

**HOUSING CHOICE VOUCHER PROGRAM:
AN OVERSIGHT AND REVIEW OF
LEGISLATIVE PROPOSALS**

HEARING
BEFORE THE
SUBCOMMITTEE ON
HOUSING AND INSURANCE
OF THE
COMMITTEE ON FINANCIAL SERVICES
U.S. HOUSE OF REPRESENTATIVES
ONE HUNDRED FIFTEENTH CONGRESS
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HOUSING CHOICE VOUCHER PROGRAM: AN OVERSIGHT AND REVIEW OF LEGISLATIVE PROPOSALS

Tuesday, April 17, 2018

U.S. HOUSE OF REPRESENTATIVES,
SUBCOMMITTEE ON HOUSING
AND INSURANCE
COMMITTEE ON FINANCIAL SERVICES,
Washington, D.C.

The subcommittee met, pursuant to notice, at 2:07 p.m., in room 2128, Rayburn House Office Building, Hon. Sean Duffy [chairman of the subcommittee] presiding.

Present: Representatives Duffy, Ross, Pearce, Posey, Luetkemeyer, Stivers, Hultgren, Rothfus, Zeldin, Trott, Cleaver, Velazquez, Beatty, Kildee, and Kihuen.

Also present: Representatives Hensarling, Barr, Waters, and Green.

Chairman DUFFY. The Subcommittee on Housing and Insurance will come to order. Today's hearing is entitled, "Housing Choice Voucher Program: An Oversight and Review of Legislative Proposals."

Without objection, the Chair is authorized to declare a recess of the subcommittee at any time. Without objection, all members will have 5 legislative days within which to submit extraneous materials to the Chair for an inclusive in the record.

Without objection, members of the full committee, who are not members of this subcommittee, may participate in today's hearing for the purpose of making an opening statement and questioning the witnesses.

The Chair now recognizes himself for 5 minutes for an opening statement. However, I might take less than that, and reserve some time for Mr. Barr who has a bill up today.

I want to thank our witnesses, first, for their participation in today's hearing, as we examine how to help insure that low-income families and the impoverished are not left on the streets and out in the cold.

Many of you will recall Speaker Ryan's Better Way agenda, a series of policy reforms to address America's problems. With the recent announcement of Speaker Ryan, which as a Wisconsin guy I was sad to hear, it is bitter sweet for us to now be laying the groundwork and foundation for the speaker's Better Way agenda to fight poverty.

In our vision for a confident America, we outlined how we want to evaluate Federal Government programs that have a proven success rate of reducing poverty.

I believe that the measures of success of our Federal Government programs shouldn't be how much money we spend to alleviate poverty. We should be evaluating and investing in successful programs that lead people to self-sufficiency and independence, instead of Government dependence.

So, not how much money we spend, but what are the results of the money we spend?

Today, we will be looking at three different discussion drafts that utilize the Housing Choice Voucher Program (HCVP) which is administered locally by public housing agencies as a tool to increase mobility and lead families or individuals to better opportunities.

Once a family has been issued a Housing Choice Voucher (HCV), they are responsible for finding the housing unit of their choice in which the owner agrees to rent the family a unit under the program.

The local public housing authority, in turn, would pay the subsidy received by the family directly to the owner of the unit. Outside of that payment to the owner, the family is responsible for paying the difference between the gross rent and the amount subsidized by the program.

Three discussion drafts that are the subject of this hearing focus on: mobility, foster youth, and those impacted by the opioid epidemic.

Let us start on voucher mobility as a way to help those that are able to work, move to locations in which jobs are available. It seems fairly evident that if poverty is caused by a lack of employment, we should figure out ways to move people to opportunities. Where do opportunities exist? Let us move them to where the jobs are.

In reviewing testimony for this hearing, I was compelled by Ms. Sard's reference to a study by Raj Chetty entitled, quote, "The Effects of Exposure to Better Neighborhoods on Children: New Evidence From Moving to Poverty Experiment," end quote.

To quote Ms. Sard's testimony, she says, "Evidence underscores that low-income children, whose families move from very poor neighborhoods to lower-poverty areas have higher earnings as adults and are less likely to become single parents and more likely to attend college, than children remaining in less advantageous neighborhoods." End quote. I thought that was superb in her reference.

Under my discussion draft, we would create a demonstration project in which the administration of Housing Choice Vouchers would be designated to encourage movement to lower-poverty areas with expanded employment opportunities.

A qualifying public housing agency would be required to submit a regional housing mobility plan that would identify participants, identify the number of vouchers made available in connection with the demonstration, and identify organizations and businesses participating in the plan.

