

Fund HUD's Homeless Assistance Grants at \$2.231 billion House proposal would make 25,000 vulnerable Americans homeless

HUD's McKinney-Vento Homeless Assistance Grants program is the federal government's primary response to homelessness. The Executive Budget calls for \$2.231 Billion in funding – an amount that can support existing programs and offer a competitive award process for hundreds of new projects nationally. The Senate's proposed level of \$2.15 billion barely keeps existing programs intact. The House's proposal of \$2 billion will actually defund programs currently in operation making an estimated 25,000 Americans homeless. Additionally, House budget language would endanger the entire McKinney-Vento program (see back).

McKinney-Vento funds an array of programs intended to prevent and end homelessness in our communities and it gives localities the flexibility to prioritize which programs are most needed to help solve the local homelessness crisis. McKinney-Vento-funded programs include homeless prevention and rapid re-housing interventions that minimize the number of people experiencing the pain, humiliation and attendant negative impacts of homelessness; transitional housing for people experiencing a crisis but who can get back on their feet quickly; and supportive housing – permanent, low-income rental housing tied to social services -- to house and stabilize individuals and families who are homeless and disabled.

The majority of McKinney-Vento funding is used for supportive housing because of its overwhelming success in ending homelessness. Over 40 studies nationwide confirm that supportive housing is both effective – it ends homelessness among the hardest-to-reach individuals and families – and cost-effective: tenants' use of the costliest emergency systems decreases by 50-90%. As a result, supportive housing has consistently won bi-partisan support and was a signature initiative for the Bush Administration as well as the Obama Administration. It also leverages significant private, state and local funding by requiring "match" funding, therefore expanding the number of people who are assisted and the number of housing, social service and construction jobs that are created.

MCKINNEY-VENTO IN NEW YORK

In 2011, New York State received \$189 million in McKinney-Vento Funding. This funded 682 contracts including \$79 million for 192 Shelter Plus Care rental assistance projects, \$55 million for 274 operating and services contracts in permanent supportive housing and \$49 million for 218 transitional and homeless outreach programs.

It also provided high-performing communities in New York – those who score the highest by HUD in a rigorous annual evaluation process -- additional housing resources. For example, \$6 million in new funding was awarded to the Lantern Group in New York City, helping to create 227 units of supportive housing for chronically homeless and at-risk individuals, including 52 units specifically for homeless disabled veterans. Catholic Charities of Onondaga County received \$451,589 in new funding for scattered site housing for 20 chronically homeless individuals, and in Utica, Evelyn's House received \$19,000 to expand a supportive housing programs for young single parent mothers and their children.

McKinney-Vento is a proven success: for ending homelessness among people struggling with mental illness and other chronic behavioral and health issues; for reducing costs in the mental health, health, treatment, shelter, and corrections systems; for reducing the negative social, economic and health impacts of street homelessness; and for helping New York cities, towns and counties develop housing that creates jobs and spurs economic development.

URGENT: CHANGE HOUSE APPROPRIATIONS BILL LANGUAGE

The House's appropriations bill currently mischaracterizes the annual McKinney Continuum of Care baseline as a 'renewal burden' and further misunderstands how programs within Continuums are funded, positing that underperforming programs are automatically refunded, crowding out worthier new programs. Nothing could be further from the truth. Continuums are required to independently evaluate every single McKinney-funded program every year, a process that can take up to seven months. These evaluations – and proposals for redress – are required as part of that locality's full 'submission' to HUD each year requesting that area's pro rata share of McKinney funding. The sum total of all the programs' evaluative 'grades' must score above a certain threshold in order to receive funding. Very high-scoring submissions can qualify for 'bonus' funding, new federal funding to help create new housing. Poorly performing programs lower the locality's overall 'score' and jeopardize the locality's overall award. The stakes for weeding out underperforming programs, therefore, are extremely high.

As a result, Continuums regularly defund programs and redirect McKinney awards, taking them from underperforming organizations and awarding these contracts to agencies with proven track records. In Westchester, for instance, the State's second largest Continuum, 21 contracts were consolidated or re-awarded as a result of the Continuum's own evaluative process. In New York City, the State's largest Continuum, dozens of programs have been consolidated or defunded and re-awarded so that the Continuum as a whole can remain competitive and qualify for new funding.

In addition to the Continuum's annual evaluative process, local HUD offices are required by law to regularly monitor each HUD-funded program.

Beyond these checks and balances, every McKinney-funded supportive housing program (both Shelter Plus Care and Supportive Housing Program) requires a local match of funding, enjoining additional stakeholders into the oversight process. Each of these entities – including in New York the State Offices of Mental Health (OMH) and Alcohol and Substance Abuse Services (OASAS) and the City's Departments of Health and Mental Hygiene (DOHMH), HIV/AIDS Services Administration (HASA) and Homeless Services (DHS) – mandates its own regular audits of programs.

Lastly, supportive housing frequently utilizes Low Income Housing Tax Credit investment to fund new residences. The investors in these credits also require thorough oversight as a condition of funding.

The so-called 'renewal burden' is a misnomer: it refers to the baseline amount needed to fund existing high-performing programs for homeless people. The process by which programs continue to receive this funding is overseen by an array of stakeholders. Further, each Continuum's annual award is inexorably tied to the high performance of *all* the programs in that locality's portfolio, and Continuums, mindful of this relationship, regularly defund low-performing programs to both stay competitive and qualify for scarce 'bonus' funding.