

March 2006

**The National Policy and Advocacy Council on Homelessness (NPACH)
Comment on
U.S. Department of Housing and Urban Development
FY 2006-FY 2011
Strategic Plan**

The National Policy and Advocacy Council on Homelessness (NPACH) is a national grassroots organization whose primary concern is to ensure that national homelessness policy accurately reflects the needs of local communities. NPACH works to accomplish its mission through education, grass roots organizing, research and technical assistance. NPACH's Southern Regional Office (NPACH-SRO) located in New Orleans, Louisiana, works to coordinate regional efforts with national strategies, and to provide a direct connection between national advocacy and the experience of local service providers. In the aftermath of Hurricanes Katrina and Rita much of our current efforts are focused on assisting communities and service providers' recovery from the impact of these terrible storms.

HUD's Strategic Framework

The U.S. Department of Housing and Urban Development report, *Affordable Housing Needs: A Report to Congress on the Significant Need for Housing* found that in 2003 a total of 5.18 million very-low income renter households without housing assistance had "worst case needs." That is, these households paid more than half their income on housing or lived in severely substandard housing. By comparison, HUD's report found 4.86 million households with "worst case" needs in 1999. Families with children account for 1.85 million households, over one million elderly households without children, and approximately 510,000 households of families with non-elderly members with disabilities were included among those with "worst case needs."

Given the disturbing trends illustrated in HUD's "worst case" report to Congress, it is no surprise that the December 2005 *U.S. Conference of Mayors Report on Hunger and Homelessness in America* indicates that homelessness continues to increase. Among cities included in the survey, homelessness increased by 6% overall and 32% of all families seeking shelter had to be turned away for lack of space. The report cites the "lack of affordable housing" as the number one cause for such increases.

In reviewing the FY 2006-2011 strategic plan, therefore, we are concerned that HUD has subsumed its approach to homelessness under the programmatic goal to "Strengthen Communities" rather than under "Promote Decent Affordable Housing." We are also very troubled that HUD views the "availability of low-cost housing as a factor beyond HUD's control" (p.30). It is critical that any effort to address homelessness be premised on a strategy to attack deep poverty and create, preserve, and rehabilitate affordable housing for extremely low income families and individuals.

Objective C4: End chronic homelessness, p.24

We strongly urge HUD to expand its definition of homelessness to include those living "doubled up" and in motels due to lack of alternatives, acknowledge the existence of all

forms of homelessness, and incorporate all populations experiencing homelessness in the formation of its strategic planning and program formation. The definition of *chronic* homelessness applies only to single adults who have severe disabilities and have been continually homeless for one year or more, or have recurring episodes of homelessness, representing approximately 5% of the total population of people who experience homelessness.

This almost exclusive focus on “chronic” homelessness is forcing communities to seek funding for “chronic” projects- representing more than 30% of the total HUD McKinney-Vento awards in 2005- at the expense of more comprehensive strategies that place higher priorities on all or other populations. For example, the most recent grant application effectively removes homelessness prevention activities and limits a substantial “permanent housing bonus” (“Samaritan Housing”) to projects exclusively serving the “chronically homeless.” As more dollars are targeted and siphoned off for the “chronic initiative,” funding for the permanent housing bonuses, which typically go to the largest urban continuums, will almost certainly come from the lower ranking applications. HUD’s strategic goal of “ending chronic homelessness” is now clearly being pursued and funded at the expense of smaller communities and other homeless populations. In emphasizing “chronic homelessness” above all else, the current policy has fragmented resources, pitted populations and providers against each other, and attempted to “end homelessness” with the resources only intended to address a small fraction of it.

Means and Strategies, p. 27-29

p. 27 *“HUD will continue to seek tighter coordination and integration of its 10-year planning efforts to end chronic homeless through standardizing homeless and chronic homeless planning components.”*

A comprehensive local planning process on homelessness already exists. In applying for HUD homeless assistance funds, communities are asked to rank local needs and prioritize the gaps in resources available to meet those needs through a local planning process known as the Continuum of Care. Over the past few years, however, as a result of the “chronic homeless” initiative, HUD’s design of the Notification of Funding Available (NOFA), has increasingly undermined local control, dispensed with Congressional action and essentially legislated through the rule-making process. While many communities have witnessed significant growth in the scale and severity of homelessness among families with children, unaccompanied youth, and disabled and non-disabled populations that do not fit neatly into the “chronic homeless” or “ten year plan” paradigm, these same communities are being forced to overlook emerging needs in favor of a narrowly constructed Federal priority. Requiring the integration of “10 year plans to end (chronic) homelessness” within the CoC and Consolidated Plan process is arbitrary, duplicative, and burdensome to existing locally-driven efforts.

p. 28 *‘The Department has and will continue to ensure that at least 30 percent of all available homeless funding is awarded for permanent housing’.*

NPACH believe HUD McKinney-Vento resources should be utilized for homelessness prevention, addressing emergency needs, and act as a transition to increases in permanent housing in mainstream programs through HUD and USDA, not as a replacement of those resources. Furthermore, HUD should honor its pledge to respect the local decision making process (“encourage planning and coordination to maximize the impact of these resources,” p. 29) and not skip identified priorities in communities. The required 30% set-aside has increasingly forced

communities to cut funding for programs that serve families, children, and other non-disabled populations. Homelessness, including long-term homelessness, cannot be prevented if HUD skips over and/or forces communities to deselect projects that will intervene and end homelessness for individuals and families before they are homeless for a year.

p. 28 *“HUD is working to reduce the proportion of HUD homeless funds used for the provision of social services and to increase the proportion used for housing.”*

