



**TESTIMONY OF PHILIP F. MANGANO
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UNITED STATES INTERAGENCY COUNCIL ON HOMELESSNESS**

**ON H.R. 4057, THE SAMARITAN INITIATIVE ACT OF 2004
BEFORE THE HOUSING AND COMMUNITY OPPORTUNITY SUBCOMMITTEE
COMMITTEE ON FINANCIAL SERVICES
JULY 13, 2004**

Thank you Mr. Chairman, Ranking Member Waters, and Members of the Committee.

It is an honor for me to be here. As Executive Director of the United States Interagency Council on Homelessness, I am here this morning on behalf of the Administration, representing the 20 Cabinet Secretaries and agency heads who comprise the Council. Since the Council's revitalization in 2002 after a 6-year hiatus, the members of the Council, their senior policy representatives and the council staff have been engaged in developing a national strategy to reduce and end chronic homelessness that is research-driven, performance-based and results-oriented. The Council's work includes intra-agency, interagency, intergovernmental and intercommunity collaborations. The 20 agency membership of the Council - and the rotation of the Council chair and vice-chair positions - reflects the reality that homelessness has many causes, and that the solutions to homelessness cannot be fashioned by any one agency, but require collaboration by all. The Council's work has benefited tremendously from the leadership and vision of each of our chairs - beginning with HUD Secretary Martinez in the first year, with the second year under HHS Secretary Thompson and now the third year under the guidance of VA Secretary Principi as chair and Labor Secretary Chao as vice-chair.

The Council is establishing a new standard of expectation for the investment of federal homeless resources. We expect that our investments will result in visible, measurable and quantifiable change in our communities, on our streets, and in the lives of homeless people.

Billions of dollars have been expended on homeless programs since the enactment of the McKinney Act in 1987. These funds have helped homeless persons nationwide become more self-sufficient. Yet despite all these resources, provided by the federal government, states, communities and philanthropy, thousands of people experiencing chronic homelessness continue to live on our streets, in encampments, on the outskirts of our communities and long term in our shelters. Only now, with this Administration, have we begun to focus on chronic homelessness. To achieve a different result, we believe we need a focused approach for this vulnerable population. That approach is targeted investments guided by a management agenda that relies on research and prioritizes results.

Chronic homelessness is the most visible expression of homelessness in our country and is cited by the public, the media, community leaders, neighborhood groups, homeless providers and advocates, Chambers of Commerce, downtown business districts, and others as requiring a remedy. In response, this Administration is developing a research driven, results-oriented agenda that requires that investments be guided by the determination to “end” chronic homelessness.

The goal to end chronic homelessness is directly driven by research developed over the last few years that shows that this is a problem that can be solved. From this research we have learned that:

- (1) Persons experiencing chronic homelessness generally have a disability: mental health, Post-Traumatic Stress Disorder (PTSD), substance abuse, developmental, or physical disabilities.
- (2) Persons experiencing chronic homelessness represent about 10% of the overall homeless population but consume 50% or more of all emergency shelter homeless resources
- (3) Veterans represent a disproportionate number of the chronically homeless. The Department of Veterans Affairs estimates that one-third of all homeless adults have served their country in the Armed Forces.

- (4) Contrary to public perception, people living long term on the streets or in shelters are some of the most costly citizens in the community. They ricochet around the acute side of very expensive behavioral and primary health care systems and often through correctional institutions. While the research in this area is limited, several studies indicate that the cost of housing chronic homeless people are nearly offset in savings in mainstream health system, law enforcement and correctional costs.
- An 18 month case study of 15 chronic street homeless people commissioned by the City and County of San Diego and conducted by the University of California at San Diego revealed that, contrary to public perception that homeless individuals appear not to have significant cost other than quality of life, the reality was far different. These 15 individuals had a total of 299 entrances to the emergency rooms of community hospitals, usually taken by ambulance, at a cost of nearly \$1 million. When acute substance abuse and mental health treatment, along with law enforcement intervention and temporary incarcerations were added in, these 15 individuals cost the city and county nearly \$3 million in 18 months. Similar cost studies in Seattle and San Francisco indicate an annual cost of \$80,000 to \$120,000 per individual.

Most disconcerting for San Diego city and county officials was that after the expenditure of an average of \$200,000 per person, these 15 individuals were in the same situation and condition as they were 18 months before.

In addition, findings from similar studies and systematic reviews conducted by Robert Rosenheck, M.D. Director, VA's Northeast Program Evaluation Center (NEPEC) and Dr. Dennis Culhane, Professor of Social Work, University of Pennsylvania suggest that the societal costs of chronic homelessness are substantial.

