



New Federal Approaches to Combat Homelessness and Promote Affordable Housing

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CSH's Mission

CSH helps communities create permanent housing with services to prevent and end homelessness. We accomplish our mission through technical assistance, loans and grants.

14 offices in 12 states: RI, CT, NY, NJ, DC, IL, IN, MI, MN, OH, TX, CA. Expanding our “light-touch” work in other states.

Visit www.csh.org

Why do you care?

- Has your organization ever received McKinney-Vento funds?
- Are there homeless veterans in your community?
- Are Section 8 vouchers utilized in your community?

Members of Congress are concerned about global warming, HIV/AIDS, national health care, Iraq, gas prices. It's your job to tell them why they should be concerned about housing and homelessness!

Topics We'll Cover

- **McKinney-Vento Funding and HEARTH Act Implementation**
- **Federal Plan to End Homelessness**
- **National Housing Trust Fund**
- **Section 8 (including VASH and Demonstration vouchers)**
- **LIHTC**
- **Other Topics for Discussion?**
 - **Section 811/202**
 - **Affordable Housing Preservation**
 - **Veterans**
 - **Re-entry**
 - **Choice Neighborhoods**

Highlights of Congressional Action in the past year

New Housing Resources for Capital and Operating

National Housing Trust Fund

Stimulus Funds (HPRP, Tax Credit Exchange)

Annual Appropriations

McKinney-Vento Reauthorization

New Services Dollars

SAMHSA

Second Chance Act

Veterans (VASH and new VA services-only)

The HEARTH Act

Major Changes

- More Administrative Funding
- Emphasizes
 - Prevention
 - Rapid Re-Housing
 - Chronic homelessness
- Focus on Outcomes
- Rural Flexibility

**Courtesy of the National Alliance to End Homelessness

Overview

Timeline

- Most changes take effect in the NOFA released in Spring/Summer 2011
- Not this NOFA or the next (Spring or Summer 2010)
- Regulations on Definition just released, further regulations this summer
- Public comment period

Implications

1. More focus on preventing homelessness and reducing lengths of stay in homelessness.
2. Funding will focus on homelessness prevention, permanent supportive housing, and Rapid Re-Housing.
3. Bigger role for Collaborative Applicants

**Courtesy of the National Alliance to End Homelessness

Changes to the ESG (Formula) Program

Old

Name: Emergency Shelter Grants

Distribution: Formula to Cities, Counties, and States

Admin: Up to 5% for administrative expenses

Eligible Activities:

- Shelter renovating, rehab, conversion
- Operating Emergency Shelter (limit of 10% for staffing)
- Services in Shelter or for outreach (max. 30%)
- Prevention (limited, targets people with sudden loss of income, max 30%)

New

Name: Emergency Solutions Grants

Distribution: Same

Admin: Up to 7.5% for administrative expenses

Eligible Activities:

- Same as now plus HPRP activities (except that prevention has to target below 30% of AMI)
- No cap on prevention, services, or staffing
- Minimum of 40% must be for prevention and Rapid Re-Housing (with a hold-harmless provision)

**Courtesy of the National Alliance to End Homelessness

Continuum of Care (competitive) Program

Old

3 programs

- Supportive Housing Program (SHP)—including permanent supportive housing, transitional housing, safe havens, and supportive services only projects
- Shelter Plus Care (SPC)—rental subsidies for permanent supportive housing
- Mod. Rehab./SRO—seldom used, provides long-term rental subsidies for moderate rehabilitation of single room occupancy buildings

New

Single Continuum of Care program

- Includes all of the eligible activities of the 3 former programs
- More flexibility for mixing and matching eligible activities
- Explicitly specifies re-housing services as an eligible activity
- Up to 10 percent for admin. Costs (previous amount was 5% for SHP and 8% for SPC)
- Reasonable costs for staff training

**Courtesy of the National Alliance to End Homelessness

Rural Areas

Old

- Rural homelessness program was never funded.
- Rural Applicants were treated the same as other applicants

New

Rural Continuums of Care may apply for funding under a different more flexible set of conditions

- Allowed to serve people who are homeless or at risk of homelessness with their competitive funding
- May use up to 20% of funding for capacity building
- Compete with other rural programs for funding

Rural Areas

Rural area defined as—

- Being located in a rural state (Alaska, Idaho, Montana, Nebraska, Nevada, New Mexico, North Dakota, South Dakota, or Wyoming);
- Being a CoC with no Metropolitan Statistical Areas; or
- Being in a CoC with only a rural part of an MSA included in the boundary (HUD will provide more specific definitions later)