The funding from ability-related services would come from administrative fees and support from private entities. Three years

after implementation of the demonstration program, the secretary will submit a report evaluating the effectiveness of the program.

I very much look forward to a discussion on this draft, seeking your comments and feedback on a draft legislation.

Next, we have a bill that was introduced by Michael Turner, H.R. 2069, which is focused on ensuring that foster youth have available housing opportunities as they age out of the Government's role as maybe their parent.

Nearly one in five foster youth, initially surveyed at age 17, report that by the age of 19, they had experienced homelessness. One in five kids in foster care experience homelessness. That is an astounding number.

I think Mr. Turner has a very thoughtful bill that would prioritize foster youth when providing the housing assistance.

I am going to take a moment and reserve 1 minute of my time. I will yield to Chairman Barr after I yield to the Ranking Member, the Gentleman from Missouri, Mr. Cleaver, for 5 minutes.

Mr. CLEAVER. Thank you, Mr. Chairman. I appreciate this hearing on the oversight and review of legislative proposals. Welcome to those of you who are giving of your time to present information to us today.

This hearing gives an opportunity to examine three legislative housing proposals. Improving our Federal housing services continues to be a significant priority of mine. We should all work to ensure that families, veterans, the elderly, and those suffering from substance abuse have access to Federal services and housing support.

I welcome this conversation today and look forward to hearing more from you who come here to present information to us.

There are three proposals that we are going to consider today. The first would create a demonstration program within the Housing Choice Voucher Program. The proposal would allow the secretary of HUD to create a mobility demonstration program where up to 10 regions could be selected.

It would allow public housing administrations in these regions to create consortia that could encourage residents to use their housing vouchers to move from high-poverty areas to low-poverty areas.

The draft is similar to one that we discussed, and actually debated during the Obama Administration, which was based on evidence from a Harvard professor, that indicates that children who move to higher opportunity neighborhoods increase their chances of success.

I am supportive of the proposal, though I would like to encourage the inclusion of authorized funding from the administration for the program.

Congressman Barr also has a proposal that would create HCV demonstration program for people suffering from opioid addiction. This is a well-intentioned deal, and I am supportive of increasing resources for those suffering from drug addiction, whether it is opioids or other substances.

However, I do have concerns that the bill would give not-for-profit entities or nonprofit entities that may not have housing experience the responsibility of administering this program.

Housing authorities typically have the know-how and access to HUD databases to successfully administer voucher programs. The program also doesn't authorize new vouchers, but instead could take existing vouchers from other needy families.

Last, Congressman Turner has a proposal that would create Housing Choice Voucher preference for foster youth aging out of foster care. I am very supportive of the goal to assist foster youth which is why I included a provision to improve the Family Unification Program when we passed HOTMA last Congress.

This proposal, however, would give foster children a preference over other vulnerable groups, like the homeless victims of domestic violence and veterans. There are a multitude of Federal programs targeting at aiding foster children and I would prefer to work to improve and fund existing opportunities.

Thank you very much and I look forward to dialogically becoming involved with you.

Chairman DUFFY. The gentleman yields back.

The Chair now recognizes the Chair of the Monetary Policy Subcommittee, the gentleman from Kentucky, Mr. Barr, for 1 minute.

Mr. BARR. Thank you, Chairman Duffy. Thank you to the Housing and Insurance Subcommittee for calling this hearing today.

We all know that the opioid epidemic is a major health crisis that has impacted every community and every Congressional district. My home State of Kentucky suffers from the third highest drug overdose mortality rate in the country.

In light of the declaration of a national public health emergency announced by President Trump last fall, there is a pressing need for additional transitional housing for opioid recovery, a proven evidenced-based approach that has helped thousands of Americans to maintain sobriety after completing rehab, gained valuable skills in job training, obtain employment, and eventually transition back to society to lead independent lives.

Too many individuals find themselves with limited housing choices after completing in-patient rehabilitation and are forced into housing situations where they are surrounded by people using the very same illegal substances that they went to rehab to stop using. This perpetuates the cycle of addiction and prevents individuals from rising above substance abuse.

Current Federal programs addressing the opioid epidemic focus on treatment and prevention. But they do not address the needs of individuals who complete intensive treatment and require continued support.

Our legislation, Transitional Housing For Opioid Recovery Demonstration Program, would allow for a limited number of Section 8 housing choice vouchers to be used for transitional housing nonprofits that have evidenced-based models of recovery, life skills training, and, I would add to my good friend, Reverend Cleaver, experience in housing.

