

Statement of Hunter Kurtz
Assistant Secretary – Public and Indian Housing
Department of Housing and Urban Development
House Committee on Veterans’ Affairs
Subcommittee on Economic Opportunity
Field Hearing: Oceanside, CA
August 22, 2019

Introduction

Good morning Chairman Takano, Chairman Levin, Ranking Member Bilirakis, and Congressman Peters. Thank you for this important opportunity to discuss the efforts of the U.S. Department of Housing and Urban Development (HUD), its Office of Public and Indian Housing (PIH), and our federal partners to end veteran homelessness in the United States.

HUD is committed to ending veteran homelessness by working collaboratively with our partners and maximizing the effectiveness of all existing resources. Thanks to funding from Congress and close collaboration among federal and local partners, the nation has continued to make progress in addressing veteran homelessness and creating sustainable federal and local systems that quickly respond to homelessness.

I am honored to serve as HUD’s Assistant Secretary for Public and Indian Housing. The HUD-VASH program, which is administered by PIH, works to provide homes to veterans who are homeless, or who are at risk of homelessness. HUD staff, local housing authorities, Continuum of Care, and local Veterans Affairs medical centers (VAMCs) work in tandem to provide homes and services to homeless veterans. I can attest that this program has been successful in providing a home—not just a house—to our nation’s veterans.

General HUD Homeless Assistance Programs

HUD’s Office of Community Planning and Development (CPD) provides about \$2.4 billion annually to communities to help end homelessness. Funding is primarily used for permanent supportive housing, which successfully houses people with long histories of homelessness and significant disabilities. Permanent supportive housing has proven to reduce hospitalization and emergency room utilization while dramatically improving the well-being of the people it serves. HUD also provides funding for rapid re-housing, a cost-effective strategy that helps people move quickly into housing. This strategy combines short-term financial assistance and supportive services to help the formerly homeless stabilize in their housing, increase their employment and income, and connect to community supports. HUD also supports emergency shelter, transitional housing, and many other types of assistance dedicated to ending homelessness.

In 2017, the last year for which data is available, approximately 17,000 veterans were served using \$97 million through HUD’s Continuum of Care (CoC) program. Most of that funding is for permanent supportive housing that houses approximately 10,000 veterans with disabilities. Thousands more veterans are served with rapid re-housing, emergency shelter, and other assistance.

HUD-Veterans' Affairs Supportive Housing (HUD-VASH)

As I stated previously, the HUD-VASH program is administered by HUD's Office of Public and Indian Housing. HUD-VASH is dedicated to housing homeless veterans. HUD-VASH has been successful in its approach to addressing veteran homelessness by providing long-term housing assistance to the most vulnerable veterans experiencing homelessness. It combines housing choice voucher (HCV) rental assistance for homeless veterans with case management and clinical services provided by the Department of Veterans Affairs. VA provides these services for participating veterans at VA medical centers (VAMCs) and community-based outreach clinics.

In the HUD-VASH program, the local VAMC case managers screen and determine veteran eligibility for the program. Eligible veterans are then referred to the partnering Public Housing Authority (PHA) to receive their housing voucher assistance. By agreeing to administer the HUD-VASH program, the PHA is relinquishing its authority to determine the eligibility of families in accordance with regular Housing Choice Voucher program rules and PHA policies with one exception: PHAs are required to prohibit admission of any member of the household subject to a lifetime registration requirement under a state sex offender registration program. PHAs must also ensure that veterans are income eligible.

To date, Congress has appropriated \$755 million in HUD-VASH funding. HUD-VASH vouchers are renewed based on actual leasing, as with the HCV program generally. When a household leaves the program, their voucher is reissued to another eligible household.

Every year since 2008, HUD and VA have collaboratively awarded new HUD-VASH vouchers based on a community's eligible veteran population and administrative capacity. A total of 97,576 HUD-VASH vouchers have been awarded to PHAs to date. There have been additional PHAs added to each allocation. There is at least one PHA administering HUD-VASH in each of the 50 states, in the District of Columbia, Puerto Rico, and Guam. Of these, about 4,700 were awarded through a competitive set-aside as project-based vouchers (PBV) in which the rental subsidy is assigned to a specific housing unit rather than provided to a veteran to find a unit in the private market to rent. PBVs have proven to be an effective tool to help address the need for HUD-VASH in high-cost rental markets or where there is a lack of affordable housing stock. In addition to the HUD-VASH vouchers specifically awarded as PBV, PHAs, with the support of their local VA partners, have the ability to convert any of their existing HUD-VASH vouchers to PBV.

According to VA data, 76,992 HUD-VASH vouchers were under lease. An additional 4,693 had been issued but were not yet leased. This equates to a total of 81,685 HUD-VASH vouchers "in use." An additional 1,371 had been referred, but were not yet issued. Over 174,000 veterans have moved into housing with a HUD-VASH voucher since 2008.

