



Testimony of the

National Coalition
for Homeless Veterans

**United States House of Representatives
Committee on Veterans' Affairs
Subcommittee on Economic Opportunity**

Making HUD-VASH Work for all Veteran Communities

January 14th, 2020

Chairman Levin, Ranking Member Bilirakis, and distinguished Members of the House Veterans' Affairs Subcommittee on Economic Opportunity.

On behalf of our Board of Directors and Members across the country, thank you for the opportunity to share the views of the National Coalition for Homeless Veterans (NCHV) with you. NCHV is the resource and technical assistance center for a national network of community-based service providers and local, state and federal agencies that provide emergency, transitional, and supportive housing, food, health services, job training and placement assistance, legal aid and case management support for thousands of homeless, at-risk, and formerly homeless veterans each year. We are committed to working with our network and partners across the country to end homelessness among veterans.

As of December 2019, 78 communities and three states have achieved the federal benchmarks and criteria for ending veteran homelessness. This is important proof that building systems to end veteran homelessness nationwide is achievable. We have seen the annual point-in-time (PIT) count of veterans experiencing homelessness decrease by nearly 50 percent since 2009. The 2.1% decrease between 2018 and 2019, when compared to the 2.7% increase in homelessness within the general population in HUD's 2019 PIT Count, is largely a testament to the dedication and hard work of local service providers, community partners, Veterans Affairs Medical Center (VAMC) staff, and the responsiveness of this committee, its members and dedicated staff with regard to providing resources and oversight required to scale VA programs responsibly.

Continued progress comes at a pace that is challenging to maintain, requiring a dedication to surpassing the status quo. Given the 37,085 veterans experiencing homelessness on any given night according to the latest PIT count and the ebb and flow of veterans entering and exiting homelessness, we still have much work to do across the nation. From NCHV's perspective, every veteran deserves safe and permanent housing, whether they are currently experiencing homelessness or are facing housing-cost burdens that put them at risk of homelessness. We must enhance and invest in efforts to ensure that homelessness is rare, brief, and nonrecurring, for veterans and all Americans. Deep investments in affordable housing must be paired with solid

implementation of housing-first oriented systems and housing-first interventions in order to see true success. It is NCHV's position that Housing First should never mean housing only. It is also NCHV's view that shelter and services alone cannot solve this problem.

There is a solid body of research pointing to the success of Housing First oriented interventions. VA must commit to continued implementation of Housing First oriented systems to end veteran homelessness and to implementing them well. Veterans have earned quick access to permanent housing, employment, services and any resources they request to attain housing stability. This requires communitywide partnership to create Housing First oriented systems incorporating a variety of housing interventions, including adequate transitional housing options in communities where these facilities fill gaps in services or where the housing crisis is so extreme that permanent housing placement takes longer than it should, or where veterans actively choose therapeutic and treatment oriented environments. We need to recognize that successful implementation of a Housing First model also includes access to health and mental health care, and wraparound services like benefits assistance and employment and training services to ensure that a placement is indeed sustainable. The needs of veterans must come first.

HUD-VASH

Homelessness is a multifaceted and complex problem that differs for each veteran experiencing it. One of the cornerstones of a Housing First oriented system is the Housing and Urban Development - Veterans Affairs Supportive Housing or HUD-VASH program, which has allowed VA to focus resources more efficiently by pairing VA-funded case management with a HUD-funded Section 8 voucher for the most vulnerable veterans. We appreciate the commitment Congress has made to investing in the creation of new HUD-VASH vouchers since 2008. NCHV applauds the foresight entailed by this consideration, and thanks Congress for these vouchers on behalf of the over 100,000 veterans who have been and are currently being housed.

Yet, the simple fact remains that there is still much unmet need across the country. A recent survey of NCHV members indicated that 86% of our respondent communities still had an unmet need for permanent supportive housing and had a waitlist of veterans for HUD-VASH. In

addition, HUD's 2020 Annual Homelessness Assessment Report indicated on any given night, over 8,700 veterans experiencing homelessness had chronic patterns of homelessness. As such, NCHV is calling for an increased investment in the effective HUD-VASH program to ensure communities have sufficient resources for the most vulnerable populations.

The affordable housing crisis in the US is widespread. It is most acute in urban areas, particularly, in the areas of the country with the highest concentration of homeless veterans: California, New York, and Florida. In certain areas of the country with extremely low rental housing vacancy rates, the ability to locate housing is the single biggest barrier to housing veterans. For many communities experiencing this crisis, the only way to find affordable housing in which to place formerly homeless veterans is to develop it. HUD-VASH vouchers are a reliable source of operating revenues that enhance a developer's ability to obtain project financing. Vouchers must be distributed to areas with the most acute needs and housing authorities should consider project-basing more frequently, particularly in low-vacancy, high-cost markets.

