1992b, 1996a; 1992b) and have been involved in many research projects that collected data to fit those definitions and inform the nation about the nature of homelessness including the only two national studies (Burt and Cohen 1989; Burt et al. 1999; Burt, Aron, and Lee 2001) to precede the Annual Homeless Assessment Report, the first of which was just released this year.

Given my background and experience, I am particularly interested in seeing that the definitions incorporated into S. 1518 as introduced *are retained,* and that the pressure from a coalition of advocacy groups to expand them to include many more people and households are resisted. Two issues concern me: (1) whether HUD's definition of homelessness should be changed to match

definitions that some other federal departments use, and (2) whether a family in which the parent would meet the criteria for chronic homelessness that apply to single adults should be included in HUD's "chronically homeless" definition.

KEEPING HUD RESOURCES FOCUSED ON LITERALLY HOMELESS PEOPLE

Some advocates are strongly urging Congress to change the homelessness definition in S. 1518 to the one in H.R. 840. The latter covers many people who might more reasonably be described as poorly housed or overcrowded; some may also be precariously housed. Since funding for homelessness has been about the only category of social safety net spending that has increased in recent years, these advocates want some of that money to go to the people they serve—the very large category of very poor households that are having a very difficult time affording housing, and sometimes have to resort to doubled-up and other precarious situations as the result of financial crises.

The part of HUD that should be addressing the needs of poorly and precariously housed people is Public and Assisted Housing, not the Office of Special Needs Assistance Programs. But instead of expanding the supply of rental assistance through this agency, the present administration has been steadily eroding and now explicitly cutting the number of households receiving rental assistance. And this has occurred in the face of a housing market that shows no signs of becoming affordable to people in the two lowest income quintiles and has turned millions of households into "worst case housing needs" by HUD's own estimate. It is impossible to meet the needs of these millions of poorly housed people with the meager $1.4 billion that HUD has to spend annually on alleviating homelessness. It is impossible with that amount of money even to end the homelessness of the approximately 150,000 to 250,000 chronically homeless people in this country.

All that will happen should advocates of an expansive definition have their way is that HUD will become less able to pursue its current, *effective,* course of working toward eliminating chronic homelessness. Such a dissipation of resources would be bad policy, I believe, because it would stop an effective strategy and substitute the kind of Band-Aid, stop-gap approaches that thoughtful communities have been trying to move away from. I strongly believe that the S. 1518 definitions should stand and that no change in homeless definitions should be accepted unless the

resulting new definitions can be shown to be measurable and capable of being used to document progress in ending homelessness.

THE DEPARTMENT OF EDUCATION "DEFINITION"

The definition used by HUD focuses on literally homeless people (those sleeping in shelters and places not meant for habitation). We have extensive experience with measuring homelessness using this definition and showing changes in the extent and nature of homelessness over time. The alternative definition most commonly proposed by advocates is the one used by the Department of Education. I have had some experience with Department of Education efforts to achieve a shared understanding of who should be included as eligible for homeless services for school-age children and youth. I have also worked with state homeless education coordinators to develop accurate counts of homeless children and youth. The Department of Education's definition is so loose that states and localities make very different decisions about which children to include. Nor has the Department of Education developed any mechanism for counting children and youth that is sufficiently standardized and accurate across jurisdictions for policy makers to trust it for anything other than to reflect the number of children and youth that the Department of Education's programs actually serve. This is not a good track record to impose on another federal department. Nor does it meet the criteria I suggested above—no consistent measurement of homelessness is possible using this "definition," nor can any results obtained be used to reliably track progress in ending homelessness.

INCLUDING CERTAIN FAMILIES IN THE DEFINITION OF CHRONIC HOMELESSNESS

S. 1518 does make one important change in current definitions that I believe the research evidence warrants. HUD's present definition of chronic homelessness is restricted to single adults, who must be disabled and homeless for one year or longer or had four or more homeless episodes in three years. Yet growing evidence shows that some parents, usually women, meet all the criteria for chronic homelessness except for the fact that they are homeless with at least one of their children. Research on these families reveals that until finding housing and receiving supportive services through permanent supportive housing programs, on average they had been homeless four times, for about 48 months total homeless time, and had significant levels of disability (Nolan et al 2005; Corporation for Supportive Housing and the National Center for

Family Homelessness 2006). Their children had suffered in many ways from their families' highly unsettling experiences, putting them at risk for becoming the next generation of homeless people. I think S. 1518 is correct to expand the definition of "chronic homelessness" to include such families, provided the parent would qualify as chronically homeless if no child were present. The expansion would allow these families to access chronic homelessness resources designed to help people whose situations clearly have not and will not respond to simple shelter stays or even to getting a housing subsidy but not receiving the services they need to help them keep their new housing.

Including Certain "Doubled-Up" People in the Definition of Homelessness

Amendments to the language of the original S. 1518 allow certain people living in "doubled up" situations to be included in the definition of homelessness. Legislative language tries to identify the most precarious of the precariously housed, focusing on frequency of moves within a short period of time. It is important that the legislation be *extremely* careful in its wording on this point, as it will become the basis for saying who will and who will not get services, and whether we will be able to measure and count this new component of the homeless population. Homelessness researchers have always had the problem of finding "hidden" homeless people; expanding the definition in this way will compound this problem. Even now, there is no *single* methodology that could be used to identify them. Shelter and street counts will not do; only household surveys could cover the relevant population, and using them would impose a severe burden on communities around the country, well beyond what HUD already requires by way of biannual point-in-time counts. Los Angeles County included such a survey in its 2005 and 2007 counts—the only community I know of that does so. Its experiences reveal both the costs and the perils of trying to estimate the extent of hidden homelessness.

In the case of homelessness, where public policy is interested in knowing whether more or fewer people are homeless from year to year, both in general and in response to specific targeted interventions, a definition must help us count people. It must not add an unknown and unknowable component to a population that is already hard enough to enumerate. In my opinion, it would be advisable to *limit* the expanded definition to *people who seek homeless assistance*, as opposed to the many people in doubled-up or couch-surfing situations who do not.

Among people seeking services, one could reasonably apply criteria of frequency of moves and instability of the situation.

Another circumstance in which people should be counted as homeless is when a clearly homeless (by HUD's present definition) household approaches a homeless assistance agency and the agency is able to help, but not for a few days, until a program space becomes open. A relative or friend can be persuaded to take the household in for those few days, but not for longer. This is a situation commonly reported by homeless assistance agencies in rural areas (Burt 1995). Many homeless assistance agencies feel they must then deny the household any help because they are now "housed," believing this is HUD's interpretation of literal homelessness, as indeed has been held by many HUD regional offices. The reauthorizing legislation would be justified in holding that in such cases the household's homeless status should be judged on the basis of its circumstances at the time of its first appeal to the agency.

2. PREVENTION

One can use a lot of resources pursuing prevention without having much assurance that one has prevented anything (Burt, Pearson, and Montgomery 2006). This is a primary reason why Congress has provided so few resources in recent decades for homelessness prevention. The key to cost-effective prevention is targeting—being *very* sure that the people who receive homelessness prevention assistance were *extremely* likely to become homeless were they not to receive the assistance. Controlled experiments are one way to ensure a prevention intervention is truly preventing something. Over-time tracking of the events being prevented is another. If one assists homeless and about-to-be-homeless families in a new way and the result is that, over time, the incidence of newly homeless families decreases as does the number of families in shelters, one can reasonably infer that the intervention is preventing homelessness. Intervention types that can demonstrate this type of over-time result are worth investing McKinney-Vento resources in.

HOMELESSNESS PREVENTION FOR FAMILIES

A few communities have had great success with a combination of prevention at the point of housing loss and rapid rehousing strategies for families that do need to be sheltered. Cases in point are Columbus, Ohio (46 percent reduction over seven years), Hennepin County, Minnesota

(43 percent reduction over four years), and Westchester County, New York (57 percent reduction over four years). Note that all three communities *use a centralized intake process* to handle families seeking assistance to avoid homelessness or to obtain shelter. At centralized intake, a triage process takes place. Families must meet clear criteria of need for prevention assistance, and even more stringent ones to receive shelter. Providers must agree to work with families only within the guidelines established by the overall system. These three communities *devote substantial state and local resources* to their family homelessness prevention efforts. The fact that public monies are involved increases the need for accountability and gives the centralized intake agency a certain amount of leverage over providers. Note also that these communities pay attention to impact—they follow families and assess the extent to which families receiving prevention interventions avoid future homelessness. Even better would be if they had evidence from control groups that the families would indeed have become homeless without the interventions, but even these outstanding communities do not have this type of evidence, which would be the most solid evidence possible that true prevention occurred.

These are good models *if* communities and their homeless assistance providers are willing to go along with centralized intake and centralized decisions about which families should receive which services, and *if* the community has the resources to put into prevention and rapid exit strategies. I also know of communities with centralized family intake that have not reduced family homelessness, either because they do not have the needed resources, they do not have the cooperation of family homeless assistance providers, or both. And I know of far more communities without any centralized, organized approach to family homelessness that are even less likely to be able to mount effective prevention strategies for families. The committee should be under no illusions that the availability of prevention funding through the McKinney-Vento program will automatically cause communities to organize themselves into structures that will work to reduce family homelessness. It would be far easier for communities to use these new resources the way they use Emergency Food and Shelter Grants through FEMA, doling them out to a wide range of agencies, exercising little control over which families receive help, and at the end of the day having no way to measure whether or not family homelessness has been reduced. Therefore, I would advise that continued receipt of prevention resources under the Act be tied to evidence from community-wide surveys or other mechanisms that are able to demonstrate the impact of prevention resources.

Other useful approaches to preventing homelessness among families require the active participation of mainstream agencies, particularly welfare and child welfare agencies. These agencies need to become much more attuned to housing stability and instability among their client families, including altering their databases and client records to keep track of housing situations and see that they are regularly updated. Housing instability and homelessness are among the most common situations prompting Child Protective Services to remove a child from the home; sufficient warning and prevention resources could avert not only homelessness but family separation. Homelessness prevention activities of this type are excellent ways to bring local mainstream agencies into the process of ending homelessness and raise their awareness of how housing loss negatively affects the families and children they are trying to assist.

HOMELESSNESS PREVENTION FOR SINGLE ADULTS

In general, communities are even less organized when it comes to serving homeless single adults than they are in serving homeless or at-risk families. However, prevention efforts for single adults are facilitated by concentrating on people in institutions such as hospitals, treatment programs, jails, and prisons who were homeless when they entered and/or are almost certainly going to be homeless when they leave. Many communities are beginning to realize the value of targeting people leaving institutions for homelessness prevention, whether the homelessness prevented is primary (the person has never been homeless before) or secondary (the person had experienced some homelessness and would be more likely to become chronically homeless unless assistance is provided). The institutions from which people exit to homelessness have the great advantage of being able to provide a good deal of information about risk of homelessness upon institutional release, and for that reason make targeting of prevention resources very effective. The Act should encourage communities to undertake this type of homelessness prevention, and reward them for successful efforts. As with the homelessness prevention described for families by involving the welfare and child welfare agencies, homelessness prevention aimed at single adults leaving institutions offers great opportunities for involving mainstream corrections, law enforcement, mental health, substance abuse, and general health care agencies, for whom the payoffs in reduced crisis service use may more than offset the cost of providing permanent supportive housing for the people who make excessive use of these services. Quite a number of these agencies are already doing their own studies focused on the

advantages to them of assuring that releasees have stable housing and the supportive services needed to keep it.

3. SETASIDE FOR PERMANENT SUPPORTIVE HOUSING

The 30 percent set-aside for permanent supportive housing that has been in effect for McKinney-Vento homeless assistance since 1999 has had significant payoffs in the form of homelessness reduction, and should be continued. I understand the committee has heard testimony suggesting that these set-asides and the permanent supportive housing they create have not helped to reduce homelessness. It is hard to believe anyone could say that and mean it, as community after community that has made significant investments in permanent supportive housing coupled with mechanisms to see that the housing goes to chronically homeless street dwellers and shelter users reports significant reductions in street homelessness, chronic homelessness, and even homelessness overall. Examples include Denver, Portland, Oregon, New York City and other cities. In Denver, chronic homelessness is down 36 percent over two years, during which 354 units of Denver's 10-year plan goal of 942 units of permanent supportive housing were completed and 340 chronically homeless people moved in. In Portland, chronic homelessness is down a remarkable 70 percent over two years, from 1,284 to 386 people. Unnsheltered homelessness is down 39 percent and overall homelessness is down 13 percent. Portland moved 1,039 chronically homeless individuals and 717 homeless families into housing through several strategies coordinated through its 10-year plan, of which permanent supportive housing is a major component.[2] Quincy, Massachusetts reports a drop of 45 percent in street homelessness over the past three years thanks to development of permanent supportive housing, and recently *closed an emergency shelter* because it was *not needed any longer*. Even New York City saw its street population drop by a few percentage points in the past two years, as more permanent supportive housing came on line and efforts to move long-term stayers out of shelters began to pay off. Over all, the federal Interagency Council on Homelessness reports that 32 cities across the country are experiencing the first reductions in street and chronic homelessness in more than 20 years, thanks to development of permanent supportive housing and mechanisms to be sure that chronically homeless people have access to housing.

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[2] See www.naeh.org, "Snapshots," for these and other examples.

It's Not All Federal Dollars

Historically, federal McKinney-Vento dollars were the primary levers for creating transitional and permanent supportive housing programs to assist homeless people for whom emergency shelter was not sufficient to help them leave homelessness. But McKinney-Vento funding is no longer the primary contributor to permanent supportive housing, and state, local, and private resources in combination exceed the total federal contribution in many communities (counting block grant resources such as the Community Development Block Grant and HOME as "local" since local decision-makers control how they are spent and can easily choose not to spend them on homeless programs).

Table 1: Who Funds Permanent Supportive Housing?
Funding sources for 109 permanent supportive housing projects open and operating in 2004 in six communities

	$, in millions	**Percentage distribution by type**				
		Federal government	State government	Local (city, county, "local") government	Private sources	
Total	$644.2	40%	15%	35%	11%	100%
Capital	$562.2	39%	15%	37%	9%	100%
Operating	$ 50.7	44%	10%	17%	30%	100%
Services	$ 31.3	42%	26%	26%	6%	100%

Source: Martha R. Burt and Jacquelyn Anderson. (2006). Taking Health Care Home: Baseline Report on PSH Tenants, Programs, Policies, and Funding. Chapter 3, Table 3.2. Oakland, CA: Corporation for Supportive Housing. Available at http://www.csh.org.

A recent study (Burt 2005) of the financing for 109 permanent supportive housing projects in six communities (Los Angeles County, Seattle/King County, Spokane city and county, Portland/Multnomah County, and the states of Maine and Kentucky) found that federal resources contributed around 40 percent of the funding in all categories—capital, operating, and service expenses (table 1). Further, McKinney-Vento resources (the combination of Supportive Housing Program and Shelter Plus Care funds) accounted for the largest share of funding in only one category, operating funds, to which they contributed 32 percent to operating resources (13 percent from SHP and 19 percent from Shelter Plus Care). McKinney-Vento funds contributed only 2 percent of capital funds (Low Income Housing Tax Credits were the largest source, at 33 percent). On the service funding front, McKinney-Vento funding provided 24 percent of the resources, easily topped by state and local mental health agency spending, which accounted for

39 percent of spending for supportive services. So McKinney-Vento programs have stimulated additional funding streams in some communities that are able to support the development of new PSH independent of McKinney-Vento. McKinney-Vento resources nevertheless remain essential to the support of existing programs in every community and to fund new programs in the many communities that still do not have significant state or local investment.

The Value of Identifying Subgroups For Which We Know What Works

The point of the permanent supportive housing set-aside is that it targets a particular subgroup among homeless people—those who are the least likely to be able to leave homelessness on their own, namely the chronically homeless and those with multiple disabling conditions. Ample evidence points to this group's disproportionate use of the scarce resources of the homeless assistance network as well as the excessive use of crisis public services. Research has given us good ideas of this subgroup's size, of the effectiveness of specific interventions, and of the relative costs and payoffs of providing the interventions. The results just described, and others, tell the story. It would be foolhardy to undo the Act's funding commitment to such a well-documented successful strategy.

By a similar token, the more we are able to identify relatively homogeneous subgroups among homeless people, the more likely we are to be able to design approaches that will help prevent or end their homelessness. Claims that we cannot or should not differentiate among homeless people or seek to apply specific strategies to specific subpopulations for which they are indicated belie all the evidence. Approaches to serving homeless families have benefited from differentiation just as have approaches to assisting single adults. The centralized homelessness prevention/rapid rehousing strategies described above rely on a triage mechanism that separates homeless families according to what they are likely to need to leave homelessness. There is no point in maintaining that all need the same things—to do so is to invite inefficiency and wasted resources. It is clear from recent research that a relatively small proportion of families need a great deal of long-term help to leave homelessness and stay housed. The large majority need far less, but we are not yet fully able to identify those who need only temporary help (e.g., with rent or utility arrearages), those who need a permanent rent subsidy but no services, and those who need both subsidy and services. The research agenda detailed in the reauthorizing legislation will help us make these determinations.

4 AND 5. COMPOSITION AND AUTHORITY OF LOCAL HOMELESS PLANNING BODIES AND RELATIONSHIP TO 10-YEAR PLANS

The invitation to testify at this hearing included questions about the extent to which the reauthorizing legislation should prescribe the composition and decision-making structure of local homeless planning bodies, and also asked how the legislation should address or relate to 10-year planning processes, which exist at some level in about half of today's Continuum of Care communities.

I have very strong feelings about legislating the composition and decision-making structure of local homeless planning bodies—**you should not do it**! By all means, specify what you want these bodies to be able to do, and the decisions you want them to be able to take. Describe the evidence you will take as indicating that the bodies are indeed empowered to do the type of planning and especially implementation that you believe are needed to end homelessness in a community. And set up the grant renewal structure to reward community-wide performance improvements based on the evidence. But then leave it up to the community to determine how it will structure itself to comply with legislative specifications and whom it will involve in the process. Every community will have its leaders and champions, but they will be in unpredictable places. Nothing kills change efforts faster than lodging them in a hostile agency, or under the control of someone without passion, commitment, and energy. Nothing guarantees that that will happen more than trying to specify where a change effort must be located and who should participate in it. Nothing stimulates change more than having the right people at the table, the right person in charge, and the right attitudes toward change in the interest of meeting people's needs, be that for ending homelessness or anything else. It is impossible for me to relate, in the short space available to me, the number of times I have seen change efforts die for being misplaced or badly led. This is one instance in which it is most important to let the community itself decide how it will carry out the job that the legislation assigns to it.

As to whether the legislation should specify the relationship between the collaborative applicant and any 10-year planning process underway that affects the same communities, such a relationship should certainly be encouraged. However, specifying its shape or nature is probably impossible to do and therefore unwise to try. It is important to remember that not all 10-year plans are created equal. Of the more than 300 communities that have committed to develop such

plans, only about a third have completed them, and far fewer than these are truly committed to implementation. Many plans look like statements of abstract principles rather than thoughtful presentations of goals and timetables, and few have any goals or timetables in sight, let alone the resources and structures that would assure implementation. Many communities that will be applying to HUD will have no 10-year plans of their own, but will still be covered by a state 10-year plan, which may or may not be concrete enough for a local community to relate to. I have been in communities that have completely merged the two processes, to great effect. I have been in other communities in which the 10-year plan, the Continuum of Care process, and other service integration processes operate as distinct activities but are still highly cooperative and mutually beneficial. These are the circumstances you would want to encourage through the reauthorizing legislation. The approach should be to use each year's collaborative application to push the idea of goals, timetables, and active implementation of approaches designed to end homelessness, whether or not a 10-year plan exists. Then leave it up to each community to decide what to do, but make it clear that applications showing a clear plan and the steady accomplishment over the years of relevant steps toward the ultimate goal will be viewed with great favor.

SUMMARY

To recap the points I've made

So, my bottom line is, do not put specific requirements for composition or relationships in the legislation. Put in goals and expectations, and let local communities decide how they are going to reach them.

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STATEMENT OF NANCY CARTER
NAMI URBAN LOS ANGELES
ON BEHALF OF THE NATIONAL ALLIANCE ON MENTAL ILLNESS

REAUTHORIZATION OF THE MCKINNEY-VENTO HOMELESS ASSISTANCE ACT

SUBCOMMITTEE ON HOUSING AND COMMUNITY OPPORTUNITY
COMMITTEE ON FINANCIAL SERVICES
U.S. HOUSE OF REPRESENTATIVES

OCTOBER 16, 2007

Chairwoman Waters and Representative Capito, I am Nancy Carter, President of NAMI Urban Los Angeles, an affiliate of the National Alliance on Mental Illness (NAMI). I also serve on the Board of Directors of the NAMI National organization. NAMI is the nation's largest organization representing individuals living with mental illness and their families. NAMI is pleased to offer its views on the McKinney-Vento Homeless Assistance Act and the critical role the program is playing in improving the lives of homeless people living with mental illness and other co-morbidities such as substance abuse, HIV-AIDS and other chronic medical conditions.

In NAMI's view, the story of McKinney-Vento Homeless Assistance Act is that of an extremely effective government intervention that is making a real difference in the lives of our most vulnerable citizens. This is especially the case with respect to the permanent housing programs that are central to McKinney-Vento's mission – Shelter Plus Care and SHP. These programs have consistently received the highest ratings of any program at HUD, based on overall performance and effectiveness in reaching specific defined outcomes. In NAMI's view it is critical that any reauthorization of McKinney-Vento

maintain continued and expanded focus on these proven and effective solutions that bring us closer to the shared goal of ending chronic homelessness.

Homelessness and Mental Illness
The prevalence of individuals with mental illness in the homeless population has been a black mark on our society ever since we undertook the social experiment known as "deinstitutionalization" back in the 1960s and 1970s. As NAMI members know from personal experience, the promise of community-based housing and supportive services promised to so many people with serious mental illness as an alternative to placement in long-term state psychiatric hospitals never materialized.

As studies by Dennis Culhane and colleagues at the University of Pennsylvania have demonstrated over and over again, when individuals with serious mental illness, co-occurring substance abuse disorders and other co-morbid chronic health conditions (including HIV-AIDS and hepatitis) fall into homelessness, they tend to stay homeless much longer. These studies show that a significant sub-population of about 200,000 homeless individuals experience extended or repeated episodes of homelessness. Most bounce between the streets, emergency shelters, emergency rooms, inpatient general and psychiatric hospitals and the criminal justice system.

This tragic cycle is extremely costly, both in terms dollars and wrecked human lives. Dr. Culhane's data demonstrates that it costs the City of New York on average $40,500 a year to keep people with mental illness homeless, 86% of those costs borne by the mental health and public systems. In NAMI's view, individuals with untreated (or poorly treated) severe mental illness and co-occurring substance abuse disorders are the predominant population among this phenomenon of chronic homelessness.

Permanent Supportive Housing – An Effective Solution That Works
Fortunately, there are proven solutions to address chronic homelessness and break the costly cycle associated with keeping individuals homeless over an extended period of time. We now have substantial research demonstrating the effective of permanent supportive housing as proven, effective model. Formerly homeless residents of supportive housing achieve decreases of more than 50% in emergency room visits and inpatient hospital days and an 80% drop in emergency detoxification services. This translates into savings of $16,282 in health care costs per unit per year. Further, more than 80% of people who enter supportive housing are still in housing a year later.

McKinney-Vento Programs Alone Cannot Resolve the Affordable Housing Crisis
As you know, the HEARTH Act (HR 840) proposes a significant expansion of eligibility for programs under McKinney-Vento, specifically to include individuals and families that are doubled up for economic reasons, residing in motels and living in substandard housing. Such an expansion would be based on the definition of homeless established by the Department of Education, despite the fact that the Education Department's programs have a very different purpose than McKinney-Vento.

Such a dramatic expansion of eligibility for McKinney-Vento programs would significantly dilute the effectiveness of a program that is funded in FY 2007 at only $1.44 billion. It is simply not possible to double or triple McKinney-Vento appropriations over a short period of time to keep pace with an expansion on this scale.

However, a more important consideration is the role that McKinney-Vento plays in our overall affordable housing system. When Congress enacted McKinney-Vento in 1987, it was not intended to address all of the complicated challenges related to achieving adequate access to affordable housing for low-income individuals and families. Rather, McKinney-Vento has always been about addressing the complicated and diverse needs of individuals and families that are both homeless and unsheltered.

Instead, NAMI believes that the housing needs individuals and families that are doubled up, living in motels, stuck in substandard housing are most appropriately addressed by the larger affordable housing system that has failed these individuals and families. This system, including a wide variety of HUD programs such as public housing, Section 8, HOME, CDBG, Section 202, Section 811 and others, has been consistently underfunded, and in many instances neglected, by Congress in recent years.

Fortunately, this is now changing. In just the past 9 months, you and Chairman Frank have brought forward from this Subcommittee an impressive array of legislation to make vast improvements and new investments in these programs. The Section 8 voucher reform legislation, the GSE and FHA reform bills and most importantly, the National Housing Trust Fund (HR 2895) that passed the House just last week, mark the most important reforms and investments in expanded affordable housing opportunities in a generation. You are to be congratulated for your leadership in expanding access to affordable rental housing. It is these resources that can, and should, assist the individuals and families that the HEARTH seeks to target.

Focus of McKinney-Vento Must Stay on Permanent Housing Needs of the Most Difficult to Serve Experiencing Chronic Homelessness

Since the late 1990s, Congress has used the annual appropriation for McKinney-Vento to require HUD to set aside no less than 30% of overall funding to go toward permanent housing targeted to individuals and families with a head of household with a disability. This 30% set aside has been accompanied by a 25% local match requirement for services. NAMI has supported this permanent housing set aside since its inception. As the Subcommittee moves forward to consider McKinney-Vento reauthorization, NAMI would urge retention of this 30% permanent housing set aside, as well as additional incentives through bonus funding to further encourage investment in permanent supportive housing.

Prior to enactment of the 30% set aside in FY 1998, only 13% of McKinney funds went toward permanent housing, with the vast majority of funding going toward shelters and services. In effect, we were using the McKinney program to build a service system that would depend on keeping people homeless to sustain itself. Investment in permanent

supportive housing offers a different policy objective, that of ending chronic homelessness.

NAMI is troubled that HR 840 as currently drafted excludes a permanent housing set aside. We are extremely concerned that without a minimum national requirement for development of new permanent housing, many local Continuums of Care would face strong incentives to spread limited dollars among as many local homeless programs as possible. This is especially the case in communities where existing grantees have strong influence over a Continuum's competitive process.

Further, given the very nature of the population served by permanent supportive housing – individuals with severe mental illness, co-occurring substance abuse disorders and other co-morbidities such as HIV-AIDS, hepatitis, etc. – there is often community resistance to development and citing of permanent housing. NIMBYism still exists in many parts of the country. The 30% permanent housing set aside ensures that a critical housing resource will be available for a vulnerable population that many communities would not otherwise serve unless incentivized to do so.

It is important to note that people who experience chronic homelessness are more likely than other McKinney-Vento eligible populations to be categorically excluded or screened out of other affordable housing programs. Those with disabilities, especially mental illness and co-occurring substance abuse, face the most substantial barriers in accessing permanent housing. These include restrictions on eligibility for both Section 8 and public housing based previous history of substance abuse or involvement in the criminal justice system.

In addition, there is also the issue of affordability. The most recent *Priced Out* study, published by the Consortium for Citizens With Disabilities (CCD) Housing Task Force (of which NAMI is a member) and the Technical Assistance Collaborative (TAC), reveals that for 2006, individuals living on Supplemental Security Income (SSI) are (on average) at only 18.5% area median income and must pay 109% of their monthly income to afford a modest 1-bedroom apartment.

It therefore makes perfect sense for federal policy governing allocation of limited McKinney-Vento funding to provide this population with priority status. Likewise, it is both appropriate and necessary for Congress to insist on linking funding to specific outcomes – including development of permanent supportive housing that moves us toward ending chronic homelessness.

NAMI Supports S 1518

NAMI recommends that the Subcommittee begin its efforts to reauthorize McKinney-Vento by taking up the Community Partnership to End Homelessness Act (S 1518). It is a bipartisan bill that retains most of what has made McKinney-Vento an effective program, most importantly the current 30% permanent housing set aside. The version of S 1518 reported by the Banking Committee last month also includes important improvements including:

- Coordination with Low-Income Housing Tax Credit – Clarifying rental or leasing assistance or supportive services as exempt from counting toward eligible basis under the LIHTC.
- Creation of a new Special Assistant for Veterans Affairs at HUD – It is critical that McKinney-Vento programs coordinate more effectively with VA's programs to address the needs of the large number of veterans in the chronic homeless population.
- Establishment of a separate pool of funding with a separate competitive process for rural communities.
- New emphasis on homelessness prevention and rapid rehousing.

NAMI also supports using reauthorization of McKinney-Vento to shift the burden for renewing rent subsidies associated with permanent housing, especially Shelter Plus Care, to the Section 8 program. This would eliminate the current process of renewing different permanent housing programs from different sources, provide greater security to the tenants of permanent housing and most importantly, enhance the ability of these projects to attract private capital.