- (5) Permanent supportive housing - housing coordinated with an array of treatment and support services appropriate to the individual_ is a more effective model for sustaining tenancies among even the longest term homeless. While research in this area is limited, outcomes of different models of supportive housing efforts in New York City, Columbus, Ohio, San Francisco and elsewhere have demonstrated up to 85% housing stability and retention success.

The research has given us a policy direction to focus on ending chronic homelessness. In the FY'03 budget, the Administration set a marker to end chronic homelessness across our country in the next ten years. At the inaugural meeting of the revitalized Council in July 2002, the Secretaries of HUD, HHS, and the VA, announced an historic and unprecedented joint funding initiative to support community-based efforts to coordinate the provision of housing with supportive services to move people experiencing chronic homelessness from the streets and out of shelters into housing with supportive services available to sustain tenancies. Funded through existing resources provided by each agency and utilizing a single application and an interagency team for the review process, over 100 applications were received from around the country, indicating the need and interest that exists in communities for such assistance.

At the table with me today is Mayor John Hickenlooper of Denver, whose community was one of 11 that received awards in this unprecedented interagency "Collaborative Initiative to Help End Chronic Homelessness". In the next panel, you will be hearing from 2 of the direct award recipients: Barbara Poppe of the Columbus Shelter Board, and Rob Hess, Deputy Managing Director for Special Needs Housing, Adult Services, for the City of Philadelphia. Although the grantees are just beginning to implement their plans, already over 300 people have been moved off the streets into housing. Attachment A details those quantifiable results.

The legislative proposal you have before you today - H.R. 4057, the Samaritan Initiative Act of 2004 – builds on the success and lessons learned from last year's Collaborative Initiative. The Samaritan Initiative authorizes new federal resources aimed directly at our nation's streets, focused on those who are most likely to be living on the street, disabled, and at risk of death and those living long term in our shelters.

The legislation provides authority for the Departments of Housing and Urban Development (as the administering agency), Health and Human Services, Veterans Affairs, and other relevant agencies to utilize a single application, review and award process to make competitive awards to support community efforts to coordinate housing with supportive services, including primary and behavioral health care, for chronically homeless persons, including veterans. VA involvement ensures that veterans experiencing chronic homelessness can be identified, engaged, offered housing and referred to the appropriate VA services. A considerable amount of time, energy, and genuine collaboration on the part of Administration officials and agency staff from HUD,

HHS, and VA went into jointly drafting this legislation to assure that the new program would better link federal resources and better facilitate the local efforts to address the needs of chronically homeless individuals. It further streamlines the process for both agencies and grantees so that unlike the Collaborative Initiative, grantees will not be faced with four separate grant agreements or have to abide by reporting requirements for four separate agencies.

This pooling of resources responds to the reality of the field in communities across our country. On the streets, clinically based engagement coordinated with housing and primary and behavioral treatment services are necessary to successfully engage, and house and move toward recovery and greater independence individuals with disabilities who have been living long term on the streets and in our shelters.

The approach of the Samaritan Initiative - to pool federal resources and expertise, reduce the administrative costs and paperwork burden, engage in a partnership with local communities, and support research based and field tested strategies – moves us to collaborative responses and coordinated results.

With funding authorization of \$70 million in FY'05 and such sums thereafter, the Samaritan Initiative is an important step in a targeted response to the needs of the estimated 150,000 persons in communities, large and small, across the country who are experiencing chronic homelessness.

The Samaritan Initiative legislation has received broad support from national organizations including the National Alliance for the Mentally Ill, the National Coalition for Homeless Veterans, National Alliance to End Homelessness, Corporation for Supportive Housing, National Aids Housing Coalition, The Enterprise Foundation, and the Association for Service Disabled Veterans.

The call to end chronic homelessness has resonated in communities across the country. With guidance from the U.S. Interagency Council, 126 Mayors and County Executives have developed or are in the process of developing 10-Year Plans to end chronic homelessness. In the past month, the nation's capital- Washington DC, the nation's largest city- New York, and the city with the most visible homeless problem- San Francisco, have all unveiled 10-Year plans. These planning efforts succeed in fostering strategic partnerships between unlikely stakeholders who have the same objectives-

moving people off the streets, improving quality of life, and investing in cost-saving strategies. The plans are the product of the collaborative effort of mayors, city and county officials, Downtown Business Improvement Districts, the United Way, Chambers of Commerce, correctional officials, hospital administrators, philanthropic organizations, faith-based and other community programs, service providers and homeless people themselves.

These plans vary according to community needs but have common elements that include quantifying the need and redirecting resources from temporary fixes toward prevention and permanent housing solutions. Most importantly, these plans move beyond managing and accommodating long term street homelessness to developing collaborative community efforts, with buy-in from the jurisdictional CEO, to provide permanent, supportive housing solutions.