NCHV appreciates the ongoing Congressional support for the HUD-VASH program as evidenced by the addition of vouchers in the last several years. However; the funds appropriated to VA for case management have not increased in proportion to the increase in vouchers. The challenging, complicated, and most often uncoordinated appropriations process has an even more profound effect on interagency programs like HUD-VASH due to their reliance on two Subcommittees to appropriate funds to two Federal Agencies. When there is a disconnect in terms of timing or funding levels, veterans end up paying the price due to delayed distribution of vouchers and case managers who are stretched thin. In addition, NCHV is focusing on how to change how HUD-VASH case management is funded and delivered. Veterans' Affairs Medical Centers or VAMCs have case managers who focus solely on the clinical aspects of case management, such as mental health care and medication management, at the expense of case management that focuses on basic tenets of housing stability. Successful case management in permanent supportive housing must address both clinical and housing stability aspects to

adequately support the client, and in too many instances, veterans are not able to access that standard of care, leaving affordable housing providers responsible for filling that gap.

NCHV makes the following policy recommendations relating to the HUD-VASH program:

1. Case managers are the lifeblood of a permanent supportive housing program like HUD-VASH and we know inadequate supports can lead to negative exits from a program. VA funding pertaining to HUD-VASH case management should be increased in formulaic response to increases in the number of additional VASH Vouchers each year. This can be achieved either through an appropriations trigger mechanism, or by redesignating funding for HUD-VASH case management as mandatory spending, just as existing vouchers are deemed in the program. The status quo has resulted in the unintended consequence of an unfunded mandate placed upon the VA or worse, a mandated reduction in standards of care provided to those most vulnerable as case managers will exceed their mandate as the number of vouchers increases and the number of case managers does not. Further, this creates a disincentive for VAMC directors to support their partnering PHA's applications for additional vouchers in their communities. This is an ongoing issue that has lingered for several years.
2. In instances where VAMCs are contracting with local service providers for case management services, the exorbitant duration of the credentialing and background check process can be cumbersome and affects staff recruitment and retention. Several service providers have indicated the four- to nine-month long process their staff has to go through in order to complete the VetPro and eQIP background and credentialing procedures make it difficult to recruit new staff. This also makes retention challenging, as staff is only able to shadow and learn until the process is completed and are then provided access to CPRS. We request that the Committee work with VA to see whether there are any opportunities to truncate the timeline of this process.

3. Veterans who received an “Other Than Honorable” type of discharge from military service are in practice ruled ineligible for VA health or other benefits. This is true even though many studies in recent years have shown that a large portion of “Other Than Honorable” (OTH) discharges are the result of service members behavioral changes from repeat deployments or unaddressed Post Traumatic Stress (PTS). The Department of Defense has acknowledged PTS as a vector to OTH discharges and has directed review boards for discharge status upgrades to take it into account. Despite a single-digit percentage of America’s veterans receiving OTH discharges, they are disproportionately represented, making up 15% of the homeless veteran population nation-wide. In some urban locales the percentage of OTH veterans among the homelessness population can rise to nearly 30%. NCHV strongly supports Representative Scott Peters’ legislation H.R. 2398 that will expand HUD-VASH eligibility to veterans with “Other Than Honorable” discharges, cited as the “Veteran Housing Opportunities and Unemployment Support Extension (Veteran HOUSE) Act of 2019,” as well as the Senate’s companion bill S. 2061. We have committed as a nation to ending veteran homelessness – these men and women are veterans, and we must not leave them behind.
4. HUD should release another round of Project Based Vouchers to directly address the immediate lack of housing stock due to the amount of time it takes to plan and develop those projects.
5. The Enhanced Use Lease (EUL) program at VA is a resource for developers, as land is a significant driver of affordable housing development costs. VA should consider more use of its EUL authority to reduce its liabilities for underutilized or vacant properties while bringing more veteran housing online. In addition, we recommend the Asset Infrastructure Review Commission created by the MISSION Act keep the affordable housing needs of veterans experiencing or at-risk of homelessness at the forefront by including homeless veteran EUL initiatives in any Commission Charter.

6. The housing needs of veterans in Indian Country must not be forgotten in any program that serves veterans experiencing or at-risk of homelessness. NCHV recommends that Congress do everything it can to support housing initiatives for Native American, Alaska Native, and Native Hawaiian veterans, particularly to create additional Tribal HUD-VASH vouchers. While we support the intent of legislation introduced in both Chambers, we are concerned that language in active legislation would require HUD to shift five percent of the HUD-VASH vouchers already allocated and in use over to Indian Country. Tribal veterans deserve safe housing, but we are concerned that well-meaning supporters of this legislation may not have considered the negative impact of removing vouchers from formerly homeless veterans who are relying on them for housing stability. Additional investment in Tribal HUD-VASH should not come at the expense of veterans using HUD-VASH.