Modifying the Definition of Homelessness

As noted above, NAMI feels strongly that McKinney-Vento needs to stay focused on where it is achieving the most progress, i.e. eliminating chronic homelessness experienced by individuals with disabilities. In order to build on this progress it is necessary to make some changes to the definition of homelessness. These adjustments are needed to more effectively target individuals that are either homeless, or cycling in and out of institutions over an extended period of time.

S 1518 accommodates these individuals by amending the definition of chronic homelessness to include unaccompanied youth and individuals in safe havens and temporarily in institutional care – so long as they meet the other requirements for homelessness (i.e. homelessness in a place not meant for human habitation, or an emergency shelter for one year continuously or for four times in the past three years or having a disability). This would include people who were chronically homeless prior to entering an institutional facility such as psychiatric hospital, jail or treatment program for less than 90 days. NAMI supports this modification to the definition of chronic homelessness.

At the same time, NAMI would urge caution against any further expansion of the definition to include "couch surfers" or persons doubled up in housing with others. As noted above, we believe that the needs of these individuals are more appropriately met by the larger affordable housing system that is current failing them – Section 8, public housing, etc. Here both HR 840 and S 1518 take federal policy in the wrong direction. As noted above, the vast expansion of the definition envisioned in HR 840 would both dilute the effectiveness of McKinney-Vento in addressing chronic homelessness and overwhelm the program's limited resources.

Further, the changes made to S 1518 by the Senate Banking Committee last month would create needless complication and would likely place homeless individuals with severe mental illness and co-occurring substance abuse disorders at a disadvantage. These changes attempt to extend eligibility to "couch surfers" that are:

- living in someone else's home,
- living in a hotel or motel,
- have been notified that the arrangement is short-term,
- have moved either 3 times in the past year or twice within 3 weeks, and
- are not contributing significantly to the cost of housing.

Again, it should be noted that not all people who are doubled up for economic reasons are homeless. While some may have housing and service needs, most are stably housed, though the housing may not be optimum. The assistance they need should most appropriately come from other sources – Section 8, TANF, child welfare, etc. In fact, the homeless system has few resources that would benefit the broad range of these families. Fortunately, S 1518 does address the needs of these families by authorizing initiatives for homeless prevention and rapid rehousing. However, making this amorphous category of "couch surfers" eligible for McKinney-Vento's permanent housing programs would be a mistake. Calling more people homeless will not solve this problem and will likely only make it worse.

Finally, NAMI would urge the Subcommittee to not lose sight of the lessons learned from public housing, Section 8, HOME and other HUD programs in recent years. As income eligibility requirements were increased, we have seen more and more targeting of limited resources to higher income households – whether intentional or not. This is typically justified on the basis of seeking to serve more people with limited funding. At the same time, this inevitably leaves the most vulnerable behind. In the case of McKinney-Vento this means leaving homeless people with mental illness stuck on the streets and in shelters. In short, federal leadership is needed to protect the most vulnerable.

Conclusion

Madam Chair, thank you again for the opportunity to offer NAMI's views on reauthorization of McKinney-Vento. We look forward to working with you and the Subcommittee to producing a bill that will continue to move us toward ending chronic homelessness.

STATEMENT FOR THE RECORD

Dennis Patrick Culhane, Ph. D.
Professor of Social Welfare Policy and Psychology
University of Pennsylvania

Before the Subcommittee on Housing and Community Opportunity
of the House Financial Services Committee

October 11, 2007

Chairwoman Waters, Ranking Member Capito, and Distinguished Members of the Committee:

The Committee is to be commended for taking up the reauthorization of the McKinney-Vento Act, on this the 20th year since its passage. Important lessons have been learned since then, including the importance of permanent housing and intergovernmental collaborations in achieving positive results. The reauthorization creates an opportunity to codify those gains in law. In my remarks, I shall address a number of the issues confronting the committee, including expansions in the definition of homelessness, the need for prevention programs, the value of the permanent housing set-aside, the importance of local and state 10-year planning efforts, and the role of data and research in shaping an effective national response to this problem.

In so doing, two cross-cutting themes emerge which I hope the committee will keep in mind throughout its deliberations, and which highlight perhaps the most important principles embodied by this legislation. First, the McKinney-Vento Act provides for critical federal leadership on this important social problem through both the U.S. Interagency Council on Homelessness and the Department of Housing and Urban Development by setting policy priorities for the country and by establishing standardized national frameworks for public accountability. Second, the federal resources provided through the McKinney-Vento Act can and should be used to leverage "mainstream" social welfare system resources from federal, state and local agencies, and to assure that those public systems are being held accountable for the homelessness of the populations they are serving, or, as the case may be, not serving adequately.

Together, these themes speak to the importance of the McKinney-Vento Act in protecting our most vulnerable neighbors from being abandoned by responsible public authorities, and from being left to fend for survival amidst a wholly inadequate patchwork of dedicated, but fundamentally limited, private charities.

Current Federal Definitions of Homelessness Are Appropriate to Agency Missions

The Committee should resist efforts to expand the HUD definition of homelessness. Federal definitions of homelessness do vary, particularly between the Department of Education, HHS and HUD, but that is because Education, HHS and HUD have fundamentally different mandates. DOE has to assure that children have access to mainstream educational systems, including transportation to school, despite temporary displacement or homelessness. HHS has to assure access to mainstream healthcare resources for families and individuals in need, whether they are homeless or not. Consequently, the DOE and HHS definitions of homelessness include people who are temporarily displaced, though not experiencing literal homelessness, to assure their access to mainstream resources. HUD, on the other hand, has responsibility for designating eligibility and priorities for the targeting of emergency housing resources, which are not otherwise available to people in conventional housing. This is appropriately limited to people experiencing literal homelessness, as these are the persons who – but for the shelter system itself – are literally without shelter at all.

Designating people in housing as eligible for HUD's homeless programs also potentially expands the number of people qualifying for these very limited resources significantly, without any required proportionate increase in those resources. This will effectively dilute the potential impact of the McKinney Vento programs and the ability of those programs to have measurable impacts on literal homelessness. As a further caution, it should be noted that any attempts to expand the boundaries of homelessness to people in conventional housing is fraught with other consequences that could not be easily addressed at the policy and program levels, including establishing verifiable eligibility criteria, and basic program monitoring and outcomes. Given the relative invisibility of people in conventional housing, verifying eligibility based on private housing movement patterns, as proposed in Senate Bill 1518, would be practically impossible, as would assessing the impact of McKinney-Vento funding on measuring housing outcomes.

The Value of Prevention

One underlying purpose of definitional expansions of homelessness is to legitimize the needs of the "near-homeless," and the potential role of prevention programs in reducing homelessness. Evaluation research has not yet found that broadly available community-based prevention programs have a net impact on literal homelessness. Future prevention initiatives will therefore need to be informed by further testing and research. While the McKinney-Vento Act appropriation is not sufficient to support broad-based homelessness prevention efforts, the Act could authorize demonstration activities that would engage mainstream social welfare systems in addressing the emergency housing needs of populations they serve.

- Federal McKinney-Vento Act resources could be especially useful if they were to leverage matching funds from state and local government agencies to avert imminent homeless spells or to avert shelter stays of an unnecessarily long duration. For example, demonstration funds could be made available to test models of rapid re-housing strategies for families, or to test other shelter diversion program models. Engagement of state TANF and child welfare agencies in these demonstrations could help to establish how those agencies' resources could be used to support emergency assistance and relocation programs that help families avert shelter stays or avoid long shelter stays.

- Among vulnerable adults exiting institutional care, such as substance abuse detoxification programs, psychiatric inpatient care, or correctional facilities, demonstration programs could also be piloted that establish population-targeted, time-limited and outcome-oriented transitional residential programs ("step-down" care), funded on a matching basis by the mainstream social welfare systems from which these clients come. Some conversion of emergency shelter facilities for this purpose could also be considered, by supporting specialization in the target populations served and extending traditional nighttime-only shelter programs into 24-hour programs that have a population- and outcome-oriented mission.

Federal leadership through the McKinney-Vento Act could thus help to seed homelessness prevention as a legitimate mainstream service function, targeted at the imminently or recently homeless, and to establish a regime of accountability focused on housing stability and reduced homelessness spells.

Meeting the Challenge of Family Homelessness

Consistent with the prevention-oriented goals described above, I would also urge the Committee to consider the establishment of housing stability and reduced periods of homelessness as the primary objectives of the McKinney-Vento homeless assistance program funds for families. For example, the Committee could establish as a guiding principal, and ultimately an outcome measure, that no family should be homeless for more than 30 or 60 days.

Research has provided ample evidence that homelessness is harmful to children and families. Federal policy and resources should therefore be used to assure that state and local programs are working to assure that families and children are homeless for as brief periods as possible, and do not promote unnecessarily long shelter stays. Recent research by my colleagues and me shows that most families with very long shelter stays do not have more substantial barriers to housing stability as compared to families with short shelter stays, suggesting that policies and programs rather than families' characteristics contribute significantly to long shelter stays. Further, this research shows that long shelter stays are very costly, with a typical episode of a year to fourteen months

equal in cost to four of five years of a federal housing subsidy. Given the evidence of the negative impact of homelessness on child health, school outcomes, and family functioning, and given the high cost of long-term shelter, federal resources should be used to assure that families are rehoused as quickly as possible, with appropriate support by mainstream TANF and child welfare agencies, health and mental health services, and employment and child care agencies. At the very least, federal policy should not promote unnecessarily long shelter stays. As some homeless families (25% by our conservative estimate) will have substantial barriers to self-sufficiency, state and federal housing subsidy programs, such as Section 8, must expand to meet this need.

The McKinney-Vento Act can't solve the housing affordability problem, and it can't solve the shortage of available units in some jurisdictions. But the McKinney-Vento Act can and should be used to leverage mainstream social welfare systems in implementing rapid-rehousing strategies, with appropriate supports, and in establishing a firm national accountability standard that no child should be homeless for more than 30 or 60 days.

The Permanent Housing Set-Aside

As with families, federal policy through the McKinney-Vento Act should also promote a primary outcome of housing stability for adults who are unaccompanied by children, otherwise known as "single adults." Perhaps the most important improvement in federal homelessness policy over the last decade has been the permanent housing "set-aside" within the McKinney-Vento Act, and its use to advance efforts to end chronic homelessness among single adults with disabilities. Research on the dynamics of homelessness among single adults has consistently shown that people experiencing chronic homelessness are costly users of emergency shelters, and acute care systems in health, public safety, and corrections. While adults who become chronically homeless may represent only 15% of adult shelter users over time, research indicates that they occupy more than half of the emergency shelter beds for adults in our cities, and account for a substantial majority of the people who live – and in some cases die – on our streets and in other public spaces. Research has further shown that investments in supportive housing targeted to this population can be partially or wholly offset by the reduced use of shelters, hospitals, emergency rooms, and jails.

In the face of such evidence, it is difficult to justify policies that commit resources to essentially maintaining people in a state of homelessness, when those same resources could be leveraged for a solution to their plight. The current policy of setting aside 30% of the McKinney-Vento resources for permanent housing programs for people who are chronically homeless makes moral and economic sense in light of these data, and the Committee should codify this policy into law.

Jurisdictional Partnerships Foster Results

The role that the federal government has played in promoting efforts to address chronic homelessness offers a model that the Committee should consider as it develops legislation to reauthorize the McKinney-Vento Act. Federal leadership, as exemplified by the efforts of the United States Interagency Council on Homelessness working with governors, mayors and county executives, has been responsible for more than 300 localities and their states in developing "10-year plans" to end homelessness, including chronic homelessness. While quite variable in their scope and detail, these planning efforts have been responsible for the leveraging of significant new state and local government resources, as well as private contributions, to the cause of ending homelessness and chronic homelessness. The McKinney-Vento Act resources alone are insufficient to address the problem of chronic homelessness, and state and local partners will be required as active partners for progress to be made.

Critical to these planning efforts has been the use of data and research to inform local strategies. In a recent federally funded review of this literature, my colleagues and I observed that more than 40 studies of "high cost" service users have been conducted in support of these local plans. Documenting the impact of chronic homelessness on local hospitals, emergency services, and correctional programs, has had a galvanizing and motivating impact on local and state leaders, and the agencies whose programs are so negatively impacted by homelessness.

In this way, the "chronic homelessness initiative" of the federal government, both through the organizing and leadership of the U.S. Interagency Council on Homelessness, through HUDs use of the McKinney-Vento Act program competition, and through innovation developed in partnership with the field, has provided an exemplary use of federal policy for leadership purposes – in setting national priorities, and in the leveraging of federal resources for more state and local commitments.

Federal Data Collection Efforts Promote Accountability

The other exemplar from the last ten years that deserves preservation in the reauthorized McKinney-Vento Act is the standardized data collection and reporting that HUD has adopted at Congress's request. Known as the Homeless Services Management Information System (HMIS) initiative, this activity has engaged hundreds of jurisdictions in systematic data collection. Such data has enabled local and state governments, and indeed the federal government, to measure the prevalence and dynamics of homelessness, and progress in our efforts to reduce it. Recent accomplishments stemming from this initiative include the first Annual Homelessness Assessment Report to the Congress, submitted last year; the "high user" cost studies described above; as well as recent enumerations that have demonstrated the success of the chronic homelessness initiative in reducing chronic homelessness. Local reports from more than two dozen communities have documented declines in chronic or street homelessness over the last several years.

Such evidence is crucial to future efforts to extend these commitments, and to garner further resources to build upon these successes. Once again, federal leadership has played the critical role in this area, providing funding for the HMIS activities, and by setting clear national standards for data collection and reporting that can guide future local, state and federal policymaking.

Local Governance Should Reflect Public Sector Authority

Finally, in conclusion, I want to amplify my support for the partnership and collaborative model that has become federal policy in this area, primarily through the support of the McKinney-Vento Act. As is well known, federal resources as currently configured cannot adequately address the homelessness problem. Other federal programs, as well as state and local governments will be required to partner with communities to address homelessness over the long term. Federal policy should not back away from this partnership approach, as it has been critical to getting mayors, county executives and state governments into this arena. The federally funded safety net programs that should better serve homeless people -- and prevent their homelessness – are in many cases administered by state and local governments. These entities must be involved in addressing the homelessness problem if we are to succeed, and federal resources should seek to leverage their participation through matching programs and other incentives and mandates. The U.S. Interagency Council on Homelessness has accomplished a great deal in engaging these entities in 10-year planning efforts, and federal policy should continue to support these gains by codifying into law the policy tools that can continue to leverage the participation of state and local leadership. Federal policy should thus give substantial consideration to the primacy of the role and resources of state and local governments in designing the governance structure of how McKinney-Vento resources will be spent in the future.

Thank you very much for the invitation to speak before you today. I look forward to answering any questions you may have regarding my testimony.

Written Testimony
Of
DORA LEONG GALLO

Chief Executive Officer
A COMMUNITY OF FRIENDS

Regarding

"Reauthorization of the McKinney-Vento Homeless Assistance Act"

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

October 16, 2007

Introduction

Madam Chair, thank you for the opportunity to provide testimony to the Committee this morning on reauthorization of the McKinney-Vento Homeless Assistance Act. I am honored to be here today among all of you.

My name is Dora Leong Gallo and I am the Chief Executive Officer of A Community of Friends (ACOF), a nonprofit affordable housing development corporation that primarily serves homeless individuals and families living with mental illness. Established in 1988, just a year after the passage of the McKinney-Vento Act, our organization has been developing permanent supportive housing long before the term was coined. In the past 19 years, we have completed 33 apartment buildings throughout Los Angeles County, and two projects each in Orange County and San Diego County. Twenty-eight (28) of the buildings are currently in our portfolio, housing over 1,000 adults and several hundred children. On-site service coordination is provided by ACOF staff, as well as by other mental health agencies with whom we partner.

Importance of McKinney-Vento

Because our primary activity is housing development, A Community of Friends functions like a developer. We have project managers who find suitable sites; we conduct financial feasibility; we buy the properties (utilizing loans or lines of credit); we hire architects and contractors; and we oversee the development of the project. There are three features, however, that make us different:

(1) the people we house;
(2) our need to secure three types of funding (construction, operating subsidies, and supportive services) to make any project work – what we called the three-legged stool which I will come back to later; and
(3) the fact that as a developer, I have a services department which has become the largest department within my organization.

To build our housing, ACOF utilizes three of the four key McKinney-Vento homeless assistance programs – the Supportive Housing Program (SHP) and all its components (services, operating, and capital); Shelter + Care; and SRO Moderate Rehab. Unlike any other State, federal and local source of funding, at least in Los Angeles County, the McKinney-Vento Act is the only source of funding that encompasses all three critical components of permanent supportive housing.

We, like other supportive housing developers, utilize McKinney-Vento funds to leverage other funds, primarily in construction. Securing just $400,000 in SHP Capital funds allow us to compete in a special set aside for Low Income Housing Tax Credits in the State of California, allowing A Community of Friends to access millions of dollars in construction funding. The same opportunity for leveraging exists if we are awarded SHP Services dollars or Shelter + Care or SRO Moderate Rehab rental assistance.

This is why we are excited that there is interest in Congress and the leadership in this Committee to reauthorize McKinney-Vento for the first time in 12 years. We commend both Congresswoman Julia Carson for introducing H.R. 840, the "Homeless Emergency Assistance

and Rapid Transition to Housing Act ("HEARTH" Act) and all the co-sponsors, as well as Senator Jack Reed and Senator Wayne Allard for introducing S. 1518, the "Community Partnership to End Homelessness Act."

I know I do not need to tell you about the scope of the homeless problem in our country. My colleagues from the City and County of Los Angeles have done a good job sharing with you the specific problem in Los Angeles County.

As a practitioner, I can tell you firsthand how important McKinney-Vento funding has been to our efforts to end homelessness for individuals and families with disabilities. We are thrilled to see reauthorizing legislation proposed and a commitment to enact legislation that encompasses the best provisions of H.R. 840 and S. 1518.

Why Permanent Supportive Housing

A Community of Friends supports the proposal in S.1518 to codify existing policy that requires the expenditure of 30% of McKinney funds for permanent housing for people with disabilities. You heard testimony last week and from witnesses today providing data and statistics on the efficacy of supportive housing in ending homelessness for thousands of people across the county. You have also been provided studies that show the cost effectiveness of supportive housing and its impact in reducing dependency on emergency room visits. For A Community of Friends, the reason supportive housing works is quite simple - dealing with mental illness, or encouraging someone to deal with their mental illness or drug or alcohol addiction, is difficult enough. Imagine trying to do so while they are worrying about where they will be sleeping that night and every night.

A Community of Friends has found that given an opportunity to live in decent, safe and affordable housing, with no time restrictions, tenants can begin focusing on other issues in their life. And by offering supportive services on-site, including case management, referrals, independent living skills/groups, mental health, primary care referral, and substance abuse recovery services, accessibility is assured and tenants maintain their housing. Stable affordable housing results in less risk of relapse. Over time, it also results in greater responsibility and independence both socially and economically.

The one concern we wish to convey, however, is a provision in S.1518 related to Program Requirements that appears to codify what we believe to be an ill-advised policy to limit permanent supportive housing projects to 16 units or less, unless it can be demonstrated that "local market conditions dictate the development of a large project." No such provision is in H.R. 840. While we understand the policy objective of not concentrating and isolating people with disabilities, the definition of "large" varies from community to community. In urban areas where density is often much higher, setting a maximum of 16 units per project is too low and imposes an unfair burden to developers to prove that more than 16 units should be allowed.

ACOF has successfully developed, operated and maintained supportive housing ranging in size from 7 units to as many as 60 units, such as the successful 40 unit supportive housing project in South Los Angeles that is in Congresswoman Waters' district. From a developer's standpoint as

well as a service provider's standpoint, there are economies of scale in incorporating more than 16 supportive housing units in one building. Many local governments also have their own regulations regarding zoning. This is not to say that integrating special needs housing with non-special needs housing is not a good public policy objective. ACOF has two buildings in operation that serves both low-income families and homeless families with disabilities, and we are in predevelopment on another four projects that also will have mixed populations. However, even with a 50% split, the special needs component of our new projects total at minimum 20 units and up to 35 units. Lastly, it will take us a very long time to reach the federal goal of 150,000 units of supportive housing if we are only building 16 units at a time.

Definition of Homeless

The definition of homelessness and the focus on the chronically homeless has been a source of controversy for many providers working to end homelessness. The scope of the homeless problem is enormous, and the factors causing homelessness vary. ACOF understands the desire to broaden the definition of homelessness to include as many people as possible who are falling or have fallen through the cracks. However, we believe the inclusion of those individuals and families (in both H.R. 840 and S. 1518) who are sharing housing broadens the definition beyond the original intent of the McKinney-Vento Act, and will dilute the impact of homeless assistance funds on the problem of homelessness.

We support the expansion of the definition to include those in campgrounds and motels for purposes of determining eligibility for services under a consolidated Comprehensive or Community Homeless Assistance Program (CHAP). But we do not support the expansion of the definition to include those who are "doubled up" or "couch surfing" to access homeless assistance funds. We join with many other organizations in Los Angeles such as Shelter Partnership who are concerned that this particular expansion will stretch our resources, overwhelm the system and result in less impact in ending homelessness. The primary reason for ACOF's opposition is that those who are living in someone else's home demonstrate that they have some semblance of a support system to help them in times of need. Individuals and families in cars, shelters, motels, and campgrounds truly have no place to go. Those are the people who should be assisted under the McKinney-Vento homeless assistance programs.

We also do not support efforts in S. 1518 to expand the definition of homeless to include those who have changed residences either "three times in the past year or twice in the past three weeks." This attempt at clarification actually achieves the opposite of stability, causing people to move repeatedly to qualify for services. Already we are aware of service providers who deliberately place individuals or families who are leaving transitional housing into a shelter to render them homeless so that they can meet the HUD definition of homelessness, all because they were not previously homeless prior to entering transitional housing (e.g. coming from drug treatment or other publicly funded institution). Adding this definition will make the situation worse.

Homeless Prevention

We applaud efforts in both H.R. 840 and S. 1518 to create a new program in the area of homeless prevention. Our analysis of both bills, however, leads us to voice stronger support for the

Emergency Solutions Grants Program in S. 1518 primarily because it allocates more funds for homeless prevention activities.

Homeless prevention is critical to end the cycle of homelessness. This program will provide communities nationwide with a guaranteed source of funds to prevent people from becoming homeless in the first place. We believe that the Committee should consider developing different eligibility criteria for homeless prevention assistance. Already a new definition, "at-risk of homelessness" has been added to the Emergency Solutions Grants Program. We believe Homeless Prevention is the program under which those individuals and families who are doubled up or "couch surfing" could be served, instead of utilizing homeless assistance program funds.

There are many in this country who are one paycheck or one health diagnosis away from homelessness. A number of short-term expenditures can make a big difference in helping families maintain their housing or accessing housing. Some of the more important activities that should be eligible expenditures under the Emergency Solutions Grants Program include: rental payments, security deposits, mortgage payments, utility deposits, and payment for short term housing while waiting for permanent housing. This includes assistance to individuals who are being discharged from a publicly funded facility, program or system of care. These types of activities can rapidly re-house someone who encounters short-time financial difficulties.

Emphasis on Chronically Homeless

Increasingly, national and local policy lean towards bonuses and other incentives to encourage communities and developers to create housing for the chronically homeless, defined by HUD as *"an unaccompanied homeless individual with a disabling condition who has either a) been continuously homeless for one year or more; or b) has had at least four episodes of homelessness in the past three years."*

A Community of Friends supports including families in the chronic homeless definition, in recognition of the fact that there are indeed families that experience long-term homelessness as defined by HUD. However, we find the actual definition largely unsatisfying. A large majority of homeless individuals and families do not fit the "chronically homeless" definition. A 2006 report by the U.S. Conference of Mayors, based on a survey of 23 major cities, found that people on average remained homeless for eight months, or 240 days. What makes a person who has been homeless for 240 days less worthy of decent, safe and affordable housing with support services than someone who has been homeless for 365 days? The same is true for someone who experienced homelessness "only" three times in the past three years. Additionally, transitional housing is believed to break the cycle of homelessness. Therefore, someone leaving a transitional housing program for permanent housing is never considered "chronically homeless," even if that person was previously living on the street for years. Because of this rigid definition, only 15% of ACOF's tenants are considered by HUD to be chronically homeless, despite the fact that we have many tenants in our buildings who have experienced long term homelessness and who are severely mentally ill. The definition of chronic homelessness seems arbitrary and, from a practioner's standpoint, meaningless.

Sustainability (services and operating support)

For an established and experienced developer, construction funding is in reality the easiest source of funds for us to obtain. Much more difficult are resources for operations and services. Lenders (whether private banks or government agencies) and investors (utilizing the Low Income Housing Tax Credit Program) will not allow developers to begin construction on a permanent supportive housing project until all three sources of funding are in place (construction, operating and services – e.g. the three-legged stool). This is part of the reason why development of this type of housing takes so long. All sources have different funding timelines and different application processes. If we secure only one piece of funding (e.g. one leg), the stool is not functional and permanent supportive housing cannot be built.

A Community of Friends cautions the Committee to think carefully about the long term sustainability of permanent supportive projects, both from a financial perspective (operating) and a human perspective (services). Virtually all homeless individuals and families who come to ACOF arrive with no financial resources. Goals of increasing economic self-sufficiency are admirable for individuals and families in permanent supportive housing, but our experience has shown that for individuals who have a long term, chronically disabling condition, it will take many years for them to be able to increase their income to a level that will enable them to move into the private market, either on their own or accessing mainstream resources, if at all. Therefore, housing must continue to be affordable to them, defined by us and by HUD as 30% of their income. As a result, operating support via rental subsidies or operating subsidies must be available for the long term so that the properties themselves can be maintained (e.g. building maintenance, landscaping, trash collection, etc).

A Community of Friends supports the proposal in both H.R. 840 and S. 1518 to renew rental subsidy programs for permanent housing through the Section 8 account. But we request that specific language be added to require that renewal contracts preserve the original intent of the homeless assistance program. We also caution that additional budget authority be provided for the Section 8 account so that the existing Section 8 program is not negatively impacted in any way.

Services funding should also be consistently available. Due to the specific needs of our tenants, particularly among those who have addictions, case management and intensive support continues to be needed for the long term. As a developer, we sometimes find that government agencies and the larger provider community do not realize that once a homeless person with disabilities is in housing, the job is not over. Our on-site service coordinators, with a staffing ratio of 1 to 25 or 1 to 30, do not have the capacity due to lack of resources to provide intensive services if and when a tenant needs more help. This is made worse by decisions in some localities to award only one-year grants of McKinney-Vento funds, particularly for the SHP Services program. We are encouraged by a provision in S. 1518 that allows the Secretary to impose minimum grant terms of up to five years for new projects providing permanent supportive housing. This provision will allow organizations to better plan their services program, and to secure funds to leverage services dollars.

Additional Comments

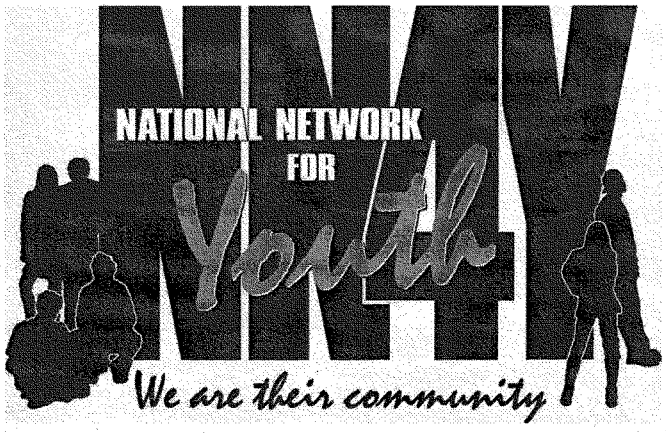
Finally, we would like to thank the Committee for considering "clean-up" provisions, such as:

- Mandating the timing of awards – We support the requirement in both H.R. 840 and S. 1518 that the Secretary announce awards within five months of the submission of applications. In the past few years, the announcements have been delayed by as much as nine months, causing financial problems for providers with contracts that expire between announcement and contract execution.
- Development timeline – We support the provision in S.1518 to provide up to 24 months to meet requirements of obligation for grant award for grants involving construction, and the possibility of an extension if truly necessary.
- Tax credit projects – We appreciate the clarification in S. 1518 that McKinney-Vento funds can be coordinated with Low Income Housing Tax Credits and are not to be treated as federally subsidized under Section 42(i)(2) of the Internal Revenue Code of 1986.
- Match requirement – We support the across-the-board application of a 25% match requirement for homeless assistance funds in H.R. 840 and S. 1518, with in-kind match allowed if documented by a Memorandum of Understanding
- Rent increases – We support the provision in S. 1518 that will allow the Secretary to make adjustments to fair market rents when renewing funding for rental assistance.

Additionally, we support the language in both H.R. 840 and S. 1518 to better coordinate homeless assistance for veterans. In particular we are supportive of a provision in S. 1518 that would create a new position within HUD to provide information and advice regarding housing for veterans and to serve as a liaison to the U.S. Department of Veteran Affairs. There is a critical need to better coordinate supportive housing for returning veterans with mental and emotional disabilities. A Community of Friends and our partner, New Directions, Inc., have been negotiating a long-term lease with the U.S. Department of Veteran Affairs to develop 143 units of permanent supportive housing for veterans for over four years. We see immense value in the establishment of this new position for our project and for other efforts across the country to house veterans.

