

**Testimony of
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Good afternoon, Chair Smith, Ranking Member Lummis, and other distinguished Members of the Committee. Thank you for this opportunity to testify on behalf of the Department of Housing and Urban Development on our efforts to help communities address the nation's homelessness crisis.

I'd like to start by reiterating the point made by Director Olivet that homelessness in America is a national crisis, but it is a crisis that we can solve.

I know that homelessness is solvable because communities are solving and reducing homelessness every day. There was also a time, not long ago, when homelessness was decreasing overall. Specifically, from 2010 to 2016, overall homelessness decreased by 14%—from over 637,000 people on any given night to under 550,000 people. Homelessness decreased both among people in sheltered and unsheltered settings. In fact, from 2010 to 2016, unsheltered homelessness decreased by over 24%.

During this same period, from 2010 to 2016, homelessness among military veterans declined by 47% (from 74,087 veterans on a single night to 39,471 in 2016); homelessness among families with children declined by nearly 23% (from 79,442 families to 61,265 families); and chronic homelessness declined by 27% (from 106,062 individuals to 77,486 individuals).

Those reductions did not happen by accident. They were the result of policies enacted by Congress. In 2009, Congress passed the Homeless Emergency Assistance and Rapid Transitions to Housing (HEARTH) Act of 2009, which required communities receiving federal homelessness assistance funds to track measurable outcomes and incentivize a focus on producing those outcomes. Specifically, are more people exiting homelessness into permanent housing? Are lengths of homelessness episodes decreasing? Are fewer people returning to homelessness once assisted?

Over the next few years, HUD implemented the directives in the HEARTH Act to focus on system performance and outcomes. As a result, communities shifted their approaches and reallocated resources towards programs that produced those measurable outcomes, namely permanent supportive housing and rapid rehousing. From 2010 to 2016, communities added over 104,000 units of permanent supportive housing nationally. They also expanded the number of rapid rehousing beds from 0 in 2010 to nearly 73,000 by 2016.

At the same time, Congress provided significant new investments in the HUD-Veterans Affairs (VA) Supportive Housing (VASH) program that provides permanent supportive housing and rapid rehousing interventions through the Supportive Services for Veteran Families program for veterans experiencing homelessness. Those investments, coupled with the implementation support from HUD, VA, Department of Labor (DOL), and the United States Interagency Council

on Homelessness (USICH), are directly responsible for the steep reduction in veteran homelessness.



















During this time, both the VA and local Continuums of Care implemented coordinated systems for identifying and assessing needs, delivering housing and supportive services, and matching people to the right level of assistance based on assessed needs.

This overall shift is what we refer to as the Housing First approach, which provides people experiencing homelessness assistance in obtaining permanent housing as quickly as possible, without preconditions of treatment or sobriety, through a range of housing and supportive services interventions. Housing First is not a one-size-fits-all approach, nor is it a “housing only” model. It is about implementing an array of programs that provide tailored levels of housing and services to help as many people as possible with the stability of a home as the foundation for achieving other goals and meeting other needs.

Those decreases were driven by the combination of federal leadership on homelessness, the commitment to Housing First, a focus on evidence-based programs and overall system performance, and federal investments in housing interventions that connect people experiencing homelessness directly to permanent housing.

However, when the Biden-Harris Administration began, the trajectory of homelessness in America had changed. It had gone from decreasing to increasing. From 2016 to 2020, homelessness rose by 6% overall. In that five-year period, the number of homeless adult individuals rose by 15%, the number of people in unsheltered settings rose by 28%, and the number of chronically homeless individuals—individuals with disabilities who are homeless long-term—rose by 43%. In 2020, among adult individuals, there were more individuals sleeping in unsheltered settings than in shelters for the first time ever.

Homelessness Trends, 2010 – 2022

Homeless Population	2010 – 2016 (6 years)	2016 – 2020 (4 years)	2020 – 2022 (2 years)
Overall	 14%	 6%	 0.3%
Veterans	 47%	 6%	 11%
Families	 23%	 12%	 6%
Adult Individuals	 10%	 15%	 3%
Chronic	 27%	 43%	 16%
Unsheltered	 24%	 28%	 3%

Source: HUD Annual Homelessness Assessment Reports (Point-in-Time Count) – Part 1, 2010-2020

In January 2020, when the COVID-19 pandemic began, more than 580,000 people were experiencing homelessness on any given night, including people with disabilities, unaccompanied youth, families with children, and older adults. They tend to have poor health status, often co-occurring chronic health conditions, and premature mortality rates, and they are disproportionately Black or African American, Native American or American Indian, and other people of color.

