Testimony of
Steven R. Berg
Chief Policy Officer
National Alliance to End Homelessness
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Hearing on
Transitional Housing Reform:
Examining the Future of the VA Grant and Per Diem Program
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Chairman Levin, Ranking Member Moore, and other distinguished members of the House Veterans Affairs Subcommittee on Economic Opportunity, I am Steve Berg, Chief Policy Officer at the National Alliance to End Homelessness, hereinafter referred to as "the Alliance."

The Alliance 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 that thousands of Americans had been left to live on our nation's streets. In its early years the Alliance 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 Alliance's bipartisan Board of Directors, our staff, and our thousands of non-profit, 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 our views on VA's Grant and Per Diem program. The progress on veterans' homelessness, with strong bipartisan work in Congress and over several Administrations, has become a model for addressing homelessness among all populations. The work is not finished, however, and this Subcommittee's continuing attention will continue to move it forward. We appreciate your commitment.

Both for veterans and for the general population, the primary driver for progress on homelessness is giving people who are homeless access to permanent, stable housing, with whatever services they need to remain stably housed. The HUD-VA Supportive Housing (HUD-VASH) program and the Supportive Services for Veteran Families (SSVF) program provide this for veterans and have made a huge difference. They need to be funded at the scale necessary to serve every veteran who needs that help. There continues to be, however, important roles for temporary, transitional housing programs such as the Grants and Per Diem (GPD) program.

I will describe how temporary housing programs like GPD have come to fit in with the most effective work being done around the country to reduce the number of people who are homeless, and what this implies for any changes to GPD that this subcommittee may consider.

History

When GPD began, it was the only program at VA specifically designed to provide housing (temporary housing in this case) to homeless veterans. It was designed as a transitional housing model, under the theory that homeless veterans could escape homelessness by living temporarily in a more or less institutionalized setting, working with assistance from program staff and VA resources to resolve whatever issues had left them unable to maintain stable housing, and would thereby develop the ability to secure their own housing, paid for by employment or benefits.

Many veterans were in fact able to escape homelessness in this manner. Concern arose, however, about high numbers of homeless veterans who either left or were expelled from GPD programs with no alternative arrangements; about others who remained in the programs for long periods of time with no apparent progress toward independence; and in general the cost of the program compared to its results. Similar concerns arose regarding transitional housing programs funded through the Department of Housing and Urban Development (HUD) for the general homeless population.

During the same period, academics conducted research testing models that placed homeless people directly into permanent housing, without a transitional stage, and then provided help with other issues once housing was stabilized. This research consistently showed, for homeless veterans and for the general homeless population, that these programs cost less on average for each person successfully moved from homelessness to housing (cost-effectiveness), while producing greater satisfaction among participants.

Another concurrent development was the growing understanding that solutions to homelessness were best obtained through local community-wide systems, rather than by disconnected individual programs. A systemic approach ensures that a range of interventions was available depending on the circumstances of each person who is homeless, that each person's progress is monitored, and that individual programs are monitored to assure that they are getting the best results.

Congress built on these developments by supporting two new permanent housing programs for homeless veterans:

- HUD-VASH for supportive housing, designed for veterans with severe and often permanent disabilities who need rent subsidies and a range of services long-term.
- SSVF, funding the "rapid re-housing" model, helping a veteran who is homeless move into an apartment and paying the rent for a temporary period, often a few months, and providing help securing employment or benefits so that the veteran can pay rent after that period.

Congress also encouraged VA homelessness programs to coordinate more effectively with local HUD-funded programs, which did and still do serve many veterans. In localities where this was embraced, it encouraged a better systematic approach. Additionally, VA Health Care worked to ensure that homeless veterans would have easier access to whatever services from the mainstream health system that they needed. Finally, other veterans' programs funded through federal and state governments were coordinated through work of VA and the U.S. Interagency Council on Homelessness.

All these changes led to a period where homelessness began to decline rapidly in many communities and trended downward in the country as a whole. This has particularly been the case for veterans, since the programs for homeless veterans are funded closer to scale than is the case for homelessness programs for the general population. It probably is due also to the goodwill that exists toward veterans,

making it easier to get support from landlords, employers, and community members. In recent years, homelessness in the general population has begun to go back up, as the cost of modest rental housing goes up faster than wages at the bottom of the labor market, or than benefits.

Homelessness systems and temporary housing

Currently, the most effective communities have a homelessness system that does the following, for those who lose their housing and become homeless:

- Finds and engages them.
- Keeps them safe.
- Helps them obtain stable permanent housing so they are no longer homeless.

The GPD program can play an important role in each of these functions, with the right kinds of adjustments.

