



**TESTIMONY
of
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NATIONAL ALLIANCE TO END HOMELESSNESS
before the
SUBCOMMITTEE ON HOUSING, COMMUNITY DEVELOPMENT AND INSURANCE
of the
U.S. HOUSE OF REPRESENTATIVES COMMITTEE ON FINANCIAL SERVICES
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Chairwoman Waters, Chairman Cleaver, Ranking Member McHenry, Ranking Member Hill and members of the Subcommittee, I am Nan Roman, Chief Executive Officer of the National Alliance to End Homelessness. Thank you for inviting me to testify before you today on the subject of *Housing America: Addressing Challenges in Serving People Experiencing Homelessness*.

The National Alliance to End Homelessness is a nonpartisan, nonprofit, mission-driven organization committed to preventing and ending homelessness in the United States. It was founded in 1983 by a group of national leaders from both parties, 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 and service 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 thousands of 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.

Thank you for inviting the Alliance to appear before this Subcommittee to discuss where we stand in the effort to end homelessness, what we should be doing, and the role of Congress in achieving the goal.

HOMELESSNESS

The nation is experiencing an on-going homelessness crisis that has been very much affected by the COVID pandemic. While homelessness decreased between 2007 and 2016, it increased slightly every year between 2016 and 2020. The Point in Time count that typically takes place in January (and is the only enumeration that includes people who are unsheltered as well as

sheltered) was not fully conducted in 2021 due to the pandemic. As a result, the number of people currently experiencing homelessness is not clear. However, the Alliance surveyed all of the nation's Continuums of Care (CoCs¹) several times during the pandemic, and respondents reported the following: the number of shelter beds significantly decreased as shelters followed CDC guidance to "decompress;" most CoCs believed that unsheltered homelessness had increased; and though many people from shelters and unsheltered locations were placed in motel/hotel rooms for quarantine and isolation, those incremental beds did not make up for those lost through decompression. It should be noted that since many jurisdictions are now releasing their hotel/motel beds, but likely maintaining COVID protocols with regard to social distancing in shelter, the number of beds may continue to be low.

It is our belief that unsheltered homelessness has likely increased somewhat, and it is possible although not certain, that overall homelessness has increased. Even prior to the pandemic, as reported in the most recent Annual Homelessness Assessment Report to Congress (AHAR Part 1, 2020), in 2020 for the first time ever there were more *unsheltered* individual adults than sheltered individuals adults².

While overall and unsheltered homelessness appear to be up, the numbers are down for certain subpopulations. The 2020 AHAR Part 1 data from just before the pandemic show a slight decrease in homeless family households, veterans and youth. Both the Alliance's CoC surveys and anecdotal evidence from the field seem to indicate that the number of families that are homeless has decreased significantly during the pandemic. This is likely the result of child and other tax credits, unemployment insurance supplements, Emergency Rental Assistance, the eviction moratorium and other steps that you have taken to protect vulnerable households. It is also possible that some families chose to double or triple up with relatives or friends rather than enter congregate shelter facilities during the pandemic.

Having said this, our data on the number of people experiencing homelessness is not firm and it will be helpful to have the Point in Time count conducted this year.

It should be noted that data also show significant disproportionality in the rate of homelessness among people of color, and we also see racial disparities in the outcomes of homelessness interventions. To give you an idea on disproportionality, the 2020 Census reported that White people represent 62 percent of the US population but 48 percent of the homeless population. Black people represent 12 percent of the population, but 39 percent of people who are homeless. Similarly, Native Americans represent 1 percent of the population but 3 percent of

¹ Per the US Dept. of Housing and Urban Development, a Continuum of Care (CoC) is the group organized to carry out the responsibilities of the Continuum of Care Program for a geographic area. It should be composed of representatives of various sectors of the community. Responsibilities of a CoC include operating the CoC, designating and operating a Homeless Management Information System, planning for the CoC (including coordinating the implementation of a housing and service system within its geographic area), and designing and implementing the process associated with applying for CoC Program funds.

