

A National Commitment to Ending Homelessness among Veterans

Why Affordable Housing Programs Matter

Testimony for the U.S. House Committee on Veterans' Affairs

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Chairman Filner and Members of the Committee,

Thank you for inviting me to share my views related to homeless veterans. I am a senior research associate at the Urban Institute, a nonprofit, nonpartisan research organization in Washington, DC. Most of my policy-oriented research over the past decade has focused on affordable housing programs, including Housing Choice vouchers and public housing. More recently, I have been researching homelessness, including writing a policy brief called "*Preventing and Ending Homelessness—Next Steps for Policymakers.*" I have been asked to address questions about housing and service interventions that prevent and end homelessness among veterans. Before I talk about what we know from the research and promising strategies, I would like to briefly review the scope of the problem.

Veteran Homelessness and Lack of Affordable Housing

According to the VA, an estimated 131,000 veterans are homeless on any given night (Smits and Kane 2009). Many more, some estimate about twice as many, experience homelessness over the course of the year. I should note that it is notoriously difficult to count the number of homeless people and that these numbers should be used as rough estimates rather than precision counts. The 131,000 number is, however, the best estimate available at this time, and it shows that far too many of our nation's veterans are homeless.

It is generally accepted that most veterans who are currently homeless served during the Vietnam War, but recent VA numbers show that veterans returning from serving in Iraq and Afghanistan are trickling into VA homeless services. From 2005 to 2008, the VA identified 2,986 OEF-OIF veterans who were homeless (Smits and Kane 2009). Some troubling data, including the high rates of post-traumatic stress disorder (PTSD) and traumatic brain injury (TBI), the recession, and the lack of affordable housing in many cities across the country, suggest that the number of returning veterans who experience homelessness will grow over the next few years.

Generally speaking, the country's veterans are well housed. They have higher rates of homeownership and lower rates of rental housing cost burden than civilians (GAO 2007). However, a subgroup—approximately a half-million low-income veteran renters—had severe housing cost burden in 2005 (GAO 2007; National Alliance to End Homelessness 2007). This means they are paying more than 50 percent of their income on housing. With no room for basic necessities in their monthly budget—let alone unexpected expenses due to job loss or troubles related to physical or mental health problems—households paying such a large share of income for rent are at risk of becoming homeless. Unlike chronically homeless veterans, many of whom have serious mental illness and substance use disorders, many homeless and low-income veterans do not need supportive services to stay housed. They just need help paying for their housing.

These low-income veterans have few places to turn for help with housing. The VA has some small programs addressing homelessness and a homeownership loan program for veterans who can afford to buy a home, but there is little help for low-income veterans who are struggling to pay their rent. Another possible place to turn for help are local public housing agencies, which administer the U.S. Department of Housing and Urban Development's (HUD) Housing Choice vouchers and public housing programs. These programs, however, are difficult to get into because of long waiting lists and scarce resources.

The lack of affordable housing is clearly one driver of homelessness. As economists Quigley and Raphael (2000, 1) note, "Rather modest improvements in the affordability of rental housing or its availability can substantially reduce the incidence of homelessness in the U.S." In basic terms, "too many poor people are asked to chase too few low-cost housing units," and the way to solve the problem of homelessness is to solve the housing affordability problem (Sclar 1990, 1,039). This suggests that a targeted housing subsidy program for low-income veterans is needed.

Ending Homelessness among Veterans

To end homelessness among veterans, policymakers need to help veterans who are currently homeless get back into permanent housing and prevent homelessness among those at risk. Because the research indicates that affordable housing is the key to preventing and ending homelessness and because our current assisted housing programs are woefully inadequate to meet current needs, my recommendations focus on expanding housing-based rapid rehousing and prevention programs, supportive housing, and affordable housing subsidy programs. I highlight existing approaches that work—but that need expanding—and a few suggestions that are not currently under way. I should note that mental health and physical health services and employment programs are critical for homeless and low-income veterans, but I will leave these topics to panelists with expertise in these issues.

Ending Homelessness among Veterans Who Are Currently Homeless

To end veteran homelessness, policymakers will have to “empty the queue” of those who are currently homeless. Congress could take several steps that would go a long way in this effort.

