

FY 2019 Appropriations:

Ensuring More Adequate Funding for HUD's Homeless Assistance Grants

The principal source of federal funding to fight homelessness is the Homeless Assistance Grants (HAG) account, which funds the Continuum of Care and the Emergency Solutions Grant programs. This account, currently funded at \$2.636 billion, supports a nationwide network of state, local, charitable, and faith-based providers of homeless assistance who make sure that people who become homeless will be identified, kept safe, and quickly returned to housing.

Despite the modest investments in these programs, they have been successful at reducing the number of Americans experiencing homelessness, particularly for families and veterans. But with the on-going affordable housing crisis pushing more Americans into homelessness, the Alliance has urged the Administration and Congressional lawmakers to provide the HAG program with \$3 billion in funding in Fiscal Year (FY) 2020.

Program Overview

The HAG programs were established by the McKinney-Vento Homeless Assistance Act of 1987, as revised by the Homeless Emergency Assistance and Rapid Transition to Housing (HEARTH) Act of 2009. Most funding is awarded competitively through the Continuum of Care (CoC) programs to state or local governments or nonprofits. Approximately \$280 million is awarded by formula to state and local governments for the Emergency Solutions Grant (ESG) program.

The CoC program funds:

Rapid re-housing: This intervention works with landlords to help people locate appropriate housing, provides short-term financial support, and helps people stay in the housing through the supportive services they may need, largely focused on employment.

Permanent supportive housing: This provides a permanent rental subsidy with intensive supportive services connected to medical care, with a focus on people experiencing chronic homelessness (long-term homelessness among people with disabling conditions, including mental illness and addiction).

Transitional Housing (TH): TH is designed to provide homeless individuals and families with the interim stability and support to successfully move to and maintain permanent housing.

Coordinated entry: An effective coordinated entry process ensures that people with the greatest needs receive priority for any type of housing and homeless assistance available in the CoC.

Initiatives to improve systems: Congress sometimes includes funds for a small number of communities to coordinate the homelessness system with other systems to reduce homelessness for a specific population. Such initiatives are currently under way for youth through the Youth Homelessness Demonstration Program (YHDP), and for domestic violence survivors.

The ESG formula grant funds emergency shelters, as well as work to reach out to people who are homeless and move them into housing situations that do not require a permanent housing subsidy.

These programs balance local control with an insistence on evidence-based practices and results. HUD uses research and data to establish criteria for the CoC competition based on cost-effectiveness and performance, while states and localities determine which evidence-based interventions are most needed, and who in the community should be funded to carry them out.

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Current Status

For FY 2019, HAG was funded through the Transportation-HUD Appropriations bill at \$2.636 billion, the fourth year in a row of \$100-million-plus annual increases. For FY 2020, the Alliance seeks \$3 billion for HAG, to address rapidly growing need brought about by rising rents and evictions, and in recognition of the strong results these programs achieve.

Alliance Recommendation	Administration	House THUD	Senate THUD	Actual
\$3.0 billion	\$2.59 billion	\$2.8 billion	TBD	TBD

Of note, strict federal spending caps are scheduled to be imposed in FY 2020, pursuant to a 2011 law, which would require broad based cuts of \$125 billion across the budget. The House T-HUD appropriations bill assumes that these caps will be raised by a modest amount. Without an increase, it is unlikely that Congress will be able to provide anywhere near the amount needed for HAG or other HUD programs.

Recommendation

Ultimately, lawmakers should raise the sequestration spending caps and urge their colleagues on the House and Senate Appropriations Committees, particularly the THUD Subcommittees, to provide a \$3 billion appropriation for HAG.

This increase of \$364 million is larger than usual, but is necessary and appropriate because of rapidly increasing demand on local homelessness systems, due to the acute shortage of affordable housing nationwide, and due to the proven effectiveness of the programs and systems funded by HUD's Homeless Assistance programs.



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