

Veteran Homelessness Report

March 11, 2018

New VA Memo Nixes Plan To Shift \$460 Million Earmarked For Veteran Homelessness

VA issued a memorandum in early February 2018 that officially reverses plans to shift millions of dollars from a VA account dedicated to combating veteran homelessness.

Steve Young, VA deputy undersecretary for health, sent the memo to all VA network directors, homeless coordinators and medical center directors. It states the VA will not reallocate funds this fiscal year earmarked for a veteran housing program known as HUD-VASH, in which the VA provides case management for veterans who receive housing vouchers from the Department of Housing and Urban Development.

The memo eased concerns among advocates who help veterans get shelter through HUD-VASH. Advocates spoke out in December, 2017 when they became aware that VA Secretary David Shulkin planned to reallocate \$460 million specifically geared toward the program into hospitals' general-purpose accounts. Shulkin quickly backtracked after swift outcry from the advocates and lawmakers, but doubts lingered.

At the time, Kathryn Monet, chief executive officer of the National Coalition for Homeless Veterans, was still concerned the funding could be cut from HUD-VASH.

“The National Coalition for Homeless Veterans is pleased that the [VA] has announced a decision not to move HUD-VASH case management funding for the rest of the fiscal year,” she wrote in an email. “This commitment must remain in the years to come.”

Secretary Shulkin explained to Congress that his intent was to move funding from HUD-VASH into a general-purpose account to provide more flexibility for local leaders, who could then decide how to combat veteran homelessness in their geographical area.

Though the memo states the VA would not shift funding in fiscal year 2018, which ends September 30, there could be future changes.

According to a HUD report from December, there were 585 more homeless veterans at the beginning of 2017 than in 2016. It was the first increase of homeless veterans since 2010. Because of that, the HUD-VASH program needs a “reboot,” according to Secretary Shulkin.

It is quite likely that the veteran community would support more funding flexibility for local VA leaders but said there must be a process for garnering input before any changes are made. However, if the VA were to make changes, stakeholders should know beforehand. This would allow VA to carefully examine any changes it may propose to critical programs for homeless veterans to ensure there will be no unintended confusion for, or adverse impact on, the veterans these programs serve. Additionally, more transparency would provide our legislators the opportunity to be aware of potential changes as they are being proposed.

In the meanwhile, we will have to be alert for more proposals in the future to reallocate funds in FY 2019.

Federal Housing and Programs Slashed by President Trump's FY19 Budget

President Trump's FY19 budget announced on Monday, February 12, 2018, slashes the federal housing budget by \$8.8 billion.

Now is the time to work together to block housing cuts and harmful changes to federal and state programs that help struggling people afford health coverage, food, housing and other basic needs.

President Trump's FY19 budget request slashes federal housing benefits that help millions of low-income seniors, people with disabilities, families with children, low-wage workers, veterans, and other vulnerable people afford their homes.

The proposal includes severe funding cuts, as well as harmful rent increases and arbitrary work requirements that would leave even more low-income people without a stable home, undermining their ability to live with dignity and climb the economic ladder to achieve financial security.

Overall, the Administration proposes to cut the U.S. Dept. of Housing and Urban Development (HUD) by an astounding \$8.8 billion or 18.3-percent compared to the 2017 enacted levels.

In an addendum stemming from the bipartisan budget agreement, the president suggests that \$2 billion above his request could be added back in for a final proposed cut of \$6.8 billion.

Such a reduction could lead to at least 200,000 housing vouchers being lost, as well as the elimination of public housing resources and funding used by state and local governments to address their pressing housing and community development needs.

Affordable housing programs are already facing a crisis of being underfunded. Across America, only one in every five families in need of housing assistance receive the help that they need. Those receiving affordable housing subsidies literally won a housing lottery. Over 8 million deeply poor households receive no assistance and live in housing poverty. These families and individuals are one illness, one broken-down car, one missed day of work away from homelessness. They face threats of eviction and poor housing conditions and are severely cost-burdened, paying over half of their limited incomes towards rent each month.

The administration also proposes to cut housing benefits by increasing rents on low-income families receiving federal housing assistance and by allowing housing providers to broadly impose administratively burdensome and wasteful work requirements, without sufficient resources to help people gain the skills they need for well-paying job.

NJ Counts 2018

New Jersey's annual Point-In-Time (PIT) Count of the Homeless, provides a statewide snapshot of homeless households in our communities; where they find shelter, what their needs are, and what factors contribute to making them homeless. The 2018 Count reveals important demographic and other information about families and individuals who were homeless on the night of Tuesday, January 24th, 2018 and was carried out with the help of government agencies, community-based organizations, and local volunteers.