Closing Comments

Thank you again for the invitation to submit this testimony. A Community of Friends applaud all of you for your leadership in putting best practices from lessons learned into reauthorization legislation for the McKinney-Vento program. Whatever final version you adopt, this legislation will have a tremendous impact on thousands of homeless individuals and families throughout the country. Thank you, Chairwoman Waters, for holding these hearings and for soliciting our input.



Statement for the Record
of
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Los Angeles, California

on behalf of the

National Network for Youth

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

October 11, 2007 Hearing on
Reauthorization of the
McKinney-Vento Homeless Assistance Act

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Statement Summary

Part I – About the National Network for Youth
The National Network for Youth is a membership organization that champions the needs of runaway, homeless, and other disconnected youth through advocacy, innovation and member services.

PART II – Unaccompanied Youth Primer
Runaway and homeless youth are the most vulnerable of our nation's disconnected youth. Between one million and three million U.S. youth experience an unaccompanied situation annually. Unaccompanied youth become detached from parents, guardians and other caring adults due to a combination of family and community stressors.

Part III – Unaccompanied Youth and HUD McKinney-Vento Programs
It is without question that homeless youth organizations should be able to turn to the McKinney-Vento programs of the U.S. Department of Housing as a source for financing the housing and services needs of homeless youth.

Recently, pressure has been turned on homeless youth providers to maintain their HUD McKinney-Vento funds in the context of the Administration's chronic homelessness initiative.

Part IV – HUD McKinney-Vento Reauthorization
HUD McKinney-Vento programs could support more young people if Congress would roll-back current restrictive administrative policies, strengthen the law so that all homeless subpopulations may have equal access to HUD McKinney-Vento funds, and increase authorization and appropriations levels.

The Homeless Emergency Assistance and Rapid Transition to Housing Act (H.R. 840) meets NN4Y's basic criteria for reauthorization of HUD McKinney-Vento programs. As such it enjoys our full support.

The Community Partnership to End Homelessness Act (S. 1518) misses the mark on most of our criteria for McKinney-Vento reauthorization. Accordingly, NN4Y does not yet support S. 1518. We hope that the full Senate will improve it prior to passage.

Part V – Beyond HUD McKinney-Vento
Reauthorization of HUD McKinney-Vento must be considered just one part of a larger effort to prevent and end homelessness, including youth homelessness. Congress must take bold steps, such as those offered in the **Place to Call Home Act**. **We encourage Members of Congress to join as co-sponsors to the Place to Call Home Act**. We call on this Subcommittee to hold a hearing on that bill's permanent housing provisions

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Part I – About the National Network for Youth

The Network for Youth is pleased to testify before the House Financial Services Subcommittee on Housing and Community Opportunity at its hearings on reauthorization of the McKinney-Vento Homeless Assistance Act. It is an honor for us to testify, as it is the first opportunity in the 33-year history of the National Network to appear before this Committee.

The **National Network for Youth** (NN4Y), founded in 1974, is a nonprofit membership organization that **champions the needs of runaway, homeless, and other disconnected youth through advocacy, innovation and member services**. NN4Y provides its members and the general public education, networking, training, materials and policy advocacy with federal, state, and local lawmakers. NN4Y is committed to ensuring that opportunities for development and permanence be made available to youth who face greater odds due to abuse, neglect, exploitation, homelessness, lack of resources, community prejudice, differing abilities, barriers to learning, and other life challenges.

NN4Y's membership includes community-based, faith-based, and public organizations that provide an array of services to youth and families in the U.S. states and territories as well as some international locations. NN4Y's organization members provide the full gamut of preventive, interventive, and developmental supports to youth and families in high-risk situations, including street-based crisis intervention, emergency shelter, transitional and independent living arrangements, permanent housing, individual and family counseling, lifeskills, parenting, and health and wellness education, physical and mental health treatment and care, and education, workforce development, arts, and recreation services. Collectively, NN4Y member organizations serve over 2.5 million youth annually. In addition, youth, youth workers, and regional and state networks of youth-serving organizations belong to NN4Y.

We were founded as the National Network of Runaway and Youth Services to be the membership association of grantees funded under the Runaway and Homeless Youth Act. The bulk of our organization members continue to provide housing and services to youth in runaway and homeless situations. **Many of our members participate in the continuum of care planning processes used nationwide to distribute HUD McKinney-Vento funds. Some of our members are HUD McKinney-Vento project sponsors**. Others have had projects rejected because homeless youth are sometimes (and erroneously) viewed as the sole responsibility of public systems other than housing and homeless assistance, even though those very systems may decline to serve youth. It is from that base of experience that we offer recommendations for strengthening HUD McKinney-Vento programs.

Part II – Unaccompanied Youth Primer

Runaway and homeless youth are the most vulnerable of our nation's "disconnected" youth. We refer to these two populations collectively as "unaccompanied youth." Like other disconnected youth, unaccompanied youth experience separation from one or more of the key societal institutions of family, school, community, and the workplace. Their disconnection is accentuated by their lack of a permanent place to live, which is not only disruptive in and of itself, but also indicative of the larger socioeconomic instability they are experiencing.

Between one million and three million of our nation's youth experience an unaccompanied situation annually, according to various estimates derived from government studies and data sets. Some of these estimates do not include young adults ages 18 and older within their scope.

Unaccompanied youth become detached from parents, guardians and other caring adults – legally, economically, and emotionally – due to a combination of family and community stressors.

Family Stressors – Many of our nation's unaccompanied youth are compelled to leave their home environments prematurely due to severe family conflict, physical, sexual, or emotional abuse by an adult in the home, parental neglect, parental substance abuse, parental mental illness. For other youth, the values and traditions with which their families operate prescribe that the young person separate economically from the family unit upon reaching the legal age of majority or after graduation, in some cases regardless of whether the youth is actually prepared for independent adulthood. Others are expelled from the home due to parental inability to accept the sexual orientation, parenting status, mental or addictive disability, or normal adolescent behavior of their child. For still other young people, their families are simply too poor to continue to bear the financial burden of providing for the youth's basic needs. Others are abandoned as their parents are incarcerated. Youth in families that are experiencing homelessness may be separated from the family unit—and become homeless on their own—so that emergency shelter or domestic violence services can be secured for the remaining family members, or to squeeze most of the family into means of habitation that are too small for all of its members.

Community Stressors – State custodial systems – including child welfare, juvenile justice, mental health, addiction treatment, and developmental disabilities—which have responsibility for ensuring the safety and protection of children and youth who are not properly cared for by parents and guardians – are failing in general to accept older youth into their custody due to financial limitations and policy disincentives. Many of the young people who do come in contact with public custodial systems are not adequately prepared for independence and residential stability during their period of custody nor provided an aftercare arrangement to support them after the custodial relationship has ended. Many of these young people have no home environment to which to return. Youth with mental illness,

addiction, and other disabilities face discrimination when searching for an independent living arrangement.

Many unaccompanied youth who are psychosocially prepared for independent adulthood are not economically ready for self-sufficiency. Inadequate educational preparation, lack of employment skills, short or non-existent work histories, language barriers, and undocumented immigration status all contribute to the relegation of many youth to unemployment or to low-wage jobs—neither of which generate income sufficient for acquiring affordable housing.

Policy barriers also stand in the way of permanency for unaccompanied youth. In some jurisdictions, youth below the age of majority are prohibited from entering into leases or other contracts on their own behalf. "One strike" laws prohibit individuals with criminal histories from residency in public and assisted housing and prohibit juvenile ex-offenders from returning to their families. And, federal, state, and local public and assisted housing programs rank young people low, if at all, among their priority populations for assistance.

Regardless of the causal factor, unaccompanied youth, when left to fend for themselves without support, experience poor health, educational, and workforce outcomes which imperil their prospects for positive adulthood. This results in their long-term dependency on or involvement in public health, social service, emergency assistance, and corrections systems.

Part III – Unaccompanied Youth and HUD McKinney-Vento Programs

The federal government, through the **Runaway and Homeless Youth Act** (RHYA) has established funding streams to support outreach, family reunification, shelter, and transitional living programs targeted to unaccompanied youth, all in an effort to provide a basic level of support for these vulnerable young people regardless of the state in which they are living.

Federal RHYA programs are a substantial and reliable funding stream to homeless youth organizations. But they do have limits. Among them:

- Youth emergency shelters receiving federal RHYA funds may only serve youth through age 17. These shelters are not available to young adults.
- The RHYA does not authorize funds for grants for supportive services only, other than street outreach. RHYA is not a suitable funding source for homeless organizations that have residential services capacity for youth and are looking for a supportive services match.
- RHYA grant awards are capped by the U.S. Department of Health and Human Services at $200,000, far below the actual cost of operating a program. RHYA grantees must secure funds from other sources to operate high-quality programs.

More housing and services for homeless youth are needed across the Nation. The basic living needs of too many of our nation's unaccompanied youth are not being met through state and local child welfare systems or permanent housing and homeless assistance programs. Furthermore, few states have established funding streams targeted to unaccompanied youth. RHYA basic center and transitional living projects served approximately 55,000 youth in FY 2005, yet estimates of the U.S. unaccompanied youth population are one million at minimum, suggesting that at least approximately 950,000 of the nation's unaccompanied youth are not able to access RHYA services.

It is without question then that homeless youth organizations should be able to access McKinney-Vento programs of the U.S. Department of Housing and Urban Development (HUD) as an additional source for financing the housing and services needs of homeless youth. HUD McKinney-Vento programs do provide some communities an invaluable source of financial assistance for housing opportunities and services supports for homeless youth. The programs finance services that complement programs for homeless youth initiated through federal Runaway and Homeless Youth Act (RHYA) programs, or that develop housing and services for young adults not eligible for RHYA housing due to age limitations within that program.

None of the victories homeless youth providers have achieved in accessing HUD McKinney-Vento funds have come easily. **For years homeless youth advocates and providers had to fight hard just to get seats at the homeless assistance planning tables in their community**. Then they had to earn the community's grudging support for our project proposals. We have even had to contest HUD policy, since reversed, which established that HUD McKinney-Vento funds could not be used for unaccompanied minors because those minors "should" be the responsibility of parents or legal guardians, or of child welfare systems.

More recently, pressure has been turned on homeless youth providers to maintain their HUD McKinney-Vento funds in the context of the Administration's chronic homelessness initiative. The initiative has pushed communities to direct more of their HUD McKinney-Vento funds to permanent supportive housing for a precisely targeted subset of the homeless population – one that completely excludes unaccompanied homeless minors, as well as families with children and youth.

Part IV – HUD McKinney-Vento Reauthorization

HUD McKinney-Vento programs are critical to bringing emergency shelter, transitional housing, permanent housing, and supportive services to some homeless youth and young adults. **HUD McKinney-Vento programs could support more young people if Congress would roll-back current restrictive administrative policies, strengthen the law so that all homeless subpopulations may have equal access to HUD McKinney-Vento funds, and increase authorization**

and appropriations levels for the programs. These represent our general principles for judging reauthorization measures being considered by Congress.

Homeless Emergency Assistance and Rapid Transition to Housing Act

The Homeless Emergency Assistance and Rapid Transition to Housing Act (H.R. 840) meets our basic criteria for reauthorization of HUD McKinney-Vento programs. As such it enjoys our full support.

Among the provisions particularly helpful to homeless youth and young adults, the HEARTH Act:

- **Amends the HUD definition of homeless individual to encompass the diverse living arrangements of youth and young adults in homeless situations**.

The definition of "homeless individual" in the McKinney-Vento statute restricts the meaning of that term to persons living on the street, emergency shelters, and other locations not fit for human habitation. Excluded from this definition – and thus from federal homeless assistance for which eligibility is conditioned on the individual meeting the McKinney-Vento criteria for homelessness – are individuals and families living in the housing of others due to loss of housing or economic hardship, and in motels, hotels, and campgrounds when there is no adequate alternative accommodation.

Shared housing and motels are the very living arrangements commonly deployed by unaccompanied youth, due to factors such as: 1) the lack of youth-specific shelters in the community; 2) no vacancy in youth shelters in the community; 3) prohibitions on mixing minors and adults, and young adult reluctance to live in shelters with older adults; 4) shelter admission policies that may serve to deny a youth or young adult from entry, such as age restrictions on children in the shelter, sobriety requirements, immigration status, and other factors; and 4) developmental, linguistic, or cultural weaknesses of the shelter that make the placement unsuitable for the youth.

Exclusion of shared housing and motel/hotel/campground living arrangements from the McKinney-Vento definition of homeless individual renders HUD and other federal homeless assistance programs that use the HUD definition inaccessible to thousands of homeless youth and young adults annually.

The primary objection to adding additional living arrangements to the HUD definition of homelessness appears to be that so doing will create greater competition for limited funds among all homeless populations and will require a tremendous infusion of public funding. The National Network for Youth views the definition issue as matters of inclusion and equity within the HUD McKinney-Vento program and of service coordination between HUD and other homeless assistance programs. Resource implications of supporting persons in shared housing and other

"non-covered" living arrangements exist currently and merit Congressional response regardless of whether we describe them as homeless or merely as very poorly housed.

- **Restores flexibility to geographic areas to select project sponsors among all eligible activities and eligible subpopulations, without federal priorities, preferences, incentives or bonuses.**

Current federal homeless assistance policy (evidenced by the chronic homelessness initiative, the 30 percent set-aside, and the permanent housing bonus) has created both a perception and practice of favoritism of some people experiencing homelessness over others. This direction is leading both lawmakers and the general public to differentiate in a practically and emotionally damaging way between the "deserving poor" and the "undeserving poor."

The consequences of homelessness do not discriminate based on one's disability status. Exposure to inclement weather, physical and verbal abuse, theft of one's belongings, communicable diseases, and loss of esteem affect all people without safe places to live. All homeless persons need permanent places to live for their survival, safety, stability, economic viability, and quality of life. And no homeless subpopulation has easier access to mainstream housing assistance than other subpopulations – it is extremely difficult for all people experiencing homelessness.

In the case of unaccompanied youth and young adults, their barriers to mainstream housing assistance include laws that prohibit minors from entering into leases; lack of savings to pay security deposits and first month rent; low-wage work or school enrollment that do not generate income at levels needed to pay rent; and subsidized housing eligibility requirements that place working persons (including youth and young adults) without children at a disadvantage in terms of housing access. There are no easy "work-arounds" to these barriers other than the development of permanent housing assistance targeted explicitly to youth and young adults.

The current HUD practice of reserving at least 30 percent of McKinney-Vento resources for permanent housing solely for persons with disabilities has nearly entirely foreclosed the McKinney-Vento program as a financing source for permanent housing opportunities for homeless youth.

- **Requires geographic areas to establish community homeless assistance planning boards.**

We support current practice and the HEARTH Act requirement that geographic areas seeking HUD McKinney-Vento funds establish community homeless assistance planning boards for the purposes of identifying service gaps, prioritizing needs, completing applications for funding to HUD, and monitoring funded projects within the geographic area. The scope of stakeholders that HEARTH indicates should be considered for inclusion in the community boards has our full support, particularly

language around the expected participation of people experiencing homelessness, people formerly experiencing homelessness, and relatives of homeless persons; advocates for unaccompanied youth; homeless education liaisons, and grantees under other federal homeless assistance programs.

Some homeless youth organizations report difficulty in being included in the continuums of care covering the geographic areas in which they operate programs. Continuums of Care are established not solely to develop an application for HUD McKinney-Vento funds, but also to serve as planning and decision-making bodies on homelessness generally. As such, the special concerns and resources of homeless youth and homeless youth-serving organizations must be part of those community deliberations.

We recommend that grantees under the Runaway and Homeless Youth Act program be added as required members of collaborative applicants. Also, regional or local units of state child welfare agencies and state juvenile justice agencies should be added as members of collaborative applicants.

- **Includes family support and discharge planning as eligible prevention activities.**

There is widespread interest within Congress and stakeholder groups to add homelessness prevention as an eligible activity for HUD McKinney-Vento funds. In the context of youth homelessness, prevention is not limited to financial assistance for eviction prevention, utility payments, or relocation assistance to new permanent housing. It should also include family strengthening services to keep youth from leaving their families and family support to help youth reunite with them. It may also mean pre-release and post-release planning to ensure youth exiting child welfare and juvenile justice settings are released into stable living arrangements.

- **Establishes community board duties helpful to homeless youth and children**. We support requirements that applicants and grantees for HUD McKinney-Vento funds address in their applications and progress reports compliance with the following worthy expectations:

    - Expectation that applicants provide in their application plans reviews of local policies and practices related to discharge planning from institutions, including child welfare and juvenile justice facilities; access to mainstream benefits and services; and zoning and land use policy and practices.
    - Expectations that applicants make plans and report progress on steps taken in the geographic area of the applicant to eliminate laws that penalize persons experiencing homelessness based upon their status as homeless, including their status as runaway or homeless youth.
    - Expectation that collaborative applicants review the policies and practices related to school section and enrollment to ensure that homeless children and youth and their parents are able to exercise their educational rights under the education title of the McKinney-Vento Homeless Assistance Act.

- Expectation that collaborative applicants review the policies and practices related to the placement of families with homeless children and youth in emergency shelters to ensure that the young persons are placed as close as possible to their school of origin.
- Inclusion within collaborative applicants' performance reports information about the numbers of children and youth served by the applicant and children and youth reunited with their families by the applicant.

Community Partnership to End Homelessness Act

The Community Partnership to End Homelessness Act (S. 1518), as passed by the Senate Banking, Housing, and Urban Affairs Committee, misses the mark on most of our criteria for McKinney-Vento reauthorization. Accordingly, we do not yet support S. 1518. We hope the full Senate will improve CPEHA prior to passage.

Among the provisions of CPEHA for which we seek improvement:

- **Definition of Homeless Individual.** The Committee-approved amendments to the definition of homeless individual are an improvement over current law and merit commendation. That being acknowledged, we do not support clauses in these newly-eligible living arrangements that require people to have changed primary residences three or more times in the past year or two or more times in the past 21 days in order to be considered homeless. First, these clauses would force people to move repeatedly before they could become eligible for homeless assistance, or to delay homeless assistance to them until after they have moved repeatedly. Second, it will be difficult for homeless people to prove, and homeless service providers to verify, multiple moves.

- **Community Homeless Assistance Planning Boards.** We are disappointed that the Committee-approved bill neither requires collaborative applicants to form community boards nor elaborates for collaborative applicants the range of stakeholders that should be involved in planning and application development.

- **Permanent Housing Set-Asides.** The Committee-approved bill preserves the permanent housing set-aside for persons with disabilities and adds a permanent housing set-aside for homeless families. Still missing from any set-aside are homeless individuals without disabilities, which would include unaccompanied homeless youth and young adults without disabilities. We prefer the curtailment of permanent housing set-asides.

- **Selection Criteria.** The Committee-approved bill eliminated from the original bill many of the application selection criteria that would have been helpful to homeless children and youth.

Family Unification – One provision in CPEHA which we do favor is its prohibition on HUD McKinney-Vento-funded family shelters and family

housing from denying admission of a whole family or a youth member of the family on the basis of the age of any of the children. This practice is harmful to families and is a causal factor of youth homelessness. It must be stopped. **We urge the Financial Services Committee to include equivalent language in the HEARTH Act prior to passage.**

PART V – Beyond Homeless Assistance

Reauthorization of HUD McKinney-Vento must be considered just one part of a larger effort to prevent and end homelessness, including youth homelessness.

Congress must take bold steps, such as those offered in the **Place to Call Home Act**. The Place to Call Home Act (H.R. 3409) is comprehensive legislation to prevent, respond to, and end runaway and homeless situations among youth. The bill includes provisions in the homeless assistance, housing, child welfare, juvenile justice, public health, education, workforce investment, teen parenting, and immigration areas. **We encourage Members of Congress to join as co-sponsors to the Place to Call Home Act.**

The bill's permanent housing provisions include:

- An increase in budget authority under the project rental assistance component of the Housing Choice Voucher program to finance 20,000 rental assistance vouchers for homeless youth. The vouchers would be administered by Runaway and Homeless Youth Act grantees. (Sec. 601)
- Removal of the 18-month time limit on Family Unification vouchers for transitioning foster care youth. (Sec. 602)
- Extension of eligibility for Family Unification vouchers to transitioning foster care youth through age 24. (Sec. 602)
- A requirement that states and localities include youth and young adults as a special needs population in their public housing agency plans and their comprehensive housing affordability strategies. (Sec. 603)
- A requirement that the Government Accountability Office (GAO) conduct a study on housing assistance to low-income youth. (Sec. 606)
- Amendments to federal "one-strike" eviction and screening laws to prohibit public housing authorities from excluding or evicting the entire families or households of persons with criminal records. (Sec. 104)
- A Sense of Congress that the States shall establish a right for minors to enter into contracts for necessities without parental consent. (Sec. 604)

Adoption of these provisions as a stand-alone measure or by integrating them into permanent housing legislation moving through Congress will make a decisive impact in reducing youth homelessness. **We urge the Financial Services Committee to begin the process of considering these recommendations by holding a hearing on the permanent housing needs of the nation's youth and young adults.**

Witness Biography

Elizabeth Gomez, MSW
Executive Director
Los Angeles Youth Network, Los Angeles, California

Ms. Gomez is currently the Executive Director of the Los Angeles Youth Network, a private non-profit organization providing services to runaway, homeless and foster care youth. Her specialized training includes comprehensive program development for runaway, homeless and foster youth. Ms. Gomez has worked with youth since 1980. She has a comprehensive background in residential youth programs, from mandated judicial placement to voluntary entry. She serves on community advisory boards as well as private and state boards. Ms. Gomez has also presented at conferences and provided training regarding youth issues, youth development, prevention, crisis intervention, suicide intervention, stress management and program development. In addition she provides technical assistance to youth programs both locally and nationally.

EDUCATION

M.S.W. – California State University, Long Beach
B.S.W. - Syracuse University, New York

EXPERIENCE

Executive Director - Los Angeles Youth Network
Program Director - Los Angeles Youth Network
Shelter Coordinator - Los Angeles Youth Network
Asst. Director of Youth Services - Travelers Aid Society of Los Angeles/Teen Canteen
Case Manager - Travelers Aid Society of Los Angeles/Teen Canteen
Residential Supervisor - Better Outlook Center, Florida
Youth Aide - State of New York, Limited Security Facility

AFFILIATIONS

Board Member – The California Wellness Foundation
Chair, Board of Directors - California Coalition for Youth
Past Board Member – Hollywood Chamber of Commerce
Past Commissioner - California State Commission on Juvenile Justice Crime & Delinquency Prevention
Past Advisory Board Member - Violence Prevention Initiative, The California Wellness Foundation
Past Steering Committee Member - California Youth Authority Status Offender Task Force

Prepared Statement of Mark Johnston

Deputy Assistant Secretary for Special Needs Assistance Programs

U.S. Department of Housing and Urban Development

Hearing before the Subcommittee on Housing and Community Opportunity

United States House of Representatives

"Reauthorization of the McKinney-Vento
Homeless Assistance Act"

October 16, 2007

Introduction

Good morning Chairwoman Waters, Ranking Member Capito, and members of the Subcommittee.

I am pleased to be here to discuss the Administration's proposed consolidation of HUD's three competitive Homeless Assistance Grant programs into a single program aimed at alleviating homelessness in this country. I also want to thank the members of the Financial Services Committee for introducing the Homeless Emergency Assistance and Rapid Transition to Housing Act, which includes a number of provisions supported by the Administration. We look forward to working with the Committee on this important effort with the ultimate goal of getting a bill to the President's desk.

Consolidation would: (1) provide more flexibility to localities; (2) give grant-making responsibility to local decision-making bodies; (3) allow more funds for the prevention of homelessness; and (4) dramatically reduce the time required to distribute funds to grantees. The proposal would also further the Administration's goal to move homeless families and individuals to permanent housing and end chronic homelessness.

HUD has been providing funding for homeless programs since authorization of the McKinney Act in 1987. Through its Homeless Assistance Grants programs, HUD has awarded billions of dollars to communities across the country. Well over 5,000 projects and 400 Continuums of Care (CoCs) representing over 3,000 cities and counties each year receive funds to alleviate homelessness in their communities. The Administration has continued to support the Homeless Assistance Grant program and the goal of ending chronic homelessness and moving families and individuals to permanent housing with increased annual funding requests. The budget for Homeless Assistance Grants in FY07 was $1.44 billion.

In 1994, HUD developed the Continuum of Care planning and grant making process, which calls for communities to develop local plans for reducing homelessness. It is a community-led effort that involves a diverse group of organizations, including state and local government, public housing agencies, non-profit providers, foundations, and homeless and formerly homeless persons. The Continuum identifies the community's housing and service needs, as well as the existing inventory to address those needs. The Continuum then assesses remaining needs and determines how to best address them, proposing an overall plan and specific project requests for HUD funding. Since 1994, the Continuum structure has proven to be effective as a coordinating body for fighting homelessness; among the reasons for the effectiveness are the broad-based partnerships forged at the local level.

There are three programs that are funded through the Continuum of Care approach: the Supportive Housing Program; Shelter Plus Care; and Section 8 Moderate Rehabilitation Single Room Occupancy Dwellings for Homeless Individuals, or SRO. The Administration bill, which has been transmitted to Congress, would affirm the role of local planning entities, bring HUD's three competitive programs into one program, and provide even more local decision making authority and flexibility by awarding a single comprehensive grant to a local area. It would decentralize the federal role in selection of applications for funding and speed up the award process.

Currently, staff at HUD headquarters reviews nearly 6,000 individual project applications each year. This is one of the largest and most intensive grant competitions in the federal government. It takes the Department nearly 6 months to review the applications; once selections occur, 3-6 additional months are needed to finalize the nearly 5,300 awarded contracts.

The Administration's bill would greatly simplify this process by allowing HUD to review only one overall application from each community responding to a focused set of six discrete selection criteria. The communities would then award local projects for funding. Rather than taking up to a year to review and execute contracts, the proposals would reduce the timeframe to a few months. This would result in the timely obligation of funds and assistance to those who literally have no place to live.

Our bill would also simplify the match requirements. Currently, the largest of the three programs, the Supportive Housing Program, has, by statute, a 100 percent match requirement for capital costs such as acquisition and rehabilitation, a 25 percent match for operating costs, a 20 percent match for supportive services and no match requirement for leasing. It would establish a single cash or in-kind match requirement of 25 percent for all activities under the consolidated program.

HUD's Continuum of Care programs work within broad national goals to help communities end homelessness. We have established, through the Continuum approach, a resource-driven planning and allocation system with an emphasis on local decision-making processes. The Continuum also provides a focus on performance as a key element of local planning outcomes. The proposed consolidation starts with all of these strengths and expands on them, by decentralizing federal processes and moving community planning to the local level. This way, decision makers can more effectively work to solve homelessness in their communities.

Unique and Comprehensive Program

The Continuum of Care is a unique and comprehensive public-private partnership. It calls for all stakeholders within a community to be involved in shaping solutions to homelessness. They identify needs, assess existing resources, and prioritize projects needing funding. State and local government officials, non-profit homeless providers including faith-based and other community organizations, foundations, businesses, hospitals, law enforcement, schools, and homeless and formerly homeless persons are all part of the Continuum of Care. The over 3,900 jurisdictions which participate in the Continuum of Care process represent over 95 percent of the U.S. population. The skills, abilities, and resources of each stakeholder are maximized and leveraged to make a visible difference within their community. Our bill would codify this approach, which was created by HUD through administrative means.

A significant enhancement in this bill would add prevention as an eligible funding activity under the law. Prevention is a key part of solving homelessness and is an important element in this bill. HUD's proposed legislation would allow projects to spend up to 30 percent of HUD funds on prevention activities, such as utility payments or rental assistance, for persons at risk of becoming homeless. This way, HUD can help keep people in their homes and prevent them from actually becoming homeless. Not only would this reduce additional, unnecessary costs on homeless systems, but it would improve continuity of housing for individuals and families, improving their ability to function as productive members of society.

Targeting Most In-Need Populations

In addition to preventing homelessness for those at risk, HUD's homeless programs currently address, and will continue to address under the proposed bill, the needs of persons who are already homeless, including the chronically homeless. These are the hardest-to-serve individuals; they have been in and out of homeless shelters and on the street for long periods of time. In 2002, the Administration set a goal of ending chronic homelessness for this population. Through the Continuum of Care grants, HUD funds have been working to effectively achieve this goal. The congressional requirement that 30 percent of HUD homeless funds be used to provide permanent housing has contributed to these efforts.

Research shows that while representing just over 20 percent of the homeless population, chronically homeless persons consume up to 50 percent of all emergency shelter resources. Instead of having these individuals cycling through the various public systems such as hospitals and prisons and using these emergency resources, this Administration has focused on providing permanent supportive housing as a way to improve cost effectiveness for the community and quality of life for the individual. As a result, $286 million, or 24 percent of HUD competitive homeless assistance funds, were awarded to projects targeting the chronically homeless in 2006.

