

Testimony of the

NATIONAL COALITION for HOMELESS VETERANS

United States Senate & House of Representatives Committees on Veterans' Affairs

"Legislative Presentation of The National Coalition for Homeless Veterans" Chairmen Moran & Bost, Ranking Members Blumenthal & Takano, and distinguished Members of the Committees on Veterans' Affairs:

On behalf of our Board of Directors and Members across the country, thank you for the opportunity to share the views of the National Coalition for Homeless Veterans (NCHV) with you. NCHV is the resource and technical assistance center for a national network of community-based service providers and local, state, and federal agencies that provide emergency, transitional, and supportive housing, food, health services, job training and placement assistance, legal aid, and case management support for thousands of homeless, at-risk, and formerly homeless veterans each year.

We are committed to working with our network and partners across the country to end homelessness among veterans. Due in large part to your commitment to resourcing programs and strategies that work, veteran homelessness dropped to the lowest level ever recorded last year: 32,882 with 12,724 unsheltered, on any night. Communities across the country have infused housing-focused strategies, paired with supportive services into all housing interventions for veterans from emergency shelter to transitional housing to rapid rehousing and permanent supportive housing.

We thank you for your leadership and continuing efforts to focus on the needs of veterans experiencing or at-risk of homelessness, as evidenced by enactment of Public Law 118-210, the Senator Elizabeth Dole 21st Century Veterans Healthcare and Benefits Improvement Act. However, no funding was appropriated to allow VA to pay increased per diem rates authorized under this legislation, or to fund section 4201 assistance. We urge you to ensure these programs are funded so veterans can utilize them as intended.

I would like to take a moment to contextualize the 2024 HUD Point-in-time count data for veterans.

| | 2023-2024 | 2007-2024 |
|----------------------------------|-----------|-----------|
| All People | +18.1% | +19.2% |
| Sheltered | +25.4% | +27.0 |
| Unsheltered | +6.9% | +7.2 |
| Individuals | +9.6% | +24.1% |
| People in Families | +39.4% | +10.6% |
| Unaccompanied Youth* | +10.0% | +3.4% |
| Veterans* | -7.6% | -55.2% |
| Chronic Patterns of Homelessness | +6.6% | +27.4% |

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¹ U.S. Department of Housing and Urban Development (HUD). Exhibit A-1: Change in the Number of People Experiencing Homelessness. In The 2024 Annual Homeless Assessment Report (AHAR) to Congress: Part 1, 2024

While the point in time count is not a perfect measure of homelessness, it is the best national measure we have for comparison's sake. I know I have seen media reports from people who say they have seen no progress on veteran homelessness despite record investment. I wholeheartedly reject that premise. Federal data has shown not only that we have made progress in reducing veteran homelessness in the last 7 of 10 years, but that veterans are in fact the only subpopulation of people experiencing homelessness to see a decline between 2023 and 2024 and in the longer term between 2009 and 2024. VA staff and partners across the country have had their nose to the grindstone and undertaken disciplined initiatives to enhance local efforts to end veteran homelessness over the last twelve years.

In spite of the hard work and progress, we know that enhancements need to be made to ensure that our crisis response, homelessness prevention, affordable housing, and supportive service programs can be improved. NCHV remains determined to ensure that Federal programs work in favor of homeless veterans and look forward to doing that with all of you. Congress plays a major role in the way that communities are able to work toward getting more veterans housed, from authorizing to appropriating, to conducting oversight. My testimony presents NCHV's priorities in each area, for your consideration.

Authorizing Priorities

1. Increase HUD-VASH utilization

HUD-VASH is a targeted collaboration between the U.S. Department of Housing and Urban Development (HUD) and VA for veterans experiencing homelessness who have the greatest need for case management and supportive services to maintain permanent housing. The program supports over 80,000 active leases and has housed over 180,000 Veterans and their families since FY 2012. However, the program is unable to fully lease all 111,000 housing choice vouchers Congress has appropriated for several reasons, including case management hiring deficits, lack of affordable housing stock and project-based voucher set asides.

For far too long, homeless veterans who needed assistance the most, with the most acute disability cases, were being excluded from benefits due to their disability income. Both HUD and the Treasury Department issued guidance to address this issue for the HUD-VASH and LIHTC programs, to accommodate these veterans in the voucher program and in LIHTC-funded project-based HUD-VASH developments. However, it is important to ensure these protections are codified in law. NCHV supports legislation that would codify this change for the HUD-VASH program. We also encourage reintroduction of legislation that would codify these changes for LIHTC.