Connecting Research to Practice: Homelessness Among Recent U.S. Veterans

Media and advocacy outlets have expressed alarm about homelessness among post-9/11 era veterans, with little systematic research available to evaluate these claims and to offer an empirically-based profile of the nature and extent of homelessness. In this webinar, Dr. Stephen Metraux of the National Center on Homelessness among Veterans will draw upon research, media and advocacy accounts to identify the factors that are particular to homelessness among this most recent cohort of veterans, with a particular focus on defining military-based factors of this era and broader systemic forces that were formative to their experiences after returning to civilian life.

These factors interact to create a set of circumstances that do not appear to currently create substantially elevated rates of homelessness among post-9/11 veterans, but potentially do warrant policy attention and interventions in specific areas, as well as further monitoring of homelessness risk over the cohort's collective life course.

Join the meeting Tuesday, March 13, 2018, 1:00-2:00 pm EDT online at <http://va-eerc-ees.adobeconnect.com/research2practice/>
Call 800-767-1750 and use access code 92715# for the audio.

Housing Instability among Women Veterans Accessing Care through the Veterans Health Administration

New research brief from the National Center on Homelessness among Veterans

While the Veterans Health Administration (VHA) provides a continuum of housing and supportive services to address housing instability, little research has focused specifically on the population of women veterans who are engaged with VHA health care services and are experiencing housing instability. Specifically, there is limited information about how the needs of women veterans who have experienced housing instability may differ from those who have not. The objective of this research brief is to explore the sociodemographic characteristics and health services use among women veterans who have an indicator of housing instability in their VHA medical records, how they may vary from their stably housed counterparts, and what that means for services provision and future research.

The VA National Center on Homelessness among Veterans has produced a research brief, *Housing Instability among Women Veterans Accessing Care through the VHA*, by Dr. Dorota Szymkowiak and Dr. Ann Elizabeth Montgomery.

U.S. Department of Housing and Urban Development Continuum of Care Grants

The U.S. Department of Housing and Urban Development awarded a record \$2 billion in Continuum of Care grants across 7,328 local homeless assistance programs in January, but the funding won't necessarily offset losses some communities experienced after the department's summer voucher freeze.

Programs that benefit from the grants provide direct housing and services to tens of thousands of temporarily and chronically homeless people. In cities like Chattanooga,

Tennessee, where veterans homelessness was effectively ended, HUD’s 2017 budget cuts are now being blamed for vets ending up back on the streets.

Some city officials have begun to question the agency’s commitment to housing-first homeless assistance, though HUD Secretary Ben Carson has continued to tout the strategy. Secretary Carson encouraged state and local planners to innovate within their best-performing programs, particularly during the cold winter months.

“Stable housing is critically important to health,” Carson said. “We must focus on the need to support the very best interventions.”

U.S. Interagency Council on Homelessness Executive Director Matthew Doherty said CoCs can more effectively use HUD funding, though that’s not the full answer.

Business and civic leaders, schools, employers and faith leaders must also be engaged around homelessness, he said.

The largest federal competition for grant funding with the greatest number of applicants, HUD’s McKinney Homeless CoC challenge employed a new model helping unsheltered people access short-term emergency bridge housing.

HUD determines CoC grant awards by looking at how much funding communities need to continue operating current projects, performance, strategic plans, and partnerships. CoCs receive more or less than their baseline amount depending on adoption of best practices and adjustment for housing costs. California received the most in awards, \$382.6 million across 900 local programs, and Wyoming the least, \$292,329 across five.

New Jersey FY 2018-2019 Annual Action Plan

The State of New Jersey is in the process of developing its FY 2018-2019 Annual Action Plan (2018 Action Plan). The 2018 Annual Action Plan outlines how the State will allocate its funding from the U.S. Department of Housing and Urban Development (HUD) for the next fiscal year (July 1, 2018 through June 30, 2019).

In accordance with the rules and regulations of the U.S. Department of Housing and Urban Development (HUD), the State of New Jersey must prepare a Consolidated Plan to receive federal funding for the following housing and community development programs:

- Community Development Block Grant Program (CDBG)
- Emergency Solutions Grant (ESG)
- HOME Investment Partnerships Program (HOME)
- Housing Opportunities for Persons with AIDS (HOPWA)
- Housing Trust Fund (HTF).

The 2018 Action Plan is the annual update to the 2015-2019 Consolidated Plan which was approved by HUD on September 30, 2015. The 2018 Action Plan will provide a summary of actions and activities that will occur next fiscal year to address the goals identified in the 5-year Consolidated Plan.

