

**Testimony
of
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President
National Alliance to End Homelessness
before the**

**Subcommittee on Housing and Community Opportunity
Committee on Financial Services
U.S. House of Representatives**

Hearing on the Affordable Housing Needs of America's Low Income Veterans

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Chairwoman Waters, Ranking Member Capito, and members of the Subcommittee, on behalf of our Board of Directors and partners, I am honored that you have invited the National Alliance to End Homelessness (the Alliance) to testify before you today on the affordable housing needs of America's low income veterans. We are grateful to you for holding this hearing. Certainly our nation devotes substantial federal resources to the support of veterans, and you will see from my testimony that, with respect to the effect of this support on housing status, it seems to be working. This is as it should be. But there is a group of veterans that have serious housing problems, and tragically there is a large group of veterans that is homeless. This is a serious problem that must be addressed, and the good news is that we know how to address it. Furthermore, and as deplorable as the situation is, this is a solvable problem and with good federal policy and dedicated resources, we can address it to scale. We owe our veterans no less.

The National Alliance to End Homelessness is a nonpartisan, nonprofit organization that was founded in 1983 by a group of leaders deeply disturbed by the appearance of thousands of Americans living on the streets of our nation. We have committed ourselves to finding permanent solutions to homelessness. Our bipartisan Board of Directors and our 5,000 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. The Alliance is recognized for its organization and dissemination of evidence-based research to encourage best practices and high standards in the field of homelessness prevention and intervention and we wish to share our insights with you today.

As our name implies, our primary focus is ending homelessness, not simply making it easier to live with. We take this idea very seriously. There is nothing inevitable about homelessness among veterans in the United States. We know more about veteran homelessness and how to address it than we ever have before, thanks in part to extensive research. We know a great deal about the pathways into homelessness, the characteristics of veterans who experience homelessness and the interventions and program models which are effective in offering reconnection to community, and stable housing.

We have been asked today to summarize the research available on the housing needs of low income veterans and the size and characteristics of the homelessness problem among this group, as well as on the most promising strategies for solving this problem.

Homelessness among Veterans

Far too many veterans are homeless in America. The Homelessness Research Institute of the National Alliance to End Homelessness recently issued a report on the housing and homelessness situation among veterans. *Vital Mission: Ending Homelessness among Veterans* (Homelessness Research Institute, November, 2007) analyzes data from the U.S. Department of Veterans Affairs (VA) and the Census Bureau to examine homelessness and severe housing cost burden among veterans.

We began this research by using VA data to examine the extent of homelessness among veterans. We found that:

- **On any given night, one in four homeless people is a veteran.** In 2006, approximately 195,827 veterans were homeless on a given night.
- More veterans experience homelessness over the course of the year. We estimate that **336,627 spent some time homeless over the course of 2006.**
- **Veterans make up a disproportionate share of homeless people.** They represent roughly 26 percent of homeless people, but only 11 percent of the civilian population 18 years and older. This is true despite the fact that veterans are better educated, more likely to be employed, and have a lower poverty rate than the general population.
- A number of states had high rates of homelessness among veterans. They include **California, Louisiana, Nevada, and Oregon, in addition to the District of Columbia.**
- In 2005 approximately **44,000 to 64,000 veterans were chronically homeless** (i.e., homeless for long periods or repeatedly and with a disability).

Homeless veterans can be found in every state across the country and live in rural, suburban, and urban communities. Many have lived on the streets for years. Other veterans live on the edge of homelessness, struggling to pay their rent. Serious health problems and disabilities are both a cause and an effect of homelessness, and as is true of veterans generally, the homeless veteran population is aging.

Housing Status of Veterans

When we first analyzed this data, we assumed that the disproportionate representation of veterans in the homeless population must be due to the fact that veterans have housing problems, since generally speaking housing affordability is the driver in homelessness. So we looked at the housing situation of veterans more generally, examining the American

Community Survey data (for 2005 – the most recent data available at the time of the research). In fact, we found that, when viewed as a group, veterans can afford their monthly housing costs.

- **Only 4 percent of veterans pay more than 50 percent of their income for housing** (compared to 8 percent of the general population).
- Veterans are **more likely than the general population to be homeowners** (80 percent of veterans are homeowners versus 69 percent of the general population).
- Of those **with mortgages, about 2.4 percent are paying more than 50 percent of their income toward their monthly payment.**
- Nearly **half of veteran homeowners (42 percent) have paid off their mortgages** and own their homes free and clear.
- **Ten percent of renters pay more than 50 percent of their income for housing.**

So on the whole, and across all incomes, veterans are well housed. Having said this, we did find a subset of veterans who rent housing and have severe housing cost burdens, paying more than 50 percent of their income for housing.