The COVID-19 pandemic added to the challenges faced by people experiencing homelessness and the organizations and people who assist them. Communities put in place new measures to protect people experiencing homelessness from the pandemic, including decreasing congregate shelter capacity and limiting shelter entries. Efforts to connect people to housing faced new challenges as landlords and housing providers switched to virtual operations, and illnesses and health risks decreased workforce capacity and hampered the delivery of in-person and home-based case management.

This was the state of homelessness in America when the Biden-Harris Administration began: four years of homelessness growing nationally, a growing number of people sleeping outdoors, and the added challenges of the pandemic. Homelessness among veterans and families decreased, but did so at a slower rate than previously.

To be clear, increases in homelessness after 2016 did not happen everywhere. Out of the 386 Continuum of Care (CoC) communities, 255 CoCs (66% of total) achieved reductions in homelessness between 2010-2022. And while the nation and some CoCs saw an overall rise in homelessness from 2016-2020, 199 CoCs saw further decreases from 2016 to 2022.

This shift in the trajectory of homelessness starting in 2016 was driven by a combination of factors, which can be summarized as follows: after 2016, in many communities, particularly those with the highest homeless populations, the number of people who became newly homeless began to exceed the number of people whose homelessness was resolved.

Data from HUD's AHAR Part 2 reports shows that from 2017 to 2019, approximately 901,000 people exited homelessness annually and approximately 909,000 people became newly homeless in each of those three years. In other words, in each of those years, approximately 8,000 more people entered the ranks of homelessness than exited it, and hence homelessness at a point-in-time increased by approximately 25,000 people.

The increase in homelessness from 2016-2020 is not because the Housing First approach is ineffective—in fact, more people were exiting homelessness into permanent housing during this period than ever before. Rather, it is because housing market conditions and other factors were leading more people to become newly homeless than were being exited from homelessness into housing than in the prior years. In other words, Housing First works, but it must be scaled proportional to the level of need and supported by federal policy. For example, from 2016 to 2020, only 32,000 new units of permanent supportive housing were created, compared with over 104,000 new units during the prior six years. In addition, greater efforts are needed to prevent people from becoming homeless in the first place.

The contrast in homelessness trends in these two periods illustrates what is possible when the federal government provides leadership, resources, and support to help communities solve a problem. It shows what happens when targeted investments are made in evidence-based interventions. It shows how a focus on outcomes and performance measurement can produce results. It also shows why ongoing federal leadership and attention is needed to continually adapt in its response to changing dynamics.

HUD, alongside USICH and other federal agencies in the Biden-Harris Administration, is providing that federal leadership and attention. HUD's specific contributions to the implementation of *All In: The Federal Strategic Plan to Prevent and End Homelessness* focus on scaling Housing First interventions, directing resources to underserved communities and unmet areas of need, mobilizing and strengthening collaboration among all of HUD's grantees and recipients to address homelessness, and providing ongoing support and technical assistance to help communities implement the Housing First approach effectively.

Scaling Housing First Interventions

After Congress passed President Biden's American Rescue Plan Act, HUD provided communities with historic resources to scale Housing First interventions for all populations.

At the top of this list is the Emergency Housing Voucher (EHV) program. EHV's are HUD's first housing vouchers specifically targeted to people experiencing or at-risk of homelessness, including people fleeing or attempting to flee domestic violence, sexual assault, or human trafficking, and who are not veterans. The American Rescue Plan provided \$5 billion for EHV's, and HUD awarded communities nearly 70,000 vouchers.

To implement the EHV program, HUD drew upon lessons learned from the HUD-VASH program regarding the importance of public housing authority (PHA) and service provider partnerships. HUD required that the 609 public housing authorities administering these vouchers partner with Continuums of Care and victim services provider organizations to receive referrals and to provide housing navigation and other supportive services to voucher holders, as evidenced by execution of a Memorandum of Understanding. All 609 PHAs executed these MOUs. Approximately one-and-a-half years after the issuance of vouchers and program requirements, all vouchers have been issued to households and nearly two-thirds of the vouchers have been leased. Through the EHV program, nearly 47,000 households have found stable, affordable housing to date. This is the fastest take-up rate of any voucher program HUD has ever administered and demonstrates both the demand for these resources and the effectiveness of housing vouchers as a tool for addressing homelessness. We will continue to assist the 609 PHAs and their partners to lease up and utilize EHV's to reduce homelessness.