The following are the 2015-2019 Consolidated Plan’s Five-Year Goals:

Goal	Increase the supply of affordable housing
Description	The State will provide funding for new construction and rehabilitation of rental

	and owner units. These activities will help increase the supply and quality of affordable housing including accessible housing for very low-income and low-income households
Goal	Assist homeless households
Description	The State will provide homeless prevention and rapid re-housing funds to those in or at risk of becoming homeless and tenant-based rental assistance to individuals diagnosed with HIV/AIDS. Also, the State will provide funds to emergency shelters and transitional housing facilities to address life safety issues and improve the living conditions of the residents. The State will also support local jurisdictions' planning process to reduce and end homelessness
Goal	Revitalize municipalities (small cities)
Description	The State will provide funding to support the replacement or reconstruction of deteriorating infrastructure and the construction of essential community facilities such as youth centers
Goal	Neighborhood rehabilitation
Description	The State will provide funding to rehabilitate low-income homeowners housing
Goal	Expand homeownership opportunities for low and moderate-income families
Description	The State will provide funds to increase housing options for low- and moderate-income families. The funding for this goal is from the New Jersey Housing and Mortgage Finance Agency's 100% Financing Program. The program's five-year allocation is \$50 million.
Goal	Foster community economic development
Description	The State will support community and economic development programs that expand business enterprises and increase job opportunities for low- and moderate-income households
Goal	Sandy Revitalization
Description	Superstorm Sandy disaster recovery and rebuilding activities.
Goal	Affirmatively further fair housing
Description	Affirmatively furthering fair housing opportunities

Affordable Homes Will Make New Jersey a State That Thrives Because We Can All Afford to Call Home

On Saturday February 24, 2018, the Star-Ledger featured a guest column by Staci Berger, urging the Governor Phil Murphy and the State of New Jersey to “Create affordable homes, boost the economy.”

Berger is the President and CEO of the Housing and Community Development Network of New Jersey.

“The Housing and Community Development Network of New Jersey (the Network) has proposed a plan to invest in proven mechanisms that can turn our economy around; 104 nonprofit community developers and housing advocates have endorsed a set of recommendations aimed at addressing affordability and boosting the state’s economy.

They focus on six areas including: producing more affordable homes and improving neighborhoods, reducing the impact of foreclosures, preventing and ending homelessness,

fostering healthy homes and communities, supporting the critical role played by the non-profit sector in both keeping people in a home and providing affordable homes, and tenants' rights. Specifically, advocates are urging Gov. Phil Murphy and legislative leaders to restore \$600 million annually into a strategic set of housing and community investments that have been siphoned away in recent years."

New Jersey faces an affordable housing crisis exacerbated by its high foreclosure rate and increasingly high rents.

It has been stated that many residents are struggling to make ends meet and when people are barely able to afford their rent or mortgage, they don't spend on activities that stimulate the economy. New Jersey has plenty of luxury homes but we need more modest affordable rentals and starter homes for our diverse population. Making investments that create affordable homes and revitalize communities delivers big returns. Creating affordable housing helps states' economies.

Recently, the National Association of Home Builders found that building 100 multi-family homes generates \$11.7 million in local income, \$2.2 million in taxes and other revenue for local governments, and 161 local jobs in the first year. Another investment making big returns is the Neighborhood Revitalization Tax Credit (NRTC) program. This \$10 million dollar per year program leverages over \$5 per dollar invested in some of New Jersey's most distressed communities. Since its inception in 2002, it's generated 2,524 jobs and over \$3.9 million in property taxes. Imagine what can be accomplished if New Jersey were to expand that program.

During his campaign, candidate and now Governor Murphy outlined a plan to make home-ownership in the state more affordable and accessible; pledging to end the practice of diverting affordable home funding to other parts of the state budget, to expand counseling programs to keep people in their homes and repurposing foreclosed properties as affordable homes, and to increase tax credits to create new homes.

Urge Congressman Rodney Frelinghuysen to Increase Federal Homeless Program Funding by \$217 Million

At this point in the Appropriations process, House Appropriations Chair Rodney Frelinghuysen (NJ-R-11) can have a giant impact on how federal funds get spent on over the rest of Fiscal Year 2018. The Transportation and Housing and Urban Development (T-HUD) bill needs a \$217 million increase to expand the capacity to meet the needs of the homeless population and prevent homelessness.

An opportunity for this increase opened last week when Congress increased the overall spending cap levels for Non-Defense Discretionary appropriations. After a series of delays, continuing resolutions, and even a brief government shut down, Congress reached a deal on the Fiscal Year 2018 budget that also raised the spending cap for defense programs.