Recently 80 mayors, in a non-partisan partnership, signed a letter to Members of Congress supporting the Samaritan Initiative legislation. At its annual meeting just a couple weeks ago, the U.S. Conference of Mayors continued its support for the effort to end chronic homelessness by unanimously passing a resolution in support of the Samaritan Initiative. Mayors and county officials, who are on the front lines of responding to homelessness, understand the benefits of the Samaritan Initiative to their communities. They see a partnership with Washington that includes:

- providing federal housing and services resources to reduce the number of chronically homeless persons on the streets and in shelters
- savings potential in expenditures in city and county budgets by reducing the need for emergency medical care, hospitalizations, jail and other correctional facility costs
- improving access for chronically homeless persons to housing, primary care, substance abuse treatment and mental health services that leads to housing stability, recovery and self sufficiency
- reducing administrative burdens through a streamlined application and grant process
- enhancing the quality of life in communities

Across our country there is a new spirit of partnership in the response to homelessness. Through state participation in Federally funded policy academies, state interagency councils, and ten year plans, we are declaring that we are no longer content simply to manage the problem. Nor are we content to shuffle homeless people from one city to another, from one side of town to the other, or from one homeless program to another, or from the streets to programs and back to the streets.

We are beginning to realize that the failed responses of the past are more expensive than the solutions of the future. We have long understood the moral and spiritual and quality of life reasons for ending chronic homelessness on our streets and in our shelters. Thanks to the new research over the past five years, we now comprehend the economic reasons.

We now understand that the resources committed to homelessness, including the Samaritan Initiative, are investments in the lives of homeless people. And as is the case with any investment, we expect a return. The return we are investing in with the Samaritan Initiative is that chronically homeless people will move off our streets and out of long term stays in shelter into housing with support services to help sustain and retain their tenancies. Self sufficiency and greater independence will follow.

In the Administration's proposed budget for FY'05, there are a number of initiatives that would have the effect of preventing homelessness for those exiting prisons and jails, young adults aging out of foster care, and substance abusers needing treatment. These investments are in the prevention of homelessness, a far more effective and cost efficient way of ending homelessness. But for those experiencing chronic homelessness, the Samaritan Initiative offers a way out.

Around our country, collaborative initiatives to end chronic homelessness are yielding planful partnerships, innovative initiatives, and strategic solutions. The Samaritan Initiative employs all three to get the job done for the most vulnerable. These efforts to ending chronic homeless in this country, including the Samaritan

Initiative, will likely result in fewer expenditures on emergency services for this population, and enable resources to be shifted to other populations among homeless people.

Finally, when our country says that we will no longer tolerate the homelessness of our long term, disabled homeless neighbor; we'll no longer tolerate a homeless veteran foraging for food from a dumpster; we'll no longer tolerate a mentally ill person finding their sleep on our streets; we'll no longer tolerate a homeless elder succumbing to exposure;

When our toleration of street homelessness diminishes, our country's soul will feel the healing. And that remedy will move us closer to the day when everyone in our communities will be known by a single name - neighbor – and be treated as one.

The Samaritan Initiative moves us as a nation beyond indifference and insulation, and allows us with all our partners to stop on the side of the road for that neighbor.

Thank you.

HUD/HHS/VA Collaborative Initiative on Chronic Homelessness

City, State	Lead Agency	Grant Execution Date	Combined Awards to All Partners	# of Housing Units to be Leased	# Leased as of 7/04
Chattanooga, TN	Fortwood Center	1/24/2004	\$2,195,550	50	30
Chicago, IL	Chicago Department of Human Services	12/24/2003	\$3,443,140	59	18
Columbus, OH	Community Shelter Board	1/27/2004	\$3,332,285	80	37
Denver, CO	Colorado Coalition for the Homeless	2/24/2004	\$3,440,650	60	47
Fort Lauderdale, FL	Broward County Board of County Commissioners Human Services Department	1/5/2004	\$3,408,640	51	15
Los Angeles, CA	Skid Row Housing Trust	1/23/2004	\$2,110,187	Includes in-kind 62	43
Martinez, CA	Contra Costa County Public Health Homeless Program	2/17/2004	\$3,425,565	40	36
New York, NY	Project Renewal	1/23/2004	\$2,814,063	40	40
Philadelphia, PA	City of Philadelphia Managing Directors Office-Adult Services	2/10/2004	\$3,297,784	70	16
Portland, OR	Central City Concern	12/29/2003	\$3,431,371	73	23
San Francisco, CA	San Francisco Department of Public Health	2/17/2004	\$3,460,761	88	master lease of 88 unit building to begin occupancy at end of month
			TOTAL:	673	305