We encourage collaborative Federal efforts to identify ways to efficiently serve veterans experiencing homelessness. NCHV continues to support efforts to ensure sufficient case management coverage such that VA can fully utilize HUD-VASH vouchers. We are concerned about the impact rumored cuts to the HUD budget could have on the housing market for extremely low-income Americans, including veterans. While we are seeing growth in master leasing, our housing solutions rely largely on the private sector to create sufficient supply of affordable units, largely subsidized by the Federal Government. Additional capital funding to renovate recently acquired or outdated facilities, paired with project-based vouchers for operating funds could be a mechanism to increase the availability of affordable housing more rapidly than traditional affordable housing development timelines allow. The last Housing Choice project-based voucher competition to spur development was a decade ago in 2014. There is absolutely no reason any veterans with HUD-VASH vouchers in hand should remain homeless if we can utilize all tools at our disposal to incentivize the development and/or identification of additional affordable housing stock on their behalf.

2. Ensure veterans can access all homeless programs

VA has also begun program eligibility expansions for veterans with other-than-honorable (OTH) discharges. While under 9 percent of veteran discharge statuses are not Honorable, approximately 15 percent of the veterans experiencing homelessness have Under or OTH discharge statuses, and in some urban communities that percentage rises as high as 30 percent. The Health Care for Homeless Veterans (HCHV) program currently does not serve veterans with an "other than honorable" discharge status. Due to the importance of this program, we request that Congress expand its eligibility criteria to include veterans with OTH discharges, and Guard and Reserve members who may not have been federally-activated.

3. Enhance services for aging veterans

With over 10 million veterans over the age of 55, the United States will see the 65+ population of veterans more than double by 2041. Experiencing prolonged homelessness also ages people by 10-20 years prematurely. These dramatic increases of aging veterans, and rural veteran population issues have become an important intersection in the discussion of improving services, access, and information dissemination for some of the most remote and inaccessible veterans. We must look at how programs communicate and interact with each other to ensure veterans are able to access services and supports they need.

4. Vouchers for extremely low-income veterans

Our nation's housing affordability crisis has all but guaranteed that rents are unaffordable for all Americans. In most counties across the country, economists agree that a person earning the minimum wage is not able to rent a one-bedroom apartment without being severely cost burdened. The reality is that only one in four people eligible for section 8 subsidies received them due to chronic underfunding. Section 8 is a homelessness prevention tool in that it helps program participants regulate the price of housing by offering a modest monthly subsidy to cover the difference between 30% of their income and the fair market rent. NCHV supports legislation that would create a voucher program for all extremely low income veterans, especially if it also prohibits discrimination against the source of the funds.

Appropriations Priorities

NCHV asks for continued support for programs at VA, HUD, and DOL to support veterans as they move on from homelessness, with continued support above current funding levels to ensure that sufficient resources for housing-unstable veterans is available.

Department of Veterans Affairs

Health Care for Homeless Veterans Program (HCHV) - \$45 million increase to resume section 4201 assistance, support targeted and transitional housing capacity growth where providers have been unable to afford operating GPD, and conduct targeted outreach efforts in communities actively fining, ticketing, and arresting homeless people, including veterans.

Supportive Services for Veteran Families (SSVF) - \$25 million increase to \$800 million, removal of grant cap, and reauthorization to provide flexible assistance targeted at keeping vulnerable vets in safe situations, addressing rental and other eligible arrears, and continued implementation of the shallow subsidies expansion. This program serves as the front door of the crisis response system, one that is likely to be tested even further by the growing number of veterans who are being pushed out of Federal Employment.

\$43 million increase for the Grant and Per Diem Program (GPD), to \$350 million, for removal of grant and reimbursement rate caps & Special Needs reauthorization to maintain system capacity and implement the Dole Act. This funding would also allow for additional rounds of capital grants that are needed to continue modernizing transitional housing facilities.

\$35 million increase for the Housing and Urban Development – Veterans Affairs Supportive Housing (HUD-VASH) Case Management Program for VA to provide additional VA or community contracted case managers. To increase the quality of services and increase voucher utilization and decrease case manager loads, increasing hard to fill location-based and specialty hiring incentives, as well as retention and rapport building capabilities.

Department of Housing and Urban Development

\$100 million for HUD-VASH incremental funding to increase the capacity of communities to move veterans from motel/hotel placements into permanent housing.

