

Testimony of
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Regarding
The Affordable Housing Needs of America's Low Income Veterans

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Committee on Financial Services
Subcommittee on Housing and Community Opportunity

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Madam Chair Waters, Ranking Member Capito, Members of the Committee, good morning.

My name is Deborah DeSantis and I am President and Chief Executive Officer of the Corporation for Supportive Housing (CSH).

We are grateful the Committee is focusing on the housing needs of veterans.

I want to share what we know about homeless veterans and how permanent supportive housing addresses their needs.

CSH has unique experience as a national organization that, for the last 17 years, has helped communities build permanent supportive housing to prevent and end homelessness, with particular success in serving people struggling with multiple challenges. Many homeless veterans, who so often wrestle with substance use, mental illness and co-occurring disorders, clearly fall into this group.

Last year, the Corporation for Supportive Housing, in cooperation with the National Coalition for Homeless Veterans (NCHV) and Volunteers of America, convened a group of government officials, non-profit providers of services to veterans, and policy advocates to participate in a Leadership Dialogue about the federal policy landscape for homeless veterans. The day and a half event helped attendees develop a common understanding of the role of permanent supportive housing in addressing veterans' homelessness, and the policy changes that would create more housing options for homeless veterans. Many of the observations and recommendations in my testimony today are from lessons learned during this Leadership Dialogue.

Our Observations

Without a stable place to live and a support system to help them address their underlying problems, most homeless veterans bounce from one emergency care system to the next ó from streets to shelters to public and VA hospitals to psychiatric institutions and detox centers and back to the streets ó endlessly. Estimates are that at least 195,000 veterans are homeless on any night and more than half a million experience homelessness over the course of a year. The extremely high cost of homelessness, in human and economic terms, can be seen in the lives of many veterans.

There is a national consensus that the men and women of our military who are willing to give their lives in service of our country deserve better than to fall into a situation where they consider a park bench, underpass or abandoned building their home. While this problem is a national tragedy, our organization believes we can effectively prevent and end chronic homelessness for our veterans and others.

In addition to affordable housing, services needed by formerly homeless veterans include physical health care, substance use interventions, mental health counseling and educational and employment training.

Important considerations for designing the services strategies within permanent supportive housing projects serving formerly homeless veterans include the following:

- **Understanding the impact of veterans' military service.** For many homeless veterans, their service in the military (whether during wartime or not) and their re-entry into the civilian world are defining aspects of their life experiences. Their military service plays a powerful role in shaping their adult identity, their sense of place within the community, and therefore their experience of homelessness. It is important for housing programs serving veterans to recognize the influence of the culture of military service on the lives of the veterans. It is also important to design service programming that respects, values, and is responsive to, the impact of those life experiences. Many veterans service organizations place a strong emphasis on incorporating peer-to-peer (veteran-to-veteran) support models within their programming to help ensure their services reflect a thorough understanding of veterans' experiences.
- **Understanding the prevalence of specific mental illnesses.** Veterans come from all walks of life, and can be expected to experience mental illnesses at rates proportional to the general population. However, the experience of military service, especially during wartime, may make veterans especially vulnerable to specific mental health issues, such as Post-Traumatic Stress Disorder. A 1994 study by Dr. Robert Rosenheck and others found the rate of Anti-Social Personality Disorder to be 5-6 times higher among veterans than among non-veterans. These mental health issues may significantly impact veterans' rates of homelessness and their experience of homelessness.

- **Facilitating access to veteran-specific public benefits.** Many veterans, especially those who did not serve during wartime, are not aware of or have not accessed VA pension or health care benefits. Only 25% of homeless veterans have used VA Homeless services. These resources can provide critical support to formerly homeless veterans living in supportive housing settings. In addition, the wars in Iraq and Afghanistan highly utilize our National Guard soldiers who may not be as geographically concentrated near existing veterans' services facilities as active duty components. While Congress and the Administration have made strides towards integrating our citizen soldiers' health care and veterans' benefits, it is important strong oversight of these programs are maintained to ensure they reach all those who serve our nation.