² Individuals adults being adults on their own, not with family members.

people experiencing homelessness; Hispanic/Latino people represent 18 percent of the population but 22 percent of people experiencing homelessness; and Pacific Islanders represent .2 percent of the population but 1.5 percent of people experiencing homelessness. Obviously, there is a lot to do to achieve equity both with respect to who becomes homeless, and the effectiveness of the assistance they receive to exit homelessness.

OPPORTUNITIES

This is where we stand on homelessness, but thanks to your work here in Congress, there is a significant opportunity at the moment to make a serious dent in the problem.

The pandemic has taught us some things about the importance of housing. We have learned that you cannot quarantine if you do not have a home. We have learned that housing is, indeed, a social determinant of health. We have learned that millions of Americans who have a home live paycheck-to-paycheck, and that any crisis could create housing instability and cause them to lose that home.

The inability of people to afford housing is the major driver of homelessness, and the major solution to it. That is not to say that people do not need services and jobs. They do. They need steady jobs that pay enough for them to afford the housing that is available. And while some people do have unmet service needs, it is not always the lack of services that results in their homelessness as the fact that they are among the poorest households, and therefore the most likely to be vulnerable to homelessness. People do need jobs and services, but what will end their homelessness is housing. And the services people receive, and their ability to earn a living wage will be much enhanced if they have safe, stable, affordable homes.

During the past two years, you have generously provided, through the CARES Act and the American Rescue Plan Act, the very resources that people who are experiencing homelessness need to return to housing.

Through the CARES Act you provided \$4 billion in funding via the flexible Emergency Solutions Grants program. These flexible funds can be used to support homeless households through street outreach, emergency shelter, homelessness prevention, and rapid rehousing. They can also be used to support the infrastructure of on-the-ground nonprofits to deliver this assistance, gather data, etc.

Through the American Rescue Plan Act you provided \$5 billion to Public Housing Authorities for Emergency Housing Vouchers to support stable homes for homeless and at risk households. You also provided \$5 billion to jurisdictions via the HOME Investment Partnership Program for rental assistance, acquisition and development, and supportive services for homeless and at-risk people.

And Build Back Better, should it advance, contains \$25 billion for housing vouchers of which \$7 is targeted to homeless and at-risk households, \$15 billion for development through the

Housing Trust Fund, and \$65 billion to preserve the neglected public housing that the nation already owns.

I should also note that, although not the focus of the Subcommittee, the bills above provided significant resources for treatment and services to address the health and behavioral health needs of people experiencing homelessness, as well. Such health needs are variously the cause of people's homelessness, and the result of it.

These resources have the potential, not to end homelessness, but to reverse the course of homelessness from a growing to a diminishing problem. We are deeply grateful to the members of this Subcommittee and to the Committee for your creativity, your leadership and your determination in targeting these funds to people experiencing homelessness. Thank you.

And these funds are not the only opportunities before us.

The US Department of Housing and Urban Development, along with the US Interagency Council on Homelessness, has initiated *House America: An All-Hands-on-Deck Effort to Address the Nation's Homelessness Crisis*. This initiative is engaging mayors, governors, tribal and county leaders from across the nation to join a partnership and mobilize around the goal of housing 100,000 people and getting 20,000 affordable housing units in the pipeline – all targeted to people experiencing homelessness -- by the end of 2022

And among other opportunities is the unique moment in the real estate market that has the potential to help deliver the housing that is so desperately needed to fill the 6.8 million unit shortage of rental units available and affordable to extremely low income households (those with incomes below 30 percent of the area median). During the pandemic there was considerable use of hotel and motel rooms for quarantine and isolation of people experiencing homelessness and others – a boon both for the hospitality industry and the homelessness sector. Many states, notably California, ended up acquiring hotel and motel properties for use both as temporary and permanent housing, at a cost far lower than new construction or conventional rehabilitation. While the supply of hotel and motel stock has been shrinking, there is still some available. And there is also downtown office and retail space that could potentially be developed for affordable housing at lower cost than new construction or rehabilitation. The resources you have provided can help creative jurisdictions take advantage of opportunities like these to increase the stock of affordable housing.