Over 50% of HUD’s homeless assistance grants program is currently dedicated toward funding supportive housing, while supportive services continue to decline as a percentage of the annual awards. In recent rounds HUD has funded fewer services and more housing activities, offering that this policy would be accompanied by increased funding for these same services from other agencies, including HHS, DOL, and VA. However, homeless service providers have not been able to access funding from these agencies. If no such funding exists, HUD should cease pursuing policies that discourage supportive services until the Department can demonstrate that homeless service providers are obtaining comparable funding from other agencies.

p. 28 *“HUD will continue to work directly with other Federal agencies and through the Interagency Council on the Homeless (sic), on collaborative efforts to address homeless needs and to end chronic homelessness.”*

We regret that the U.S. Interagency Council on Homelessness has prioritized “ending chronic homelessness” to the exclusion of all other populations, including homeless families and children. Moreover, ICH’s chief activity- both nationally as well as through its ten regional offices- appears to be the securing of “10 year plan” commitments from local and state entities, rather than pursuing its mission of coordinating the Federal response to homelessness across departments. We urge HUD to work in close collaboration with all federal agencies, including HHS, USDA, VA, DOL, and the Department of Education, to better coordinate and address the housing and services gaps that have emerged as a result of current federal policy and priorities.

p. 29 *“HUD also plans to carefully scrutinize the policies of its mainstream housing programs to determine whether additional mainstream housing resources can be brought to bear.”*

NPACH is encouraged by the recognition that HUD McKinney-Vento funds alone are not equipped or designed to meet the permanent housing needs of people experiencing homelessness. To best address homelessness and the permanent housing crisis that underlies it, HUD should work with Congress and the Administration to increase funding for Section 8, public housing, CDBG, HOME, Section 202, Section 811, and HOPWA programs as well as increase housing production for households living at or below the Federal poverty line, rather than supportive housing set-asides on HUD McKinney-Vento programs.

Performance Measures, p. 29

“By 2011, HUD will create 40,000 new units of permanent housing for chronically homeless individuals.”

HUD’s effort to create more units of supportive housing for “chronically homeless” individuals is a critically important goal, but must not be achieved at the expense of expanding program reach to all populations. To successfully achieve its target goal of 40,000 new units we encourage HUD

to seek additional appropriations from Congress and utilize mainstream housing resources as outlined in ‘means and strategies’ rather than through a set aside within McKinney-Vento.

- *Estimates of the number of persons experiencing “chronic” homelessness range from 150,000 to 200,000” [p. 24]*

HUD’s FY 2003-2008 strategic plan cites a national estimate of 150,000 to 200,000 “chronically homeless” individuals, and declares a related performance measure that “the number of *chronically* homeless individuals declines by 50 percent by FY 2008.” (HUD Strategic Plan FY 2003-2008, p. 23-24, 27)

HUD should make available an update on progress toward achieving this performance measure, particularly in relation to other sub-population increases or decreases, overall homelessness strategy, and the Department’s target goal of 40,000 new units of permanent housing. This is especially important in light of reports of increased homelessness and housing insecurity across the United States as reflected in numerous source material, including local community studies, the U.S. Conference of Mayors annual report, HUD’s “worst case” housing report to Congress, and within HUD’s FY 2006-2011 Strategic Plan.

External Factors, p. 30

Homelessness:

“Success in helping the homeless achieve housing stability is affected by a variety of factors beyond HUD’s control...the incidence of homelessness is driven by macroeconomic forces such as...the availability of low-cost housing,” p. 30

We applaud the recognition of the systemic causes of homelessness. HUD, however, needs to acknowledge the nation’s severe housing crisis that directly contributes to homelessness and embrace the Department’s central role in increasing the availability of low-cost housing, not abrogate that critical responsibility.

Objective C1: Assist disaster recovery in the Gulf Coast region, p.24

P. 27 “In December, 2005, HUD received a supplemental appropriation of \$11.5 billion for CDBG disaster relief grants to support hurricane recovery in the Gulf Coast. Through grants to affected areas, these funds will provide for a wide range of recovery activities such as rebuilding infrastructure and housing, delivery of essential public services, and economic development.”

Preserving and expanding an adequate supply of affordable housing is the key to the rebuilding of Louisiana and the Mississippi Gulf Coast. NPACH recommends the following as it relates to CDBG disaster relief grants and HUD’s role in Gulf South Reconstruction:

- State plans for the use of CDBG funds must require participation and collaboration with citizens and local governments with a requirement to set aside a majority of the funds to assist low-income residents and a portion of the funds to assist with the housing needs of renters;
- Provide an additional \$174 million in HUD McKinney-Vento Homeless Assistance Programs to the Continuums of Care directly impacted by Hurricanes Katrina, Rita and Wilma and an

additional \$50 million nationally in order to provide emergency shelter, rental assistance, transitional housing, and services support to people experiencing homelessness. Such funds should supplement current appropriation levels. Service providers and communities receiving McKinney-Vento grants for affected areas must be given program flexibility (i.e. waiving permanent housing requirement, no limit on services) in order to continue using Federal funds to serve people and rebuild program facilities as effectively as possible;

- Allow waivers of caps for use of Project-Based Section 8 Assistance from Section 8 funding;
- Ensure vacant land owned by Housing Authorities are made available for use for trailers for former public housing tenants and Section 8 residents;
- Protect existing subsidies for all displaced voucher holders and public housing residents;
- Enact a moratorium on the demolition of any habitable HUD-subsidized housing units and require, at minimum, a one for one replacement of any lost units.