Supportive housing works well for people who face the most complex challenges of veterans who are not only homeless, but who also have very low incomes and serious, persistent issues that may include substance use, mental illness, and HIV/AIDS.

Research documenting the effectiveness of supportive housing has, in fact, bolstered the ever-increasing momentum of government, corporate and philanthropic investment in supportive housing. Studies reveal positive impacts on health, employment, mental health and reducing or ending substance use.

To date, studies indicate:

- More than 80% of people who enter supportive housing are still in housing a year later;
- Formerly homeless residents of supportive housing achieve decreases of more than 50% in emergency room visits and hospital inpatient days, and decreases in emergency detoxification services of more than 80%;
- Supportive housing leads to improvements in neighborhood safety and beautification that helps stabilize property values; and
- Tenants are able to increase by 50% their earned income and by 40% their employment rates when employment services are provided in supportive housing, reducing their reliance on public assistance.

Supportive housing is also cost effective. A study Dr. Dennis Culhane and colleagues at the University of Pennsylvania's Center for Mental Health Policy and Services Research, found supportive housing provides major reductions in costs across seven service systems (including hospitals, jails, and emergency shelters). The study found a 72% reduction in health care costs of a savings of \$16,282 per housing unit per year. An even greater reduction of 86% is noted if the use of psychiatric, city and VA hospitals is included in the cost.

Our Recommendations

Given what we know about the needs of homeless veterans and the success of permanent supportive housing, CSH offers the following recommendations:

1. Support the creation of additional permanent supportive housing for homeless veterans and other homeless people

Supportive housing is made possible by a variety of federal government programs, including low income housing tax credits, Section 8 Housing Choice Vouchers, and the Supportive Housing Program within HUD's McKinney-Vento Homeless Assistance Program.

While I know it is not the focus of today's hearing, you will soon be considering reauthorization of the McKinney-Vento Homeless Assistance program. I would be remiss not to mention the importance, as it pertains to housing homeless veterans, of codifying the 30% set aside for permanent housing for homeless households with one or more disabled persons. CSH encourages the Committee to consider reauthorizing legislation as soon as possible and to codify the set-aside when doing so.

Congressional appropriators, on a bipartisan basis, have obligated 30 percent of McKinney Vento funds for permanent housing for the past nine fiscal years. For veterans and other individuals who confront chronic health conditions and suffer, or are at-risk of suffering, long-term and/or repeated bouts of homelessness, permanent supportive housing is the only intervention proven to end costly cycling between systems. The McKinney-Vento permanent housing programs are a critical resource for making supportive housing available and have a real impact on vulnerable households who are often ineligible or screened out of mainstream housing and services programs.

Prior to the 30% set-aside, a sharp decline in the amount of McKinney funding used for permanent housing occurred, despite well-documented need. In 1998, the year before the set aside, only 13% of McKinney money was dedicated to permanent housing, even though sound research backed the general consensus that permanent, supportive housing is an effective approach to ending homelessness, especially for veterans.

Permanent housing is a key to ending current homelessness and preventing future homelessness. In 2002, CSH and others estimated a need for approximately 150,000 units of permanent supportive housing by 2012 to reduce significantly the number of people experiencing chronic homelessness. Congress, the Millennial

Housing Commission, and the President's New Freedom Mental Health Commission have all adopted this goal.

We recognize that a significant portion of the 150,000 units of permanent supportive housing will have to come from mainstream affordable housing programs. Like all housing models funded through McKinney, nearly all supportive housing projects that rely on the McKinney-Vento programs to leverage significant capital investments from other sources, including the Low Income Housing Tax Credit program and other housing and supportive services resources controlled by states and local governments.

We also commend and congratulate Chairman Frank and the Committee for passing an affordable housing trust fund to contribute to a much-needed expansion of our nation's affordable housing stock.