While this Administration has set a goal of ending chronic homelessness for this difficult to serve population, it has not forgotten about the needs of homeless families with children. In fact, 76 percent of funds awarded this past year went to projects that targeted persons who were not chronically homeless, including homeless families. Approximately 50 percent of those served by HUD programs are persons in families.

Through the consolidation process, HUD remains committed to targeting its homeless assistance resources to persons who are the most in need of housing and services. HUD's preliminary review of data related to an expanded definition of homelessness indicates that the total number of people that would become eligible for HUD's programs would increase by at least several million. Expanding the definition of homelessness beyond the current definition, which HUD estimates at approximately 754,000 persons on any given day, will cause HUD's homeless programs to lose their focus on assisting those who literally have nowhere to sleep. Further, HUD suggests that the implementation of an expanded prevention program for at-risk families and individuals – especially for those in rural areas – already allows communities the flexibility they need to serve this at-risk population.

A Results-Oriented System

The Continuum of Care approach is also a resource-driven planning and allocation system. Prior to the Continuum of Care, individual local projects independently applied in separate HUD competitions for a particular homeless assistance program. This previous approach did not promote local coordination or strategic planning. The Continuum of Care requires thoughtful, strategic planning across a community, including local government, so that the needs are identified and prioritized. The community can then choose appropriate options from a menu of existing HUD homeless resources.

Moreover, the Continuum of Care ensures that the community links its efforts to other plans and funding sources. For instance, Continuums are scored on whether they are part of HUD's resource-driven Consolidated Planning process. This helps ensure linkages and resources from

other parts of HUD such as the Community Development Block Grant, HOME, the Emergency Shelter Grants and the Housing Opportunities for Persons With AIDS Program (HOPWA). The Continuum also encourages active linkages with existing jurisdictional 10-year plans to end chronic homelessness, a level of coordination that is supported by HUD and the United States Interagency Council on Homelessness.

HUD's consolidation bill would enhance the existing resource-driven system of the Continuum of Care by providing a modest amount for administrative costs, including strategic planning and monitoring. Our bill would also provide a more efficient resource-driven system by consolidating and greatly simplifying the various homeless assistance programs into a single program.

A Performance-Based System

The Continuum of Care approach is performance based. The application contains a performance section that represents 30 percent of the score in the annual Continuum of Care competition. The core of this performance section is the Government Performance and Results Act (GPRA) indicators by which Congress assesses HUD for the area of homelessness. Our GPRA goal is to end chronic homelessness and help families and individuals move to permanent housing. The specific indicators with which we measure a community's progress in achieving this goal include: the percent of homeless clients who move to permanent housing; the percent of clients in permanent housing who remain stably housed; and the percent of homeless clients we serve who become employed. Creating permanent housing units has been another important aspect of achieving this goal. Finally, we measure the extent to which the congressional directive to implement and use a Homeless Management Information System is achieved in each community. By connecting HUD's performance with that of our grantees and ultimately homeless clients we are seeing success. HUD meets or exceeds these GPRA indicators.

HUD's GPRA efforts have been touted by OMB as exemplary for other federal programs to emulate. HUD's Continuum of Care programs were rated the highest possible rating "Effective" when assessed by the Administration's Program Assessment Rating Tool (PART). That rating underscores the efficacy of the Continuum of Care approach. Performance will continue to be a key element of the consolidated program.

Overall, consolidating the three Continuum of Care programs and codifying it in statute would allow far greater flexibility, which will enable improved performance and effectiveness of HUD's Homeless Assistance Grant programs.

Thank you very much for inviting me to be here. I am looking forward to more discussions on this issue that is so critical to the future of our nation.

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Statement of

Moises Loza, Executive Director, Housing Assistance Council

before the Subcommittee on Housing, Committee on Financial Services

U. S. House of Representatives

October 16, 2007

Chairwoman Waters, Ranking Member Capito, and Members of the Subcommittee, thank you for inviting the Housing Assistance Council to offer testimony on pending legislation to reauthorize federal programs for the homeless.

My name is Moises Loza and I am the Executive Director of the Housing Assistance Council (HAC), a national nonprofit dedicated to improving housing conditions for low-income rural Americans. Established in 1971 to provide financing, information, and technical services to nonprofit, for-profit, public, and other providers of rural housing, HAC strives to meet the housing needs of the rural poor by working in close partnership with local organizations throughout the nation, including providers of housing and services for the rural homeless. HAC is thus particularly interested in the resources that are needed to address homelessness effectively in rural areas. Let me begin with a brief overview of rural homelessness.

OVERVIEW OF RURAL HOMELESSNESS

Homelessness is widely viewed as an urban problem, but rural individuals and families also experience both literal homelessness and very precarious housing situations. The literally homeless, those who live outside or in a shelter, are present but less common in rural areas than in cities. HAC's local partners have often reported and research has shown that homeless people in rural places typically experience precarious housing conditions, moving from one extremely substandard, overcrowded, and/or cost-burdened housing situation to another, often doubling or tripling up with friends or relatives.[1]

Recent HAC analysis of 2005 American Housing Survey (AHS) data highlights the large number of rural residents who are precariously housed (Table 1). For instance, over 6 million rural households experience a precarious housing condition, threatening their ability to achieve housing stability, and placing them at risk of homelessness.

Table 1. Precariously Housed Rural Households

Housing Characteristic	Number of Housing Units
Severe Cost Burden	3,244,325
Poor Quality	1,683,322
Crowding	445,430
Multiple Housing Problems	694,798
Total	**6,067,875**

Source: HAC Tabulations of AHS, 2005

Homelessness is the most severe manifestation of poverty. Rural poverty remains a stubborn problem, particularly among minorities, female-headed households, and children. More than 7.5 million or 14.2 percent of all rural households were poor in 2003, as compared to less than 12.5

[1] Patricia Post, *Hard to Reach: Rural Homelessness & Health Care* (Nashville: National Health Care for the Homeless Council, 2002); Housing Assistance Council, *Information Sheet on Rural Homelessness* (Washington, D.C.: HAC, 2006).

percent of the rest of the United States. It is estimated that there are more than 750,000 persons homeless in the U.S. on any given night.[2] Based on conservative estimates, 9 percent of the homeless population lives in rural areas.[3]

Geographic, programmatic, and organizational capacity constraints often hinder the ability of rural community organizations to meet the needs of the rural homeless. For instance, many rural communities lack a system to meet emergency housing needs, and several structural issues limit the creation of these resources in rural areas. Such issues include:

- ***Community Awareness and Support.*** Since rural homeless people do not usually sleep outside, in emergency shelters, or in visible spaces, there may be a perception that this problem does not exist in rural communities. Thus awareness and support may be lacking.
- ***Access to Services.*** Rural areas have fewer service providers, and people may have to travel long distances to obtain services. The rural service providers that exist differ from their urban counterparts; they tend to provide less shelter and housing than prevention, outreach, food, and financial assistance. Small, dispersed populations make it more expensive to serve the rural homeless. In addition, the range of homeless persons' needs is just as great in rural areas as in cities.[4] Homeless assistance resources are usually targeted to places with the largest and most visible populations, further challenging rural

[2] National Alliance to End Homelessness, *Homelessness Counts* (Washington, D.C.: NAEH, 2007); U.S. Department of Housing and Urban Development, *Annual Homeless Assessment Report to Congress* (Washington, D.C.: HUD, 2007).
[3] Martha R. Burt, et al., Homelessness: Programs and the People They Serve, *Findings of the National Survey of Homeless Assistance Providers and Clients* (Washington, D.C.: Urban Institute, 1999).
[4] Mary Stover, "The Hidden Homeless," in *Housing in Rural America*, ed. Joseph N. Belden and Robert J. Weiner (Thousand Oaks, Calif.: Sage Publications, 1999), 91-95.

providers.

- ***Assessment of Need.*** There is no national survey that comprehensively quantifies the rural homeless. Much of the homeless literature surveys metro and nonmetro service providers to document characteristics of the homeless population. This method is insufficient in characterizing rural homelessness since this population has less access to service providers, most likely resulting in a rural undercount. The difficulty of enumerating homeless persons leads to challenges in quantifying need, ultimately hindering policy and funding attention. In addition, many rural communities have few or no nonprofits, and limited capacity often hinders those providers that do exist.
- ***Definitional Issues.*** HUD's definition of homelessness limits resources to those who are literally homeless. Rural residents who have no permanent homes but are experiencing housing stress (e.g., overcrowding) are not counted for programs such as the Continuum of Care. Therefore, many rural communities cannot access the funding needed to address the housing and service needs of this population. These definitional issues reinforce and compound the other challenges inherent in addressing rural homelessness.

SUCCESSFUL MCKINNY-VENTO FUNDED INTERVENTIONS

For all these reasons, using federal resources can be difficult in rural places. Because the number of homeless people in a given community is often small and congregate shelter may be viewed as inappropriate, providers in rural areas have a strong incentive to emphasize homelessness prevention and permanent "re-housing" options. They must depend, however, on the best resources available: federal McKinney-Vento programs, which focus on providing temporary housing and services to those who are literally homeless. Despite some limitations, these

programs, specifically HUD's Continuum of Care programs, can be very useful in rural places. [5] A number of McKinney-Vento funded programs have proven successful in rural America. Some examples include:

The Center for Family Solutions -- California

The Center for Family Solutions (CFS) is located in Imperial County, a large, sparsely settled area that borders Mexico on the south and Arizona on the east. Imperial is the poorest county in California, with the lowest average annual family income, and has the highest unemployment rate of any county in the state. Imperial County's attractive climate draws a transient homeless population, in addition to homeless residents already living along the river and irrigation canal banks.

To meet local shelter needs, the Center for Family Solutions operates two emergency shelters and 14 transitional shelter apartments for women and their children who are victims of domestic violence or who are homeless for other reasons. Shelters enable CFS to provide much-needed medical, dental, legal, educational, social, and mental health services for its clients. These services include educational classes in Spanish and English, English as a Second Language, computer skills, driver's education, and a children's program.

For the individual clients, CFS's shelters have had a big impact. Women enter the transitional apartments because they need shelter and want to further their education. The participants are required to enter an academic associate degree program or certificate program at the local

[5] Stover 1999; Housing Assistance Council, *Formulas for Success: Housing Plus Services in Rural America* (Washington, D.C.: HAC, 2006); selected articles in *Rural Voices* (HAC magazine), forthcoming, Fall 2007.

community college, participate in an internship, or attend a work-training program. In addition to having a safe and decent place to call home, participants also learn skills that will enable them to support themselves and their children in the future.

Expanding the capacity of rural homeless providers is critical. CFS shelter programs have met only a portion of the need for shelter for the homeless in Imperial County. In this large county of 4,500 square miles, needs often far exceed the available resources.

Hazard Perry County Community Ministries -- Kentucky

For Hazard-Perry County Community Ministries, a Continuum of Care grantee that provides shelter and services for homeless individuals and families in rural Kentucky, the definition of homelessness currently used has proven to be a significant challenge in meeting local needs.

There is only one homeless shelter with 20 beds in rural Hazard, Kentucky. Given the lack of options, those in critical need will often live in severely overcrowded conditions or in badly dilapidated structures. People live in campers and all manner of improvised construction. Some of these makeshift homes have electricity and plumbing, but many do not. If HUD does not recognize these people as homeless, they will not qualify for the limited aid that is available.

Perry County was fortunate to receive funding early on in the HUD Continuum of Care process. CoC funding and other resources are used to support *Community Programs*, an assistance strategy that includes emergency shelter, transitional housing, rental assistance, case

management, and a host of services. By linking these efforts, the Continuum was able to serve 350 people last year.

Working in rural areas like Hazard necessitates a level of flexibility and innovation that must be reflected in homeless programs and policy. Hazard-Perry Community Ministries has needed to adjust strategies to the realities of the demographics and geography of central Appalachia, in order to develop a comprehensive, effective, and culturally appropriate Continuum of Care.

SAFE -- West Virginia

For more than 25 years, Stop Abusive Family Environments, Inc. (SAFE) has been working to break the cycle of violence through a social justice approach that combines domestic violence services and the provision of transitional housing with permanent housing and economic development. The organization is located in McDowell County, West Virginia, and has a service area that includes McDowell, Wyoming, and Mercer Counties. These counties are situated in the southern-most part of the state.

SAFE, a participant in West Virginia's statewide Continuum of Care, operates a 31-unit transitional housing facility for victims of domestic violence. Among other services, SAFE also provides homeownership and credit counseling. SAFE became involved in permanent housing development for low-income families in 1997 and has been successful in moving formerly homeless women from temporary housing to homeownership. Many of the women that SAFE has helped to become homeowners are coming from abusive family environments resulting in issues of self-doubt and low self-esteem. The homeownership opportunity provided through the

organization's self-help homeownership program has given them a much needed sense of self-worth and the awareness that they do not have to return to their abusers.

Reauthorization of the McKinney-Vento programs will enable organizations like those above to continue providing their valuable services for rural residents.

COMMENTS ON H.R. 840 AND S. 1518

Both reauthorization measures have important components that can support the work of rural homeless providers and equip them to better serve homeless individuals and families in rural areas. At this crossroads in the dialogue, it is important to keep in mind the progress that Congress is making in adjusting McKinney-Vento to meet the complex and broad needs of rural homeless populations. In addition to increasing funding for homeless activities, both S. 1518 and H.R. 840 would make important improvements that HAC supports. The bills would:

- ***Consolidate Programs***. Both bills would consolidate HUD's three main competitive homelessness programs (Supportive Housing Program, Shelter Plus Care, Moderate Rehabilitation/Single Room Occupancy) into one program. This change would reduce the administrative burden on communities caused by varying program requirements. Such a consolidation will benefit groups like Tennessee Valley Family Services (TVFS) in Guntersville, Alabama. TVFS serves the needs of runaway youth, other homeless youth, and children in need of supervision, offering the full continuum of runaway and homeless programs. Streamlining the application process for its varied programs would enable TVFS staff to spend more time delivering aid and less time on administrative

work.

HAC supports this provision, since it would improve rural communities' ability to apply for and receive needed homelessness assistance resources. While there are a great many rural organizations doing excellent work in serving homeless populations, many lack the administrative and organizational capacity to apply for and manage multiple funding streams. Consolidation will benefit these groups.

- ***Make Prevention an Eligible Activity***. Since the number of homeless people in a given rural community is often small and congregate shelter is often not feasible, homeless prevention services are a very important part of homeless assistance activities in rural communities. Currently, Continuum of Care funds cannot be used for prevention activities.

By implementing these common themes into the final legislation, Congress would make tremendous strides in making McKinney-Vento programs more accessible to rural homeless providers.

EXPANDING THE DEFINITION OF HOMELESSNESS

The definition of homelessness used by the Departments of Education, Health and Human Services, and Justice would work better in rural communities, as proposed in H.R. 840. HUD's definition is targeted towards those who are literally homeless. Literal homelessness, the condition of living on the street or in a shelter, is often episodic and less common in rural areas

than in cities due to kinship networks and the lack of service providers and resources. HAC's experience is that homeless people in rural areas typically have unstable housing situations. They move from bad housing situation to another, often doubling or tripling up in other households. While housed in these unstable situations, rural homeless people do not meet HUD's definition of homelessness, which is used to determine eligibility for their homeless assistance programs.

RURAL HOUSING STABILITY ASSISTANCE PROGRAM

HAC is pleased that S. 1518 would create a new rural resource. The bill would modify the Rural Homeless Assistance Grant (RHAG) program, a rural homeless-specific assistance program that was authorized by the original McKinney-Vento Act, but never funded. This program was created to support local rural organizations providing prevention, emergency assistance, services, and housing options to precariously housed and literally homeless persons. S. 1518 changes the name of RHAG to the Rural Housing Stability Assistance program and makes amendments to the program, including but not limited to:

- targeting resources to re-housing or improving the housing conditions of individuals who are homeless or in the worst housing situation in a rural area;
- stabilizing the housing of individuals who are in danger of losing housing;
- providing a simplified funding application that recognizes the capacity constraints of rural community organizations; and
- allowing successful applicants to use up to 20 percent of their grant for capacity building activities.

For a definition of rural in this new program, HAC recommends using the USDA Rural Development definition found in Section 520 of the Housing Act of 1949 (42 U.S.C. 1490). Organizations working in rural America are very familiar with this definition.

HAC supports the Rural Housing Stability Assistance program because it will help local rural organizations both address and prevent homelessness. The importance of this flexible targeting is demonstrated by the work of Bishop Sheen Ecumenical Housing Foundation, a HAC partner and faith-based nonprofit housing organization that serves low-income families, seniors, and persons with disabilities in 13 counties in western New York. Most homes in that part of the state are aging, resulting in increased needs for rehabilitation. Last year, Sheen Housing helped rehabilitate the homes of more than 500 families, seniors, and disabled persons, thus keeping them stably housed.

A striking story illuminates the work of Sheen Housing and like organizations that help keep low-income persons away from literal homelessness. Mr. C, his wife, and his 17-year-old son are disabled and live in a remote, very rural setting. Sheen Housing received a handwritten note from this family stating their ceiling was collapsing. A representative from the New York State Office for the Aging who had stopped at the home called Sheen Housing to report that the ceiling could fall "at any time." Sheen Housing made the needed health and safety repairs, including replacing the ceiling, repairing the roof, and painting the interior. Mr. and Mrs. C and their son are now able to remain in their home.

HAC also supports the simplified application and capacity building portions of the Rural Housing Stability Assistance program. Many rural residents are still crowded into others' homes, at risk of injury in substandard housing, unsheltered, or still paying more than they can afford for their homes, simply because community-based and faith-based organizations in their areas do not have the knowledge or funding to help them.

As an intermediary organization for 36 years, HAC has seen repeatedly that strengthening the capabilities of local rural housing organizations can provide immense benefits to rural communities. The simplified application will help rural organizations access much-needed resources. Capacity building funds will provide relatively small investments in staff training, equipment purchases, and the like that enable local rural organizations to meet the needs of homeless and precariously housed people now and in the future.

HAC fully supports the creation of the Rural Housing Stability Assistance program. It is sensitive to the needs of rural communities and presents crucial, flexible resources for rural organizations providing homeless assistance programs to their communities.

OTHER USEFUL CHANGES FOR RURAL COMMUNITIES

HAC also suggests following a change recommended in H.R. 840 -- allowing local communities to set their own priorities for spending McKinney-Vento funds, as long as those priorities are consistent with documented needs in the gaps and needs analysis required in the Continuums of Care. This would mean not codifying set-asides and incentives focusing on chronic

homelessness or any other particular homeless population. Communities could certainly choose to prioritize chronic homelessness if appropriate, but no community would be required to do so.

CONCLUSION

Thank you for this opportunity to comment on the bills before the Subcommittee and on the housing needs of rural homeless persons. I would be happy to respond to any questions.

MCKINNEY-VENTO ACT REAUTHORIZATION

STATEMENT FOR THE RECORD

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

BEFORE THE
HOUSE FINANCIAL SERVICES COMMITTEE
SUBCOMMITTEE ON HOUSING AND COMMUNITY OPPORTUNITY

October 16, 2007

Madam Chairwoman, Congresswoman Capito, and Distinguished Members, I appreciate the commitment you are expressing to remedy homelessness by convening today's hearing. I applaud the work of the Chairwoman and the staff of the Committee for focusing on the issue of homelessness in hearings last week and today. The level of dialogue across the nation is as focused and evolved as it ever has been in the 20-year history of the federal response to homelessness through the McKinney-Vento Act initiatives.

Having been involved in the response to homelessness for more than a quarter century now, I want to express my appreciation for those who have been on the frontlines of response, in the forefront of local efforts across our country.

A decade before the McKinney Act came into existence, countless faith and community-based non-profit groups, as well as the philanthropic and business community joined by concerned citizens, provided extraordinary and heroic work to our homeless neighbors. Unfortunately, the need and numbers grew despite these humanitarian efforts to meet emergency need.

While we had all hoped that the moral, spiritual, and humanitarian responsibilities and obligations we felt toward our most vulnerable neighbors would bring remedy to the problem of homelessness and promote the political will to bring it to an end, that has not been the case in our country. If good intentions, well-meaning programs, and humanitarian gestures were sufficient to end homelessness, it would have been history decades ago. - more -

Beginning in Washington with the President's call to end chronic homelessness, with new federal partnerships, and with increased resources, a broad range of public and private partners in states, counties, and local communities, has now been remoralized to the goal of ending homelessness across our country.

THE REVITALIZATION AND MISSION OF THE COUNCIL

The United States Interagency Council on Homelessness was created by the McKinney Act in 1987. In 2002, the President's proposed budget put a new marker before the country by establishing the goal of ending chronic homelessness. The Council was revitalized that same year with its establishment as an independent entity with a mission to coordinate the federal response to homelessness. President Bush appointed me to serve as the Executive Director in March 2002. The President also launched a government-wide focus on the role of faith-based and community organizations to increase their effectiveness and build on results for vulnerable populations.

Twenty federal agencies and departments make up the Council's current membership. By statute, four Cabinet Secretaries rotate the duty of serving as Chair and Co-chair of the Council: Health and Human Services (HHS), Housing and Urban Development (HUD), Labor (DOL), and Veterans Affairs (VA). The current Council Chair is HHS Secretary Michael Leavitt, who assumed this role in March 2007. Secretary Leavitt set as his policy goals the continued achievement of the goal of ending chronic homelessness, increased focus on children, families, and youth who are homeless, and expanded attention to the needs of homeless veterans.

For the past five years, the Council's efforts have been focused on creating a National Partnership at every level of government and the private sector to reduce and end homelessness in the nation, recognizing that no one level of government or one sector of society can achieve the goal alone. The Council has brought together twenty federal agencies in the effort to make their resources more available and accessible to homeless people. As importantly, the Council is working with states, cities, and counties and the private sector in the creation of state and local plans to end homelessness.

CONSTELLATING THE NATIONAL PARTNERSHIP

These interagency, intergovernmental, and intercommunity initiatives have fostered an unprecedented National Partnership focused on homelessness. In addition to the twenty federal agencies which constitute the Council's membership, forty-nine State Interagency Councils on Homelessness, inspired by the federal effort, have been created by Governors, usually through Executive Order. These State Interagency Councils on Homelessness have made state resources more available and accessible and have resulted in unprecedented resources.

But the frontlines of homelessness are in local communities. Building on the 10-Year Planning process set in motion by the National Alliance to End Homelessness, the Council has been active for the past five years in partnering with Governors, Mayors, and County Executives in the creation of local 10-Year Plans. Through the Council's Regional Coordinators and HUD through its Continuum of Care process for local planning and coordination, more than 300 10-Year Plans that are jurisdictionally-led and community-based are moving forward across our country. All of these Plans are committed to ending the homelessness of those who are the most vulnerable, most disabled, most likely to live and die on the street, and - we are learning - most expensive to the public purse in our communities.

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As part of the partnership with states and localities, the Council has provided a wide range of technical assistance to ensure results in the implementation of these plans. These local planning processes, fueled by the political will of city and county leaders and the civic will of the community, have created unprecedented local partnerships that have brought together local government, business, United Way, Chambers of Commerce, downtown business associations, law enforcement, hospital administrators, providers, the non-profit sector, faith and community-based organizations, librarians, and pedestrians, to achieve the outcome of reducing and ending chronic homelessness. Now every level of government is partnered – city, county, state, and national – along with elements of the private sector – all with one goal, one objective, one mission – to bring an end to the moral and spiritual wrong of homelessness.

More than thirty cities now 2 ½ years into the implementation of their 10-Year Plans - cities large and small, coast to coast – are through their jurisdictional leaders and through their Continuum of Care applications reporting a reduction in street and chronic homelessness in their communities. For the first time in two decades, communities in our country are reporting visible, measurable, and quantifiable reductions in street and chronic homelessness through their research-driven, results-oriented, performance-based 10-year business plans. Miami, New York City, St. Louis, Seattle, Portland, Denver, and other cities have all reported decreases in the past several years.

MCKINNEY-VENTO IMPORTANCE

In 1987 the passage of the McKinney Act contributed a range of new resources and restored morale to the work that local groups were doing to assist those who had fallen into homelessness.

I was Director of Homeless Services in the City of Cambridge, Massachusetts that summer in 1987, and I can assure you that all across that city, the state, and the nation there was relief that reinforcements and resources had arrived. Just as we were encouraged when, five years earlier, then Representative Ron Dellums raised the issue in the Congress.

Thankfully, over the last two decades the McKinney-Vento programs at a range of federal agencies have supplemented other public and private resources all across the nation. Without that federal investment there is little question that homelessness would be even more pervasive than it is now. The President's commitment to ending homelessness and in revitalizing the Council has reenergized both local communities and a broad partnership of stakeholders across the nation.

In the nearly 20 years since passage, the McKinney-Vento programs have been an important resource for our local and national responses. With record requests from the Administration and with support from the Congress, the McKinney-Vento investment has reached record levels.

THE ROLE OF FEDERAL AGENCIES

Much credit must go to the important role that HUD and a number of other federal agencies have had in prioritizing homeless people and focusing both targeted homeless and mainstream resources to assist the national effort. Along with other federal agencies, HUD has been central in the national quest to reduce and end homelessness by investing in vital research,

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direct services, employment resources, and permanent housing, as well as in establishing the requirement that every community create a Continuum of Care through which resources are made available for the local response.

Through collaborations and initiatives by the Departments of Housing and Urban Development, Health and Human Services, Veterans Affairs, Labor, Education, Agriculture, and Justice, General Services Administration, and the Social Security Administration, significant investments over the last several years have made a difference for our most vulnerable and disabled citizens.

INCREASED FEDERAL INVESTMENT

In the past six consecutive years targeted federal resources have increased to record levels. The President's proposed budget for 2008 includes increased resources which would constitute a seventh consecutive year of increased resources, bringing the total federal funding targeted to homelessness to a record level of over $4.47 billion. These resources include non-McKinney-Vento resources invested by the Departments of Veterans Affairs and Labor in the lives of homeless people who have served their country.

If the President's proposed funding level for 2008 is approved, there would be more than a ten-fold increase in resources for homelessness since the McKinney Act first passed in 1987. In fact, just in the past five years, McKinney Act programs have increased 70 percent.

Despite these increased resources, homelessness remains a significant problem across the U.S. Researchers tell us that on any given night, there are between 600,000 and 800,000 Americans who are homeless. HUD's Annual Homeless Assessment Report released earlier this year indicated that more than 750,000 Americans were homeless on a single night in January 2005. Researchers tell us that, in the course of a year, more than 2 million of our neighbors experience homelessness.

The dilemma of increased resources and increased numbers of homeless people is a frustrating reminder that, while new resources are important, new ideas are just as important. Federal resources should be invested in field-tested, evidence-based strategies and support innovative approaches.

TWENTY YEARS OF EXPERIENCE AND LEARNING

We've learned a great deal to inform policy and investment over the past twenty years, and those insights are valuable in informing any changes to the McKinney-Vento Act programs that will meet current challenges and increase results.

Here are a few of those insights which should inform reauthorization efforts:

1. No one level of government, no one element of the private sector can get the job done alone. We need to be partnered in every facet of the public, private, and non-profit sectors. The entire community must be partnered from the jurisdictional CEO – whether Mayor, County Executive, or City Manager – to those non-profit providers who are on the frontlines to business, academia, philanthropy, advocates, formerly and currently homeless people, to each level of government, all partnered together as stakeholders on this issue.

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Public and private sector partners have joined in moving beyond managing the crisis to reducing and ending homelessness. Foremost among these has been the U.S. Conference of Mayors, with the National Governors Association, National League of Cities, National Association of Counties, United Way, the International Downtown Association, National Alliance to End Homelessness, The National Alliance of the Mentally Ill, National Coalition for Homeless Veterans and others partnered in this national effort. They've committed to supporting the Council and its member federal agencies in beginning the effort to end the homelessness of those who are the most disabled and most vulnerable, people experiencing chronic homelessness, and through that effort to end the homelessness of all Americans, including families, children, and youth, and veterans, in urban, suburban, and rural communities.

2. Federal resources can be invested in the result of ending people's homelessness. We need not be satisfied with simply managing homelessness or maintaining a status quo response. Any investment we make should anticipate a return in ending the homelessness of our poorest neighbors. Resources should be aimed at creating opportunities for individuals and families to rebuild their lives by investing in permanent housing, appropriate social services, employment resources, and benefits coordination and access.

3. Field-tested and evidence-based innovative initiatives can provide assurance that federal resources are being invested according to what works. Investments should be data and research-driven, performance-based, and results-oriented. Investing old and new resources in innovative initiatives that have proven themselves in the field and in the research will offer local communities the strategies to create reductions in the number of people living on their streets and languishing in their shelters. Twenty years ago we did not have the data and research we can now point to in confirming the efficacy of initiatives. We are now confident that our resources are being invested, not simply expended. We have seen in cities and counties across the country that such investment creates results. In 10-Year Plans that are housing focused, aligning the expectations of government and providers with the aspirations of homeless people, the central antidote to ending homelessness is offered – a place to live. The Congress' and HUD's priority in targeting resources to create housing have been an important commitment to ensure the creation of the antidote. The Council has committed that the rapid dissemination of innovation will give equal access to best practices to jurisdictional leaders across the country.