- **Increase the number of HUD-VASH vouchers by 10,000 vouchers per year over the next five years.** HUD-VASH is a supportive housing program that links housing choice vouchers with case management and clinical services for homeless veterans who would otherwise not be able to live independently. Previous research on HUD-VASH programs operating in the 1990s shows that the intervention can lead to positive housing outcomes for homeless veterans with mental illness and substance use problems (Rosenheck et al. 2003; O’Connell, Kaspro, and Rosenheck 2008). In 2008 and 2009, Congress appropriated funding for 20,000 HUD-VASH vouchers. This recent influx of HUD-VASH is a good start, but it will not meet the needs of all homeless veterans.
- **Tightly target HUD-VASH to those with high service needs.** Given scarce resources, program administrators must make difficult decisions about how to

prioritize and allocate HUD-VASH vouchers. Since HUD-VASH is a service-intensive and costly intervention, it should be reserved for homeless veterans who need *both* a housing subsidy and services to exit homelessness and, most especially, to remain housed. Ensuring that VA medical centers target HUD-VASH to those with the greatest need must be clearly encouraged by the VA and *incentivized* through policy regulations.

- **Create a rapid rehousing program for veterans.** Some veterans who are currently homeless (or about to become homeless and are seeking shelter) could get back into housing with the help of some short-term assistance, such as short- and medium-term housing subsidies with transitional case management. Rapid rehousing is a relatively new invention, though some communities across the country have been administering programs with promising results for some time (National Alliance to End Homelessness 2005). Through the American Recovery and Reinvestment Act, HUD is administering \$1.5 billion in rapid rehousing and prevention funding to homeless and housing service providers. While homeless and low-income veterans are eligible for this program, and many will likely receive it, the program does not target veterans. Rather, and as it should, it focuses on rapid rehousing and preventing homelessness among all homeless and low-income people who meet the eligibility guidelines. Policymakers should consider creating a similar program targeted specifically to homeless veterans and administered through VA medical centers in partnership with homeless service providers. Since we have very little empirical evidence about these interventions, any new program should be accompanied by a rigorous evaluation.

Preventing Veteran Homelessness in the Future

As the economic recession continues, many low-income veterans are at risk for homelessness. To prevent homelessness from occurring requires a certain amount of prediction. Who will become homeless? Clearly, not all veterans are at risk. Narrowing down the risk pool to those who are extremely poor, have mental health problems, have

physical disabilities, have dependents, are leaving jail or prison, and are paying too much for rental housing is a good place to target efforts. But even among this group, some will become homeless and some will not. Answering the prediction question is extremely difficult. As Shinn and colleagues write, “attempts to identify individuals at risk are inefficient, targeting many people who will not become homeless for each person who will” (Shinn, Baumohl, and Hopper 2001, 95). If you cannot narrow down the risk pool further, then you must inoculate the entire group by providing affordable housing. As Shinn and colleagues note, “we recommend reorienting homelessness prevention from work with identified at-risk persons to efforts to increase the supply of affordable housing and sustainable sources of livelihood nationwide or in targeted communities” (Shinn et al. 2001, 95).

There are two possible vehicles for creating a affordable housing program for low-income veterans. Further investigation is needed to understand which approach is most feasible and would have the biggest impact.

1. **Congress could fund a housing supplement for low-income veterans that is administered by the VA through the Veterans Benefits Administration.** This program could provide a cash supplement for housing (for example, up to 50 percent of the local fair-market rent). And the program could be administered through the Veterans Benefits Administration to target veterans at a certain income level (for example, 50 percent of area median income). The VA could conduct outreach at VA medical centers and through VA service organizations to ensure program use.
2. **Congress could authorize and fund 200,000 mainstream Housing Choice vouchers for low-income veterans and their families.** This program could be administered by HUD and modeled after the Housing Choice Voucher program. Priority should be given to homeless, disabled, and elderly veterans, and those with families. These vouchers could be allocated to communities based on a formula that considers the number of homeless veterans and the number of veterans who have severe housing cost burden. These vouchers would differ from HUD-VASH since

they would be targeted to veterans who are currently homeless or at risk for homelessness for primarily economic reasons. For this reason, they would not need intensive case-management services attached to the subsidy like HUD-VASH does because that program should be targeting veterans with higher service needs.

In summary, to end homelessness among veterans, policymakers will need to create a range of programs that are housing-based and, for those veterans who need them, that are linked to services. At the most basic level, this means the VA will need to both expand its mission beyond health care and benefits administration to include housing and continue to foster a strong partnership with HUD.

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