2. Support the funding of additional HUD-VASH Vouchers

I understand it is not this Committee's jurisdiction to fund the HUD-VASH program, but to the degree members can make it a high-priority during this year and future years, passage of the Transportation and HUD Appropriations, we encourage Committee members to do so. The Fiscal Year 2008 T-HUD conference report wisely provides an additional \$75 million for HUD-VASH to fund approximately 7,500 new vouchers. In the event of a Presidential veto of this legislation, we encourage Congress to make every effort to preserve this funding.

One of the reasons HUD-VASH has the opportunity to be so successful is because it overcomes the barrier of veterans needing to access assistance from different service agencies. HUD-VASH helps provide an integrated and coordinated approach to meeting the housing and services needs of veterans.

I would like to call the Committee's attention to an important study conducted in 2003 by Dr. Robert Rosenheck and others evaluating the effectiveness of supportive housing specifically for veterans with psychiatric and/or substance use disorders. The authors assigned homeless veterans with psychiatric and/or substance abuse disorders to 1 of 3 groups. The first received services under HUD-VASH, coupling Section 8 vouchers and intensive case management, a second group received case management only, without special access to Section 8 vouchers, and a third group received standard VA care.

Over the course of 3 years, Dr. Rosenheck and his colleagues found those in the HUD-VASH program were housed 16% more days than those who only received case management, and 25% more than those provided standard care by the Veterans Administration.

3. Future program evaluations should determine the characteristics of veterans who succeed in different program models

As the federal government studies homeless veterans and the programs that serve this population, it would be valuable to focus on determining the characteristics of veterans for whom transitional housing is the best model and those for whom permanent supportive housing is the most effective option. A component of the study should evaluate the needs of female veterans returning from Iraq and Afghanistan.

4. Provide funding on a grant (not per diem) basis.

It was a consensus of the participants in our October 2006 Leadership Dialogue that it is not optimal to fund the services in permanent supportive housing on a per diem basis. This recommendation is based on the difficulties veteran service providers face in underwriting the day-to-day operating costs. For example, if a participant is absent for a day, the provider does not get reimbursed, but is required to hold the space for the participant. By providing funding on a grant basis that could be structured in a manner similar to the critical time intervention teams under the special needs contracts in the VA per diem program, veterans' housing and service providers would have greater security in providing quality care.

We also recommend including a mechanism to ensure that priority populations such as veterans who have been repeatedly unsuccessful in transitional housing, or those who providers have not been able to engage in transitional housing, and female veterans benefit from these funds.

5. Fund demonstration programs on homelessness prevention.

CSH urges Congress to give the VA authority to carry out demonstration programs to identify veterans who are at-risk of homelessness and provide them with appropriate prevention services. Such a program would provide the resources needed to further the development of programs and services that successfully prevent veterans from experiencing homelessness.

6. Encourage communities to identify veterans and connect them with available resources.

CSH believes more education needs to be conducted with outreach workers and communities in general. As the VA system differs considerably from other mainstream service programs, many outreach and case workers are unfamiliar with how to properly access benefits for their clients. If a worker begins the

application process for entitlement benefits when first engaging with a homeless veteran, the veteran may be able to acquire income at an earlier date. Many cities do not know who the veterans are among their homeless populations. Outreach workers and community-based organizations should routinely ask this question so that veterans can receive services for which they are eligible and entitled.

7. Consider removing the clean and sober rule for VA Surplus properties

There should be a discussion around the rule that currently requires programs utilizing surplus VA properties to forbid the use of drugs or alcohol (clean and sober rule). This rule makes it more difficult for outreach or substance use treatment programs to be implemented on such sites. If the rule is changed, these properties could be a significant resource in the effort to provide supportive housing to homeless veterans.

Our Thanks

We thank the Subcommittee for the opportunity to appear today and commend your concern for those who have given so much for our country. We all have a responsibility to ensure that every veteran receives the respect and dignity they deserve, and a safe and affordable place to live.

Madam Chair, I am happy to answer questions.