CHALLENGES

The stimulus funds that have been delivered to date provide a significant opportunity to reduce the number of people experiencing homelessness. They will not end homelessness, but they give us the means to make a U-turn, from five years of increases in homelessness to a steady decrease. But this is only if they are used strategically. There are several challenges to maximizing the use of these funds to significantly reduce homelessness, however.

Jurisdictions are beleaguered after two solid years of the pandemic, and the recession and its aftermath. The Alliance's surveys of CoCs show consistent reports of employee shortages in homeless service and housing organizations. In a May 2021 survey, 72 percent of CoCs reported shortages in frontline shelter staff; 69 percent had a shortage of case managers; and 62 percent had shortages in street outreach workers. The organizations reported the cause of the challenges as being stress, exhaustion, and low morale; illness; family responsibilities; and fear of COVID³. It should also be noted that homeless services staff typically receive relatively low salaries for very difficult and challenging work. A recent study found that the average shelter staff earned \$24,000 per year, and the average permanent supportive housing staff earned \$36,000 per year⁴. Low pay may be another reason that it is difficult to keep staff. Staff shortages are not the only capacity issues for CoCs and the organizations that they fund. The challenges of working through a period of constant change as COVID numbers rise and fall, guidance changes, multiple new initiatives are introduced, immediate results are expected, and new partnerships have to be formed – years of this have worn down many program staff. Although they appreciate and welcome the resources and share the sense of urgency, they are often overwhelmed.

The necessity to create substantial new partnerships has also been a frequent challenge. For example, the Emergency Housing Voucher and HOME-CV funding are targeted to people experiencing homelessness or at risk. However, the funds were not given to entities in the CoC that routinely work with people experiencing homelessness. EHVs were given to Public Housing Authorities (PHAs) and HOME-CV funding was given to HOME Participating Jurisdictions (PJs). PHAs and PJs were then required to work with the CoCs to run the programs. To add to the need for partnerships, housing the highest-need people experiencing homelessness generally requires that they be connected to on-site services -- services that are critical to their stability in housing, just as housing is critical to the recovery of people with service needs. This often necessitated CoCs, PHAs or PJs developing new relationships with health partners. Such partnerships can be hard to achieve and take time to establish, especially when health care entities are in the midst of a pandemic. Those people experiencing homelessness who do not require on-going services to stay housed may still require assistance connecting to employment and education opportunities, which may similarly require new partnerships. In short, there is a lot of work to do to address the challenges that stand in the way of jurisdictions seizing the opportunities that the funding provides.

Another key challenge is to apply the resources you have provided strategically in order to reduce homelessness.

As I have noted, organizations, agencies and their staff are depleted and struggling to seize the opportunities you have provided. It is easier to house people who have lower needs, who do

³ Joy Moses and Jackie Gardner, *Voices from the Field: Responding to COVID-19 (Part 4)* (February/March 2021), National Alliance to End Homelessness.

⁴ Dennis P. Culhane & Seongho An (2021): *Estimated Revenue of the Nonprofit Homeless Shelter Industry in the United States: Implications for a More Comprehensive Approach to Unmet Shelter Demand*, Housing Policy Debate, DOI: 10.1080/10511482.2021.1905024

not require services, who are more acceptable to landlords, or who have housing problems but are not yet homeless. All of these people do deserve assistance, and you have provided it through a variety of other programs. However, to reduce homelessness, it is essential to focus homeless resources on people who are already literally homeless. And the most strategic use of resources is to house people who are either unsheltered, or are the most likely to spend long periods of time in shelter. These are the groups that stay homeless the longest, that absorb the most homeless resources and that block the shelter system from helping newly homeless households. If they are not housed, we just keep growing the shelter system resulting in increasing, not decreasing homelessness.