A basis in research was essential to the creation of the goal to end chronic homelessness. New federal and academic research on family homelessness, coupled with the leadership of the Council's current Chair, United States Department of Health and Human Services Secretary Michael Leavitt, are now playing the same role in delineating policy direction on family homelessness. When Secretary Leavitt assumed the Council Chair in March 2007, he directed this increased focus by Council member agencies on families, youth, and children, as well as homeless veterans.

4. People experiencing chronic homelessness are expensive. Research tells us that, while they number only between 10 and 20 percent of the homeless individual population, they consume half of all emergency shelter resources. Through research conducted in dozens of local communities of every size across the country in conjunction with 10-Year Plans, we are learning that chronic homelessness is costly in expensive mainstream primary and behavioral health care, and law enforcement and court systems. Local cost research is fueling the political will to solve homelessness and is demonstrating that for this expensive chronic homeless population, ending their homelessness through housing may be less expensive than simply managing it.

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5. Community-based 10-Year Plans encouraged by the Council bring an expansive and inclusive group of stakeholders to the table, necessary for the creation of local solutions. Involving jurisdictional leaders, business, the Chamber of Commerce, downtown business associations, law enforcement, hospital administrators, the Continuum of Care, providers, the United Way, YMCA's, librarians, pedestrians, and many others, brings all of the resources of the community, not just those targeted to homelessness, to bear on the issue of homelessness. In rallying those stakeholders, more community-based resources to supplement McKinney-Vento funds are made available to solve the problem, including through the leveraging of new resources. In a 100-city survey conducted by the Council, jurisdictional plans and the increase in federal resources have leveraged more than $3.4 billion in state, local, and private funds in the past four years.

10-Year Plans create a new standard of expectation on the issue of homelessness. When strategies are informed by innovation and driven by the political will of the local jurisdictional leaders, communities can anticipate tangible and measurable progress in reducing homelessness. As community-based partnerships, 10-Year Plans affirm that communities will be tolerant of their homeless neighbors, but intolerant of homelessness. They move communities beyond punitive approaches to homelessness that have only shuffled homeless people through courts and jails without solving their homelessness. Such business-oriented, results-focused plans ensure that federal resources will be invested to secure results and emphasize coordination of federal investments, including the Continuum of Care.

In more than 300 10-Year Plans in our country, 500 jurisdictions are now partnered with the Council through their Mayors and County Executives. Jurisdictionally-led planning infused with local political, social, and civic will is achieving visible and measurable outcomes in implementing 10-Year Plans. Best practices emerging in plans – from urban, suburban, and rural areas – include partners and specific strategies that recognize and address the needs of special populations at risk of or experiencing homelessness: families, children, and youth, veterans, youth aging out of foster care, and rural residents.

6. Research tells us that permanent supportive housing works for vulnerable and disabled populations. When McKinney-Vento was first passed, this technology developed in the mental health system of response was not in common use. Today communities across the country are targeting this technology to those experiencing chronic homelessness and achieving 80-85% retention rates on average. Another technology borrowed from the mental health system, Assertive Community Treatment Teams, known as ACT, is making a significant difference on the streets, engaging those who were thought to be intractably homeless there and providing the clinical and multidisciplinary strategies to end their street homelessness and support them in housing. This consumer-centric response rooted in opportunities for housing, services, benefits, and employment is working.

7. We now understand the priority that needs to be placed on prevention. For too long we bailed the leaking boat of homelessness, some moved out, more moved in. Again, research helped us understand that, without prevention strategies, especially focused on effective discharge planning protocols from mainstream systems of care, incarceration, and services, our intervention efforts would not create the results we expect. Prevention strategies, including initiatives to ensure adequate and appropriate discharge planning, need to be equal in prioritization to intervention initiatives to ensure that our efforts result in a reduction of homelessness.

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8. Employment has proven to be a central strategy in reducing dependency and increasing self-sufficiency. For example, local initiatives, such as Ready, Willing, and Able in New York City, that provide paid employment for homeless and formerly homeless men, have demonstrated the importance and therapeutic power of work. Additional Federal initiatives directly promote the President's strategies for ending homelessness. The Department of Labor has focused on employment issues facing persons who experience homelessness and has an array of targeted programs such as homelessness prevention, reentry, and intervention. Programs include the President's Prisoner Reentry Initiative that seeks to strengthen urban communities characterized by large numbers of returning prisoners, including homeless ex-offenders, through an employment-centered program. Another example is the Homeless Veterans' Reintegration Program, a competitive grant to provide services to assist in reintegrating homeless veterans into meaningful employment.

9. Accessing consumer-centric mainstream benefit and entitlement resources, another vital component for individuals with disabilities, veterans, families, and youth, is increasingly an important strategy in securing housing and providing stability. Individuals and families must be given the opportunity and support to access deeper mainstream sources of assistance that can provide long-term supports, whether SSI, Medicaid, Food Stamps, Temporary Assistance to Needy Families, Veterans benefits, or the Earned Income Tax Credit. Strategies to ensure that consumers are maximizing access to these benefits and entitlements are vital to national and local initiatives.

10. Research and investment in innovation have shaped initiatives that are evidence-based and produce outcomes, both being essential in advancing results being achieved in our nation. Efforts nationally and locally would be enhanced through the continued identification of evidence-based practices. Replication of these field-tested innovations is accelerated through the provision of incentives and bonuses tied to outcomes and results. And research also tells us that concentrating resources, rather than dissipating them across the entire breadth of the problem, correlates with moving beyond the status quo to results. HUD's proposal appropriately plans to support initiatives that extend lessons from federal collaboration regarding multi-agency investments, synchronized funding opportunities, and interagency implementation and monitoring. Such initiatives and programs can provide incentives to utilize federal and state mainstream service and housing funds in conjunction with competitive homeless resources.

REAUTHORIZATION OF MCKINNEY-VENTO AND CONSOLIDATION OF HUD'S HOMELESS ASSISTANCE GRANTS.

Given the development of new insights, policies, and innovations over the past twenty years, reauthorization of McKinney-Vento is an opportunity to continue a trajectory toward results and outcomes in the lives of those on our streets and in the shelters of our communities and our nation.

I am pleased to endorse the Administration's proposal to consolidate the Homeless Assistance competitive grants at the Department of Housing and Urban Development to more effectively assist individuals and families in leaving homelessness and moving to permanent housing and self-sufficiency. Consolidation of these programs would also give localities more decision making power over their funds and provide a greater focus on prevention of homelessness.

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HUD's proposal makes clear what has been at the core of the Council's initiatives, including through its housing emphasis: the Federal government has a responsibility to establish partnerships to address comprehensively the problems of homelessness. The Administration's proposal and S. 1518 both further the vital goal of ending the homelessness of those who are most disabled, long-term homeless people often living on our streets, an effort that has received recent bipartisan commendation by former HUD Secretaries Jack Kemp and Henry Cisneros in their new report for the Joint Center for Housing Studies at Harvard University, where they affirm the trajectory and results of jurisdictional 10-Year Plans.

I support HUD's goals in this legislation that would create a unified and performance-based process for allocating and administering funds; encourage comprehensive, collaborative local planning of housing and services programs for persons experiencing homelessness; focus the resources and efforts of the public and private sectors on helping to end chronic homelessness and prevent homelessness; provide funds for programs to assist individuals and families in the transition from homelessness, and to prevent vulnerable individuals and families from becoming homeless; consolidate the separate homeless assistance programs into a single program with specific eligible activities; and allow flexibility and creativity in rethinking solutions to homelessness.

The proposals to reauthorize McKinney-Vento Homeless Assistance Grant programs would address the needs identified by the lessons learned over the past twenty years. Most important, the reauthorization should support the following emphases which have proven to have an impact in the creation of strategies to reduce and end homelessness.

1. All proposals include an important increased focus on **prevention** activities including the development of discharge planning protocols, research, and innovations that will forward the national objectives on homelessness. Prevention stops the human tragedy before it begins and is less costly than homelessness.

2. The focus on **permanent housing** and the targeting by HUD and the Congress is the right direction to reduce and end homelessness. The Congressionally-directed 30% setaside for permanent housing should be maintained as the foundation for creating the central antidote to homelessness: housing. Under HUD's proposal, with which we are in full agreement, 30% of homeless resources to each continuum would be used in future for housing. Over time, this setaside has shifted the majority of HUD homeless resources to housing investment. Prioritizing McKinney resources to create and access permanent supportive housing makes sense, and providing incentives to local jurisdictions to innovate and partner speeds the creation of new technologies and results.

3. **Cost benefit analyses** continue to demonstrate that housing and supportive service solutions for chronic homelessness may be less expensive than this population randomly ricocheting through the homeless system and expensive mainstream health and law enforcement systems.

4. **Jurisdictional leadership** in coordination at the local level of all relevant local government, nonprofit, private sector stakeholders, HUD's Continuum of Care process, business, and philanthropic initiatives, is central to making 10-Year jurisdictional plans successful. That leadership creates accountability in the community and is essential to results on the streets.

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5. The **National Partnership** is with every level of government and the private sector. Coordination of federal, state, and local investments ensures support within a national strategy. Cooperation of federal agencies ensures that such investments are monitored for evidence-based results to assist in local responses.

6. Emerging research should direct new policy focus on **family homelessness**, ensuring the most effective investment of both targeted and mainstream resources for families, children, and youth who are homeless. As described earlier, federal focus on this population is increasing. Innovations in state and local communities that are field-tested and evidence-based and that rapidly re-house these populations and others, including aging out foster care youth, should inform investment.

7. Homelessness among **veterans** must continue to be recognized and addressed. All who have served their country in uniform, including currently returning service members, must benefit by both proven strategies and the research available on the needs of this population. Innovative initiatives making a difference need to be implemented for veterans, especially permanent supportive housing. VA and other federal agencies have extended new initiatives to engage and support veterans, and the Council supports legislative efforts to increase focus on this population in local planning and continues its own active effort to ensure that the needs of veterans are identified and addressed in all state and local plans.

8. All geographic areas of the country, whether **urban, suburban, or rural**, have a stake in preventing and ending homelessness in their communities, according to the unique needs and solutions identified by local partnerships. I support legislative proposals to ensure that all communities are able to secure needed investments to address locally identified priorities in ending homelessness. Providing greater flexibility and streamlined administration through the consolidation process, as well as adapting innovations in local areas, will support all communities in meeting local need.

9. In the current discussion of proposals to expand the **definition of homelessness** to include doubled up families, it is important to consider several factors. HUD's homeless resources have never been targeted to those who were doubled up. Not under Secretaries Kemp, Cisneros, Cuomo, Martinez, or Jackson. When the question was raised numerous times in the mid and late 1990's, HUD was clear. Their resources were to be targeted to those who were on the streets, in shelters, and unfit habitations. Limited homelessness resources were targeted to those perceived to be the most vulnerable and disabled, and mainstream resources were to be accessed for those at risk and in doubled up living situations. That policy was explicitly stated repeatedly in the HUD NOFA competitions under Secretaries Cisneros and Cuomo and has remained HUD policy.

Connecticut State Senator John McKinney, son of the late Representative Stewart B. McKinney, in his remarks to this panel last week, made the same point: " . . . While it is certainly admirable to want to address all people who are in need, I am concerned this could lead to thinning of resources. Changing the definition could divert resources from those with disabilities who are least likely to seek help or fend for themselves if many more people are competing for the resources provided by the homeless assistance grants programs."

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In the federal agency meetings convened by the U.S. Interagency Council on the definition issue, there were several key agencies with the most significant investment in homeless programs using the same definition as HUD: the Departments of Labor and Veterans Affairs and most of the Department of Health and Human Services programs, as well as FEMA. The Departments of Agriculture and Education and HHS' Health Care for the Homeless programs used broader, discrete definitions based on ensuring access to mainstream systems, such as health care and education. All federal agencies have been clear about their concern for this doubled up population. They recognize that, too, targeted homelessness resources are inadequate to serve this population.

Further, while there are proposals for the population to be served by HUD homeless funds to be expanded greatly, no costing has been done. HUD resources, even with the increases of the past several years, are already fully committed. An unknown substantial increase in persons to be served with those resources needs analysis, beginning with the impact of such an expansion on the lives of those currently being served. And part of that analysis is whether the appropriate response for those doubled up is limited homelessness funding, or, I believe, more appropriately, the deeper mainstream resources focused on our nation's poor.

A Government Accountability Office (GAO) study done in 1999 concluded that targeted homelessness resources were not adequate even for those homeless people as defined by HUD and other agencies at that time. The GAO encouraged better accessing of mainstream resources for homeless people to more appropriately secure what was needed. That recommendation should be extended to include those who are doubled up.

REAUTHORIZATION OF THE INTERAGENCY COUNCIL

The Council's reauthorization under the McKinney-Vento Act is also pending. While our current statutory language includes a "hard" sunset provision that presents some specific operational issues I will describe, we have also transmitted legislative language that would reauthorize the Council and make it subject to appropriations in the future, without a hard sunset date. Currently due to language that indicates that the Council "shall cease to exist" as of the end of the fiscal year, our authority has been extended through the annual appropriations process or the Continuing Resolution. Because of this language and the recent budget outcomes of the last two years, we have been unable to achieve the full year authorization at any given point that permits us to offer health care benefits, health savings accounts, long-term disability, retirement savings and life insurance to several of our current employees and any new employee. While both the President's Budget and the appropriators have been generous to the Council, attracting and retaining staff to do demanding work under these conditions is challenging.

CONCLUSION

The President's commitment to ending homelessness and revitalization of the Council has reenergized states and local communities and a broad partnership of stakeholders across the nation. That momentum has moved our nation beyond simply managing homelessness to the intent of ending the problem. The creation of State Interagency Councils on Homelessness and jurisdictionally-led, community-based 10-Year Plans has stimulated this new energy and ensured a partnership across every level of government and the private sector. The commitments of federal agencies to new initiatives and new investments have provided additional resources and strategies in that partnership. HUD's Continuum of Care will be strengthened by the consolidation of the homeless programs. McKinney-Vento will be strengthened through provisions for flexibility and through appropriation of the innovative advances and insights of the past twenty years.

Across the nation there is now an unprecedented focus on ending the problem of homelessness, beginning with our most disabled and vulnerable neighbors. There is much work to do, but a new level of energy precipitated by increased resources, new research, and visible results is inspiring unprecedented political and civic will. Once deemed to be intractable, homelessness is now yielding to planful partnerships, innovative ideas, and strategic solutions. McKinney-Vento resources are a vital resource in the larger efforts of local communities to accomplish the mission.

TESTIMONY

ON

THE REAUTHORIZATION

OF THE

MCKINNEY-VENTO HOMELESSS ASSISTANCE ACT

BY

MERCEDES MÁRQUEZ
GENERAL MANAGER

LOS ANGELES HOUSING DEPARTMENT
CITY OF LOS ANGELES

BEFORE THE

COMMITTEE ON FINANCIAL SERVICES
SUBCOMMITTEE ON HOUSING AND COMMUNITY OPPORTUNITY

UNITED STATES HOUSE OF REPRESENTATIVES

THE HONORABLE MAXINE WATERS
CHAIR

October 16, 2007

Good morning, Chairwoman Waters, Ranking Member Capito, and Members of the Subcommittee. On behalf of City of Los Angeles Mayor Antonio Villaraigosa, thank you for the opportunity to testify before you today as you consider reauthorization of the *McKinney-Vento Homeless Assistance Act*. My name is Mercedes Márquez, and I am the General Manager of the City of Los Angeles Housing Department. Along with the Office of the Mayor, the Housing Authority of the City of Los Angeles, and the Los Angeles Homeless Services Authority (known as LAHSA), I am responsible for the administration of the federal homeless assistance programs in the City.

Most recently, the City, led by the Mayor and the City Council, committed $100 million in Affordable Housing Trust Fund dollars to create the Permanent Supportive Housing Program. Again, the Mayor has committed 50% of the Affordable Housing Trust Fund to this program for 2008, which will mark the third round of funding by the City to develop supportive housing, especially targeting chronically homeless individuals. In addition, the City has committed to renewing and expanding the Homeless Section 8 Program, and is providing an estimated value of $129 million in rental assistance to homeless individuals and families. A portion of this funding is supporting a partnership with the County to move 500 families out of Skid Row and into affordable housing elsewhere in the City.

As you are aware, tomorrow, the Mayor along with the Los Angeles Business Council, is convening a Housing Summit entitled, *L.A. Grows Up: Confronting Economic Realities With Good Planning and Investment*, which will focus attention on how our local economy and workforce have changed and ways to address the housing needs of the our middle- and lower-income residents. We look forward to your participation in the Summit. Also, following soon on the heels of the Summit, Mayor Villaraigosa will unveil his Housing Plan that will set forth a very focused and comprehensive strategy to create affordable housing throughout the City, giving special attention to housing production and preservation as key strategies to address homelessness throughout the City.

The McKinney Homeless Assistance Act is an important tool for our local efforts to address homelessness, through an array of programs that pass through the City, County, and the Los Angeles Homeless Services Authority, which is a jointly managed by the City and County.

While the City contributes most of the housing programs, the County provides most of the social services. However, most of the housing and services dollars that come to Los Angeles are not specifically tailored to combat homeless. The exceptions are the funding provided through McKinney-Vento Homeless Assistance Grant Program, funding emergency shelters, transitional housing and permanent housing with supportive services. For this reason, it is of critical importance to the City of Los Angeles that we have a voice in shaping a funding program that can be most effective in supporting local efforts to prevent and end homelessness.

Los Angeles has had the dubious distinction of being the "homeless capital of America" since the 1980s. I want to share some key statistics that will illustrate for you the backdrop against which the City has gained this distinction, and how efforts to address homelessness have been, and continue to be, challenged:

- According to the recently released *2007 Greater Los Angeles Homeless Count,* it is estimated that, on any given day, there are 73,700 people who are homeless throughout the County of Los Angeles.
- The City of Los Angeles is home to 54% of the County homeless population or 40,144 homeless individuals. Although this marks a reduction in homelessness from the 2005 Citywide count, there was an increase in homelessness in the Skid Row Community, growing from 3,668 to 5,131 in that two-year period of time.
- Over 50% of the homeless are African American, 24% are Latino, and 19% are Caucasian.
- 22,376 or 33% of the homeless population in the County are persons considered to be "chronically homeless". These individuals often have the most crippling disabilities including mental illness and substance addictions;
- An estimated 27,000 homeless veterans live in Los Angeles; and finally,
- There are an estimated 13,000 homeless children currently enrolled in the Los Angeles Unified School District.

Consistent with the results of the 2005 Greater Los Angeles Homeless Count, despite a slight increase in the percent of homeless that are in emergency shelters or transitional housing programs, the majority of homeless people, 83% continue to be unsheltered in Los Angeles. Also important to note, is that the majority of respondents to the 2007 Homeless Count and County-wide survey reported that they were living in Los Angeles when they became homeless, contesting the argument that the homeless move to Los Angeles from other regions to be homeless because of the weather or because of the concentration of services.

Against this backdrop, the City of Los Angeles supports reauthorization of the McKinney-Vento Homeless Assistance Act. We like the policy directions taken in both Senator Jack Reed and Senator Wayne Allard's proposed reauthorization bill, *The Community Partnership to End Homelessness Act* (S.1518) and Representative Julia Carson's proposed reauthorization bill, *The Homelessness Emergency and Rapid Transition to Housing Act*—the "HEARTH Act", (H.R. 840). We prefer the provisions of S.1518 and would like to see many of its provisions reflected in the bill to emerge from this Subcommittee, including: incentives to develop long-term solutions to homelessness; focusing on the prevention of homelessness; and, homeless prevention and re-housing assistance designed to prevent re-occurrences of homelessness.

I want to focus my comments on the major homeless policy priorities for the City of Los Angeles and comment how the two proposed bills relate to our priorities. They are:

1. <u>Maintain the 30% set-aside for permanent supportive housing for all homeless people with disabilities, and sustain this housing inventory with adequate program funding</u>. Permanent supportive housing is the Mayor's Number 1 priority in addressing homelessness as it would, very simply, expand the availability of housing linked to integrated social services for homeless people most in need. At least until the national goal of creating 150,000 units of

permanent supportive housing is met, it is the position of the City of Los Angeles that this set-aside is necessary to reduce the number of homeless in Los Angeles, and nationwide. As indicated in S.1518, after this point, communities can and should be able to target and prioritize resources to more closely match the housing and service needs specific to their communities.

2. Enunciate the policy that developers will have a firm 24 months to fulfill all the requirements for the obligation of funds, including site acquisition and control, the provision of matching funds, environmental reviews, and completion of the construction or rehabilitation of supportive housing projects, following allocation of housing grant funds. By extending the time in which local developers have to meet all of HUD's requirements, our developers will be better able to secure the capital (housing tax credits and other funding sources) necessary to begin and complete construction in a timely manner. Mayor Villaraigosa believes the additional 12 months would be a critical component of the City's ability to move permanent supportive housing development forward successfully. The extension of this deadline, associated with the development of permanent supportive housing, will help the City of Los Angeles meet our goal of increasing access to the state tax credit apportionment set-asides for homeless and special needs housing and other critical state housing development resources for this type of housing.

3. Ensure Coordination with the Low-Income Housing Tax Credit Program. Consistent with the provisions in S.1518, reauthorizing legislation should include provisions to ensure that McKinney funds can be used with housing tax credits without reducing the value of the credit, thereby maximizing both resources as fully as possible. As such, the City of Los Angeles supports policy that classifies any rental or leasing assistance or supportive services as being exempt from counting towards the eligible basis in the Low Income Housing Tax Credit Program. Reauthorization legislation should also exempt housing that receives a loan from funds as being classified as a federal subsidy with respect to the Low Income Housing Tax Credit program. Finally, the City of Los Angeles supports an

initial term of 15 years for rental assistance and operating cost assistance in conjunction with the development of permanent supportive housing, with the first 5 years of assistance to be funded by the McKinney Act and the following 10 years to be funded under the Section 8 account, subject to annual appropriations. This would solve the problem of the "timing mismatch" between rental subsidies and operating resources and the15-year recapture period required by Housing Credit investors. Again, this policy would help Los Angeles meet our goal of increasing local access to the state tax credit apportionment set-asides for homeless and special needs housing, and other critical state housing development resources for this type of housing.

3. Prioritization of McKinney Resources is also critical because of the limited McKinney dollars that are available nationwide. While we believe priority in eligibility should be given to people living in housing that is not meant for human habitation, including shelters, we DO NOT support further expansion of the definitions of "homeless" or "chronic homeless." We accept the Senate bill's current definition of "homeless" to include "couch surfers," and "chronic homeless" to include unaccompanied youth, safe havens, and people temporarily in institutional care. However, we urge the Subcommittee to go no further in expanding these definitions. Expansion of these definitions would diminish resources that are already inadequate to meet the housing needs of individuals and families who have been homeless the longest and who face the greatest barriers to achieving housing stability. In city after city, evidence shows that to effectively reduce homelessness in a community, already scarce resources for housing and social services must be directed to homeless individuals and families with the greatest number of disabilities, to those who are most vulnerable, and to those whose emergency care is most costly to communities. Los Angeles has paid attention to these outcomes-based approaches to reducing homelessness, and we have begun targeting our resources in a way that we believe will have the greatest success in reducing homelessness. For example, the chronically homeless are prioritized in the City's Permanent Supportive

Housing Program. We are also working towards creating incentives to focus on that sector of our homeless population which consistently uses emergency shelters. For these reasons, we do not support the HEARTH Act's proposed expansion of the definitions of "homeless." The McKinney Program is already oversubscribed. Without a significant increase in annual appropriations, a further expansion of the homeless definition would only exacerbate our ability to house our homeless individuals and families and provide the many supportive services that are so urgently needed;

4. As such, locally, we support the authorization of the McKinney-Vento Homeless Assistance Program at $3 billion and urge your Subcommittee to work with appropriators to ensure full funding. However, as between both proposed bills, we would support the authorization level of $2.5 billion provided for in the HEARTH Act.

5. In regards to the proposed establishment of community planning boards, we are supportive of a process that includes community participation and collaboration. The Los Angeles Homeless Services Authority is our local agency responsible for program policy and design, planning, project funding, and outcomes assessment and technical assistance to our more than 100 non-profit partner agencies that provide a continuum of programs throughout the City and County. Furthermore, LAHSA integrates services and housing opportunities to ensure the widest distribution of service and housing options throughout the Los Angles Continuum of Care;

6. Finally, and as alluded to earlier in my testimony, the City believes it is important that the renewal of all permanent housing projects currently funded under the McKinney Act be transferred to the Housing Choice Voucher Program, thereby creating a reliable and stable funding source that will enable our non-profit partners to better secure project financing from the private sector. In so doing, however, we urge you to ensure that this shift in funds does not supplant other vouchers and ensures that voucher-holders currently on Public Housing

Authority waiting lists will not be disadvantaged.

Madam Chair, this concludes my testimony. Thank you for inviting the City of Los Angeles here today to express its views on the reauthorization of this very important legislation. It has been ten long years since the last reauthorization of the McKinney-Vento Homeless Assistance Act, and Mayor Villaraigosa and the City, stand ready to work with you to see your reauthorization bill through to final passage and enactment in the very near future. I would be pleased to answer any questions. ***

MERCEDES MÁRQUEZ
General Manager
Los Angeles Housing Department

Ms. Márquez was appointed General Manager of the Los Angeles Housing Department (LAHD) in January 2004. LAHD is responsible for the direction, development and implementation of citywide housing production and preservation programs.

Under Ms. Márquez's leadership the Department has developed and maintained increased funding for the Affordable Housing Trust Fund, created the City's first Moderate Income Home Buyer Program, and launched the Permanent Supportive Housing Program to house the chronically homeless. In June 2005, the Department received the Innovations in American Government Award from Harvard University for its Systematic Code Enforcement Program (SCEP).

Prior to joining the Housing Department, Ms. Márquez was Vice-President of McCormack Baron Salazar, Inc., a national firm specializing in the development, consultation, and management of urban communities. From 1997-2001, she served in the Clinton Administration as the Senior Counsel to Secretary Andrew Cuomo and Deputy General Counsel for Civil Rights and Fair Housing in the U.S. Department of Housing and Urban Development (HUD) in Washington, D.C. Ms. Márquez practiced law for 15 years and was a partner at Litt & Márquez, where she specialized in complex public interest litigation. Ms. Márquez holds a BA from the University of Southern California and a J.D. and LL.M. from Georgetown University Law Center.

The Testimony of

Ms. Arlene McNamee, LCSW

Executive Director, Catholic Social Services, Diocese of Fall River, MA

Member, Catholic Charities USA Board of Directors

Before the Committee on Financial Services,

Subcommittee on Housing and Community Opportunity

United States House of Representatives

Reauthorization of the McKinney-Vento Homeless Assistance Act

October 16, 2007

Thank you, Chairwoman Waters and Ranking Member Capito for devoting the time and attention of the subcommittee to this important matter. Thank you for your willingness to take into consideration the views of those of us who work directly with mothers and fathers, children and youth, and single men and women towards the ultimate goal of achieving permanent housing stability. I wish to express my appreciation to Chairman Frank for inviting me to share my experience in serving homeless families and single adults in his district. We are proud of the Chairman's tireless efforts to expand affordable housing opportunities both at home in Massachusetts and now, as Committee Chair, nationwide. Representatives Carson and Davis deserve our deep gratitude as well for introducing the HEARTH Act – a thoughtful, balanced approach to preventing and ending homelessness for all Americans. We wish Rep. Carson a speedy recovery – she is in our thoughts and prayers.

My name is Arlene McNamee. I have attached my resume to my testimony per the Committee's request. I am the Executive Director of Catholic Social Services, Inc. of the Diocese of Fall River, MA and I serve on the Board of Directors of Catholic Charities USA. I am a licensed clinical social worker with over 30 years' experience in social services in the areas of income support, family preservation and reunification, prisoner re-entry, case management, and affordable housing development for families; the elderly; persons re-entering society from prison; and single, disabled adults.

Catholic Social Services, Inc (CSS) of the Diocese of Fall River, MA is the largest provider of services and shelter for the homeless outside of the Greater Boston region. CSS serves all of Bristol and Barnstable counties. This encompasses Cape Cod as well as the urban centers of New Bedford and Fall River. The balance of our service area is rural – and in these areas, one can find all the splendor and beauty that autumn in New England can offer. But these rural areas also present the recognizable patterns of abject poverty, isolation, and disenfranchisement that one can find in rural communities nationwide. Accordingly, we work very hard to ensure that our services are nimble enough to deal with the diverse manifestations of poverty in urban, suburban *and* rural communities alike. We expect that federal policy makers will recognize the complexity of our work and enact policy that takes this community diversity into consideration.

Last year we served a total of 42,523 individuals with a range of services including food, medicine, financial assistance, housing, case management, counseling and advocacy – services that often function as a means of preventing homelessness among some of our most vulnerable neighbors.

As the largest provider of housing and services designed specifically to combat homelessness in the Massachusetts Southcoast region, we have gone to great lengths to build a continuum of housing options designed to prevent homelessness, shorten its duration, and help households achieve permanent housing stability. CSS operates two transitional housing programs for women leaving prison; a transitional housing program for homeless women and

children; 68 affordable single room occupancy units for women and men; an emergency shelter for single women and men, and 70 permanent housing units. Each night, CSS provides services and shelter for more than 348 homeless families and individuals.