HUD will be awarding approximately 5,000 new HUD-VASH vouchers with the additional \$40 million in HUD-VASH funding that was appropriated in FY2019. HUD is working with VA and the U.S. Interagency Council on Homelessness (USICH) to determine the processes and priorities for this award.

HUD did not request new HUD-VASH vouchers in FY 2020 because, based on an analysis

conducted jointly by HUD and the VA, the turnover of these existing HUD-VASH vouchers and the FY 2019 appropriation of \$40 million is enough to meet the demand of current referrals of VA eligible veterans who are experiencing homelessness and require the intensive services and support of a HUD-VASH voucher.

To fulfill our shared commitment to ending veteran homelessness, it is important to remember that HUD must serve all veterans experiencing homelessness, including those not eligible for VA services. To achieve this, HUD has been working with select communities and their local VA and CoC-funded local supportive service providers to create a process that allows PHAs to partner with local, VA-designated service-providers and use a portion of their existing HUD-VASH vouchers to assist those homeless veterans with other-than-dishonorable discharges who do not qualify for VA healthcare. This flexibility also helps communities better maximize the utilization of their HUDVASH resources.

Congress has provided HUD flexible authority to design the HUD-VASH program in ways that would best serve veterans experiencing homelessness. These efforts around HUD-VASH demonstrate HUD's commitment to optimize the effectiveness of the HUD-VASH program and allow for local flexibility in addressing the homeless veteran population. HUD is also exploring options to ensure maximum utilization of these vouchers to ensure the highest number of homeless veterans are being served across the country. Because HUD-VASH is a joint program between HUD and the VA, both Departments are working collaboratively on this reallocation effort to ensure that existing HUD-VASH resources are being used as efficiently and effectively as possible to serve the maximum number of eligible veterans across the country. Therefore, HUD and VA are focusing on changes to maximize effectiveness in the allocation of new vouchers and supporting PHAs in their efforts to improve utilization, as opposed to the recapture and reallocation of existing vouchers.

Recapture and Reallocation of HUD-VASH Vouchers

In March of this year, HUD submitted a report to Congress on the recapture and reallocation of HUD-VASH vouchers in response to the Consolidated Appropriations Act, 2018 (P.L. 115–141). Congress directed the department to use existing authority to recapture HUD-VASH vouchers from PHAs that voluntarily declare they no longer have a need for—or have mismanaged—their allotted vouchers.

Because HUD-VASH is a joint program between HUD and the VA, both departments are working collaboratively and view this reallocation effort as part of a broader mission to ensure all existing HUD-VASH resources are being used as efficiently and effectively as possible to serve the maximum number of veterans across the country. In general, the goals of the reallocation process is to ensure that all current and future HUD-VASH resources are being used to the maximum benefit of veterans. HUD and VA will continue to report on the process and actions taken.

At this time, HUD has not recaptured and reallocated HUD-VASH vouchers. There has been no PHAs or VAMCs that have voluntarily declared that they no longer have a need for HUD-VASH, nor has HUD or VA determined that any PHAs has mismanaged its allotted vouchers.

HUD reviews HUD-VASH utilization rates when new data is available each month and addresses any PHASs with low utilization.

However, HUD has established a process for transferring HUD-VASH vouchers between mutually agreeing PHASs within a single VAMC catchment area to address utilization issues while still addressing the need at the VAMC level. Additionally, the departments collaborated to create HUD-VASH Continuum to serve VA-ineligible veterans through a non-VA provider when there are HUD-VASH vouchers available.

Currently, HUD is focused primarily on changes to the allocation of new vouchers to maximize effectiveness. For example, the department has utilization threshold criteria to only award additional HUD-VASH vouchers to communities effectively using their existing HUD-VASH resources.

Tribal HUD-VASH

The Tribal HUD-VASH demonstration program provides rental assistance and supportive services to veterans who are Native American and experiencing homelessness, or at risk of homelessness, while living on or near a reservation or other Indian areas. Veterans participating in this program are provided housing assistance through HUD and supportive services through VA to foster long-term stability and prevent a return to homelessness.

The pilot was first authorized in the Consolidated and Further Continuing Appropriations Act, 2015 (Public Law 113-235) and Congress has continued its support in subsequent years by enacting funds for renewal grants and modest expansion. In all, 26 Indian tribes or tribally designated housing entities (TDHE) currently participate in the program. These recipients were initially awarded grants totaling \$5.9 million based on their level of need and administrative capacity. HUD provided a first round of renewal funding to these recipients in 2018 and expects to do so again in 2019. HUD will also award additional funding to expand the program using funds provided in the Consolidated Appropriations Act of 2017.

Implementation of the program is overseen by HUD's Office of Native American Programs (ONAP) within PIH, and VA is responsible for providing case management services and referring eligible veterans for housing assistance. As of July 31, 2019, approximately 600 veterans have received case management services, and of those, over 345 veterans are also currently being housed under the Tribal HUD-VASH program. The program is producing tangible results, housing homeless or at risk of becoming homeless Native American veterans and their families who were camping out, living in places not meant for human habitation, living in severely inadequate units – without running water, heat or electricity—or in overcrowded living conditions.