- i. \$40 million for HUD to provide 4,500 new Project Based Vouchers, that are not counted against PHA utilization rates and caps on project-basing of vouchers.
- ii. \$52.5 million for HUD to provide for new incremental vouchers and additional Public Housing Authority incentives, to mirror the incentives offered with HUD's Emergency Housing Vouchers.
- iii. 7.5 million for Tribal HUD-VASH

Department of Labor

\$9.5 million increase to \$75 million for DOL's <u>Homeless Veteran Reintegration Program</u> (HVRP) aimed at expanding available assistance for at-risk veterans due to job loss. The program intends to continue expanding access nationwide and include spouses and dependents. Re-Employment and re-integration efforts will continue to be crucial to stability of the impacted veterans through an expanded Homeless Veteran Reintegration Program (HVRP) as it attempts to reach every veteran. HVRP has also suffered, for multiple years, shortfalls in their federal administration account which provides for full-time employee hires. The program has grown dramatically, and with that growth NCHV recommends additional FTE funding earmarked for HVRP, or statutory authority to use unspent program funds on HVRP-specific FTE hires.

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NCHV appreciates every dollar Congress has allocated to ending veteran homelessness and we also recognize the need to fund these extremely necessary program improvements for the next year and beyond. Our collective mission is to not only reduce, but end veteran homelessness finally.

Oversight Priorities

DOLE Act Implementation

The Dole Act was a legislative victory for veterans. We encourage you to conduct thorough oversight related to implementation of the GPD rate increase, plans for revamping the payment system for that program, and the restart of section 4201 assistance. It is imperative for veterans that VA get this right.

Strength of the VA Health Care System

The VA health care system is unique in that it is the nation's largest healthcare system providing and funding a highly successful response to veteran homelessness. Managing and implementing programs of this magnitude at the level of quality veterans deserve requires competent and experienced VA staff to case manage, operate grant programs, and coordinate partnerships that leverage federal resources. Therefore, any moves to reduce, reassign, or otherwise shift staffing are concerning, as they further damage an already strained system. The impact on veterans could put their housing stability and/or access to supports at risk

Federal Reduction in Force Efforts

Census data says veterans are about 6% of the US population, but 30% of the Federal workforce. Successful implementation of veterans hiring preferences could result in federal firings disproportionately impacting military veterans. While veterans are highly skilled and very employable, the scope and scale of reduction in force efforts is concerning, given job loss is a risk factor that can lead to the onset of homelessness. There are many successful programs to help veterans regain employment and remain stably housed but they must be funded to ensure that any veterans who may have been fired can access support if it is needed.

General instability Grant pause

Nonprofit grantees are an essential service delivery partner for the federal government. They offer their expertise, local connectivity, and compassion for those they serve in exchange for minimal federal funding to sustain their operations and provide life-saving support for veterans in crisis. On any night there are around 8,000 VA-funded shelter beds keeping veterans from unsheltered homelessness. VA-funded SSVF grantees supported 150,000 veterans and their families with rental support, case management and services. There are also close to 16,000 veterans who receive employment assistance from the DOL-funded grantees, and countless veterans getting mainstream support from other programs whose futures are in jeopardy. The grant pause that occurred at the end of January caused a chilling effect, as it gave the impression that the Federal Government was willing to arbitrarily allow nonprofit organizations to foot the bill for services they had legal agreements to be reimbursed for. This unnecessarily created mass chaos nationwide, as it left some community providers uncertain about their ability to pay SSVF rents and security deposits. NCHV reached out to both VA and DOL to request information about the way the grants reviews would affect nonprofit partners who serve homeless veterans. We have not yet received a response or clarity. We urge you to ensure that this and any other future reviews do not result in service reductions for veterans.

Administrative rates

Some federal programs cap the percentage grantees can charge for admin and overhead fees, despite grantees having prenegotiated indirect cost rates. Administrative and overhead fees can sound like waste, but in reality, they are the difference between a nonprofit managing programs with professional employees and an all-volunteer effort that may not follow guidelines or best

practices. We request that you work with VA and DOLVETS to allow grantees to utilize a fairer rate.

In Summation

Thank you for the opportunity to submit this testimony and for your continued interest in ending veteran homelessness. It is a privilege to work with all of you to ensure that every veteran facing a housing crisis has access to safe, decent, and affordable housing paired with the support services needed to remain stably housed. We thank you for your attention as we work collectively to lessen the impact that rising rents and lack of access to affordable housing have on veterans experiencing or at-risk of homelessness.