My testimony will reinforce the following three points: 1) HUD is not keeping its commitment to provide affordable housing for extremely low-income households and the McKinney-Vento Homeless Assistance Programs are not the appropriate place to make up for this shortfall; 2) Reauthorization of the McKinney-Vento Act must expand HUD's definition of homelessness and restore the ability of local communities to act on all they've learned since the last reauthorization about ending homelessness; 3) The HEARTH Act is the approach to reauthorization that will best enable communities to put into practice on a local level all that we know about preventing and ending homelessness among all households – urban, suburban, and rural.

1) HUD'S OBLIGATION TO PROVIDE AFFORDABLE HOUSING FOR THE POOR

HUD must re-establish a commitment to produce, subsidize, and preserve affordable housing for the poor must be reversed – and the McKinney Vento Programs are the least appropriate place to accomplish this goal.

Catholic Charities agencies nationwide rely on our partners in government, public housing authorities, private business, and community groups to leverage enough resources to provide over a half million housing services nationally each year. As such, we are deeply troubled by the diminishing federal commitment to serve

the poorest of the poor through desperately needed housing programs. In the face of a growing affordable housing crisis, one which displaces over three million of our brothers and sisters into homelessness each year, HUD has backed away from its responsibility to ensure an adequate supply of affordable housing for the extremely low income households.

Last week, for example, the Commonwealth of Massachusetts reported that about 1,800 families were in homeless shelters I - up from 1,400 in June 2006 and 1,200 in June 2005. In fact, according to the Massachusetts Coalition for the Homeless, more families are in shelters now *than at any time since the inception of the state's family shelter program in 1983.* This is not a function of an overabundance of shelter beds as some might argue – this is a result of a dwindling supply of affordable housing options for the very poor. Any ordinary citizen armed with nothing more than a calculator could get to the bottom of this problem.

HUD's budget is roughly 65% of what it was 30 years ago. Not a single new Section 8 voucher has been issued in nearly seven years. The impact of HUD cuts to affordable housing programs has been drastic. In 1976 for example, HUD maintained nearly 214,000 existing housing units and built an additional 203,000 to keep pace with growing need. In 2002, HUD maintained only 26,000 units of housing and built only 7,600 new units. According to the Interagency Council on Homelessness, the number of single adults suffering from disabilities who experience long-term homelessness has remained around 150,000 for the past six years and yet the Section 811, "Supportive Housing for Persons with

Disabilities" program designed specifically to provide subsidized permanent housing for single, disabled adults has been offered up by HUD for a cut of almost 50% each year for six years. And finally, each year over the past six years, Congress has appropriated money to HUD for new Section 8 vouchers for the Family Unification Program which is intended to keep homeless children out of the foster care system – and to help ease the transition to adulthood for youth aging out of the system. Instead of issuing these desperately needed, cost-effective vouchers, HUD has opted to use this allotment ranging from $18 million to $170 million from 2001 to 2007 to cover other expenditures. This year, in order to prevent HUD from neglecting the Family Unification Program once again, Congressional Appropriators have directed HUD to spend not less than $30 million on the program. HUD has indeed retreated from its responsibilities.

In order to begin to reverse the growing problem of homelessness, the federal government must be an active partner in the creation of affordable housing. HUD must turn its attention back to the successful federal housing policies which already exist in this country in order to create housing options for extremely low-income families such as Section 8, CDBG, HOME, HOPE VI, 811, and 202. Moreover, we MUST enact a National Housing Trust Fund to bring these solutions to scale. Without a national, dedicated source of funding to construct, rehabilitate, and preserve housing affordability, we will never reach the reasonable goals established in the National Housing Act of 1949 of "eliminating housing shortages through housing production and related community

development," and providing the opportunity of "a decent home and suitable living environment for every American family."

Instead HUD has set out to achieve the more modest, if elusive goal of ending homelessness for single disabled adults, only when these adults have endured homelessness continuously for one year or four times in three years. HUD has labeled these Americans "chronically homeless."

Through the regulatory and appropriations process HUD has tinkered with the relatively small HUD line-item of the McKinney-Vento Homeless Assistance Programs to re-direct hundreds of millions of dollars previously available to meet the diverse needs of a broad range communities and households, toward the goal of ending chronic homelessness in all communities across the United States. The chronic homelessness 30% set-aside carved out of the McKinney-Vento Programs is applied without regard to the number of chronically homeless individuals in each community. HUD has transformed from an agency that encourages and rewards community-level planning, innovation and partnership to an agency that prescribes ill-fitting, urban-centric solutions and penalizes those who are unable or unwilling to use them. Furthermore, the eligibility criteria associated with the set-aside is exclusionary and burdensome.

Take, for example, the "Donaldson" family. After Mr. Donaldson lost his job and fell behind on his rent, the landlord placed in him what amounts to servitude requiring him to work as a janitor in order to maintain housing for his wife and four children. This, of course interfered with his plan to find a new job, further

driving the family into poverty. After the landlord began to verbally abuse him in front of his wife and children, Mr. Donaldson went to the local shelter for help – but the emergency shelter was full. And without an eviction notice and the necessary documentation proving that they were homeless enough, the Donaldson's didn't qualify for our HUD-funded permanent supportive housing program. For two weeks this family lived in their car until they could complete the necessary paperwork to qualify under the current HUD definition and enter our housing program, while they met one part of the current homeless definition of living in a car they did not have the documentation for a disability. They are now stably housed but this does not excuse the fact the Donaldson children were needlessly exposed to the horror of calling a parked car home for any amount of time."

Their story begins to illuminate the need to expand HUD's definition of homelessness and restore local flexibility.

2) EXPANDING HUD'S DEFINITION OF HOMELESSNESS AND RESTORING LOCAL CONTROL

In the twenty years since passage of McKinney, we have learned how to prevent and end homelessness. We are grateful for all that we have learned from the data and research of distinguished academicians such as Drs. Burt and Culhane. On the front-lines, we review their recommendations and apply their theories to continuously advance our work to improve the lives of children, youth, parents, and single individuals in communities across the United States. Research

coupled with practice wisdom teaches us that families are best served in their own homes – that to prevent homelessness whenever possible is the best option. But we have learned that it is not always possible to prevent homelessness and as a result, we must always be at the ready with emergency shelters and services when folks fall on hard times brought upon by a variety of circumstances.

Perhaps, the most important thing that we have learned over the years is that the unique experience and the untidy details of real life are such that each family and individual does not neatly into HUD's rigid categories. HUD must expand its definition of homelessness to include families who are doubled-up and living in motels for lack of other options. HUD's narrow definition of homelessness is limiting our ability to alleviate unimaginable suffering – even as we sit here today.

I will share with you a heart-breaking story of "Michelle" and her children. Over the summer, we received a call from the clerk of a local motel about a single mother with two children who was unable to pay "rent." The clerk was very concerned and wanted to help the family so we sent a social worker over. When she arrived, she found the mother with her two children aged four and 11. The 11 year old daughter is severely disabled, suffering from advanced cerebral palsey – as such, she was lying motionless on a mattress on the floor when the social worker arrived. (Placing a mattress on the floor is a common means of protecting a child with CP from falling off the bed. A parent's number one concern with a child affected with CP is to protect them from any type of injury). Without money for a wheel chair, the mother had to carry the child wherever they

went, including up and down the stairs at the motel. This and her fear of being located by her abuser prevented her from leaving the motel room.

Sadly, according to HUD's misguided policies, this family did not qualify for our permanent supportive housing program because even though a family member has a severe disability, they do not qualify under HUD's definition of chronic homelessness. This family would clearly benefit from permanent supportive housing, but this is not a priority for HUD. In fact, because they are living in a motel, they are not considered homeless by HUD and not entitled to McKinney-Vento services at all.

The remarkable story of how cancer affected the lives of the Anderson Family provides additional insight into why HUD's definition must change. My agency received a call about Mr. Anderson and his two children who were in the process of being evicted for non-payment of rent. Mr. Anderson had been under extreme stress that had begun to take its toll nearly two years earlier due to the loss of his mother to cancer. Not more than a year later, his wife was diagnosed with cancer and died within 9 months of the diagnosis. Shortly after his wife's death his son who was 5 was diagnosed with Lukemia. In his struggle to attend to his son's chronic illness and cope with this crushing grief, he loss his job.

As you know, this family did not meet the HUD's definition of homelessness because they were not literally homeless – even though the die had been caste. In order to meet HUD's arbitrary criteria, we separated the family. And to this day, I regret it. Mr. Anderson entered the shelter with his other child. The child with leukemia was unable to enter the shelter, due to obvious medical concerns,

so this child went to stay with family friends. After losing grandmother and mother just months before, this child believed he would never see his father again. The additional suffering caused to this child by the separation from his family should put us all on notice that HUD's definition must change.

Finally, we know that children living in families who are doubled-up or living in motels for lack of other options suffer in unimaginable ways and are at risk of similarly poor outcomes to those of homeless children. Congress MUST expand HUD's definition of homelessness to include persons who are sharing the housing of others due to loss of housing, economic hardship, or similar reasons, and those who are staying in motels because of a lack of adequate alternative accommodations.

While, S. 1518 attempts to address the well-founded concerns of homeless service providers nationwide that HUD's definition must expand to include doubled-up families, it includes flawed language that would require a doubled-up household to meet arbitrary requirements such as having lived in at least three different homes in a year or two homes in 21 days. We are less concerned about the potential incentive this provides for families to move just in order to meet this artificial standard of "homelessness" - this is unlikely to happen. Instead, we find troubling the safety concerns of the domestic violence victim attempting to verify a stay with her abuser or the homeless youth who has been sexually exploited in order to share a couch or a bed for the night being made to provide proof of such horrors.

Finally, Congress must restore local flexibility and return HUD to its award-winning role of evaluating the extent to which a CoC application fills the gaps revealed in the community gaps analysis. In 1999, *prior to the addition of targeting, bonus points and the permanent housing set-aside*, the CoC earned HUD the Harvard Kennedy School of Government' Innovation in Government Award. Despite the obvious lack of housing as a similarity among all homeless households, the journey to the brink of homelessness begins differently for every person. The causes are unique to the experience - unemployment, the disappearance of affordable housing, questionable choices, a flight from exploitation or abuse, or falling apart under the crushing weight of severe mental illness. For many, it was the accumulation of these challenges.

Given this complexity, our response must be agile, thoughtful, and above all, tailored to meet the needs of each of our neighbors who experience this tragedy. We ask that the Committee weigh heavily the findings of practice wisdom and research and reject HUD's overly prescriptive federal policy which aims to standardize the response to homelessness. Any reauthorization of the McKinney- Vento Act must reflect this complex interplay of social issues and arm communities with the tools necessary to create a wide array of housing options designed to return our neighbors to safe, decent, affordable housing as quickly as possible.

3) HEARTH IS THE IDEAL APPROACH TO REAUTHORIZATION.

After much thought and consideration, we believe that HEARTH best reflects what we have learned about preventing and ending homelessness for ALL Americans.

First, HEARTH it consolidates the separate HUD programs, relieving both HUD and local communities of the overly complex application process. Second, it codifies the Continuum of Care (CoC) and restores the local flexibility necessary for it to operate properly. Third, HEARTH expands HUD's definition to include persons who are sharing the housing of others due to loss of housing, economic hardship, or similar reasons, and those who are staying in motels because of a lack of adequate alternative accommodations. We appreciate the efforts of the Senate Committee on Banking, Housing, and Urban Affairs to include an expansion of HUD's definition of homelessness in S. 1518. This moves CPEHA closer to the more robust House bill. While it is true that many families and individuals who doubled-up, move frequently, it is not always possible for a case manager to verify this or for a family or individual to provide proof. As you can imagine, it is nearly impossible for a social worker to verify the extent to which a family or individual is homeless. Simply put, being doubled-up for lack of other options is homeless enough for HUD to intervene.

Lastly, HEARTH would serve rural needs by allowing for local flexibility and priority-setting. HEARTH rejects HUD's current practice of prescribing solutions aimed at big cities like New York and San Francisco and directing dollars away from small towns and rural areas. Most Americans live in cities such as mine with a population of 90,000 to 250,000. HEARTH does not create an optional

separate application process for rural communities that could potentially further slow down HUD's lengthy approval process. Instead, HEARTH makes the entire continuum of care approach responsive to rural communities by restoring local flexibility, streamlining the application process, adding doubled-up and motel families to HUD's definition and allowing more money to be used for prevention. HEARTH is the optimum approach, we urge this committee to support HEARTH and thank the 79 co-sponsors of the bill. We thank Senators Jack Reed and Wayne Allard for their commitment to affordable housing and for championing the need for a long-overdue reauthorization of the McKinney-Vento Homeless Assistance Programs and hope that CPEHA will continue to improve to match the balanced, thoughtful approach of HEARTH.

Although my testimony suggests otherwise, I am in favor of a one-size-fits all approach to ending homelessness - and it is a prescription that I borrow from Catholic Social Thought and the National Association of Social Workers - that every person is entitled to be treated with dignity and respect. Catholic Social Teaching emphasizes the dignity of the human person and the value of the family. The home is the very foundation for raising children, for seeking comfort, and for preparing oneself to participate in broader society through work, education and civic engagement. The teaching of the Church informs Catholic Charities' century-old commitment to safe, decent, affordable housing. We take very seriously our commitment to building, rehabilitating and preserving affordable housing. But we are equally motivated by our commitment to ensure

that all Americans have access to the social and emotional support necessary to escape homelessness and to be successful in permanent housing.

As much as we would like to boil the plan for ending homelessness down to a tag-line suitable for printing t-shirts or bumper stickers, the reality for each family and individual who experiences homelessness is complex, painful, and unique for them. That calls on to take a sophisticated approach that is not always quantifiable or measurable – and might not always cost us less money – to ending homelessness for them. And again, the problems of homelessness we now face are in no small part due to HUD's inattention to America's affordable housing crisis. Indeed, HUD has failed in numerous ways, improving its homelessness policies will be a small but vital contribution to our nation's housing struggles.

On behalf of Catholic Social Services of the Diocese of Fall River, I thank the Committee for this opportunity to testify. We urge the committee to support HEARTH and to see to it that the Senate bill adequately addresses the complexities of homelessness across our diverse nation. We look forward to working with the Committee to pass the HEARTH Act. Thank you again for your leadership to prevent and end homelessness in America.

ARLENE A. MCNAMEE

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Tel. 508 674 4681 (w) 508 99 39618 (H)

EDUCATION:

Stonehill College
B.A. Sociology 1968

SENIOR EXECUTIVE LEADERSHIP DEVELOPMENT PROGRAM
NATIONAL CHILD WELFARE AND THE UNIVERSITY OF NORTH CAROLINA, CHAPEL HILL-
1987

Executive Management and Leadership Program
Child Welfare League of America and John F Kennedy School of Government
1993

Licensed Certified Social Worker

EXPERIENCE

Catholic Social Services Diocese of Fall River

EXECUTIVE DIRECTOR - 1994 to present

Overall responsibility for the agency including financial, planning, programming and advocacy. Accomplishments have included the development of: 2 transitional housing programs for woman leaving prison, a transitional housing for homeless women and children, 72 HUD supported permanent housing for homeless families. Also, extensive services for immigrants including legal services, ESL, Advocacy, health initiatives and elder groups. Other responsibilities include serving as the Victims coordinator and overall director of the Office of Child Protection.

COMMUNITY ACTION FOR BETTER HOUSING

Executive Director – 1995 – present

Founding Director - responsibilities include: overall responsibility, including financial, planning, negotiations with various funding sources including HUD, and the various cities that this housing corporation serves. Accomplishments include the rehabilitation and selling of 8 homes to first time homebuyers, developing a 26 room SRO for persons in recovery. Recent dedication of a new 18 room SRO and currently, a 202 for affordable, supportive housing for elderly is nearing its final phase prior to construction.

MASSACHUSETTS SOCIETY FOR THE PREVENTION OF CRUELTY TO CHILDREN

Regional Administrator Southeast region

Development and implementation of new programs that increased the agency budget from 600,000 to 2.9M in ten months. Program expansion of Mental Health Services to include Employee Assistance, Sexual Assault Assessment Teams, Prevention Services, and Adoption Services .

Richards & Davis Co.

President 1988-1992

Family owned business which wholesaled lumber.
Financial management and general operation of the business

St Vincent's Home

Consultant 1989 – 1990

Provided consultation in the reorganizing of the program that provided residential services to children. The program was under serious scrutiny from its funding sources due to an allegation of sexual abuse at the facility that was not reported.

State of Maine

Consultant 4/1990 - 6/1990
Reviewed and made recommendations regarding service practices of the Child Welfare system after the death of a child

New Bedford Child and Family Service

Executive Director 1978- 1988

Responsible to develop and implement budgets, write and negotiate proposals, meet regularly with the Board of Directors, represent the agency at the local, state and national level.
Accomplishments included the establishment of non-traditional apartment living for young mothers; the creation of a coalition for young mothers with the local school and other providers, the development of the Mariner's Assistance program with the United Way, City of New Bedford and the Snug Harbor Foundation to provide referrals and group services to fishermen and their families in such areas as substance abuse, financial counseling etc

New Bedford Child and Family Service

Assistant Director 1974- 1978

Responsible for the day to day management of the agency negotiated with funding sources, developed and implemented new programs as well as providing supervision to program directors.

New Bedford Child and Family Service

Program Manager for Youth 1993 –1974

Developed and managed the Proctor Program which provided one-to one 24 hour supervision to youth who were under the jurisdiction of the courts and who the system was not able to contain in a conventional setting. This program was cited by the Federal government as an "exemplary program" and has served as a model for this type of care. Supervised all staff who provided services to youth (Big Brother/Sister, Young Parents, Adoption Services and Group Services)

New Bedford Child and Family Service

Caseworker 1971 - 1973
provided case management services to youth

Camp Chappa Challa

Co-founder and Director

A temporary shelter for emotionally disturbed youth
responsibilities included overall management of the budget, staff and program. The development of a volunteer staff of 50 and the development of a foster care network for aftercare.

Project Lighthouse

Co-founder and Director

A temporary shelter for adolescents who suffered from abuse and or had runaway
the program operated after our "regular job" usually around 5:30. There were 6 live in adolescents as well as a "lounge" which was staffed and opened to youth provided that they were "clean". It was staffed totally be volunteers and had a roster of 38 who provided coverage. The project survived on donations there was no public funding.

Project Follow Through

Social Worker 1969-1971

Caseload consisted of primarily children from immigrant Portuguese families

Department of Public Welfare Rhode Island

Social Worker 9/1968- 12/1968

Caseload consisted of adolescent girls who were involved in prostitution, drugs and unplanned pregnancies

Community Organizations:

Catholic Charities USA – Board of Directors 2006- present

Leadership SouthCoast - Board of Directors 2004 - present

SouthCoast Hospital Group , Board of Directors 1996- present

Sovereign Bank Massachusetts Advisory Board – 2007

Sovereign Bank Southeast Advisory Board – 2005-07

Homeless Services Provider Network – City of New Bedford - Chairperson 2005 - present

Chairperson SouthCoast Hospitals Group, Board of Directors 1996 –1999

Board of Directors St. Luke's Hospital , Chairwomen, 1995-1996

Board of Directors St. Luke's Healthcare System, 1995-96

Board of Directors, Bay Bank Inc. 1990 – 1995

Board of Directors Acushnet Savings Bank 1979 - 1983

Board of Directors Hunger Commission Southeastern Massachusetts (FEMA)

Homeless Provider Network the city of New Bedford (Chairperson 2004-2005)

Homeless Provider Network Attleboro/Taunton

Mayor's task force to End Homelessness (City of New Bedford)

Mayor's task force to End Homelessness (City of Fall River)

Mayor's task force for Emergency Homeless Services (City of Taunton)

National Committees:

Social Policy Committee, Catholic Charities USA

Housing Committee, Catholic Charities USA

Child Welfare League of America -National Committee for staff retention (2004 –2005)

Child Welfare League of America , National Committee for Adoption Standards (1985 – 1986)

State Committees:

Children's League of Massachusetts 1978 –2005

Massachusetts Human Service Providers 1978 –2005

New England Conference of Social Ministry - 1994 – 2005

Massachusetts Catholic Council of Bishops – Board Member 1998 - present

Awards: SouthCoast Woman of the Year 1998

Sr. Rose Galloghy award - 2006

Diane Nilan
President/Founder
HEAR US Inc.
A Naperville, IL based national nonprofit

...giving voice and visibility
to homeless kids and adults...

TESTIMONY

Before the

Subcommittee on

Housing and Community Opportunity

of the Financial Services Committee

United States House of Representatives

October 16, 2007

Thank you for the opportunity to testify today. My profound gratitude to Congresswoman Judy Biggert, a tremendous champion for homeless children and youth.

I am President and Founder of HEAR US, Inc., a national nonprofit whose mission is to give voice and visibility to homeless kids. In this role I sold my home and have spent the last 2 years traveling in my RV over 48,000 miles across this nation's backroads, interviewing homeless children and teens and their families. Our recently released documentary, ***My Own Four Walls***, features these courageous kids talking about their homelessness.

I have worked for over 20 years with homeless children ***and*** adults, 15 years as director of large emergency shelters in Illinois, serving up to 150 men, women and children each night. I carry memories of those children and adults in my heart and their faces fuel my daily efforts.

The quotes below are from homeless kids across the nation...

'Just in this past year, I have lived in twelve different homes... with classmates, teachers, friends, and strangers. Anybody who would accept me was better than the street... I have always dreamed of being free. I want the freedom to know where I am going to sleep...to know where my belongings are...to know that I won't be asked to leave in the morning or the end of the week.'
Homeless child from KY

My premise is simple:

"This nation needs a new, more promising approach to ensuring people in this country have a place to call home."

One family I met on my odyssey lived in Las Cruces, NM. The incredible grandmother, Esperanza, her daughter Elizabeth with her 5 children, struggled with poverty and housing issues for years. Esperanza, crippled by polio all her life, impressively managed to look after her grandkids while Elizabeth worked minimum wage jobs. When I met them, they were living in a congested motel room.

After months of waiting, they moved into a palatial 3-bedroom handicap-accessible subsidized apartment. Sadly their stay was short-lived. About 7 months after moving into their apartment, Esperanza died, and the family had to leave

'It might not seem like much to others, like friends, when I tell them that I am going to stay the night at somebody else's house everyday, but it really takes a toll on me. I just cannot wait to achieve and have a home of my own someday.'
Homeless child from WI

because they didn't require an accessible apartment.

They moved into a cramped house with a friend because Las Cruces doesn't have a shelter to accommodate families with teenage boys. Elizabeth, drug-free and working 2 jobs, found herself desperately homeless again, sleeping on the floor with her 3 youngest children wrapped around her, knowing that their situation was precarious—dependent on her friend's hospitality—and her family's ability to endure this grueling arrangement. Elizabeth's on the long waiting list for housing, with Esperanza—the Spanish word for HOPE—in her heart.

'I can't remember ever staying in one place for too long. We never had a chance to be part of the neighborhood or make friends with local kids. Apartments, motels, and campgrounds were my life. Not knowing where we would sleep from one day to the next robbed me not only of my childhood, but also my self-esteem'
Homeless child from CA

I wonder: When will we change our approach to assisting invisible struggling families like Esperanza's and Elizabeth's? How could families like theirs, struggling to survive in motels or doubled-up with others, not be defined as homeless?

In Reno, I met Kandie and her 4 girls, housed in a church classroom, sleeping on "roller-beds" as 10-year old Tiffany dubbed the uncomfortable cots, inadequately warmed by scratchy wool blankets as cold winds gushed through cracks in the windows. "It's no fun living in a church," sagely pointed out Destiny, a perceptive 7-year old. The family had lived in motels before, and had their own apartment, but lost it when Kandie, caring for Shyann, her newborn, couldn't work, and her mother wasn't able to support the family. So, they moved in to the church, leaving their belongings in sacks in a corner allotted to them.

'We were afraid of being evicted from our apartment, so my mother's friend told her to move and live with her and her children until she was able to find a job and our own apartment...it was very stressful because a three-bedroom apartment could not handle her family and our family of five. Some of us slept on the floor, some of us on the couch. We were all shattered.'
Homeless child from KS

They could return each evening at 6, eat a meal provided by volunteers, play with meager toys, crawl under the scratchy blankets and then get up and out by 7 so the church could resume its normal business. 13-year old Amanda shared how

difficult it was living in the church, a place she couldn't invite her friends, couldn't keep their family pet, but added she was grateful not to have to change schools when they became homeless. After I interviewed them, I learned that the family had been put out of the church-shelter that night for a disagreement with another family. They were ripped from what little stability they had and put on a bus with a sack full of sandwiches to a family friend's home 14 hours away. Reno has a shelter for chronically homeless adults, but inexplicably nothing for families.

Some days I even had to come to school without my books because I would have left them at one of my other friend's houses other than where I stayed the night before.'
Homeless child from MD

I wonder: Will they be any less homeless when they arrive at this friend's house? The church shelter was more stable and safe for these precious children than the "home" they were sent to after leaving the shelter - a place where uninvestigated accusations of abuse had occurred previously. Yet the former is considered homeless, the latter not. Moreover, the emphasis on chronic homelessness in this community has come at the cost of continued invisibility and lack of support for families like this, who move like nomads between inadequate arrangements. Is it not time to try a new approach?

I am haunted by an experience at my own shelter that occurred almost a decade ago. Highly-mobile TJ and his mom turned to us for help off and on for several years. This little guy changed places to live more often than he changed clothes. Somewhere along the way he encountered what is tragically common for kids in homeless situations—abuse which caused severe mental harm. His mother struggled to keep things together, forced to live precariously because she lacked other options. They showed up at our shelter when he was a severely disturbed 7-year old who snapped when he was faced with the prospect of living in our cramped family sleeping room—with wall-to-wall bodies of kids and moms, stranger danger that

'Not having a permanent place to stay has made going to school very difficult. I would be exhausted... trying to find a place to sleep...
While in school it was hard concentrating because I would worry about things like 'where am I going to sleep tonight?' and 'how am I going to eat?'
Homeless child from MD

scared him to death. After spending hours holding this traumatized little boy to keep him from harming himself or others, I had to involuntarily commit him for psychiatric evaluation. He, as mentally disabled as he was, and his mom would continue to be homeless, with his fragile situation, deteriorating further at great expense to him, his mom, and the community.

I wonder: Would this tragedy have been prevented had HUD recognized his homelessness when he and his mother were bouncing between homes, prior to entering our shelter?

And despite TJ's disability, the current HUD definition of "chronically homeless" doesn't include families at all. The proposed definition of "chronically homeless" in the Senate bill, S. 1518, does not include families where the child has a disability, so TJ's family wouldn't be prioritized for assistance. TJ is 18 now, and instead of having a bright future ahead of him, he has a life filled with hardship.

A limited definition of homelessness will not erase the painful realities for people such as Esperanza, Elizabeth, Crystal, Brianna, Anthony, Desiree, Kandie, Destiny, Amanda, Shyann, and TJ. To disregard their human value by narrowing the definition of homelessness to feign a successful war on homelessness defies comprehension. To force families to move repeatedly before assistance is provided, as proposed in S. 1518, is short-sighted and cruel. To proceed with HUD's proposed direction of codifying "chronic homelessness" at the expense of the millions of children, youth and adults who have no place to call home is fiscally as well as morally irresponsible. Their suffering and deterioration will be more costly.

My absolute dismay for this attitude is what brings me here today, and what will keep me returning as long as I am able. I have witnessed decades of HUD's abdication of responsibility to provide for those without a place to call home

'The night we got put out I cried for a long time. We drove to a motel...after awhile my mom and dad... told us that we were moving in with a long-time friend.
Everyone is a long-time friend until you have to live with them...
It was so humiliating, friends of our roommates would come over... and see me on the floor with my family. Eventually we fell apart with the other family and began staying in a motel again.'
Homeless child from CA

coupled with the federal government's obliteration of affordable housing resources, while extolling their efforts.

Although the inclusion of **homelessness prevention** funds in S 1518 appears to be a positive step, keep in mind some bleak, but important, realities:

- These families are ***already homeless***.
- Prevention funds ***won't pay to attain permanent housing or provide supportive services.***
- Since the families are ***not defined*** as homeless they are ***not counted*** in homeless census efforts, giving a false impression that rural areas have no homelessness.
- Prevention funds are ***limited to households at 20% or below of the Area Median Income***, so many working homeless families will not qualify.
- With a drastically increased number of households losing their housing due to the sub-prime debacle, ***prevention funds will fall far short*** of the demands.

My efforts, like so many other beleaguered frontline shelter staff, included facing the nightly trauma of too many people asking begging for a place on the floor of our shelter. With the generous support of many individuals and organizations, we barely managed to provide this basic need.

Homeless service providers in communities of all sizes in our nation are waiting for the day that HUD provides the opportunity for people in all homeless situations to receive the assistance they need. They long to be free to focus on easing homelessness as it appears in their communities - on the street, doubled-up, or in motels - instead of having their hands tied with arbitrary rules and restrictions. It is no coincidence that the majority local service providers who have testified at these hearings support an updated definition of homelessness. They desire federal resources to supplement local efforts to house and assist the growing number of families, teens and adults without a place to call home.