The President's Budget for FY 2020 requests authority to set aside up to \$4 million of Tenant Based Rental Assistance funds for necessary renewal funding for the Tribal HUD-VASH program. While HUD believes there is sufficient carryover funding appropriated in previous years to provide renewal grants, this authority will allow the Department to ensure that all veterans remain stably housed in the event that renewal funding needs are higher than anticipated.

Continued Collaboration with VA and USICH

HUD has worked closely with VA for many years administering HUD-VASH. Together, HUD, VA and the USICH have implemented a joint decision-making structure known as Solving Veterans Homelessness as One (SVHO) where the agencies jointly administer the programs and policies related to veteran homelessness and develop and implement a range of strategies for preventing and ending veteran homelessness. This structure allows us to jointly review data on HUD-VASH and other programs and to coordinate policymaking to ensure our assistance is integrated and impactful.

This collaboration has also helped us improve utilization in the HUD-VASH program, coordinate the implementation of the Tribal HUD-VASH program, better target available assistance to those with the highest needs, and ensure resources are prioritized for communities with greater numbers of veterans experiencing homelessness.

HUD, VA and USICH have also used the structure of SVHO to jointly create standards for evaluating whether communities have ended veteran homelessness. Since 2014, more than 880 elected officials, including mayors, city and county officials, and governors have set a goal of ending veteran homelessness in their communities. As of August 9, 2019, 77 communities and 3 states have achieved the goal.

The agencies also collaborate on the implementation of Coordinated Entry Systems, meaning a system that is easy for veterans and other persons experiencing homelessness to access. Coordinated Entry ensures that a homeless person has simple access to housing and other homelessness resources. The collaboration between HUD and VA ensures that veterans have access to all the resources in a community, including VA dedicated resources, no matter where and how they access assistance.

Technical Assistance for Communities

Because the ability of any community to end veteran homelessness depends on the strength of each community's leadership and successful implementation of proven strategies, HUD and its federal partners are committed to helping communities get there. In addition to providing homeless assistance funds, HUD supports several technical assistance initiatives that have helped reduce veteran homelessness. The Built for Zero and Vets@Home initiatives help communities implement best practices and learn from the successes of other communities. Both initiatives were designed with the explicit goal of helping communities end veteran homelessness.

Some best practices have included incorporating HUD-VASH in a larger coordinated entry system to ensure there are multiple access points for veterans seeking help, coordinated outreach efforts to locate all veterans in need of assistance, and better data sharing across systems to ensure veterans do not fall through the cracks.

HUD has worked with its partners to identify specific strategies for utilizing HUD-VASH vouchers in high-cost, low-vacancy communities. These are often the same communities with the greatest need. In addition to converting HUD-VASH to project based vouchers, PHAs have used their flexibility to increase their payment standard, including the adoption of exception payment

standards, to be competitive in the private market. Another strategy has been intensive landlord outreach and maintaining landlord relationships. PHAs have also been able to connect with local service providers that assist veterans in their housing search.

HUD continues to help communities with targeted assistance. The Department has launched a technical assistance initiative focused on helping communities with high numbers of unsheltered people experiencing homelessness, including high numbers of unsheltered veterans. The initiative focuses on helping those communities implement best practices that have helped end veteran homelessness in cities such as Houston, New Orleans, and Las Vegas. HUD is also providing assistance to rural communities to help increase their capacity and address challenges unique to veterans living in rural areas, such as access to transportation.

Results

Each year, communities across the country conduct point in time counts of people experiencing homelessness. The count, held annually in January, includes people living in shelters as well as people sleeping on sidewalks, in parks, in cars, or in other places not meant for human habitation. While we work to reduce homelessness across all populations, we have made real progress on reducing veteran homelessness. Based on the 2018 count, veteran homelessness decreased by 5.4 percent between 2017 and 2018 bringing the overall decline in veteran homeless to 49 percent (a decrease of 36,209 veterans) since 2010. This kind of reduction is historic, and HUD-VASH has been a primary reason for this progress.

A robust body of evidence shows that the combination of housing vouchers, permanent supportive housing, rapid re-housing, and other targeted interventions can indeed end homelessness. The long-term national trend and the results in the many communities that have ended veteran homelessness show the positive results of a coordinated effort.

Conclusion

A great deal of progress has been made in the way HUD works with other agencies to address veteran homelessness. The HUD-VASH program continues to be a model for interagency collaboration and one of the best tools for ending veteran homelessness. Nonetheless, HUD must continue to find ways to maximize the effectiveness of the HUD-VASH program, while also assisting communities in utilizing all available homeless assistance resources.

Thank you again for this opportunity to discuss HUD's efforts to end veteran homelessness.