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**House Financial Services Committee, Subcommittee on Housing and Insurance
“The Future of Housing in America: Federal Housing Reforms that Create Housing
Opportunities”
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Thank you Chairman Luetkemeyer and Ranking Member Cleaver for giving me the opportunity to testify on behalf of the Corporation for Supportive Housing (CSH). I have worked on affordable housing policy for ten years, focusing on improving existing programs to better serve extremely low-income households.

CSH is supportive of H.R. 3700, the Housing Opportunity Through Modernization Act. The bill encompasses many changes to HUD programs that CSH has supported in previous bills. I will focus my testimony on the changes that Section 106 makes the PHA Project-Based Voucher assistance and the changes Section 110 makes to the Family Unification voucher program.

CSH is a national nonprofit organization that helps communities develop supportive housing and reorient systems to improve resource allocation to create and sustain evidenced-based solutions that assist extremely low-income households achieve stability through housing and services. Through CSH’s technical assistance and training and our Community Development Financial Institution (CDFI) has helped communities create and develop supportive housing for populations with substance use addiction, mental health illness, homeless veterans, families involved with child welfare, individuals exiting the criminal justice system and homeless young adults. Supportive housing is affordable housing combined with stabilizing services to help families and individuals address their disabling conditions while living in safe apartments.

Section 106, PHA Project-Based Voucher Assistance:

The Project-Based Voucher (PBV) program is a valuable tool to create housing for higher-need populations who need supportive services in order to remain stably housed. PBVs help owners leverage outside financing to create and maintain affordable housing in their community, it promotes income-mixing and provides tenants mobility options as their housing and service needs change.

The project-base voucher program is not only a critical supportive housing development tool, but it creates housing opportunities for individuals and families that have high barriers to accessing stable, affordable housing. But PHAs like the Columbus Metropolitan Housing Authority, are using the project-based vouchers to create supportive housing units for individuals with high barriers to housing, including homeless families and individuals and those with chronic mental health conditions. The St. Paul Public Housing Agency in Minnesota has 259 project-based voucher units under contract that served households that have experienced homelessness, including homeless young adults who have exited foster care and homeless individuals recovering from chemical dependency.

H.R. 3700 allows PHAs to serve additional high-need households, including homeless households, persons with disabilities and seniors by modifying the percentage limitation of authorized vouchers a PHA can project-base. The bill enable PHAs to provide an additional 10 percent of its authorized vouchers as project-based assistance to serve homeless individuals and families, veterans, households with persons with disabilities or to create affordable housing in high-cost, low-vacancy areas. This change will facilitate increased development of supportive housing units for higher-need populations and also promote community partnerships between the PHA, local Continuum of Care (CoC) and service providers.

Additionally, H.R. 3700 would explicitly allow PHAs to project-base HUD-Veterans Affairs Supportive Housing (HUD-VASH) and Family Unification program (FUP) vouchers. CSH supports this change and believes that it will enable PHAs to create dedicated affordable units within their community to serve homeless veterans and families with child welfare involvement or youth that have left foster care. PHAs that administer these two special purpose voucher programs should be able to respond to the affordable housing needs of these targeted populations, as they are able to do with regular Housing Choice Vouchers.

Finally, the project-base voucher provisions modify the income mixing requirements to better reflect the rental housing needs in a given housing market. For example, most multifamily rental housing properties located in rural communities are small properties. Under the current income mixing requirements, a small rural property that has eight units would only be allowed to have two project-based vouchers serving extremely low-income households. This restriction would be the same for housing in low-poverty areas. The bill makes important changes that would create additional affordable housing opportunities in low-poverty areas and also make it easier to develop affordable rental housing in rural communities with project-based vouchers.

Section 110, Expanding the Family Unification Program (FUP)

The Family Unification Program (FUP) is an important tool that serves families that have involvement with the child welfare system and young adults that have left foster care. In 2014, nearly 23,000 young adults age out of foster care. One in five youth that age out of foster care will experience homelessness within a year after leaving care and one in four become involved in the justice system within two years of leaving care.¹ The vouchers for youth that have left care can provide a stable housing solution as they transition to independence. However, the current limitations on the vouchers targeting youth that have left care can make it difficult for a young adult to find housing, for a PHA to administer the voucher and may not provide adequate time for young adults to engage in meaningful service programming that will result in independent living and future housing stability.

We greatly appreciate your consideration of modifications to the Family Unification program in order for it to be a more effective tool for transition age youth and support the proposed changes to Section 110 of H.R. 3700:

- Extending the age eligibility for FUP vouchers that serve young adults leaving care from 21 to 24;
- Extend housing assistance for youth receiving the FUP voucher from 18 to 36 months;

¹ *Statistics on Foster Care*, Foster Club, accessed on October 20, 2015, <https://www.fosterclub.com/article/statistics-foster-care>

- Allow FUP voucher assistance to begin 90 days prior to a young adult leaving foster care (either through emancipation process or aging out), and incorporate the assistance into young adults' transition plan to reduce lapses in housing;
- Including language requiring HUD and HHS to issue joint guidance to both PHAs and PWCAs (public child welfare agencies) on how to improve the referral process for the FUP voucher and identify eligible recipients of FUP, align program goals and reduce lapses in housing for young persons that have been involved in foster care; and

The underlying bill would extend eligibility for 16 and 17 year olds that have left foster care. CSH has expressed concern about this provision and greatly appreciates Chairman Luetkemeyer's consideration of alternative language that would further the goals of reducing lapses in housing for young adults leaving state care and improving FUP voucher utilization for transition age youth.

Finally, the Family Unification program has great potential to significantly reduce the placement of children into the foster care system and reduce the number of days that children are separated from their families. By addressing the housing and service needs of homeless families that are involved with child welfare, there is the potential of preventing future adult homelessness and saving millions of dollars to the child welfare system. Many studies have illustrated the relationship between being in out-of-home care as children or youth and being homeless later in life.² In the current, *Supportive Housing for Child Welfare Involved Families Demonstration* funded by the Administration on Families and Children, 22 percent of the families in the supportive housing treatment group had foster care involvement as children and later became homeless adults with children. We also know that the cost of homelessness far exceeds the cost of supportive housing as an intervention. In CSH's *Keeping Families Together*, a supportive housing intervention for 29 families that had continued involvement with child welfare, the avoided costs of foster care and shelter utilization offset 97% of the costs associated with the supportive housing.³ Another evaluation of a family supportive housing program in Sacramento, California found that county child welfare costs were reduced by over \$1 million because of the reduction in out-of-home care.⁴ This is a perfect example of where a small investment in a housing program can produce large increases in savings to other crisis systems.

Conclusion

H.R. 3700 incorporates many provisions that have enjoyed broad support by a vast group of housing stakeholders. The bill makes important changes to existing programs that will make it easier for housing providers to serve higher-need households and increase housing opportunities for extremely low-income individuals and families. CSH looks forward to working with the Chairman and Ranking Member, as well, as the rest of the House Financial Services Committee to pass this important piece of legislation.

² *Supportive Housing for Homeless Families: Foster Care Outcomes and Best Practices*, Sierra Health Foundation and Cottage Housing Incorporated (May 2013).

³ *Is Supportive Housing a Cost Effective Means of Preserving Families and Increasing Child Safety? Cost Analysis of CSH's Keeping Families Together Pilot* (November 2010), <http://www.csh.org/resources/keeping-families-together-cost-analysis>

⁴ Sierra Health Foundation and Cottage Housing Incorporated (2013), page 2.