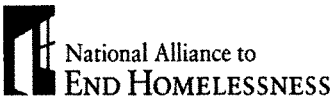
Now, more than ever, as we witness hundreds of thousands of foreclosures, with the inevitable downward spiral towards homelessness for families who awoke to the

American nightmare—families who find themselves struggling to keep a roof over their heads, as they double-up with friends or families, or move into a motel that doesn't require a credit check or first/last month's rent—now this country should be embracing a comprehensive, well-thought out, adequately funded approach to ending homelessness.

I have witnessed over 20 years of this nation's failure to adequately address homelessness. I have experienced the frustration of complying with HUD's arcane approach to homelessness. I have witnessed many Continuum of Care groups grapple with unfeasible federal expectations which taxed valuable fiscal and human resources. And, at the same time, I have walked with thousands of homeless children, teens and adults who deserve a place to call home.

We need a new approach - much of the blueprint for which can be found in H.R. 840, the HEARTH Act. I urge the committee to incorporate measures from the HEARTH Act into HUD's new approach to homelessness.

- The HEARTH **DEFINITION of HOMELESSNESS reflects the reality** of families who have lost housing in urban, suburban and rural areas; and aligns HUD's definition with other federal departments.
- HEARTH **allows for local flexibility** to respond to what local providers view as their greatest need, involving key stakeholders in the process.
- HEARTH **directs resources to prevention** activities, and allows rural areas the flexibility to respond to homelessness as best fits their needs.



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Testimony
of
Nan Roman
President
National Alliance to End Homelessness
before the

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

Hearing on the Reauthorization of Housing Programs Under the McKinney-Vento Homeless Assistance Act

October 16, 2007

Chairwoman Waters, Ranking Member Capito, and members of the Subcommittee, on behalf of our Board of Directors and partners, I am honored that you have invited the National Alliance to End Homelessness (the Alliance) to testify before you today on reauthorization of the McKinney-Vento Homeless Assistance Act housing programs and on how these programs can be better used to end homelessness in the nation. The National Alliance to End Homelessness believes that ending homelessness is well within our reach. Indeed, some communities are making real progress toward this goal. In this regard, I am delighted today to speak to you about what research and experience have shown are the most important ideas that need to be incorporated in legislation to reauthorize these HUD programs.

We know that homelessness has long been an issue of great concern to the Members of the United States House of Representatives, and that this Subcommittee has historically addressed it in a serious, innovative, and bipartisan way. Indeed, both Stewart B. McKinney and Bruce Vento acted on the issue via this Subcommittee. The Alliance looks forward to working with the Subcommittee to pass a bill that builds upon that distinguished record of accomplishment.

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 appearance of thousands of Americans living on the streets of our nation. In its early years, it focused on meeting the emergency needs of this emerging population. Soon, however, as it became apparent that emergency measures would not solve the problem, we turned our attention to more permanent solutions. Today, the bipartisan Alliance Board of Directors and our over 5,000 nonprofit, faith-based, private, and public sector partners across the country devote ourselves to the affordable housing, access to services, and livable incomes that will end homelessness.

We are grateful to you for holding this hearing today and for your continuing interest in reauthorization of the HUD McKinney-Vento programs. Those across the nation who have devoted their lives to assisting homeless people have done yeoman's work. The current Homeless Assistance Grant program at HUD is well administered by the Department and has a positive impact on individual lives as well as on communities. Millions of people have been helped and billions of state, local, philanthropic, corporate, and individual dollars have been leveraged. The accomplishments are enormous.

Having said this, we are not satisfied. Despite all of this investment and hard work, homelessness has not been eliminated, and in many communities the numbers continue to go up. Certainly the major cause of this is the decreasing supply of housing that is affordable to extremely low income people. If we had an adequate supply of affordable housing, as we did as recently as the 1970s, we would not have widespread homelessness, as we did not have it then. The supply of affordable housing is a problem that requires your urgent attention, and I know that the Committee is addressing it. We are extremely grateful to the Committee and to the House of Representatives for passing the National Affordable Housing Trust Fund Act, which will help address the affordable housing crisis in our nation. But even within the context of the lack of affordable housing, we *can* do a better job with the resources we currently have. I believe that the right kind of HUD McKinney-Vento reauthorization legislation will help us do that.

Where Our Nation Stands on Homelessness

Far too many people are homeless in our nation. The Alliance's recent report, *Homelessness Counts*, reveals the following based on an assessment of the 2005 point-in-time counts collected by HUD from around the nation.

- In January 2005, an estimated 744,313 people experienced homelessness (this expands to 2.3-3.5 million people who experience homelessness in the course of a year).

- 56 percent of homeless people counted were living in shelters and transitional housing and, shockingly, 44 percent were unsheltered.
- 59 percent of homeless people counted were single adults and 41 percent were people living in families.
- In total, 98,452 homeless families were counted.
- 23 percent of homeless people were reported as chronically homeless, which according to HUD's definition means that they are single individuals, are homeless for long periods of time or repeatedly, and have a disability.

The numbers are disturbing, but even more disturbing is this: 1 percent of all Americans and fully 10 percent of poor Americans become homeless each year. People who experience homelessness have a mix of characteristics, ages, and disability statuses. The one thing that they have in common is that they cannot afford housing. Homeless people may need access to services, but homelessness is a problem that is driven by the lack of affordable housing.

This is the bad news, but there is some good news as well. In 2000, the National Alliance to End Homelessness introduced the idea of planning to *end* homelessness. The basic idea – going to scale on prevention and getting people back into housing faster – has caught on. Over three hundred communities across the nation are creating plans to end homelessness: some (about one-third) for the hardest to serve chronically homeless individuals and others (about two-thirds) for the whole range of people who experience homelessness. Unprecedented local and state engagement and resources are being applied to the problem in support of the committed and talented nonprofit and faith-based delivery system. It is producing results.

- Portland, Oregon has reduced chronic street homelessness by 70 percent since 2005.
- Westchester County, New York reduced homelessness among families by 57 percent.
- Hennepin County, Minnesota reduced family homelessness 42 percent between 2002 and 2004.
- Here in the District of Columbia, homelessness was reduced by 6.5 percent and chronic homelessness by 6 percent in the past year.

This is an amazing, and largely unheralded, national effort to *solve* a social problem, and one that should be supported. The right kind of reauthorization bill can help with the implementation of these plans.

Homelessness programs are doing a good job, but to be even more effective we must target resources more efficiently, focus on strategies that are proven to solve the problem, insist on better outcomes, and leverage state, local, and private resources. We do not need, nor want, an expanding and institutionalized homeless system that more and more people enter with no clear way out. We

need and want a system that helps us end homelessness. To create such a system using limited resources is the challenge we, and you, face.

The Right Mix

In reauthorizing the HUD McKinney-Vento programs, you face a difficult task. Emergency needs must be met, but permanent solutions must also be promoted. Housing ends homelessness, but it does not meet service needs: what is the right combination of housing and services? Rural communities, cities, states, homeless families, mentally ill adults, youth, and children all have different requirements: how can they be addressed by a single program? Local and state flexibility is important, but federal leadership is needed to protect the most vulnerable and difficult to serve: what is the proper mix of federal priorities and local flexibility? These are the questions you face and the answers that help us make progress are the answers that achieve the proper balance.

A key determinant in arriving at the proper balance is the fact that homeless assistance money from HUD, alone, is not sufficient to solve the problems of everyone who is homeless – not to mention everyone who is threatened with homelessness. There are, as I will discuss, many millions of people who are at risk of literal homelessness and who need housing and services assistance. They include those extremely low income people who are doubled up, reentering communities from prison or jail, exiting foster care, or leaving hospitals. They certainly have housing needs, but the McKinney-Vento programs are in no way sufficient to meet these needs. However, HUD McKinney-Vento programs can play a role in ensuring that these people do not lose their precarious hold on housing. The existing Continuum of Care process presents an opportunity to leverage a much wider variety of resources and bring to the table mainstream housing and service programs that can make a real difference in meeting these broader needs.

The issue in reauthorization is not what must be done, because everything must be done. The issue is achieving the right mix – how much of everything to do. And, further it is how to improve outcomes in such a way as to build confidence in the system and attract new support and resources, public and private. This approach, and not simply expanding the *program* with little thought to solving the *problem*, is what has made the McKinney-Vento programs so effective, and what holds the hope of allowing us to end homelessness.

Key Elements

The Alliance regards the following as key elements of any bill to reauthorize HUD's McKinney-Vento programs consistent with the goal of ending homelessness.

The current system is a good one to build upon. The current Continuum of Care has become a significant and productive process in communities across the nation. It brings together major players from the public and private sectors to set

priorities and achieve coordination, striving to create a seamless system from the client perspective. It is well administered by HUD and leverages tremendous public and private resources in most communities. Reauthorization, therefore, is needed more to build upon what works than to fix a system that is not broken. Accordingly, reauthorization of the HUD McKinney-Vento programs should first codify and strengthen the positive aspects of the existing system, including the involvement of a wide range of stakeholders and an expectation that the needs of all homeless people in the community will be met.

Recommendations:

- A reauthorization should make the awarding and obligating of funds quicker and more predictable.
- It should consolidate the existing programs of McKinney-Vento into a unified set of eligible activities that are consistent with those currently in use.
- It should retain the competitive nature of the program to ensure positive outcomes and grants should be awarded based on both need *and* performance.
- It should provide the flexibility to allow either a public entity or a less formal collaborative applicant (made up of a variety of nonprofit and public stakeholders) to apply for funds. This flexibility would recognize that the interest and role of governments and nonprofits are different in different jurisdictions.
- It should simplify the match requirement, replacing the current, variable system. It should also ensure that supportive housing providers who link their tenants to mainstream services are credited with a services match, since such linkages are a desired outcome that is currently disincentivized.

New learnings about how to make progress on homelessness should be incorporated. Since the inception of the McKinney Act in the late 1980s, we have learned a lot about what works. Where these key strategies are being implemented, the number of homeless people is going down. Such activities should not only be allowed, but should be incentivized. The two most significant strategies are rapid re-housing and permanent supportive housing.

For a great many families, *rapid re-housing*, or *Housing First*, is effective. Housing First means that the first focus is on getting the family into permanent housing quickly (which entails crisis intervention services to clear immediate impediments to re-housing) with a linkage to services. A reauthorization bill should allow and incentivize communities to employ Housing First strategies for families. Housing provides a stable base for children, education, services, and employment. Shelter does not.

Permanent supportive housing (housing with services) ends homelessness for people with disabilities, including families with children, and single adults. Without

supportive housing, this sub-population of disabled homeless people tends to stay homeless for long periods of time, at great public expense. Supportive housing is proven effective. Communities that are making progress in reducing homelessness among people with disabilities and chronically homeless people are doing so through the expansion of their well-targeted supportive housing programs.

Currently, 30 percent of McKinney-Vento funds are set-aside, on a national basis, for permanent supportive housing. Federal leadership is necessary to protect the interests of this hard- and expensive-to-serve population. Because of the complex and costly nature of permanent supportive housing, we know from experience that communities will not undertake these programs without incentives to do so. In the early 1990s, when the Clinton Administration initiated the Continuum of Care, supportive housing expenditures dropped precipitously as communities shifted resources to less expensive temporary shelter and services. These met emergency needs, but without any exit strategy people began to spend more time in the shelter system. Not only was this a bad approach for them, but their long stays absorbed bed nights that were needed for others. The demand for shelter grew. It is only since the federal government has required a proportional amount of funding to be used to provide a solution – supportive housing – that the number of homeless people has started to decline in some communities, and with it the demand for shelter. Indeed, communities across the nation are beginning to realize that the best way to address growing shelter demand is to reduce the length of time people spend in shelter by shifting resources to housing.

Meeting the immediate shelter and other life-sustaining needs of homeless people is necessary. But without some focus on long term solutions, we will never make progress on homelessness.

Recommendations:

- Provide incentives to communities to invest funds in rapid re-housing.
- 30 percent of the funding should be designated for the creation of permanent supportive housing for people with disabilities.
- Once the initial program period is over, the renewal of supportive housing should come from the fund that supports renewal of Section 8. This eliminates the current system of renewing different permanent housing programs from different sources, provides security to tenants of permanent housing, enhances the ability of projects to attract private capital, and creates a system that is capable of fully meeting the needs of homeless people for permanent supportive housing.
- The bill should anticipate that HUD will establish other best practices in the future, and allow for their funding and for HUD to encourage their implementation.

Data and planning are critical to progress. Communities making progress frequently have good data systems that allow them to assess the size of the homeless population and its characteristics, how people use the homeless system,

and the effectiveness of various interventions. They use this data to adjust their homeless system and often to adjust other public systems as well.

Recommendation:

- The bill should require the establishment of homeless data management systems (HMIS) and encourage the creative use of data for planning and project implementation.

Communities should have resources to prevent homelessness before it occurs. No matter how efficient the homeless system becomes at getting people back into housing, we will never end homelessness if we do not stop people from becoming homeless in the first place. Prevention avoids both human suffering and costly remedial intervention.

Having said that, the pool of people who are at risk of homelessness, and therefore may be eligible for prevention, is huge. In fact, a report recently released by HUD found that 5.99 million households (13.42 million individuals) had worst case housing needs in 2005. This figure, a 16 percent increase over 2003, represents people who are paying too much for housing or living in substandard housing and are, therefore, at risk of homelessness. McKinney-Vento does not have the resources to fully address this problem.

So, while prevention makes sense, the McKinney-Vento programs cannot address the precarious housing situations of millions of Americans. We recommend that while the bulk of assistance under this bill be well-targeted to those with the most severe needs – people who are literally homeless – it should also provide resources to meet the natural and sensible desire of homeless assistance providers to identify and help those people most likely to become homeless, *before* they fall over the brink.

Recommendation:

- Include in the bill a new program that is tightly targeted to allow communities to address prevention for those who face imminent homelessness.

Rural communities have different challenges and different opportunities. The current Continuum of Care system is not the most workable approach for rural communities.

- It is not possible to establish the full continuum of shelter, transitional housing, permanent housing, and service programs in every rural community.
- The planning functions of the continuum are difficult to achieve across the geography of rural continuums, putting them at a disadvantage in competition against more compact urban areas.

- Program models are not always the same as for urban areas. Outreach may look different to a doubled up population, for example; or supportive housing models for two or three individuals might be hard to finance because of economies of scale. Substandard housing, manufactured housing, and at-risk home owners are more common in rural areas, but the particular problems associated with each are not so easily addressed by the current programs.
- Transportation is a much more important consideration, as is income support, yet these are not easily addressed in the current program.
- Capacity is an issue and rural areas have often been uncompetitive in the Continuum's competitive process.
- Administration of programs is a problem. 3 percent of a large city's several million dollar grant may provide enough resources to undertake sophisticated data collection and administration. 3 percent of a grant of $30,000 to a rural area does not do so.
- The players may be different in rural areas. While human services entities are common at the county level, housing agencies are less so and the nonprofit and philanthropic infrastructures are very thin. This creates gaps.

On the other hand, rural communities have considerable assets that present opportunities, if they can be taken advantage of.

- The number of homeless people and the rates of homelessness are lower.
- People know individual clients and their problems, have relationships with them, and can intervene in a more individualized fashion. It is not necessary to set up large systems.
- There is less tolerance for long term temporary approaches and people tend to focus on solutions.
- In rural areas, county mainstream systems (mental health, etc.) may be more integrally involved than is the case in urban areas which may have pushed the problem off entirely to the homeless system.
- There is not so much investment in infrastructure, so that movement toward a housing model is easier to accomplish.

Recommendations:

- Rural communities should be given the ability to address the needs of people who do not meet the current HUD definitions of homeless and chronically homeless where there is no shelter available.
- Rural communities should be allowed to compete against other rural communities in order to remove the disadvantages they experience when competing against urban communities.
- Rural communities should be given the ability to undertake activities that are not currently eligible in the regular grant program, including prevention and capacity-building.

The needs of homeless children and their families require more concerted attention. While the needs of homeless children and families have been addressed by the current program, and in fact they have historically received more than their proportional share of homeless assistance, they have received inadequate attention over the past few years. Most families are homeless because they have fallen out of housing and do not have the resources to get back in. When asked, these families request assistance getting back into housing and such assistance is sufficient to successfully end their homelessness. This is not to say that the families do not have serious service needs. They do. Homeless assistance programs should provide them with crisis services and then connect them to mainstream service programs in their communities. Finally, there are some families that need much more assistance. These are chronically homeless families and supportive housing may be a successful intervention for them. The bill should focus on these activities.

Recommendations:

- Create a new pool of funds to support prevention activities for families who are at high risk of homelessness – doubled up, moving often, and with extremely low incomes.
- Require HUD to provide bonuses or other incentives to communities that provide rapid re-housing services to homeless families. Rapid re-housing is a primary tool for communities that have substantially reduced family homelessness.
- Expand the definition of chronic homelessness to include families as well as individuals.
- Make re-housing services (including flexible housing assistance) eligible activities.
- Structure the program so that communities that do a good job of re-housing families that are literally homeless can use their homelessness funds for prevention activities.

It is important to maintain a tight focus on outcomes by targeting assistance wisely. As has been stated, the McKinney-Vento programs cannot address all the needs of people who are threatened with homelessness. The difficult task at hand is to figure out what they *can* do and then to ascertain how they can be used to leverage other resources to fill the gaps.

At present, on a given night some 750,000 people are literally homeless. Nearly half of these people are unsheltered. The Homeless Emergency Assistance and Rapid Transition to Housing Act of 2007 (HEARTH Act) proposes to change the definition of homelessness to include people who are doubled up for economic reasons. The Alliance conducted an analysis of the Census Bureau's 2005 American Community Survey data to assess the impact of such a change. We found that some 3.8 million people are doubled up for economic reasons.* This is

* As there is no accepted definition of "doubled up" we created three definitions that involved various configurations of family and non-family members. The range, using the three definitions, was between 2.4

five times the number of people who are currently defined as homeless by the statute and eligible for homeless assistance from HUD. Serving this many people would require, in 2005 dollars and on a pro rated basis, $7.725 billion, versus the $1.241 billion that was available. And it should be remembered that a pro rata increase would still leave 44 percent of those eligible unsheltered.

At a minimum, the Alliance could not support expanding the pool of eligible recipients of assistance without a commensurate increase in funding and a significantly expanded scope of program interventions. Expanding eligibility prior to expanding resources is a recipe for disaster.

More fundamentally, we do not believe that expanding the definition as the HEARTH Act does – and it goes far beyond even doubled up for economic reasons, including those living in substandard housing, hotels, and motels and others – is either necessary or wise for the HUD McKinney programs. There are several reasons for this.

- Not all people who are doubled up for economic reasons are homeless. While many certainly have housing and service needs, most are stably housed, although such housing may not be optimum. They do need assistance, but it should be provided by Section 8 or other housing programs, or Community Services Block Grants, TANF, child welfare, and other service programs. The homeless programs cannot meet the needs of everyone who has housing problems.
- Those who are *not* stably housed *are* homeless, and should be clearly included in the HUD definition.
- It is not necessary that the Department of Education and the Department of Housing and Urban Development have precisely the same definitions of homelessness. Their programs have different purposes and can serve different populations.
- The homeless system has few resources that would benefit the broad range of doubled up households. While we do recommend the formation of a new McKinney initiative that would help such families, we believe this assistance should be focused tightly on preventing imminent homelessness, not on generally meeting the needs of doubled up families.
- We are concerned that, much as happened with Section 8 and other housing programs over the past few years when income eligibility requirements were raised, expanding the definition of homelessness will result in a race to serve higher income or more stably housed people, leaving the neediest people – children of mothers with substance abuse disorders, adults with mental illness, homeless youth – more or less permanently stuck on the streets and in shelters. Federal leadership is needed to protect the most vulnerable.

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and 10.5 million people. We selected the middle estimate, which includes people living with extended family, friends and other nonrelatives, but not those living in group quarters. As "economic reasons" also lacks a precise definition, we used only those living below the poverty line.

- Finally, it should be remembered that families and individuals are NOT required to be living in the streets in order to receive shelter assistance. Many families enter shelter from doubled up situations and in some places this is routinely the case. **The reason that families are not helped is not because they are ineligible for assistance by virtue of being doubled up; it is because there are no resources to help them. Calling more people homeless will not solve this problem – it will exacerbate it.**

The HUD McKinney programs should not adopt the expanded definition of homelessness contained in the HEARTH bill. However, we do believe that the definition of homelessness should be expanded. The question is where to place the bright line between those who are doubled up and homeless, and those who are doubled up for economic reasons and not homeless. We believe that there are families and individuals who are unstably housed with friends and relatives, variously called "couch surfers" or people without an address, who are homeless and should be clearly defined as such.

Recommendation:

- The Alliance supports the provision in the Community Partnership to End Homelessness Act, as reported by the Senate Committee on Banking and Urban Affairs, that expands the definition of homelessness in an accurate and reasoned way to include people who are unstably housed in doubled up situations.

Moving forward

In summary, the National Alliance to End Homelessness recommends that you build upon what we have learned in the Continuum of Care and advance the movement to end homelessness. To do this, the reauthorization bill must accomplish the difficult task of focusing on outcomes while recognizing that the funding it provides cannot, alone, end homelessness. It should contain significant new, and much needed, initiatives on prevention and rural homelessness. It should retain a commitment to meet the needs of chronically homeless individuals by targeting assistance to them, and through the non-competitive renewal of their permanent housing. It should expand this initiative to include chronically homeless families. On the issue of families, it should include a significant new focus on addressing the needs of families and a broader set of interventions to assist them. It should not pretend to be able to do everything, but it should advance the ball, using a set of incentives to leverage other needed resources.

In our view the Senate's Community Partnership to End Homelessness contains these elements and is a good model for moving forward. While the HEARTH Act also contains many important provisions that we support, it unwisely shifts the emphasis of HUD homeless assistance away from meeting the needs of the

children, youth, families, and individuals who are literally homeless and attempts to address the needs of the millions of people who are vulnerable to homelessness.

We are tremendously grateful to for the leadership the Subcommittee and the Committee have exhibited over the years on this issue. We are grateful for your caring concern and your activism on the issue.

The National Alliance to End Homelessness is an organization that, as its name states, has one simple goal – ending homelessness. We examine every proposed policy initiative in the light of its ability to make progress toward that goal. We believe that it is possible to create a bill that is soundly grounded in the knowledge of what works to end homelessness. We look forward to working with you to accomplish that goal.

Statement of
James Michael Van Leeuwen
Project Manager for Denver's Road Home

on behalf of

Denver Mayor John Hickenlooper
The United States Conference of Mayors
The National Community Development Association

before

The United States House of Representatives
Subcommittee on Housing Community Opportunity of
the Committee on Financial Services

on

The Reauthorization of the McKinney-Vento Homeless
Assistance Act

Rayburn House Office Building Room 2128
Washington, D.C.

Tuesday, October 16, 2007

U.S. Conference of Mayors Congressional Testimony
McKinney-Vento Reauthorization
October 16th, 2007

On behalf of Denver Mayor John Hickenlooper and the U.S. Conference of Mayors, I want to thank you for the opportunity to testify today in support of reauthorization of McKinney-Vento. My name is James Michael Van Leeuwen, and I am the Project Manager for Denver's Road Home, Denver's Ten Year Plan to End Homelessness. In this testimony, I have included an overview of the work we are doing in Denver as it relates to our ten year plan to end homelessness and our well-established partnership with the U.S. Interagency Council on Homelessness and the U.S. Conference of Mayors. This testimony is also supported by the National Community Development Association. I want to first and foremost acknowledge the leadership and partnership that Denver shares with the U.S. Interagency Council on Homelessness and the U.S. Conference of Mayors in our efforts to forge collaboration and build strategic alliances allowing us to more effectively respond to homelessness in Denver. This overview will assess both our progress as well as the cost savings we are experiencing as a result of our coordinated response to assist the homeless in Denver in living life off of the streets.

I have also prepared a response to the questions that the subcommittee has expressed interest in better understanding and will underscore where the U.S. Conference of Mayors is on record with respect to the reauthorization of McKinney-Vento. I have also included two resolutions adopted by the U.S. Conference of Mayors at the annual meetings held in June.

Denver's Road Home

Denver's Road Home (www.denversroadhome.org) began in October 2003 in response to an increasing rise in homeless persons in the City & County of Denver and a mounting increase in public safety concerns. At that time, Mayor Hickenlooper convened a commission to develop and recommend a comprehensive plan seeking to address the root causes of homelessness and bring an end to homelessness for the Denver community. This plan is unique in its approach to not just serve the chronically homeless, but to offer opportunities and hope to all persons living on the street, in shelters or doubled up with friends and family in Denver, with a singular emphasis on persons and families whose incomes are at or below 30% area median income (those most in need and hardest to serve).

Forty-one commissioners and 350 community volunteers conducted a comprehensive research and planning process over the course of 18 months to develop a plan with eight primary goals focused on:

- Permanent and transitional housing
- Emergency shelter systems
- Prevention
- Services
- Public Safety and Outreach
- Education, Training & Employment
- Community Awareness & Coordinated Responses
- Zoning, Urban Design & Land Use

The plan was approved by Denver City Council and Mayor Hickenlooper in 2005 and was implemented in July 2005. For this plan to be successful, it is imperative that the community (public and private sectors, the foundation community, faith-based organizations, service delivery providers, community members and service recipients) own this initiative and continue to mobilize resources in order to achieve the ambitious goals affect systemic change.

From the beginning the citizens of Denver were promised a plan with achievable and sustainable goals with measurable action steps, as well as a plan that emphasizes collaborative efforts and accountability from all people of the Denver community. To this end, national evaluators specializing in research and assessment in the field of homeless issues have agreed to oversee the evaluation. Moreover, Denver is part of an innovators national network convened by the U.S. Interagency Council on Homelessness and the Rockefeller Foundation to identify and spread best practices across the nation.

We believe the end result has both compassion and accountability. We worked to create a balance of service delivery such as housing, treatment services and job training with the expectation of responsibility and self-reliance from those who receive services (for example, participants must participate in social service programs and pay 30% of their income for housing). Just two years into the initiative, there is evidence that Denver's Road Home is responding with an **11% reduction in overall homelessness and a 36% decrease in chronic homelessness**. During our first two years, in collaboration with the extraordinary leadership of our homeless providers, we have accomplished the following:

- 789 new units of housing have been developed.
- 2,455 homeless people have been assisted in finding work.
- 2,003 individuals accessed public benefits and treatment services.
- 563 families received eviction assistance.
- 132 homeless persons entered housing through the Denver Street Outreach Collaboration.
- 233 families have been partnered with our faith-based mentoring teams.

While we are encouraged by this process, the 2007 MDHI Point in Time Data for the City and County of Denver tells us that there is much more work to be done.

- There remain over 3,900 men, women and children in the City & County of Denver living on the streets, under bridges, in alleyways, in cars or in shelters. Of these, 46% are women and children and 40% are working.
- There were over 600 homeless households with children, totaling 1,563 individual people. Of these households, 465 were single parent families. Twenty-nine percent of homeless respondents in Denver were women.
- The most commonly reported reason for homelessness reported in Denver was loss of a job (28%), followed by relationship or family break up (20%) and substance abuse (19%).

In terms of cost savings, we know that permanent supportive housing is demonstrating proven outcomes in our ability to transition the homeless off of the streets and into housing. It costs Denver taxpayers over $40,000 per homeless person per year while the individual lives on the streets. To operate one bed of shelter, it costs Denver $18,000 annually versus $15,000 annually to maintain one unit of permanent supportive housing. When taking into consideration Denver CARES, the primary detox facility for the City & County of Denver, the 25 highest users logged a cumulative total of 2,657 admissions; an average of over 100 nights per person per year of detox services. After one year in permanent supportive housing, there was a 79.6% reduction in admissions to a cumulative total of 541 admissions in one year.

Permanent supportive housing combines service requirements with accountability. The Colorado Coalition for the Homeless released a study in Fall 2006 based on a permanent supportive housing project developed in the central downtown business improvement district next to the YMCA involving 100 units of housing for the chronically homeless. The average length of homelessness of these individuals was eight years. One year after enrolling in this housing project, 77% remained in housing. Average monthly incomes increased from $185 at entry to $431; 34% of the participants obtained benefits. Participants who were in the program for two years had a 60% decrease in hospitalizations, substance abuse inpatient treatment, detox or jail use. Emergency service utilization was 44% fewer days than at enrollment. In the first two years of Denver's Road Home, average detox treatment dropped $8,732, from $10,373 for a chronically homeless person living on the streets to $1,641 for a formerly homeless person living in housing.

As it relates to H. 840, Mayor Hickenlooper and the Denver Homeless Commission remain very supportive of the idea of every local community having a strategic plan to address the needs of homeless veterans with a focus on housing.

Mayor Hickenlooper and the Denver Homeless Commission are also very committed to the concept of 30 percent set-aside funds for housing to support ten year plans to end homelessness across the country. We know that in order for people who are homeless to live life off of the streets that services for the homeless must be complimented with increased housing stock.