Critical HUD programs include:

- Funding for Homeless Assistance,
- Tenant-Based Rental Assistance (Section 8 Vouchers) and
- HUD-VA Supportive Housing Program Vouchers.

Increasing funding for the McKinney-Vento Homeless Assistance Grants by \$217 million, to a total of \$2.6 billion for FY 2018, would allow 40,000 additional people to

move from homelessness into housing, enough to match the increasing number of people losing housing and becoming homeless.

As the chair of the House Appropriations Committee, Congressman Frelinghuysen will be deciding, together with his counterpart in the Senate, how much money each subcommittee gets.

If you live in or work in Congressman Frelinghuysen's district, the 11th Congressional district, now is the time to email Congressman Frelinghuysen's office and stress the importance of increased funding for HUD programs. Your voice can have an impact!

The line items in the federal HUD budget affected by New Jersey's rapidly rising rents and affordable housing crisis are especially important. It is critical that funding for homelessness programs is increased by \$217 million. The increase in funding will assist the large number of people who are expected to become homeless next year due to rising rents and evictions. Communities need funding for tools to prevent homelessness from rising in the face of more people being priced out of rental markets.

Renting?

Currently there are more renters than at any time prior in New Jersey, as home ownership has declined. However, renting in the Garden State, where rents are among the most expensive in the nation, is no bargain either.

With that in mind, NJ Advance Media analyzed Census data to find out in which New Jersey towns spend the largest percentage of their household income on rent, or where the rent burden is highest. The results were interesting.

In New Jersey, residents spend a median of 31.8 percent of their household income on rent, the seventh highest in the nation. According to federal guidelines, if you pay more than 30 percent of your household income on rent, you are considered overburdened on rent.

Even before Congress passed a \$1.5 trillion tax cut this past December, the demand for affordable rental housing far exceeded the supply. For every 100 renters who fit the federal government's definition of "extremely low income," only 35 units were available.

Congress offers some money for people who can't cover the full cost of rent, but that, too, is inadequate: A recent study found that federal housing assistance goes to fewer than one in five of those who qualify. And now, because of the new tax law, the affordable housing shortage is expected to get worse.

Our nation will build nearly 235,000 fewer affordable rental units in the next decade as a result of Congress diluting tax incentives that fueled the construction and rehabilitation of low-cost rental housing. Considering how severe the affordable housing shortage is already, this is moving in the wrong direction.

The primary way that all levels of government (federal, state and local) facilitate the production of affordable housing is through the federal Low Income Housing Tax Credit, which Congress created in its last major tax package under President Ronald Reagan. Between 1995 and 2015, the tax credit spurred the creation of more than 2 million affordable housing units, according to the U.S. Department of Housing and Urban Development (HUD).

The Tax Cuts and Jobs Act that Congress passed just before Christmas, however, makes that tax credit less attractive. Now that the corporate tax rate is only 21 percent (down from 35 percent), affordable housing investors (which are mostly banks) will owe significantly less in taxes and have less of a need to buy tax credits from developers.

The effect was visible even before the law passed. Housing finance experts attribute last year's drop in the average price per credit to the election of Donald Trump. They say the market was already anticipating that Congress would overhaul the tax code and thus reduce the credits' value to banks. As the price drops, the credits become less helpful to developers who are trying to raise money from private investors for affordable housing projects.

In 2016, the average monthly price of a credit ranged from \$1.01 to \$1.06, according to Novogradac & Company, a national accounting firm. But from February through November of 2017, it ranged from 91 cents to 93 cents. In December, the price dropped again to 89 cents.

The diminished tax credit could be the beginning of more federal changes that would worsen the affordable housing shortage.

For example, the White House budget calls for a 14 percent reduction at the U.S. Department of Housing and Urban Development and the elimination of the Community Development Block Grant program and the HOME Investment Partnership Program -- two block grants that help state and local governments build affordable housing. The White House has also asked Congress to allow work requirements for federal housing assistance programs, which would limit the number of low-income people eligible for rental aid.

The White House budget, in its own words, "devolves responsibility to State and local governments, which are better positioned to assess local community needs and address unique market challenges."

To justify those and other cuts to government programs, the Trump administration cites the \$1.5 trillion that the GOP tax law will add to the national debt.

Both the tax law and the White House budget come at a time when there is a need for more affordable housing, not less.

The best foreseeable hope for sweetening the value of the housing credits comes in this month, when Congress faces a deadline to pass a long-term spending plan. An early version of the short-term spending deal passed in February included provisions from a bill last year that would have increased the size of the credit, but it wasn't included in the final deal.