While HUD-VASH remains the lynchpin of proven tried and true, data driven Housing First methodologies, we would be remiss not to discuss VA's Grant and Per Diem Program (GPD), given its interconnectedness with HUD-VASH and its recent changes that create a window of opportunity for enhancement. GPD plays a key role in providing transitional housing and making recovery-oriented services available for those veterans who indicate they would benefit from them.

Successful Program Transitions and Adaptability (Recapture)

Providers in several communities that have made tremendous progress in ending veteran homelessness have raised concerns to NCHV regarding barriers to changing their programs that arise from receiving a GPD Capital Grant in the past. There are certain communities where the population of veterans experiencing homelessness has decreased such that there are significant vacancies in local GPD programs. NCHV has heard from several providers in this situation, who are interested in transitioning away from operating a GPD grant and into operating permanent supportive housing, or affordable housing. They have been told that in order to fulfil both VA real property recapture requirements and the real property disposition requirements of the Office of Management and Budget (OMB) including ones found in 38 CFR 61.67 / 2 CFR 200.311 / 38

USC 8136, they would need to pay the government a percentage of the current market value of their property to fulfil the requirements of their grants, many of which date back to the early 1990s. Obviously, real property can appreciate dramatically over the course of several decades and in some cases these payments are prohibitively expensive for nonprofit service providers.

It is the view of NCHV that no grantee should face a financial penalty for their success in achieving housing stability in their communities. Further, grantees shouldn't be required to embark on a capital campaign to pay the government in order to adjust their operations to meet their community's most pressing need. We request that Congress introduce legislation to waive both VA real property recapture requirements and OMB real property disposition requirements for grantees that would like to decrease the number of beds funded by or leave the GPD program under certain circumstances. These would include, but not be limited to, making a long-term commitment to utilizing the property for which the grant was received to serve homeless or at risk individuals, especially veterans, by offering affordable permanent housing, permanent supportive housing via project based vouchers, or other services to address housing instability. NCHV asks for the committee's leadership on addressing this issue.

Reboot

NCHV has supported the GPD reboot, as it generated several types of program models service providers can implement as critical parts of a housing-first oriented system of care for homeless veterans. As grantees have shifted to utilizing these models, we have heard consistently that challenges have cropped up, due to the expense of hiring higher level clinical staff with the appropriate credentials to operate certain higher-intensity models such as clinical treatment, hospital to home, and low demand. NCHV suggests that Congress modify the law such that providers operating these models are eligible to receive 125% of the state home per diem amount. There is precedent for amending the per diem payment structure to accommodate the augmented needs of the Special Needs Grant population, and the higher costs of operating GPD Transition-in-Place beds, thus NCHV urges Congress to take swift action to make similar changes to ensure providers can afford to continue operating these models.

Training and Technical Assistance

As with any major change in a large federal program, sufficient training of grantees is required to ensure the most optimal outcomes for veterans. We urge you in Congress to amend 38 USC 2064(a) to expressly authorize VA to provide technical assistance to grantees on issues related to operating their grants, national best practices, and working collaboratively with key partners. We also respectfully request that the expired authorization of appropriations language in 38 USC 2064(b) be modified to include \$2,000,000, annually, in perpetuity for the training of GPD grantees and contractors through the HCHV program.

Data Collection

Data is a key component of an effective community-based response to veteran homelessness. HUD has mandated that grantees utilize a Homeless Management Information Systems (HMIS) to coordinate local efforts to serve people experiencing homelessness and to collect client-level data on individuals experiencing and at-risk of homelessness, the services and housing interventions they utilized, and the services and housing interventions available in their communities. Data completeness improves a community's ability to coordinate services and identify and plan for impending trends in inflow. The SSVF program has mandated its use for its grantees, and providers have been able to incorporate that into their annual budgets. The GPD program has not yet mandated its grantees to do so and many do not. The per diem payment structure does not allow for those who may be receiving the maximum per diem payment per bed, to do so without decreasing the standard of service to veterans in their programs. NCHV recommends that the Committees consider a legislative change to authorize an appropriation for a reimbursement of reasonable HMIS user fees for GPD grantees who are otherwise unable to access HMIS through their SSVF, Continuum of Care, or other local grants received. The improvement in data quality will improve community responses to veteran homelessness which in turn will enhance outcomes and efficiencies. NCHV recommends language alterations to Title 38 USC Section 2012 in the form of an additional section D that could read, "The Secretary may reimburse reasonable sums in support of efforts to access the Homeless Management Information Systems or HMIS for grantees that are unable to receive access through other grant

programs or government contracts.” These changes could improve programs across the nation immediately by leveling the field for smaller service providers.

In Summation

Thank you for the opportunity to submit this testimony for the record and for your continued interest in ending veteran homelessness. It is a privilege to work with the House Committee on Veterans’ Affairs to ensure that every veteran facing a housing crisis has access to safe, decent, and affordable housing paired with the support services needed to remain stably housed.

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