



April 27, 2023

Office of U.S. Representative Mike Levin
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RE: Veterans Affairs Economic Opportunity Subcommittee Field Hearing 5.4.23

Dear Members of the Subcommittee:

Community HousingWorks (CHW) is a nationally-recognized, 35-year-old, 501(c)(3) non-profit organization headquartered in the City of San Diego. CHW believes that opportunity begins with a stable home, that pride of place translates to pride of self, and that the spirit of hope leads to the realization of dreams. Today, CHW owns more than 4,000 life-changing affordable apartment homes across California and Texas with resident-centered services for working families, seniors, people with disabilities, and veterans to forge stronger futures.

CHW currently has dedicated veteran units in four (4) of our housing communities, with additional self-identified veterans living within two (2) other CHW Supportive Housing (PSH) communities that are utilizing our partner-provided case management services. CHW is among the few large housing nonprofits in the country that supplement the often-limited project service fees with both individual donor and grant contributions to ensure that impactful service programs are provided without interruption. Our resident services are offered, whether it be from our staff or third party partners such as the Veterans Administration (VA), with the goal in mind to build "true communities," defined as communities in which residents develop a sense of belonging, camaraderie, and pride for one another and their community. For our veterans, it is important to allow them the space to share their stories, and with their lived experience, be able to help us shape strong resident services program offerings with veterans and formally homeless individuals specifically in mind.

Our Partnership with the Veterans Administration

Under the HUD-Veterans Affairs Supportive Housing (VASH) Program, our veteran dedicated units at properties like our recently completed Keeler Court and Amanecer Apartments are being directly served by VA case managers through an in-kind partnership with CHW. It is voluntary for each veteran to accept the level of care they choose with their assigned VA case manager. Additionally, general resident services for these communities are provided by our Achieve Resident Services staff or a third-party partner. General resident services include: adult skill building classes, Financial Well-Being coaching and education,



Health & Wellness linkage to resources that include food distributions, and CHW's annual VALOR scholarship program. At Keeler Court, a Resident Leadership Academy is also offered, which is an 8-week training that will encourage residents to organize and develop their leadership skills. Residents learn skills and best practices to address the issues that most affect their communities, and they work alongside their neighbors to help improve the quality of life where they live. Together with the VA, we are able to leverage each other's resources to offer a wide variety of life-improving services to the veterans of these communities.

Through its Achieve Resident Services team, CHW is apprised of any outstanding needs and concerns of the veterans through bi-weekly or monthly check ins. We have not experienced any persistent challenges based on the levels of care provided by the VA; **however, in general, chronic physical and mental health issues of veterans who are also older adults is of concern.** Continued use of trauma-informed care models is of utmost importance, and all resident service staff and partners are trained to be aware of key observation and communication tools that help us bring issues to the attention of the VA.

For our veterans within our PSH units, CHW contracts with wraparound service providers like Interfaith Community Services (ICS). ICS and others receive referrals from local veteran assistance programs and provide intensive case management to the veterans. The services are designed to build independent living and tenancy skills and connect the veterans with community-based health care, treatment and employment services. Additionally, general resident services can be provided by CHW through the year that include: adult skill building classes, Financial Well-Being coaching and education, Health & Wellness linkage to resources that include food distributions, and CHW's annual VALOR scholarship program.

Challenges and Opportunities

CHW has been able to maintain a strong and supportive relationship with the VA both during the initial VASH award process and the later post-move in stage. However, some notable issues do arise around the time of unit lease-up.

TCO vs. CofO

The negative impacts of the COVID Pandemic on the construction industry have been well-documented, creating significant construction completion delays for many affordable housing developers that prevent the veterans from being able to move into their units when originally promised. This issue is amplified for the veterans-serving units since the Housing Quality Standards (HQS) clearance process stipulates that veterans cannot move into their units until the final Certificate of Occupancy (CofO) has been provided. All other residents are able to move in once the Temporary Certificate of Occupancy (TCO) is received. Some veterans living in emergency or temporary housing are impacted when their shelter can't accommodate any additional time for an individual to stay. In turn, this causes the veteran to go into distress. It is not unheard of for veterans to back out because of too much perceived uncertainty. The full Certificate of Occupancy is virtually always eventually issued, though it may take a little longer to complete the punch list items and schedule the final inspections in comparison to pre-COVID days. **A solution would be to authorize move-in approval at the Temporary Certificate of Occupancy stage to reduce the anxiety and unnecessarily-increased housing vulnerability of the veterans.**