Today, you will hear from one transitional housing nonprofit from Kentucky that has had tremendous success in fighting the opioid epidemic and was listed recently by HUD secretary, Ben Carson.

I would like to welcome to the committee my constituent, Dean Hammond, who helps to lead that nonprofit.

Thank you and I yield back.

Chairman DUFFY. The gentleman yields back time he doesn't have.

If the subcommittee would offer me a minute of personal privilege, I would like to recognize Theresa Dumais. She works for the Ranking Member on—the director of housing policy.

This is her last week with the subcommittee. We want to thank her for her service to our committee. The great bipartisan work she has done to make the committee all possible. Thank you.

Our loss is Freddie Mac's gain, I guess, right?

Theresa, thank you for your service.

I now want to recognize our panel. First, I want to recognize Barbara Sard, the Vice President for Housing Policy at the Center on Budget and Policy Priorities. Next, I want to recognize Ms. Ruth White, the Executive Director of National Center for Housing and Child Welfare. Next, Ms. Lynn Kovich, the Deputy Secretary at the Office of Health and Substance Abuse Services in Pennsylvania's Department of Human Services.

Finally, Mr. Hammond, a Board Member for the Foundation for Affordable Housing in Kentucky. I don't know if Mr. Barr wants to make any other introduction or is that fine?

Mr. BARR. That is fine and I look forward to welcoming Dean Hammond. On behalf of Phil Gray, I see Phil Gray as well, the President of the foundation for affordable housing in Kentucky as well. Welcome to you as well.

Chairman DUFFY. OK. The witnesses will, in a moment, be recognized for 5 minutes to give an oral presentation of their written testimony.

Without objection, the witnesses' written testimony will be made part of the record following their oral remarks. Once the witnesses have finished presenting their testimony, each member of the subcommittee will be given 5 minutes within which to ask the panel questions.

I would just note that on the table, there are three lights. Green means go. Yellow means you have 1 minute left. The red light means that your time is up.

The microphones are sensitive so please speak directly into them.

With that, Ms. Sard, you are recognized now for 5 minutes for an oral presentation of your written statement.

STATEMENT OF BARBARA SARD

Ms. SARD. Thank you, Chairman Duffy, for inviting me to testify today and to you and Ranking Member Cleaver for holding this important hearing.

At the subcommittee's hearing some 18 months ago, I recommended that Congress take a series of actions to expand housing choice, improve economic mobility, and make the Housing Choice Voucher Program more efficient. I am very pleased that the draft Housing Choice Voucher Mobility Demonstration Act of 2018 would follow through on my number one recommendation.

Today, I will focus on that bill and conclude with a few recommendations for improvements in the other two bills before you this afternoon.

As the Chairman just noted, growing evidence underscores the importance of where low-income families live to a range of outcomes for adults and children. In particular, how moving from very poor neighborhoods to low-poverty ones can help prevent intergenerational poverty.

While housing vouchers are very effective at reducing homelessness and other hardships, cutting foster care placements and reducing school moves, housing vouchers as currently administered, often do not enable families to access neighborhoods with greater opportunities.

The draft Voucher Mobility Demonstration Act could help the voucher program reach its full potential in three ways. It would encourage local housing agencies to form regional collaboratives that lower barriers to families moving to higher-opportunity areas and reduce long-term operating costs.

Second, it could make regional operation of the voucher program more feasible by providing the HUD Secretary authority to modify certain laws.

Third, it provides a framework for learning what types of mobility-related services are most cost effective.

My written testimony recommends various ways to strengthen the bill. I want to highlight three for you today.

First, the bill should prioritize regional collaborations that serve areas with high concentrations of voucher holders in poor low-opportunity neighborhoods—the very families and children likely to most benefit from the demonstration—but that also include enough moderately priced rental units in higher-opportunity areas, so that the initiative has a high chance of success.

Second, the bill should ensure that families moving within the region can continue to benefit from a well-performing family self-sufficiency program. As I am sure you all remember, the House recently passed H.R. 4258, the Family Self-Sufficiency Act, that was sponsored by Chairman Duffy and Ranking Member Cleaver.

Unfortunately, this excellent bill won't fix a problem that is particularly germane here that results from many housing authorities operating in a region. That problem is that families that move to another agency's jurisdiction may not be able to continue to participate in the FSS program and even may forfeit the savings that they have generated as their earnings increase while participating in the program.

Parents should not have to choose between a safer neighborhood with better opportunities for their children and their own economic advancement. With some tweaks, the bill could fix that problem.