The bill, however, had bipartisan support. It was sponsored by U.S. Sen. Maria Cantwell, a Democrat from Washington state, and supported by Utah Republican Sen. Orrin Hatch, the chairman of the Senate Finance Committee. If Congress doesn't enhance the tax credit in the upcoming budget deal, affordable housing advocates will continue to push for some kind of legislative fix.

The task is to figure out how to make Low Income Housing Tax Credits more attractive again.

One such bill, the Affordable Housing Credit Improvement Act of 2017 (S.548) amends the Internal Revenue Code, with respect to the low-income housing credit, to rename the credit "the affordable housing credit" and make several modifications to the credit.

The bill increases state allocations for the credit and modifies the cost-of-living adjustments. It also revises tenant eligibility requirements, with respect to:

- the average income test,
- income eligibility for rural projects,
- increased tenant income,
- student occupancy rules, and
- tenant voucher payments that are taken into account as rent.

The bill revises various requirements to:

- establish a 4% minimum credit rate for certain projects,
- permit relocation costs to be taken into account as rehabilitation expenditures,
- repeal the qualified census tract population cap,
- require housing credit agencies to make certain determinations regarding community revitalization plans,
- prohibit local approval and contribution requirements,
- increase the credit for certain projects designated to serve extremely low-income households,
- increase the credit for certain bond-financed projects designated by state agencies,
- increase the population cap for difficult development areas, and
- eliminate the basis reduction for affordable housing properties that are allowed the credit and receive certain energy-related tax credits and deductions.
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The bill also modifies requirements regarding the reconstruction or replacement period after a casualty loss, rights related to building purchases, the prohibition on claiming acquisition credits for properties placed in service in the previous 10 years, foreclosures, and projects that assist Native Americans.

New Jersey Senator Cory Booker is one of 22 bipartisan cosponsors of this legislation.

Report of the Housing Transition Advisory Committee

On January 26, 2017, New Jersey Governor Murphy and Lieutenant Governor Oliver released their gubernatorial transition team's transition reports.

According to the press release, the reports are "A reflection of the substantive debate and discussion within each committee during the transition process. The reports are committee-specific and provide a strong policy framework for the Murphy-Oliver administration."

The Housing Policy Group recommended the following priorities:

Commit to address the state's housing crisis through statewide coordination and policy

Incentivize housing production

Reduce barriers to creating housing

Provide legal assistance to individuals facing eviction and/or foreclosure

End homelessness in New Jersey

Combat the foreclosure crisis

More specifically, under ending homelessness in New Jersey, "New Jersey can seek to end homelessness by setting a progressive Housing First policy."

Suggested actions include:

Directing New Jersey to operate as Housing First, prioritizing permanent housing for all

Vietnam Veterans of America New Jersey State Council Veteran Homelessness Committee

Developing responsive bureaucracy with authority to create a collaborative approach to homelessness

Endorsing legislation to allow counties to increase Homeless Trust Funds

Banning tenant "Blacklisting"

The word veteran does not appear anywhere in this report.

The Report of the Military and Veteran Affairs Transition Advisory Committee listed as a priority a goal to set a statewide goal to reduce veteran homelessness to "functional zero". The report referenced the 2009 legislation that required the federal Interagency Council on Homelessness to develop "Opening Doors" as the first national plan to combat homelessness. "Opening Doors" outlined the federal government's commitment to make homelessness a priority for all federal agencies and to partner with states, localities, private organizations and other stakeholders to make existing homeless programs more effective and efficient by using strategies that already have proved to be successful, most notable among these efforts is combining housing and supportive services for the chronically homeless.

The report stated "Functional Zero" is reached when the number of Veterans who are homeless, whether sheltered or unsheltered, is no greater than the monthly housing placement rate for Veterans.

The report provided a number of misstatements about Veterans Haven-North and Veterans Haven-South.

The report recommended setting a Statewide goal by Executive Order to get veteran homelessness to "functional zero" within one year by focusing on residential job training and active outreach (Veterans Haven, Stand Downs for homeless Veterans).

The report stated "one of the benchmarks was to include Veterans experiencing long-term homelessness as well as chronic homelessness to make it clear that no Veterans, with few and rare exceptions, can remain homeless for extended periods of time. In 2016, according to the federal Department of Housing and Urban Development, Bergen County became the first county in New Jersey to end chronic Veteran homelessness."

The report suggested the Governor should continue to use Veterans Haven and DMVA resources to continue the national progress of the Obama Administration to end Veteran homelessness across the State.

As to cost, the report stated "This initiative should be coordinated with the Housing Policy Group, and should be complementary with its objectives, which also include ending homelessness."

I will let you draw your own conclusions here.

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