- In 2005, **467,877 veterans were severely rent burdened and were paying more than 50 percent of their income for rent.**
- Not surprisingly, many of these veterans were **poor**. More than half (55 percent) of veterans with severe housing cost burden fell below the poverty level and 43 percent were receiving foods stamps.
- **California, Nevada, Rhode Island and Hawaii** were the states with the highest percentage of veterans with severe housing cost burden. The **District of Columbia** had the highest rate, with 6.5 percent of veterans devoting more than 50 percent of their income to rent.

We examined the characteristics of this group of people paying too much for housing and we found the following.

- Veterans with a **disability** are more likely to have severe housing cost burden. They are twice as likely to have a work disability as other veterans (18 percent versus 9 percent). Similarly, they are twice as likely to have a disability that limits their mobility (20 percent versus 10 percent).
- **Female veterans** are more likely to have housing cost burdens. Although women are only 7 percent of veterans, they represent 13.5 percent of veterans with housing cost burdens. And while 13 percent of them have housing cost burdens, only 10 percent of male veterans have such burdens.

- **Unmarried veterans** are more likely to have cost burdens by a factor of nearly two. 13 percent of veterans who do not have a spouse have severe housing cost burden versus 7 percent of those who are married.
- **Period of service** seems to matter. Recent veterans (1980 – 2003) are less likely than earlier veterans to have housing cost burden. Somewhat surprisingly, older veterans from the Korean War and World War II are more likely to have housing cost burdens. These are comparisons of rate. By sheer size, Vietnam War veterans make up the largest group of those with housing cost burdens.
- **In 2005, approximately 89,553 to 467,877 veterans were at risk of homelessness.** The lower estimate is renters with housing cost burden, living below the poverty level, disabled, living alone, and not in the labor force. The upper estimate is all renters with housing cost burden.

Communities are working to end homelessness among veterans. Across the country, thousands of stakeholders—policymakers, advocates, researchers, practitioners, former and currently homeless people, community leaders, and concerned citizens—have joined together to create 10-year plans to end homelessness. While most plans are geared toward ending homelessness among *all* people, including homeless veterans, about 20% of the plans have strategies specifically targeted to this group. These strategies include more aggressive outreach targeted to veterans, greater coordination between local VA and homeless service agencies, targeted rental subsidies for veterans who are chronically homeless, permanent supportive housing that is linked to mental health services, and other supports. While some communities are making progress, challenges remain daunting.

The Current Federal Policy Response

The current federal response to housing of veterans is inadequate for at least a half a million veterans. The primary responses of the federal government to the housing situation of veterans are or have been the following programs targeted to veterans.

- **Homeownership loan guarantees and retrofitting loans** (for disabled veterans) through the GI Bill of Rights. It should be noted that these are relatively shallow forms of assistance and are not generally adequate to assist lower income veterans to become homeowners.
- **Homeless programs** providing temporary housing including shelter and two-year transitional housing (funded through the Grant and Per Diem Program, Domiciliary Care for Homeless Veterans Program, Compensated Work Therapy/Veterans Industries program). These programs do not currently meet need. For example, Grant and Per Diem only funds 8,000 beds.
- **HUD-VASH** program providing permanent supportive housing with the housing subsidy provided via the U.S. Department of Housing and Urban Development (HUD) (this is the only HUD program targeted directly to veterans) and the services provided by the VA. This program currently funds fewer than 1,800 units; far below need.

In addition, veterans are eligible for assistance through programs not targeted to them specifically. Many veterans are served by the homeless assistance programs, for example. However, these resources are inadequate to meet the need. A recent analysis of HUD data (*Homelessness Counts*, National Alliance to End Homelessness, January 2007) found that of the 744,313 people who were homeless in January 2005, an estimated 44 percent were unsheltered. Similarly, mainstream housing subsidy programs at HUD, such as the public housing and Section 8 Housing Choice Voucher programs, serve veterans. They are, as the Committee is well aware, extremely over-subscribed and meet only a fraction of the need.