Outreach. While this hearing focuses on the transitional housing aspect of GPD, the program also pays for outreach to homeless veterans. This remains important. Recent surveys of homeless people in some communities have shown that many have had no contact at all with HUD-funded homelessness programs. This is partly explained by people's understanding that those programs are not funded to scale and that most people who do engage will get a spot on a waiting list, not housing. In many places, however, programs for homeless veterans have more realistic funding and can provide help more immediately, if people know they exist and know that the programs will not make demands that are impossible or trauma-inducing to meet.

Safety: crisis housing. Being homeless is dangerous. People who are homeless are often victims of violence and crime. Cold or hot weather too often leads to death for people living outside. Despair takes a toll: survey research shows that fully half of homeless people who use harmful amounts of drugs or alcohol did not start until after they became homeless. Suicide rates are high.

Some communities have homeless shelters with enough beds for everyone who becomes homeless, while others do not. Even where shelter space is available, it may lessen the effects of weather, but in many communities it is only available at night, leaving people vulnerable to violence during the day, or in the shelter at night. Homeless shelters that exist often do not have mental health and other kinds of programming for effective prevention of substance abuse or self-harm.

The GPD program provides a mechanism for bringing homeless veterans inside, in circumstances with a human scale and supports necessary to assure real safety. Programs using GPD to pay for crisis housing should be required by VA to operate consistently with understood principles of effective low-barrier homelessness shelters. The Alliance has articulated these principles as follows:

- Housing First approach – Moving from homelessness to permanent housing is the first priority. The entire program should focus on moving people into their own housing as quickly as possible, while understanding that what is possible may differ by community and individual. Programs should challenge themselves to house everyone: most people will underestimate what is possible in this regard.
- Safe and appropriate diversion – Effective programs seek to divert people from homelessness before they enter a homelessness program. With appropriate mediation, many can return to the

housing situation that they are leaving. Others have family members and friends who will take them in. Safety is a priority: returning someone to a situation where they have experienced violence, for example, is of course unacceptable.

- Immediate, low-barrier access – Rules that screen people out defeat the purpose. Programs should make every effort to encourage people to enter. Facilities should be clean and human-scaled. The three top reasons given by unsheltered homeless people for not going to shelters is that they are too crowded; there are too many insects; and there are too many rules. If we want people to leave the streets, a customer service approach that avoids these problems in important.
- Housing-focused rapid exit services. Crisis housing programs should include many of the same kinds of services that are used in rapid re-housing programs: building relationships with landlords, helping people create housing plans, resolving barriers to housing such as bad credit scores, and concentrating messaging on housing.
- Data to measure performance. Programs should collect and report data on outcomes, stability in the program, and safe exits to permanent housing.

Stable housing: preparing for permanency. There are some circumstances where evidence shows that a temporary stay in a dedicated homelessness program can improve long-term outcomes in a cost-effective manner. This should never be required: experience shows that many people in each of these categories will thrive with immediate access to permanent housing and accompanying supportive services. Nonetheless, transitional approaches have been demonstrated to be cost-effective and/or necessary as a practical matter for:

- Youth who are too young under state law to enter into a binding contract for rent.
- Some survivors of domestic violence (far too common among women who are veterans) who may prefer the increased safety provided by a group program with enhanced security. It should be noted that Congress has made specific funding available to HUD for rapid re-housing for survivors of domestic violence, and most survivors of domestic violence prefer their own housing through this model.
- People leaving jails and prisons, especially if the institutions lack strong reentry programs, often need a temporary place to live and help securing employment and health care. Years of research on “halfway houses” support this practice.

Addiction recovery is the primary area where dedicated transitional housing is considered. There are many people who have moved into permanent housing while struggling with addiction, without a transitional program, and remained housed. Some find that the stability offered by housing allows them to conquer their addiction. Others continue to struggle. Still others choose recovery programs that include temporary residence. GPD, as well as HUD’s Continuum of Care, currently can include this model. HUD issued a paper in 2015 summarizing what evidence and experience show regarding appropriate use of Recovery Housing. The Alliance believes that this is still valid. The paper notes that HUD’s homelessness program funds transitional housing models focusing on chronic substance use disorder using a range of practices, but the paper focuses on Recovery Housing that includes a sober living environment.

If GPD funds recovery housing, VA should follow the policies laid out in this HUD document. To emphasize those that are most important:

- Abstinence-only housing should not be the only service available to any veteran.
- Programs should coordinate with the rest of the homelessness system so that housing options are available for people who leave the recovery program, either upon completion or by choice.
- Outcome data should be monitored to assure effective results.

I would encourage members of the subcommittee to read the entire paper and consider requiring VA to adopt similar policies for recovery housing funded by GPD.

Conclusion

The changes described here will require innovation and hard work by the community-based organizations that run these programs. Our experience indicates that they are up to the task. As a country, we owe it to ourselves and to those who have served to end homelessness among veterans. Our progress has been encouraging. The Alliance looks forward to helping Congress, VA, HUD, and hundreds of communities finish the job.