A critical challenge is the need to address unsheltered homelessness. It is not acceptable that in a nation with the resources and capacity of ours, 230,000 should be sleeping on the streets every night. The unsheltered population includes people with behavioral health problems; youth and young adults; pregnant women and families living in cars or tents; older adults whose needs can no longer be met in shelter and end up on the street -- the list goes on and on. Data indicate that people who are unsheltered have much more serious health problems than people living in shelter. For example, data indicate that 50 percent of unsheltered people are trimorbid, with physical, mental and substance use illnesses, while only 2 percent of sheltered adults are trimorbid⁵. And many of these unsheltered people did not become homeless as a result of trimorbidity, but the reverse – they became ill as a result of being unsheltered. It is a challenge to house higher need people, but if we do not use the significant resources you have conferred upon us to take on the challenge of housing those with the highest needs, when WILL we be able to assist them? I hope that you will urge your constituents to use these funds to provide housing and services to those with the MOST, not the LEAST acute needs so that we can both reduce homelessness and literally save their lives.

One final challenge we face is how to emerge from this period without experiencing a significant increase in homelessness. While homelessness may have increased somewhat during the pandemic, that increase does not seem to have been as steep as was projected. This is good news – much of it due to the resources you have provided. Because of the direct financial assistance, tax credits, services, medical support and more, I believe that many, many individuals and households that would otherwise have become homeless have maintained themselves in housing.

However, many of these supports are coming to an end and the nation is also facing a period of high inflation, including for housing. Typically, homelessness is a lagging indicator of the impact of economic downturns, and this time the pandemic and the sunset of many programs that supported people in housing must be added to the mix. It is likely that there will be a wave of increased homelessness – possibly in the summer or next fall. We should prepare for this eventuality.

⁵ Janey Rountree, Nathan Hess and Austin Lyke, *Health Conditions among Unsheltered Adults in the US*. October 6, 2019, California Policy Lab.

SOLUTIONS

We are at a moment which, in my view, we are unlikely to see again any time soon, with resources adequate to make a serious reduction in homelessness. Given the opportunities and challenges we face, the Alliance recommends that communities consider the following as they work to use federal and other resources strategically and reduce the number of people who experience homelessness.

Use funding, to the maximum extent possible, to reduce the number of people who are currently experiencing literal homelessness. This will help to right-size the current system by reducing the number of people it has to serve, with particular emphasis on those who are otherwise most likely to be homeless for long periods of time.

Use the funds to help people with the highest needs, where possible. This will address race equity goals, since people of color are over-represented in the high need group. This is also a group that tends to be homeless longer, so helping them will free the system to assist more people. And of course, by definition it is the group that is the most in need of assistance.

When thinking specifically of who to serve, and consistent with Fair Housing and other requirements, there are a number of high need homeless households that could be considered as priorities, obviously depending on the local profile of the population. These could include people who are unsheltered; people experiencing chronic homeless (disabled and homeless for long periods of time); people with disabilities and/or in need of permanent supportive housing; families with children and pregnant women; and older adults who are homeless⁶.

On the other hand, we would recommend that the funds not be used for prevention of homelessness, for people who could be housed with short term assistance, for people already in housing, and for those who can be helped with other stimulus assistance. Obviously, anyone who receives these funds will be helped by them. But with a generational investment in housing for the most vulnerable people on the table, research shows that it is critically important to focus those resources on people who are literally homeless, and indeed to go beyond that as possible to help those households with the most acute needs.

Use resources on strategies specifically designed to reduce racial disproportionality and disparities.

Invest in formal partnerships with other sectors, particularly employment and health and behavioral health care. While, with everything else on the table, it can be difficult to dedicate the time and resources necessary to creating such partnerships, but they are essential not only to ending homelessness, but to ensuring that investments result in stability for vulnerable households.

⁶ Culhane, D., Treglia, D., Byrne, T., Metraux, S., Kuhn, R., Doran, K., Johns, E., Schretzman, M., 2019. *The Emerging Crisis of Aged Homelessness: Could Housing Solutions Be Funded by Avoidance of Excess Shelter, Hospital, and Nursing Home Costs.*

It is important to focus our resources on proven solutions such as Housing First. Housing First is often misrepresented as meaning “housing only.” Nothing could be farther from the truth. It can be difficult for people to benefit from services when they are living in a shelter or temporary program. These temporary living situations can be stressful and traumatic. Residents are uprooted and feel anxious about what their permanent housing situation will be. They are often not in a position to, for example, find a job or decide what services they need. Housing First programs are based on the premise that people are better able to benefit from services, become employed, and achieve stability if they are receiving services from the safety and security of a home. However, since it takes time to arrange housing, Housing First services are generally also available to people while they are in shelter or other temporary accommodation and waiting for housing. While many consumers prefer a Housing First approach, there are others who are not ready to take on the responsibilities of that model. The decision should be up to them. Congregate settings and more structured service approaches should be available to people who prefer them.