The GI Bill homeownership and loan programs are available to all who qualify for them. Of the remaining temporary and permanent housing programs, none is funded adequately to meet the housing needs of all low income or homeless veterans. **Further, if a veteran is not able or willing to become a homeowner, or is not homeless, there is no federal housing assistance targeted specifically to him or her.**

Needed Federal Policy Response

Despite the inadequacy of federal assistance, we do know what is needed to meet the housing needs of veterans. We know from research on homelessness that housing subsidy solves the housing problem (and ends homelessness) for the majority of people, notwithstanding that they may have service needs. For veterans who are disabled or disabled and elderly, another part of the solution is services designed to ensure housing stability. Housing affordability and housing/services linkages can be addressed either piecemeal through a variety of VA and HUD programs, or in a more comprehensive way by ensuring veterans a housing benefit of some type.

The National Alliance to End Homelessness proposes the following steps that the federal government could take to end the housing and homelessness crisis among veterans.

Assess housing status at discharge. Our analysis shows that a high number of veterans are at risk of homelessness. A first strategy in addressing the housing needs of veterans is to assess their housing status when they are exiting the military. This will help to smooth the transition to stable housing, and prevent homelessness.

Everyone leaving active duty should be assessed as to their housing status, including their risk of homelessness. All should receive basic information about housing and the resources available through the VA. The VA, in turn, should have housing relocation assistance available, including housing locator services and flexible financial resources (see rapid re-housing below). For those veterans who have characteristics associated with risk of homelessness (disability, previous homelessness experience, lack of discharge address, lack of income, etc.), more extensive discharge planning should be provided, including the ability to link veterans to housing subsidy programs, procure placements in supportive housing, and/or link to local VA offices with the capacity to ensure follow-up support for stable housing.

Recommendation: All veterans exiting service should be assessed as to their housing status, and the VA should have resources to assist veterans to access housing.

Rapid re-housing of homeless veterans. Procedures should be established within the VA to ensure its ability to rapidly re-house veterans who have become homeless. For many homeless veterans, a rapid re-housing approach will be all that is needed. Others may need interim housing to address treatment or other needs, but re-housing assistance should be available at discharge from these temporary housing programs. VA should be funded to go to scale with these approaches.

Rapid re-housing. The VA needs flexible resources to intervene when veterans are on the verge of homelessness or when they are already homeless and do not need intensive treatment or other services. Payment of back rent, help with employment and benefits to improve incomes, mediation with property owners or roommates, or assistance with searching for new living options are among the services that need to be available. Outreach to veterans needs to take place to ensure that they know about available resources.

Temporary housing/services and re-housing. For veterans whose disabilities are not so severe that they need permanent supportive housing, but who do need a stable living situation combined with supportive services for a period of time up to two years, transitional housing is a successful model. It is especially effective for homeless veterans who are working to overcome addiction. The Homeless Grant and Per Diem program provides VA funds to nonprofits to run transitional housing for homeless veterans. The program has achieved positive results. It is not, however, funded at a level sufficient to meet the need, as demonstrated in a recent GAO study. Congress should increase funding to \$170 million for FY 2008 and \$200 million for FY 2009.

Recommendation: Ensure that VA has the resources to rapidly re-house veterans who become homeless, either immediately or after transition, by providing them with adequate resources to meet this need. Increase funding for the Homeless Grant and Per Diem program to meet the need.

Permanent supportive housing. For disabled low income veterans who require on-going services in order to stay stably housed, permanent supportive housing is a proven solution. This strategy combines affordability with decent housing and services designed to ensure stability. There are many models of permanent supportive housing, both scattered-site and single-site. Some focus only on veterans; others mix veteran and non-veteran populations. Veterans should be able to choose among different models.

Permanent supportive housing can provide a housing solution for disabled veterans regardless of income. However, its success in ending homelessness for people (including veterans) who have been chronically homeless has been particularly well documented. Our report estimates that there were 44,000 to 66,000 chronically homeless veterans in 2005. Research indicates that they could be cost effectively served with permanent supportive housing, and that the investment in such housing would be offset by reduced medical and

treatment costs. Supportive housing for homeless and low income veterans requires funding for operating costs, services, and capital costs.

Operating costs. The existing HUD-VA Supportive Housing program (HUD-VASH) provides rent vouchers from HUD for homeless veterans, combined with treatment, case management and supportive services from the VA. This program has demonstrated housing stability for veterans with the most severe disabilities. The Senate T-HUD appropriation bill would provide for \$75 million for this purpose next year, enough to house approximately 8,000 veterans. In addition to the HUD-VASH vouchers, additional rent subsidies will be required from HUD and the VA to go to scale with a permanent supportive housing approach.

Services. The HUD-VASH program requires that the VA have resources available to provide the case management, treatment and support services that are a key part of this intervention. Funded through VA Health Care, an amount approximately equal to the appropriation from HUD will be necessary.