Finally, it is also vital to authorize sufficient funding for a robust demonstration. We estimate that \$30 million would support 15 regional mobility programs that offer comprehensive mobility services to 22,500 families over a 3-year period.

We anticipate that about one-third of the families that are offered these services will actually move to a low-poverty high-opportunity area.

Turning to the draft bills submitted by Congressmen Turner and Barr, both of these bills aim to use housing vouchers to address serious problems as noted. While housing assistance has an impor-

tant role to play in both cases, it is the Center's view that these bills are not well designed to achieve their purposes.

Most importantly, Congress should fund additional vouchers for these purposes. There is already a program, as Mr. Cleaver noted, the Family Unification Program, that provides vouchers that help former foster youth as well as prevent and shorten child placements in foster care.

More of these vouchers would help address the serious problems the bill was designed to get at. Congress has shown a willingness, in recent years, to provide such vouchers.

We agree with the provision of Mr. Turner's bill that requiring housing authorities to allow youth aging out to make an early application, from the age of 16, is a sensible requirement.

But we are concerned about the mandatory preference requirement and other provisions of the bill. We want to flag the recommendation in our testimony that HUD could be directed to ensure that housing authorities actually make use of the nearly 50,000 Family Unification Program vouchers that have been funded over the years, many of which do not appear to be currently used.

Vouchers also can help people exiting residential treatment. As we note in our testimony, building on the HUD-VASH model would be potentially more effective.

Thank you.

[The prepared statement of Ms. Sard can be found on page 41 of the appendix.]

Chairman DUFFY. Thank you, Ms. Sard.

The Chair now recognizes Ms. White for 5 minutes.

STATEMENT OF RUTH WHITE

Ms. WHITE. Good afternoon, Chairman Duffy and Ranking Member Cleaver. It is my honor to address this committee on the topic of housing as a platform for upward mobility, particularly in light of the significant improvements for youth included by Mr. Luetkemeyer of Missouri in the Housing Opportunities Through Modernization Act.

Like the proposal I will focus on today, HOTMA was informed by the ideas and experiences of people who live in HUD's assisted housing programs.

Committee members and staff moved swiftly to draft straight-forward common-sense improvements. I hope that you will move fostering stable opportunities at a similarly impressive pace.

My name is Ruth White, and I am the Co-founder and Executive Director of the National Center for Housing and Child Welfare, and a Professor of Social Work at the Catholic University of America.

We are the leading advocacy organization for HUD's Family Unification Program which provides housing choice vouchers to families at risk of separation due to inadequate housing.

My co-founder, the late Bob McKay, and I were approached in 1999 by the Child Welfare League of America Youth Advisory Committee who suggested that youth should be added as an eligible population for FUP. We brought that idea to Senator Kit Bond, also of Missouri, there must be something about Missouri, who moved to add youth that very year.

My professional expertise, as it turns out, is the least important of what brings me here today. The Fostering Stable Housing Opportunities Act of 2017 emerged directly from an event called “3 Days on the Hill” which brings youth, ages 14 or older, to D.C. to speak to Members of Congress.

It is organized by three volunteers; Lisa Dixon, a full-time librarian; Jamal Callahan, a young business professional; and Doris Edelman, a retired 30-year veteran of child welfare work.

Lisa is an alumna who graduated from foster care in 1989, and, at that time, experienced her own set of housing challenges. Jamal is also an alumni.

These youth take time off of work and school, study the issues and come to Capitol Hill prepared to express gratitude when Congress gets it right, offer their gift of their personal stories and share suggestions from their unique vantage point. What a unique vantage point it is.

Contributions to the literature by outstanding ethnographers, like Matthew Desmond, notwithstanding, the only way to inform public policy, based on experience, is to personally navigate the inner section between public systems as if your life depended on it. This is why, despite my 20 years of experience, I did not identify the obvious synchronization problems that this bill will fix, nor did anyone else in the professional class.

Mr. Turner of Ohio and his staff crafted a solution to the synchronization problems with the system right along with youth. It is no surprise that Mr. Turner’s partner in refining and introducing this bill is the Honorable Karen Bass of California. The co-founder and co-chair of the Congressional Caucus on Foster Youth, who, among so many other accomplishments, shepherded the Improving Foster Care Services for Youth Act into law just last month.

I understand that some professionals offer FUP as a simple solution to the issues these youth raised. FUP is a 20-year-old evidenced-based elegantly simple program that works. It needs a predictable stream of funding of \$20 million annually.

But, at this time, no authorizing changes are needed. Instead, foster youth identified a serious synchronization flaw that must be addressed outside of FUP.