Definition of Homelessness/Eligibility

Old

Except for a small amount for prevention, homeless assistance could only serve homeless people which includes people living in the following places

- On the streets or in a place not meant for human habitation
- In an emergency shelter
- In a transitional housing program
- In housing, but being evicted within 7 days and not having resources or support networks to obtain housing
- Fleeing domestic violence

New

ESG funding can be used to serve people at risk of homelessness. All programs can serve homeless people, including those previously considered homeless and

- People who are losing their housing in 14 days and lack support networks or resources to obtain housing
- People who have moved from place to place and are likely to continue to do so because of disability or other barriers

Communities may use up to 10% (more in some cases) of CoC funds to serve people who are living doubled up, or in motels.

**Courtesy of the National Alliance to End Homelessness

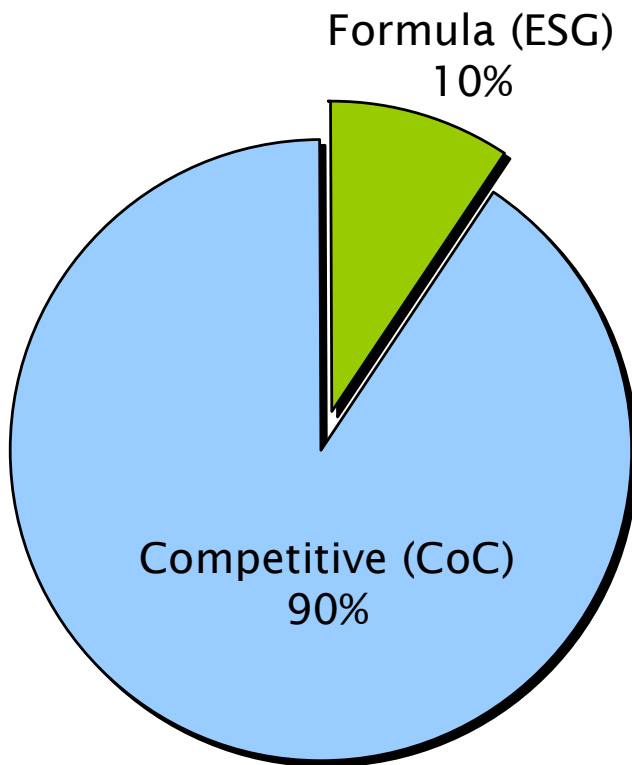
Additional Changes

- Bigger capital grants
- Non-competitive renewals for PSH
- 15-year contracts subject to funding for project-based PSH
- All Permanent Housing Activities are adjusted for inflation at renewal

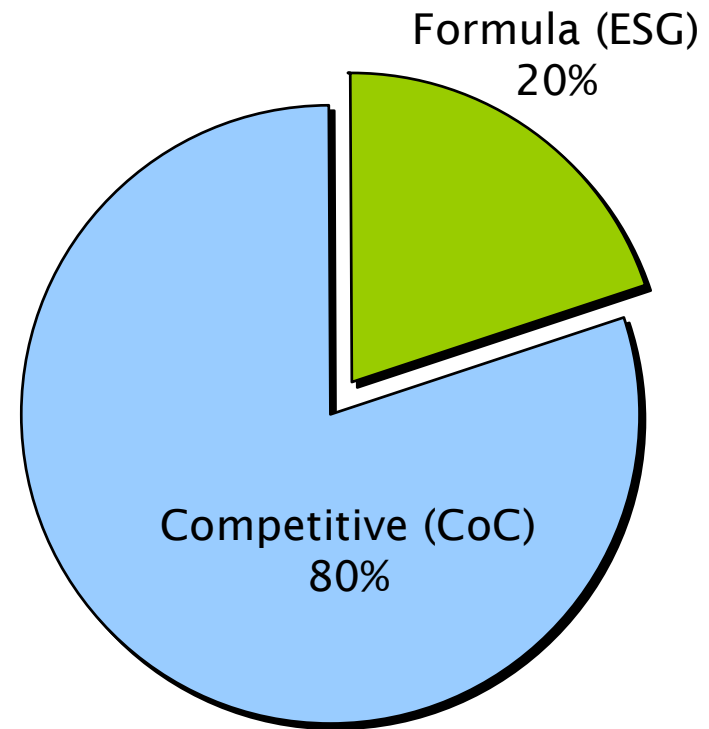
**Courtesy of the National Alliance to End Homelessness