Additionally, a number of bills over the past two years have sought to authorize the VA to provide grants to nonprofit community-based organizations to provide supportive services to veterans with the lowest income who are now in permanent housing (including those who have been homeless). Finally, the Services for Ending Long-Term Homelessness Act, S. 593, would provide funding for this purpose for all homeless people including veterans. VA mainstream and other service resources will be required to go to scale with this strategy.

Capital costs. To the extent that supportive housing for veterans requires the production of new housing stock or the rehabilitation of existing buildings that are not fit for habitation, there is a need for an authorized program to provide capital funds. Programs such as the National Affordable Housing Trust Fund might provide resources in this regard.

Recommendation: Provide the 44,000 to 66,000 permanent supportive housing units that are needed to meet the housing needs of chronically disabled, chronically homeless veterans. Additional permanent supportive housing units should be provided to meet the needs of disabled veterans more broadly. Capital, operating subsidies, and services funding are required to provide these units. At a minimum, 5,000 units per year over the next five years should be initiated. This would cut the number of chronically homeless veterans by half in five years.

New Initiatives. There are several new initiatives before Congress to address the housing needs of low income veterans.

Homes for Heroes Act of 2007: The Homes for Heroes Act takes several important steps to address the housing needs of low income veterans. Primarily it ensures that veterans can access HUD programs by: establishing a Special Assistant for Veterans Affairs; providing assistance to nonprofits to increase the supply of affordable housing; targeting 20,000 vouchers to veterans; excluding veterans' benefits from

income eligibility calculations for rental housing; and including veterans in the comprehensive planning process. The Alliance supports this bill as it addresses many of the issues raised above, and with the assumption that additional appropriations will be provided to support proposed activities.

Veterans Homelessness Prevention Act: This bill authorizes a pilot program to prevent veteran homelessness. It also provides 5,000 Section 8 Housing Choice Vouchers for veterans. The Alliance supports this bill which addresses both prevention and permanent housing, with the assumption that additional appropriations will be provided to support proposed activities.

More housing options. It is crucial that federal resources focus on veterans who are homeless now, and on those who are on the brink of falling into homelessness. At the same time, this problem requires a commitment that decent housing will be something that all veterans can count on. Access to permanent housing is consistently the number one service need identified by those concerned with homeless veteran issues (VA staff, community providers, local government agencies, public officials, and former and currently homeless veterans themselves). Further, reports indicate that veterans returning from Iraq and Afghanistan are seeking help with housing sooner than past cohorts of veterans.

While the strategies above are workable, they are essentially piecemeal in nature; deliver assistance in some part by setting aside resources in current HUD programs, running the risk of assisting veterans at the expense of other needy groups; and are subject to annual appropriations, sometimes from various sources.

As an alternative, Congress could provide comprehensive housing assistance to all veterans who need it, or to some subset of veterans such as those with disabilities. Such assistance could be provided through the VA or through HUD. It could be used for either rental housing or homeownership.

Recommendation: Provide all low income veterans with a means-tested housing benefit. Alternatively, provide all disabled veterans with a housing benefit.

Conclusion

I am not happy to report that our nation now has some 20 years of experience on the issue of homeless veterans. We know that veterans do not tend to become homeless immediately after discharge, but that difficulties may take years to emerge. We know that post traumatic stress disorder, traumatic brain injuries and other factors of war may make them vulnerable to increasing poverty and housing problems. And we know that housing and supportive housing are a solution to these problems.

Tens of thousands of veterans will be returning from Iraq and Afghanistan. As we would expect, they have not yet begun to become homeless in significant numbers, probably due to the delayed impact of combat service on homelessness. So while even one homeless veteran is too many, the VA reports that only 400 Iraqi veterans have used VA homeless services,

and that just over 1,500 such veterans are at risk of homelessness. Hopefully, these numbers will remain small, but we fear that they will not. If we do not take advantage of all that we have learned about solutions to homelessness, in the future we can expect to see thousands more veterans on our streets and in our shelters.

We have a tremendous opportunity before us, and one that this Committee clearly is seizing. There is unprecedented public will that the veterans of the current conflict, and by extension their colleagues from previous wars and service, should be well supported and not suffer ill effects from their service. Now is the time to be bold. We can prevent veterans from becoming homeless. We can house those veterans who are already homeless. And we can ensure that all veterans, including those with low incomes, have stable, decent and affordable housing. This is our vital mission.

Thank you for inviting us to testify before you today on this critical issue.