

FY 2018 Appropriations: HUD's Homeless Assistance Grants Federal Policy Update, July 2017

Program Overview

HUD's McKinney-Vento Homeless Assistance Grants program has proven to be effective at solving homelessness, a problem that victimizes more than half a million vulnerable Americans on any given night. Without a stable home, it is difficult for families to maintain employment and provide for their young children. It is challenging for people to address health, mental health, and addiction issues. People who are homeless are frequently victims of crimes.

All of this takes its toll. Homeless children have poor health and school performance, and an increased risk of future homelessness. Many people cycle through costly emergency systems to meet their acute needs. Homeless people are three to four times more likely to die prematurely and have a much shorter life expectancy than housed people. Youth abandoned by their parents are physically harmed and traumatized by sex traffickers.

Fortunately, **we know how to solve the problem of homelessness**. Thanks to smart, innovative work in the field, incentivized and supported by Congressional leaders on both sides of the aisle, homeless assistance systems across the country have improved their ability to quickly respond to housing crises, get people back into housing, and connect them with community-based services to ensure that homelessness is rare, brief, and non-recurring. As a result, homelessness has decreased by 15 percent since annual counts of people experiencing homelessness began in 2007. Communities across the country are announcing that they have ended veteran and chronic homelessness.

HUD's Homeless Assistance Grants account funds the **Emergency Solutions Grant (ESG) formula grant** program and the **competitive Continuum of Care (CoC)** program. Together, these programs fund the activities that comprise communities' homeless crisis response systems. The ESG grant funds street outreach, homelessness prevention and diversion, emergency shelter, and rapid re-housing. The CoC program funds permanent supportive housing, rapid re-housing, transitional housing, and coordinated entry.

- **Street Outreach.** Outreach workers connect people to coordinated entry, emergency services, and shelter.
- **Diversion and prevention.** Prevention assistance can aid households in preserving their current housing situation while diversion prevents homelessness by helping people identify immediate alternate housing arrangements.
- **Emergency shelter.** People experiencing a housing crisis or fleeing an unsafe situation need to find a place to stay, quickly. Emergency shelter and interim housing can fill this role. These interventions should be low-barrier.
- **Permanent supportive housing.** Ending chronic homelessness (long-term homelessness among people with disabling conditions, including mental illness and addiction) has long been a bipartisan goal. Progress has recently slowed due to a shortage of funding for highly effective permanent supportive housing (a housing subsidy coupled with supportive services). Investing in permanent supportive housing is cost-effective and impactful.
- **Rapid re-housing.** The vast majority of people become homeless as the result of an economic crisis. Rapid re-housing works with landlords to help people locate appropriate housing, provides short-term financial support, and helps them stay in the housing through connection to supportive services they may need, largely focused on employment. It is an extremely cost-effective permanent housing solution.

Current Status

HUD's McKinney-Vento Homeless Assistance Grants program received \$2.383 billion in fiscal year (FY) 2017. The Administration asked for \$2.250 billion for this program in its FY 2018 Budget Proposal, a \$133 million decrease from the FY 2017 level. The House recently included \$2.383 billion for this program in its FY 2018 T-HUD Subcommittee bill, flat funding from FY 2017.

Recommendation

Congress should invest in proven solutions to homelessness by providing at least \$2.6 billion for Homeless Assistance Grants in FY 2018. This represents a \$217 million increase over the FY 17 level, which would end homelessness for 40,000 more people, allowing communities to keep up with rising number of people losing their housing due to increasing rents.