Formula and Competitive Funding

Old (2008)



New



**Courtesy of the National Alliance to End Homelessness

McKinney-Vento Funding in 2011

- FY 2010 Appropriation: \$1.89 billion
- President's Budget: \$2.05 billion

HEARTH Changes Require More \$\$\$

- Additional funding towards ESG, admin, rural and renewals puts downward pressure on new CoC projects.
- \$2.4 billion is needed to keep same number of new CoC projects as in 2009 and fully implement HEARTH

Estimated McKinney Funding Scenarios in Michigan

	President's Request: \$2.05 billion	CSH Request: \$2.4 billion
Congress decides to abide by the HEARTH Act and fund ESG at 20% of the total McKinney funding	<p>Impact on ESG: Approx \$14.2 million.</p> <p>Impact on PSH: Approximately no new permanent housing in 2011, with possible difficulty in funding all renewals.</p>	<p>Ideal Scenario.</p> <p>Impact on ESG: Approx \$16.5 million. Would allow approximately 60% of current HPRP programs to continue.</p> <p>Impact on PSH: Approximately 20%-50% more "new" units than were awarded in 2008.</p>
Congress decides to follow the President's suggestion to fund ESG at \$200 million (~10% of McKinney)	<p>Impact on ESG: Approx \$7.1 million. Would only allow approximately 8% of current HPRP programs to continue.</p> <p>Impact on PSH: Approximately 20%-50% more "new" units than were awarded in 2008.</p>	Not a likely scenario.

Michigan received \$5.69 million in ESG in 2009. New CoC awards for 2009 have not yet been announced. In 2008, Michigan received \$5.73 million in ESG funding and \$60.37 million in CoC awards.

USICH and Federal Plan to End Homelessness

- U.S. Interagency Council on Homelessness has new leadership and structure.
- Working to complete the Federal Plan to End Homelessness & present to Congress by May 20
- Four key objectives:
 - 1) finish the job of ending chronic homelessness; 2) prevent and end homelessness among Veterans;
 - 3) prevent and end homelessness among families, youth, and children; and
 - 4) set a path to ending all types of homelessness.

Check out the “What we Learned” document at usich.gov

National Housing Trust Fund

- Enacted in July 2008, the fund seeks to fund the construction or rehabilitation of 1.5 million affordable housing units, targeting 75% of funds to those at or below 30% AMI
- Funding mechanism was a portion of Fannie Mae and Freddie Mac's new business, which has been suspended by the Regulator
- President's Budget included an allocation of \$1 billion, but did not specify where the money would come from.
- Advocates are pushing for inclusion in a "jobs" stimulus bill or any other "must pass" bill.
- National Low Income Housing Coalition seeking endorsements from organizations at www.nlihc.org.

Section 8

- President's Budget provides sufficient funding to renew all existing Housing Choice Vouchers
- Third round of HUD-VASH vouchers will be distributed this summer with bigger emphasis on project-basing. No funding in President's Budget but Congress may fund anyways.
- Section 8 Voucher Reform Act (SEVRA) may pass House soon, but will stall in Senate... again.

Section 8 – Housing and Services Demonstration

- President's Budget includes funding for 10,000 Housing Choice Vouchers connected to supportive services
 - 4,000 designed for the chronically homeless and will connect through Medicaid and \$16 million in grants through SAMHSA
 - 6,000 designed for homeless families and will connect services via TANF
- **Please call Senators and Members of Congress in support of this proposal. Potentially transformative source of funds.**

LIHTC

- Incredibly important source of funding for affordable housing that has been decimated in the current market.
- Advocates are looking to respond both by obtaining gap funding and by reinvigorating the market
- Tax Credit Exchange Program (9% credits) may be extended under current jobs legislation. It may be expanded to include 4% credits. Sander Levin is Chairman of the House Committee that will decide.
- 5-year carryback: Would allow investors to count credits looking back for 5 years of earnings
- **www.rentalhousingaction.org**

What Can You Do?

General Recommendations

- Make sure you are visiting your legislators at least once a year either in their local offices or in Washington, DC.
- Describe not only the extent of the problem of homelessness in your community, but also how your program and supportive housing in general can provide successful interventions.
- Understand what federal (vs. state) resources are most important to your program (ie. McKinney-Vento, LIHTC, Section 8), and research what existing proposals national advocates are pushing for. Describe the cost of your services versus the cost of inaction.
- Ask Legislators to either increase funding for specific programs, or make specific reforms to improve how federal programs operate.

Thank You!

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