Through the American Rescue Plan, HUD also awarded communities \$5 billion in funds through a special homelessness-focused allocation, the HOME Investment Partnerships Program, which HUD calls 'HOME-ARP.' HOME-ARP provides communities with grants to build permanent supportive housing or other deeply affordable housing, as well as to fund supportive services, short-term tenant-based rental assistance, or the acquisition of non-congregate shelter. HUD required that the participating jurisdictions (cities, counties, and states) that receive HOME-ARP allocations review data on needs, consult with Continuums of Care and victim services

providers, as well as obtain public input, to determine the allocation of these funds. Participating jurisdictions have been submitting their allocation plans for HUD approval, and HUD expects to review all plans by June 2023. HOME-ARP will further increase communities' resources for housing assistance and supportive services to sustain their momentum on addressing homelessness over the next few years.

In FY 2023, Congress also provided HUD with \$75 million in additional funds to help Continuums of Care create more permanent supportive housing. As I mentioned earlier, the slowdown in permanent supportive housing production over the last few years coincides with the increase in chronic homelessness. Our nation needs to get back to increasing permanent supportive housing for people experiencing chronic homelessness and other people with more severe service needs. We are currently working on developing the program requirements for this new \$75 million program.

HUD will also continue to administer our annual Continuum of Care Program competitive grant program, including funding for programs that serve survivors of domestic and dating violence, sexual assault, and human trafficking, as well as to expand the Youth Homeless Demonstration Program (YHDP).

Directing resources to unmet areas of need

HUD is working to bring more Housing First interventions to the populations and geographic areas where homelessness has been rising, specifically, people in unsheltered settings and rural communities.

In FY 2020, Congress gave HUD the authority to re-issue Homeless Assistance Grant funds returned by or recaptured from communities, allowing HUD to re-purpose the recaptures through the Continuum of Care or Emergency Solutions Grants programs and set-aside funding for rural communities and for disaster response. Last June, HUD used this authority to issue a special Notice of Funding Opportunity (NOFO) that made over \$300 million in grants available to help Continuums of Care implement coordinated approaches to address unsheltered homelessness by scaling housing and supportive services, including in rural areas. Communities were incentivized to leverage health care and supportive services partnerships, as well as mainstream housing resources. In addition, HUD issued a notice to public housing authorities that it would allocate over \$43 million for special purpose housing vouchers that it received in FY 2021 to PHAs that formally partnered with Continuums of Care that will receive grant awards to address unsheltered or rural homelessness through our special NOFO. HUD received an overwhelming response to both the special NOFO and the voucher notice. Over 200 Continuum of Care communities out of 386 applied to the special NOFO. Over 400 PHAs applied for the special purpose vouchers.

On February 2 of this year, HUD announced that it would award over \$300 million to 46 Continuum of Care communities to address unsheltered or rural homelessness. These communities represent large urban areas like Los Angeles, Chicago, and Dallas, as well as rural communities in Tennessee, Minnesota, and Missouri, and large Balance of State Continuums of Care that cover urban, suburban, and rural areas in states like Connecticut, Kentucky, and Kansas. Meanwhile, HUD has recaptured additional Homeless Assistance Grant funding and is

currently seeking congressional approval to award these recaptured funds to additional qualified communities who applied to the special NOFO. Pending congressional approval, HUD expects to make these awards in the coming weeks. Also in the coming weeks, HUD will issue the \$43 million in special purpose vouchers to the PHAs that partnered with CoCs awarded under our special NOFO for addressing unsheltered and rural homelessness. HUD will accompany these resources with technical assistance to help communities implement the coordinated approaches and will scale Housing First interventions to address unsheltered and rural homelessness. HUD anticipates that these resources will help these communities reduce unsheltered homelessness as well as homelessness in rural areas.

HUD will also continue to expand access to our Continuum of Care Program for tribal nations and tribally designated housing entities. Through technical assistance, information resources, and direct engagement, HUD is reaching out to tribes to help them either join an existing Continuum of Care or to establish a new Continuum of Care, and thereby, apply for funds to address homelessness in tribal communities.

Providing federal leadership and fostering collaboration at all levels

HUD, alongside USICH and other federal agencies, have been providing renewed federal leadership to mobilize a national all-hands-on-deck effort to solve homelessness. Solving homelessness cannot be the work of homeless services providers alone, but must be a shared responsibility with local and state governments, housing developers and providers, public housing authorities, philanthropy, the faith community, and the private sector.