During the pandemic, many people required isolation, quarantine, or a place to go after shelters were de-compressed, and they were placed in hotels and motels. Eventually FEMA funded such accommodation. Some states (notably California) and localities took things a step further and began acquiring vacant hotels and motels for short- and long-term accommodation. Once acquired these units, often requiring very little development in order to become studio-type accommodation, have been used variously for short term shelter, transitional housing, and permanent housing. While the stock of motels and hotels is declining, there could be similar opportunities in the growing vacancies in office and retail space, often located in downtown areas. Converting such real estate to housing is a cost effective way to increase the supply of affordable rental units, especially for single adults.

Another important solution is to link people experiencing homelessness with employment that pays a living wage and can support the cost of housing. Homelessness is a very temporary state for most people: 30 percent of people who become homeless have exited homelessness after 2 weeks, and 85 percent have exited after 6 months, with a median spell of homelessness being 6 weeks. 45 percent of people experiencing homelessness are working, albeit for very low wages. All of this is to say that employment not only should be but IS the major way that people exit homelessness. We hear daily of staff shortages in a host of public, nonprofit and private entities, for positions that require no to limited specialized skills or training. Homeless programs and systems could partner with such entities to link clients to employment and help them exit homelessness even faster.

A related solution is to expand the homelessness sector’s employment of people with lived experience of homelessness. People with lived experience can, and should, be engaged in homeless services program design in order to ensure that strategies employed will be effective. They can also be much more extensively involved as staff members of homeless assistance organizations. Such a strategy would not only increase the employment of people experiencing homelessness, but improve the performance of the sector.

Finally, and critically, we must examine all of our strategies and activities through the lens of race equity. Historical and systemic racism in the key areas of housing, health care, and employment have without doubt had a major impact on homelessness, resulting in the disproportionality of almost all peoples of color experiencing homelessness. And once homeless, people of color experience disparities in the effectiveness and sometimes the nature of the assistance they receive. While the homelessness system has little ability to prevent people of color from becoming homeless, it certainly can be diligent in assessing the impact of its assistance on all of the people it serves; discovering whether the impacts of that assistance affect some people less effectively than others; and if so, how those disparities can be remedied.

CLOSING

People experiencing homelessness have suffered tremendously during the COVID pandemic. Their living situations, already grim, often became worse. COVID outbreaks occurred. Shelters decompressed or closed leaving people with no place to stay except the street. The public railed against encampments, some of which were taken down, destroying residents' only link to support or a sense of safety.

On the other hand, some positive steps have been taken. Programs increased shelter beds and focused on getting people off of the streets and to indoor settings. Hotel and motel rooms were deployed on a significant scale to protect people's health and also to provide them with a place to stay. Importantly, the resources that Congress provided via the CARES Act and the American Rescue Plan Act give us a real opportunity to reduce the number of people experiencing homelessness, and to place tens of thousands of them into housing. And while both the homelessness and the public sector are depleted from two long years of uncertainty, illness, isolation and economic challenges, still they are determined to piece things together to make progress on the issue of homelessness.

The Financial Services Committee and the Subcommittee on Housing, Community Development and Insurance have led the charge to ensure that people experiencing homelessness and housing instability were not only not forgotten as the stimulus bills moved through the Congress, but that ground-breaking resources were provided to address homeless and housing instability. We have a lot of work to do, but we are determined to seize this moment to turn the ship and begin to reduce the size of the homeless population over time. Our deepest gratitude to the Committee and the Subcommittee for all that you have done to help end homelessness.