Income Qualifications

Receiving fully qualified renter referrals is another challenge. As for all affordable housing, owners must ensure that all potential residents are income-verified as being eligible for the unit to be leased. This includes confirming their identity and their source of income. Our veteran service provider partners can detail the challenges they experience in working on behalf of veterans to re-establish their identities via the Social Security Administration and other federal agencies, clearing the way for them to start to receive their full veterans benefits. On the housing provider side, delays in securing this documentation translate to delayed lease and move-in approvals. No one benefits from seeing veteran-serving housing units ready for occupancy lying vacant while waiting for legal documents to be issued.

That being said, a larger issue centers around the fact that while the U.S. Treasury and other agencies do not treat Federal Service Disability payments as household income, HUD does when calculating that household's annual income. Thus, a referred veteran who now receives full Disability may become ineligible for the affordable housing units built to serve them because they no longer income-qualify for them. **The solution here would be legislation that would specify that HUD adopt the same treatment as the Treasury Department on these benefits.**

Supporting the Construction of New Affordable Housing for Veterans

Many localities and states dedicate a variety of resources that provide opportunities to create more affordable housing to serve veterans in need. Despite these efforts, they all need the partnership of the federal government to also provide resources under its jurisdiction and control. In some cases, it is merely rethinking the usage of existing resources already approved by Congress:

- **Project-Based Contracts of VASH Rental Subsidy** – In many high rental cost regions of the country, veterans can be challenged to find market rate apartments charging a monthly rent below the maximum Fair Market Rent levels permitted for their VASH Voucher, and/or an owner willing to accept the voucher at all. Sadly, this also relegates VASH holders to lesser-resourced neighborhoods, contributing to 'pockets of poverty.' In alignment with federal Fair Housing policy goals, many states like California now prioritize projects located in high resource areas in their affordable housing funding programs. Like project-based Section 8 contracts from HUD, project-based VASH contracts can be leveraged to attract more bank financing to help more affordable housing be built. Encouraging the VA to use more of its VASH rental subsidy authorization in this way would produce more veteran-serving housing, potentially in communities with more supportive resources like good schools and other neighborhood services.
- **Adaptive Reuse of VA Real Estate** – Throughout the country, the VA has land and obsolete building assets that could be either repurposed or redeveloped jointly for affordable housing co-located with VA facilities. As exemplified by the 388-acre West LA VA Campus in Los Angeles, using existing VA real estate assets to provide much-needed affordable housing close to VA service facilities can be immensely beneficial to the veterans we both desire to serve.
- **Increasing Eligible Sites for PACT Act-Funded Housing** – Passed in 2022, the PACT Act expands VA healthcare and benefits for veterans exposed to toxic substances. The legislation includes funds that the VA may use for development of supportive

housing projects, with a large portion of these funds dedicated to the West LA VA Campus. Currently, the VA can only supply the land and pay for infrastructure. However, Congress could authorize this underutilized funding resource to be made available to cover infrastructure costs on equally-valuable veteran-serving supportive housing projects not on VA-owned properties.

- **The Affordable Housing Credit Improvement Act (AHCIA)** – Outlined in the Biden Administration’s 2023-24 Budget Proposal, and expected to be reintroduced in the 118th Congress, the AHCIA would reform the Low-Income Housing Tax Credit tax advantage program to be even more efficient and impactful. Chief among its provisions is the reduction of the “50% Bond Test” to 25%, which would free up more tax-exempt bonds to allow the building of more affordable housing in California, including housing for veterans.

Though most of these proposals have not been scored for impact on the federal budget, it can be generally assumed that they would present a relatively small fiscal impact. More importantly, the amount of additional private capital that would be attracted and leveraged to support more affordable housing for veterans would undoubtedly exceed the public cost. CHW wholeheartedly recommends that the Subcommittee consider these measures.

We at CHW have had the fortune of serving this country’s veterans and other residents in need through the affordable housing and services we provide. The VA and other various arms of the federal government play a critical role in these efforts, and we are most appreciative of their partnership. With thanks for the opportunity, we hope the information and proposals outlined above are helpful as you consider new and additive ways for all of us to serve those that have previously committed to serve our country.

Sincerely,



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