In September 2021, HUD Secretary Marcia Fudge launched the House America Initiative, a national initiative to address homelessness. She called upon mayors, county leaders, and governors to partner with HUD and USICH to set and achieve specific numeric goals for re-housing people experiencing homelessness and adding new units of housing to address homelessness to the development process by the end of 2022. State and local elected leaders from 105 communities across 31 states and the District of Columbia, representing over 50% of the nation's homeless population, joined the initiative, convened local partners, and set local re-housing and unit creation goals. Over a 15-month period, HUD, USICH, and other agencies provided technical assistance to help these communities to achieve their goals. By the end of 2022, these 105 communities collectively re-housed over 100,000 households experiencing homelessness and placed 40,000 units of deeply affordable housing into the development process.

To reinvigorate efforts to end veteran homelessness, the Secretaries of HUD and VA issued a joint statement and announced strategies to achieve an end to veteran homelessness. These joint strategies re-elevated the interagency effort to end veteran homelessness as a Secretarial priority. These strategies helped inspire greater focus across local VA Medical Centers, their public housing authority, and community partners and helped to set the trajectory on veteran homelessness back on a downward trend.

Secretary Fudge and Secretary McDonough also served as the first Chair and Vice Chair, respectively, of the United States Interagency Council on Homelessness under this Administration. Under Secretary Fudge's leadership, the Council was re-established as a

Cabinet- and principal-level body, a new USICH Executive Director was hired, and a new federal strategic plan to prevent and end homelessness was developed. HUD is proud to have played a significant role in developing and informing the Biden-Harris Administration’s strategic plan *All In*. The plan is centered on the Housing First approach but also adds a greater focus on addressing the racial inequities in homelessness, engaging people with lived experience of homelessness, and preventing people from becoming homeless in the first place.

Providing ongoing support and technical assistance to communities

In addition to deploying resources and providing leadership, HUD is also continuing to provide ongoing support and technical assistance to help communities improve their local systems and processes for connecting people experiencing homelessness to housing and supportive services.

Areas of technical assistance include assisting communities with improving the leasing of Emergency Housing Vouchers and other vouchers for people experiencing homelessness, including addressing challenges related to collecting documentation, as well as with housing search and landlord engagement. HUD is also assisting communities to resolve homeless encampments through connections to housing and supportive services using an emergency management-style approach that has been honed in Houston and other communities. We refer to this as “Housing First with a disaster response mindset.” We are also helping Continuums of Care improve their coordinated entry systems, which serve as the locus of intake and triage for people experiencing homelessness, to ensure that they are efficient and equitable. We are particularly focused on ensuring that communities are addressing the racial disparities in homelessness by analyzing data on racial disparities in outcomes and conducting analyses to identify and address the drivers of these disparities.

Most of HUD’s programs fund housing and rental assistance, but we recognize that many people experiencing homelessness also need supportive services either to help them find and secure housing or to help support ongoing tenancy. To that end, HUD has been working closely with agencies at the Department of Health and Human Services (HHS) to help communities coordinate housing assistance with the various HHS programs that fund and cover supportive, health, and behavioral health services, including Medicaid home and community based services which include certain housing-related support, mental health and substance use services grant programs, and services provided by community health centers (including Health Care for the Homeless programs), certified community behavioral health centers (CCBHCs), and more. In December 2021, HUD and HHS launched a joint technical assistance center, the Housing and Services Resource Center, to create a “one stop shop” for providing information to communities on the health and supportive services programs at HHS that can be coordinated with the housing assistance programs at HUD to assist people experiencing homelessness, older adults, and people with disabilities.

Conclusion

HUD’s latest data shows that federal actions, including the safety net investments made through the American Rescue Plan, likely helped to prevent a spike in homelessness between 2020 and 2022. Homelessness grew by only 0.3% amidst a global pandemic. Family homelessness decreased by nearly 6%. Homelessness among unaccompanied youth decreased by 12%. And homelessness among veterans decreased by 11%—the largest drop in five years. Veteran

homelessness has now been reduced by 55% since 2010. We are once again bending the curve on homelessness, and we will continue to work to set the trajectory in the right direction—downward.

I thank this Committee for its deep concern for the national crisis of homelessness. And while the nation's homelessness crisis is dire, I hope that my testimony has shown that homelessness is solvable, and that it can be solved when we fully invest in Housing First interventions for all populations, continue to focus on outcomes and performance, and mobilize partnerships across all levels and sectors. With Congress' support, HUD has made progress in reducing homelessness before, and, together, we can do so again. As President Biden likes to say, "There is no problem that America cannot solve if we work together." Thank you for the opportunity to provide this testimony.