Subcommittee Questions

With respect to whether the definition of "homeless individual" should be modified, at this time, the U.S. Conference of Mayors does not have a policy calling for a broader definition. The concept of doubling up has not been a definition that Mayor Hickenlooper has been in favor of and is a topic that was tabled by the U.S. Conference of Mayors. While homeless advocates have championed a more broad definition, broadening this definition dilutes current efforts in cities such as Denver to respond and target services to the homeless in the greatest need of services and having the greatest impact on existing systems (e.g. law enforcement, emergency services).

Further research on homeless is vitally needed as would be authorized by the bill. The U.S. Conference of Mayors has issued an annual homeless study for 22 years. This study has as its goal the analysis of the causes of hunger and homelessness and the demographics of the populations experiencing these problems. While our survey has provided useful information to policy makers at the local, state and national level, it is limited by the small number of cities currently surveyed (25 to 30 cities). Although we plan to expand the number of cities surveyed, it will be very important to have a more definitive study that would be authorized by H.R. 840.

The U.S. Conference of Mayors supports the Senate bill S.1518. With respect to the prescribing the composition and decision-making structure of local homeless planning bodies applying for McKinney-Vento funding, the Senate bill does the following:

Collaborative Applicants, similar to existing Continuums of Care, would be established. The Collaborative Applicants would have greater responsibility for overseeing homeless assistance programs and would be eligible for up to 3 percent of total funding for administrative costs. Collaborative Applicants could also become Unified Funding Agencies, which would give them responsibility for receiving homeless assistance funding from HUD and distributing it to project sponsors. Collaborative Applicants that are also Unified Funding Agencies could receive up to 6 percent of total funding for administrative costs.

Mayor Hickenlooper endorses the idea of jurisdictional leaders leading up homeless initiatives as this structure lends itself to greater accountability to the decision making process. Jurisdictional leadership, as defined by Denver's Road Home, also facilitates greater collaboration and promotes a more cost effective and strategic homeless service delivery system.

S. 1518 provides 30 percent of total funds for permanent housing for individuals with a disability or families headed by a person with a disability. At least 10 percent of overall funds would be for permanent housing for families with children. The U.S. Conference of Mayors is on record supporting this policy. The Senate bill provides a flexibility incentive for high-performing communities – those communities reducing the number of people who become homeless, the length of time people are homeless, and recidivism back into homelessness. These high-performing communities would be allowed to use their homeless assistance funding more flexibly and to serve groups that are risk of becoming homeless. Again, we supported the Senate bill and this provision.

Included with this testimony are the resolutions adopted in Los Angeles in June 2007 by the U.S. Conference of Mayors. One of the resolutions is strongly supportive of ten year plans to end homelessness and strongly believe that the McKinney-Vento reauthorization should take this strong mayoral participation in developing the plans into account. On behalf of Denver Mayor John Hickenlooper and the U.S. Conference of Mayors, I want to thank you for your time this morning and welcome any questions you might have regarding the nature of this testimony.

Contact for *Denver's Road Home: Jamie Van Leeuwen*, Project Manager; 1200 Federal Boulevard, Denver, Colorado 80205; Phone: 720-944-2506; Fax: 303-944-3092; jamie.vanleeuwen@dhs.co.denver.co.us; www.denversroadhome.org

2007 ADOPTED RESOLUTIONS

COMMUNITY DEVELOPMENT AND HOUSING

ENDORSING INNOVATIVE POLICIES TO SUCCESSFULLY END AND PREVENT CHRONIC HOMELESSNESS ACROSS THE NATION

WHEREAS, mayors are committed to ending chronic homelessness in our nation's cities; and

WHEREAS, chronically homeless individuals, those with the most persistent forms of homelessness, are afflicted not only by poverty but also by severe conditions such as mental illness and substance abuse; and

WHEREAS, mayors and cities are on the front lines of the response to chronic homelessness; and

WHEREAS, in order for persons experiencing chronic homelessness to succeed in their housing, supportive services are necessary to mitigate health, substance abuse, and mental health problems; and

WHEREAS, numerous studies compiled by the United States Interagency Council on Homelessness have shown that permanent supportive housing models to end chronic homelessness are highly effective and that the cost of providing supportive housing is substantially offset by savings in the most expensive systems of community care including hospitalizations, jails, and other correctional facilities; and

WHEREAS, these supportive strategies improve the quality of life for both the individuals being housed and the community at large; and

WHEREAS, ending chronic homelessness requires collaboration and coordination at all levels of government, together with community institutions, businesses, and faith-based organizations, to determine how best to implement prevention and intervention strategies; and

WHEREAS, over 300 cities have created jurisdictionally-based 10Year Plans to end chronic homelessness, many of which are showing results; and

WHEREAS, though there is progress in many communities, new data demonstrates that homelessness continues to be one of our nation's most challenging social problems; as many as 3.5 million people experience homelessness over the course of a year; and

NOW, THEREFORE, BE IT RESOLVED that the U.S. Conference of Mayors strongly supports the increased investment in proven strategies that end chronic homelessness, with a strong focus on permanent housing with supportive services; and

BE IT FURTHER RESOLVED that the U.S. Conference of Mayors, to achieve the goal of ending chronic homelessness in 10 years, urges Congress to appropriate $1.8 billion in HUD's Homeless Assistance Grants program, which would enable communities to develop 15,000 units of permanent supportive housing; and

BE IT FURTHER RESOLVED that the U.S. Conference of Mayors continues to endorse and urges Congress to create new permanent funding sources for supportive services for the homeless within the Health and Human Services budget; and

BE IT FURTHER RESOLVED that the U.S. Conference of Mayors urges Congress to re-authorize the McKinney-Vento Act with provisions for regulatory relief that would allow existing federal funds appropriated through McKinney-Vento to be fully expended and more efficiently utilized each budget year; and

BE IT FURTHER RESOLVED that the U.S. Conference of Mayors, through the re-authorization of McKinney-Vento Act, fund an innovative grants program that would provide demonstration grants to communities across the nation implementing ten-year plans to end chronic homelessness; and

BE IT FURTHER RESOLVED that the U.S. Conference of Mayors calls on Congress and the Administration to provide permanent supportive housing to assist the nation's significant and growing homeless veterans population, including providing additional Section 8 Vouchers for the HUD-Veterans Affairs Supported Housing (HUD-VASH) program, which provides permanent housing subsidies and case management services to homeless veterans with mental and addictive disorders; and through the VA Medical Care Account, provide a dollar for dollar supportive services match for the HUD-VASH Section 8 vouchers; and

BE IT FURTHER RESOLVED that the U.S. Conference of Mayors urges Congress and HUD to end homelessness for the roughly 600,000 families who are homeless each year by providing rapid rehousing programs that focus on helping homeless families move back into permanent housing as quickly as possible.

BE IT FURTHER RESOLVED, that U.S. Conference of Mayors endorses and urges Congress to enact legislation that would provide Federal assistance to youth over the age of 18 aging out of foster care.

BE IT FURTHER RESOLVED, that The U.S. Conference of Mayors affirms the value of the United States Interagency Council on Homelessness and commends its initiatives to support mayors as they implement ten year plans.

2007 ADOPTED RESOLUTIONS

COMMUNITY DEVELOPMENT AND HOUSING

ENDING HOMELESSNESS FOR VETERANS BY INCREASING PERMANENT SUPPORTIVE HOUSING RESOURCES

WHEREAS, the men and women of the armed services have made sacrifices for the American people and we have an obligation to care for them if they need services or housing; and

WHEREAS, mayors are committed to supporting homeless veterans and assuring they have the housing and services they need to rebuild their lives; and

WHEREAS, the Veterans Administration CHALENG report estimates that there are 195,827 homeless veterans in our nation; and

WHEREAS, the FY 2006 CHALENG report indicates that the one of the greatest unmet needs for veterans is long-term, permanent housing and that over 24,000 units of long-term, permanent housing are needed; and

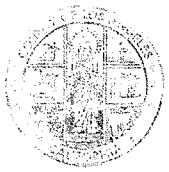
WHEREAS, homeless veterans with disabilities often need housing that is deeply affordable with onsite services to help them remain housed and thrive in our communities; and

WHEREAS, creating permanent supportive housing for disabled veterans will increase the availability of existing transitional housing units for the men and women returning from Iraq and Afghanistan who become homeless and are in need of stabilization services to re-integrate back into the community; and

WHEREAS, ending homelessness, especially for veterans will require distinct funding sources including capital, operating and services dollars, in addition to strong partnerships with the Veterans Administration to support the development and services within these settings;

NOW, THEREFORE, BE IT RESOLVED that the U.S. Conference of Mayors support the increased investment to end homelessness for veterans using proven strategies such as creating permanent supportive housing units designated for veterans; and

BE IT FURTHER RESOLVED, that the U.S. Conference of Mayors continue to endorse legislation that creates new funding sources to create permanent supportive housing for homeless veterans that includes funds for new construction with dollars for operating and onsite treatment services through increased resources for the HUD-VA Supportive Housing program, and targeted resources within the Department of Health and Human Services for mental heath and substance abuse treatment services and within the Department of Labor for workforce assistance.



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ZEV YAROSLAVSKY
CHAIRMAN OF THE BOARD
SUPERVISOR, THIRD DISTRICT

Testimony of Chairman Zev Yaroslavsky

Los Angeles County Board of Supervisors

Regarding
Reauthorization of the McKinney-Vento Homeless Assistance Act

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

October 16, 2007

Chairwoman Waters, Ranking Member Capito, members of the Subcommittee on Housing and Community Opportunity:

My name is Zev Yaroslavsky, and I am the Chairman of the Los Angeles County Board of Supervisors. Thank you for holding these important hearings and for the opportunity to testify before you today.

Congresswoman Waters, thank you for the invitation to testify, and for your strong commitment to supportive housing as a definitive solution to address homelessness in Los Angeles County.

The County of Los Angeles

Los Angeles County has 88 incorporated cities and covers over 4,084 square miles. The County's population is 10 million. Approximately, 8.5 million residents live within the incorporated cities, and 1.5 million residents live in unincorporated areas. It is the largest urban county in the country. All cities in the County bear responsibility for land use planning, housing policy and development, and essential municipal services. Overseen by a five member Board of Supervisors, the County of Los Angeles is responsible for the County's public health, health care, mental health care, social services, children and family services, adult and juvenile probation services, child support collection services, community and senior services, Countywide correctional system, law enforcement for 40 cities and the unincorporated area, justice services through the District Attorney, Public Defender and Alternate Public Defender.

The County operates income support programs, serving approximately 60,000 people on general relief each month, and over 365,000 people on CalWORKs (TANF). The County's Health Services provide over 2.5 million outpatient visits per year, nearly 300,000 emergency room visits and over 275,000 public health clinic visits.

In addition to the general programs that are commonly used by homeless persons, the County departments administer numerous programs targeting homeless individuals, including housing services for families on CalWORKs, mental health care programs for chronically homeless persons, and substance abuse treatment. The County's foster care program operates facilities aimed at preventing homelessness among its emancipated foster youth population. Coordinated planning for homeless programs is facilitated by the County Chief Executive Office, Service Integration Branch.

In 2006, the County budgeted an estimated $208 million for programs and services directly serving the homeless population. This includes the Homeless Prevention Initiative approved by the Board of Supervisors on April 4, 2006 which incorporated $16 million in new on-going County General Fund for homeless programs and $80 million in one-time General Fund Housing and Homeless Program Fund.

Homelessness in Los Angeles County

On any given night, the overall homeless population of Los Angeles County is approximately 73,000. There are three overarching factors contributing to homelessness in Los Angeles County:

1. Pervasive lack of permanent, affordable housing;

2. Insufficient resources and funding to help clients achieve and sustain self-sufficiency; and

3. Severe psycho-emotional impairment of clients related to, and exacerbated by, substance abuse and/or mental illness.

In recognition of this serious issue, the County's investment of $100 million in the new Homeless Prevention Initiative is intended to strengthen homeless and housing services. The goal of the initiative is to enhance the regional system of care, connect all of the County's homeless programs, establish comprehensive services to prevent homelessness, and move homeless individuals and families to safe, permanent, affordable housing.

Permanent Supportive Housing is a Key Solution

In Los Angeles County, approximately 22,000 persons are chronically homeless. Unfortunately, chronic homelessness is a complex, persistent and long term problem. Perhaps the greatest barrier in addressing chronic homelessness is the lack of permanent supportive housing to address multiple issues of the chronically homeless.

Studies show that supportive housing programs which link permanent affordable housing with supportive services to chronically homeless persons in need of public assistance and/or services (such as case management, substance abuse, mental health, and disabled and frail elderly homeless services) effectively reduce homelessness.

This housing model improves housing stability and reduces the use of high cost public services. Additionally, placement of homeless persons with severe mental illness in permanent supportive housing is associated with reductions in hospitalizations, incarcerations, and subsequent use of shelters, emergency rooms, psychiatric and detoxification programs.

In Los Angeles County, there is a growing interest in and commitment to the establishment of permanent supportive housing as a key strategy to reduce regional homelessness. The linkage of housing and supportive services requires partnerships which facilitate collaboration and coordination between housing development efforts in the 88 cities, supportive services of the County, and resources of other governmental agencies and private entities. The complexities of pulling together housing developers, capital funders, and organizations that can supply and finance the provision of permanent housing with supportive services, will require extensive coordination and integration among the entities involved.

On July 24, 2007, I and Supervisor Yvonne Braithwaite Burke introduced a comprehensive permanent supportive housing motion which was unanimously adopted by the Los Angeles County Board of Supervisors to advance partnerships with cities and entities interested in developing permanent supportive housing to reduce chronic homelessness throughout the region.

One of the mandates of this motion is to promote "State and federal legislative and regulatory policy change that enable the creation of adequate funding streams for permanent supportive housing to include, but not limited to, pre-development and operational expenses, and additional resources for County supportive services for homeless individuals and families and those at risk for becoming homeless."

For these reasons, Los Angeles County strongly supports the inclusion of resources to advance the development of permanent supportive housing which incorporate funding for ongoing supportive services for chronically homeless persons including those who are elderly, disabled and mentally ill in the reauthorization of McKinney-Vento.

Los Angeles County supports the reauthorization of McKinney-Vento Homeless Assistance Act

The County's Federal Legislative Agenda includes policy to support the reauthorization of McKinney-Vento Homeless Assistance Act programs and proposals which would increase local discretion over the use of homeless assistance funds, increase funding

for homeless assistance programs, including supportive housing, supportive services, and emergency services. In general, the County supports provisions which would reauthorize McKinney-Vento and increase funding for County homeless services, and opposes provisions which would decrease administrative funding.

The County strongly supports provisions which would:

- Expand the use of grants to fund homeless assistance and homeless prevention services;
- Increase resources to advance the development of permanent supportive housing including ongoing funding for supportive services; and
- Appropriate $2.5 billion for homeless assistance grants in Federal Fiscal Year 2008.

I thank you again for holding these important hearings and for allowing me to testify today with regards to homelessness in Los Angeles County.

Chairman Zev Yaroslavsky
Los Angeles County Board of Supervisors

Zev Yaroslavsky (born December 21, 1948 in Los Angeles, California) is a member of the Los Angeles County Board of Supervisors, representing the western part of Los Angeles County and a constituency of two million people. He was elected to the board in 1994 and has been re-elected three times, most recently in 2006. He previously served on the Los Angeles City Council (1975-94) to which he was elected and re-elected six times. He earned an M.A. in British Imperial History and a B.A. in Economics and History, both from U.C.L.A. He is a graduate of Fairfax High School in Los Angeles.

As a member of the County Board of Supervisors, Yaroslavsky quickly emerged as a leader on fiscal, health care, transportation, cultural and environmental matters. He authored the 1996 Proposition 'A' park bond which resulted in the preservation of rural open space and the development of urban parks throughout the County. He authored the 2002 Proposition 'B' trauma tax, approved by over 73% of County voters, a measure which is largely credited with stabilizing the County's perpetually unpredictable health care finances.

He was the driving force behind the Orange Line bus way across the San Fernando Valley which opened in 2005 to record ridership (22,000 daily boardings). He led the effort to rebuild and modernize the world famous Hollywood Bowl amphitheater which re-opened in 2004, and he was instrumental in the development of Walt Disney Concert Hall, the home of the L.A. Philharmonic Orchestra, which opened in 2003. He has also helped fund major investments in the L.A. County Museum of Art and the County's Museum of Natural History. He is regarded as the County's fiscal watchdog, insisting that it live within its means.

As a Los Angeles City Councilman, Yaroslavsky honed his fiscal skills as the respected Chair of the Council's Finance Committee, but he also earned a reputation as a politician who was willing to take on issues that others would not, including the highly controversial excessive use of force and intelligence gathering policies of the Los Angeles Police Department. As Councilman, he also co-authored two landmark initiatives with his colleague, the late Councilman Marvin Braude: Proposition U (1986) which cut by half the commercial development rights adjacent to residential neighborhoods, and Proposition O (1988) which repealed a drilling permit previously issued to the Occidental Petroleum Company.

Since 1991, Yaroslavsky has also been associated with the National Democratic Institute for International Affairs (NDI), a non-governmental organization headquartered in Washington, D.C., that promotes the development of democratic institutions in burgeoning democracies. He has monitored three elections for NDI: Romania (1990), Mexico (2000), and Ukraine (2004). He has conducted seminars on democratic institution-building in Russia, Ukraine, Turkey and Bosnia/Herzegovina.

The Testimony of

Ms. Karen Olson

President, Family Promise

Before the Committee on Financial Services,

Subcommittee on Housing and Community Opportunity

United States House of Representatives

Reauthorization of the McKinney-Vento Homeless Assistance Act

October 15, 2007

Thank you, Chairwoman Waters and Ranking Member Capito for accepting my written testimony on the reauthorization of the McKinney-Vento Homeless Assistance Act. Thank you for your willingness to take into consideration the views of those of us who work directly with homeless families to help them achieve permanent housing and stability. I wish to express my deep gratitude to Representatives Carson and Davis for crafting HR 840, the HEARTH Act – a thoughtful, balanced approach to preventing and ending homelessness for all Americans.

My name is Karen Olson. I have attached my resume to my testimony per the Committee's request. I am the Founder and President of Family Promise, the national membership organization of local and state Interfaith Hospitality Networks. The mission of Family Promise is to help low-income families nationwide achieve lasting independence and to redress the underlying causes of poverty and homelessness. Family Promise was founded on the belief that Americans are compassionate people who want to make a difference. Family Promise links those in need with those who want to help – over 110,000 volunteers nationwide.

As a young woman rising up through the ranks as a marketing executive in the New York City financial district, I regularly encountered homeless people while commuting through Central Station. Like many people who are moved by the problem of homelessness, I decided that something needed to be done, so I started by bringing a sandwich to a woman who I saw regularly each morning.

That one sandwich turned into dozens, and eventually I would bring my two young sons into the city with me to distribute even more. It was then when we truly came to know the often heart-breaking stories of people that I had previously simply passed by. Through these stories, we came to know the profound loss and disconnection that homelessness can cause. This was a soulful experience and we learned a great deal. Perhaps our most shocking revelation was that homelessness was not exclusive to the big city – that in our own community of Union County, NJ there were hundreds of homeless people, including children and families.

Early on it occurred to me that more could be done to solve the problem of homelessness than simply serving meals at a soup kitchen. I predicted that volunteers and resources from local faith-based communities could be galvanized to provide shelter, case management, and re-housing services. I took a gamble and put out the word to local communities – and this gamble paid off. Within ten months, 11 area congregations came forward to provide hospitality space within their buildings. The local YMCA agreed to provide showers and a day center for families. A car dealer discounted a van.

On October 27, 1986, the first Interfaith Hospitality Network (IHN) opened its doors. As word spread, ten more congregations formed a second Network. Programs such as transitional housing, childcare, and family mentoring followed—outgrowths of increased awareness and involvement.

As a remarkable coincidence, the National Interfaith Hospitality Network, (now Family Promise) was formed in July 1988, one year after passage of the McKinney-Vento Act.

To date, Family Promise has established 124 affiliates in 39 states, using the services of more than 110,000 volunteers and 4,500 congregations. IHNs provide shelter, meals, and housing and job placement support to more than 20,000 homeless family members annually, 58 percent of them children.

IHNs are a cost-efficient, effective, and replicable community response to family homelessness. Because they make use of existing community resources, they can be implemented quickly, without major start-up costs. IHN programs vary from community to community, reflecting local needs and resources.

My testimony will reinforce the following three points pertinent to McKinney-Vento Reauthorization: 1) HUD's definition of homelessness must expand to include families who are doubled-up and living in motels for lack of other options; 2) Congress must use reauthorization of the McKinney Vento Act restore local control to Continuum of Care process ; 3) The HEARTH Act is the approach to reauthorization that will best enable communities to prevent and end homelessness among all households – urban, suburban, and rural.

1) EXPANSION OF HUD'S DEFINITION OF HOMELESSNESS

Doubled-Up Households

Family Promise acknowledges that a portion of doubled-up households are living in doubled-up circumstances by choice, perhaps to make ends meet,

or perhaps because living in an intergenerational home is important to the household's cultural heritage.

However, our network of over 110,000 volunteers nationwide reports evidence daily that all too many families are living in dangerous, overcrowded conditions without the predictability and protection of a lease agreement. What's more, they may be inadvertently jeopardizing the tenancy of the leaseholder, particularly if they are doubled-up in public or Section 8 housing. Prior to entering our Interfaith Hospitality Networks in 38 states, most families (60%) lived in doubled or tripled-up situations. We have seen first hand the consequences suffered by doubled-up families – a reality that has been borne out in multiple research studies. The children in these households suffer in numerous ways including residential instability, frequent exposure to physical and sexual abuse, increased health problems, and poor academic performance. These families and their children are literally homeless – and not by choice.

Motel Families

Another large but manageable group of households resides in motels for lack of other options. Many of these families would enter a shelter if space were available, others are in motels because they have lost their home but are trying desperately to avoid exposing their children to a shelter, still

others have found that permanent housing is out-of-reach and are biding their time until housing options pan out.

Motels are a costly and undesirable alternative to both permanent *and* transitional housing. First, these businesses do not resemble the popular chains upon which tourists and business travelers can rely. These motels are commonly located in dangerous neighborhoods without space for the children to play or walk, they are not in close proximity to schools, services, or grocery stores. In the event that a grocery store is nearby, few of the motel rooms are equipped with kitchens, meaning that a disproportionate amount of the family's income is spent on prepared food – food that is likely to be unhealthy. Like doubled-up families, these families do not have the protection of a lease to regulate length of stay, protect tenancy, and guarantee costs. Motels have become a default emergency shelter program for homeless families living remote, rural or other communities where these programs do not exist or have recently closed due to federal targeting. Sadly, these motels are also filling the gap left by a government that has turned away from its commitment to adequately support the successful federal affordable housing policies of Section 8 and public housing.

HUD's Role with doubled-up and motel families

With the appropriate mix of outreach, case management and direct assistance, many of these families can be moved quickly into safe, decent, affordable housing. Family Promise is in favor of allowing communities to use McKinney-Vento funding to rapidly re-house doubled-up and motel households. It is important to note that moving these families into permanent housing as quickly as possible is different than prevention – these families are not leaseholders, they are not safe, and we are not keeping them in their current home. Rather, these families are without homes, and HUD's role here is to fund the necessary case management, direct cash assistance including, for example, a security deposit, first month's rent and utility connection fees. An experienced case manager will be able to assist a family connect to local community action agencies who will be able to supplement and often supplant such fees. However, it is difficult to write a federal homelessness policy that can anticipate variations from community to community – and this goes to our argument in favor of restoring local control. HUD must provide communities with flexibility and with the expectation that HUD funds are to *supplement* not *supplant* community funds – as HUD does with many programs.

That being said, rapid re-housing is not a panacea for the families who are suffering in these dangerous, untenable conditions. A substantial group of these families around the country are in imminent danger and must have access to emergency shelter and havens for victims of domestic violence. It

is not enough to hope for the best and ignore what we cannot see. We have learned in recent years that HUD's role must include consideration of **persons who are sharing the housing of others due to loss of housing, economic hardship, or similar reasons, and those who are staying in motels because of a lack of adequate alternative accommodations.** Of course, along with this, HUD must provide adequate funding to communities to provide emergency shelter and transitional housing for families that need time to regain a sense of stability and put more frankly, to escape dangerous living conditions.

We urge you to reject the specific duration requirements contained in the Senate bill and leave these determinations to be made by a qualified case manager or intake worker on a case-by-case basis at the local level.

As you can imagine, it is difficult if not impossible to verify the extent to which a family or individual is homeless. While many families and individuals are doubled-up and move frequently, it is not always possible for a case manager to verify this or for a family to provide proof. We are alarmed that the Senate bill contains the well-intentioned but flawed language which would require a doubled-up household to meet arbitrary requirements such as having lived in at least three different homes in a year or two homes in 21 days. We are less concerned about the potential incentive this provides for families to move just in order to meet the standard of "homelessness" - this is unlikely to happen. Instead, we find troubling the prospect of the domestic violence victim attempting to verify a stay with her abuser.

Of course, Family Promise is aware that many, if not most of these households are eligible candidates for subsidized housing. The problems of homelessness we now face are in no small part due to HUD's inattention to America's affordable housing crisis. Indeed, HUD has failed in numerous ways, improving its homelessness policies will be a small but vital contribution to our nation's housing struggles.

2) Restore Local Flexibility

In recent years, through both the appropriations and regulatory process, Communities have lost local control. This comes at the expense of vital programs to provide safe refuge for families and children as well as case management and cash assistance to rapidly re-house families. The 30% set-aside for permanent housing can be used for populations other than folks who meet HUD's narrow definition of chronic homelessness; however, we feel that the decision to use McKinney-Vento funds to develop and subsidize housing should be made at the local level. Currently, communities that are able to find these capital and operating expenses elsewhere and choose to use their McKinney-Vento funds to provide the social services that are often necessary to help households find and maintain permanent housing are penalized. HUD has changed from an agency that encourages and rewards community-level planning, innovation and partnership to an agency that prescribes ill-fitting, urban-centric solutions and penalizes those who are unable or unwilling to use them. Furthermore, the eligibility criteria surrounding this set-aside are exclusionary and burdensome.

3) HEARTH is the ideal approach to reauthorization. First, it consolidates the separate HUD programs, relieving both HUD and local communities of the overly complex application process. This will make the process more accessible for rural communities as well. Second, it codifies the Continuum of Care (CoC) and restores the local flexibility necessary for it to operate properly. Third, HEARTH expands HUD's definition to include persons who are sharing the housing of others due to loss of housing, economic hardship, or similar reasons, and those who are staying in motels because of a lack of adequate alternative accommodations. We appreciate the efforts of the Senate Committee on Banking, Housing, and Urban Affairs to include an expansion of HUD's definition of homelessness in S. 1518. This moves CPEHA closer to the more robust House bill.

We urge the committee to support HEARTH and to see to it that the Senate bill adequately addresses the complexities of homelessness across our diverse nation. We look forward to working with the Committee to pass the HEARTH Act.

I hope that this information is helpful to you as you consider the various proposals to reauthorize the McKinney-Vento Act. Again, thank you for taking the time to weigh heavily the insight and experience of the Family Promise network all for all that you will do as a part of this committee to improve the lives of homeless and precariously housed children, youth, families, and single adults.

KAREN OLSON

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Professional Experience

1988 to Present — FAMILY PROMISE, *FORMERLY* NATIONAL INTERFAITH HOSPITALITY NETWORK, Summit, NJ
President—Founded NIHN, now Family Promise, a national non-profit organization that provides shelter, meals and support services to homeless and low-income families. Oversees a staff of 11 and five national programs. Currently, over 110,000 volunteers are involved in providing assistance to more than 20,000 individuals annually.

1985 to 1988 — INTERFAITH COUNCIL FOR THE HOMELESS OF UNION COUNTY, Summit, NJ
Executive Director—Founded the Interfaith Council, a coalition of over 2,000 volunteers and 70 congregations. Developed and implemented the Council's Interfaith Hospitality Network, Homeless Prevention, Advocacy and Transitional Housing programs. Supervised a staff of four and was responsible for fundraising, budgeting, planning and program analysis.

1979 to 1984 — WARNER LAMBERT COMPANY, Morris Plains, NJ
Consumer Promotion Manager—Responsible for the development, evaluation, and budgeting of consumer sales promotions. Specific responsibilities included strategy, concept and copy development, media planning, brand presentations and coordination of promotional programs with advertising agencies.

1978 to 1979 — DON JAGODA ASSOCIATES, New York, NY
Account Executive—Consumer promotion agency. Account liaison to client companies. Responsibilities included new business development, client presentations, promotion development, and management of house accounts. Charged with the development and administration of consumer sweepstakes, premium and sales incentive programs for major packaged goods.

1976 to 1978 — WEBCRAFT, New Brunswick, NJ
Account Executive—Printing and converting firm. Responsibility for new business development and management of house accounts. Researched and analyzed Webcraft's prospective role as a supplier to the sales promotion industry. Moved the company into this new high potential area of gaming techniques and formats.

Awards

1992 President's Annual Points of Light Award
1988 New Jersey Governor's Pride Award in Social Services

1987	Jefferson Award, American Institute for Public Service
1986	Association for Children of New Jersey Volunteer Award

Education

Institute for Non-Profit Management, Columbia University
Rider University, Lawrenceville, NJ Marketing
Lasell College, Auburndale, Mass., Business Administration

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