The fate of a foster child aging out who is in need of a FUP voucher to ease their transition into independence is tied to whether or not they live in a jurisdiction of a PHA that has successfully applied for FUP, whether or not the availability of that voucher is synchronized with their emancipation.

Currently, 197 PHAs administer FUP. This is not for lack of interest. Public housing authorities are excellent partners.

When considered in the aggregate and viewed against the backdrop of a finite affordable housing pool, this seems like a typical resource constraint problem. But from the perspective of Sydney, Tori, Kimberly, Shuana, Christopher, Perish, and Savian alone in the world at the intersection of childhood and adulthood without the support of a family, this mismatch is an epic policy fail.

These young adults did not come to D.C. to complain about PHAs, FUP, or anything else. They came to express gratitude and to offer their expertise about the problems between systems that only they are qualified to see.

The Fostering Stable Housing Opportunities Act of 2017 offers a two-pronged approach, early applications and priority preferences.

Additionally, this still incorporates recommendations from former foster youth that have been repeatedly suggested year after year, dating back to Trudy Festinger's study of 1983 entitled, "No One Ever Asked Us," to ensure that young people aging out of foster care can use services as a platform for self-sufficiency.

I will offer to you that the priority preference is problematic for other people because Federal preferences were eliminated in 1998. But the reality is that if every voucher that Congress gives out to housing authorities is a special-purpose voucher, then Congress is essentially running a Federal preference program at this time.

I also want to mention, just briefly, that my work is focused largely on ensuring that HHS uses its funding to ensure that young people have a self-sufficiency platform as well. HHS funding is flexible and elastic and can be used for private housing, and it can also be used to end youth homelessness.

With that, I also want to mention that this bill is proptitious because we are not looking at a finite pool. A \$4.9 million multi-sector Opportunity Starts at Home campaign is underway to vastly increase the pool of affordable housing. This bill is perfectly timed with that.

With that, I thank you. I will hand it over.

[The prepared statement of Ms. White can be found on page 60 of the appendix.]

Chairman DUFFY. Thank you, Ms. White.

Ms. Kovich, you are recognized for 5 minutes.

STATEMENT OF LYNN KOVICH

Ms. KOVICH. Good afternoon, Chairman Duffy, Ranking Member Cleaver, and all the other members of the committee. It is my honor to be here this afternoon and testify about the Transitional Housing Opioid Recovery Demonstration Act of 2018.

As the Chairman said, I am the Deputy Secretary for the Pennsylvania Office of Mental Health and Substance Abuse Services within the Pennsylvania Department of Human Services.

Governor Wolf has made fighting the opioid crisis one of his administration's top priorities. In fact, in January of this year, he declared a disaster declaration around the crisis to enable the State to increase its response time to offer more access to treatment, to provide support to families, as well as to provide data to be able to attack the problem.

It brings together most officials of his cabinet and a group of us meet every Monday to talk about the State's strategies to attack the crisis.

I have been involved in either running, developing, or operating supportive housing for people with mental illness, people with substance-use disorder, people with developmental intellectual disabilities for the better part of my career. I am very devoted and committed to ensuring people have access to affordable housing, coupled with services that are specifically tailored to their individual needs.

I have worked with many of the HUD-funded programs. I have used supportive housing as a platform to implement homestead set-

tlement agreements. I have also been touched personally by the opioid crisis, having lost a cousin to an overdose. She was homeless at the time that she overdosed and passed away.

I am now in my second State having worked in New Jersey and now in Pennsylvania in trying to attack this crisis on all fronts.

People though—I say that people with SUD or—and/or opioid use disorder can and do recover. They need treatment. They need access to housing. They need access to services.

The housing should not be time limited. The housing needs to be permanent as if we were working with folks with a mental illness or an intellectual disability.

I sit here in front of you and admit readily that I don't think we have done a great job in providing affordable housing and supportive housing to people with an addiction, regardless of it being a substance-use disorder, like alcoholism or addiction to cocaine or an opioid-use disorder.

While the legislation, the draft discussion, is really well intentioned, I would just like to offer four quick points.

The voucher—the availability of a voucher should not be based on someone's drug of choice. It should be open and available to people with any substance-use disorder.

Within New Jersey itself, we had—I am sorry, Pennsylvania. We had over 176,000 individuals diagnosed with a substance-use disorder, alcohol, cocaine, marijuana, methamphetamine; 90,000 with an opioid-use disorder.

The numbers really support an overall—to be able to have this open to people with any substance-use disorder.

Services need to be available. In Pennsylvania, we fund our services through Medicaid, through State dollars, through local county dollars, through our Federal block grant dollars.

But—and we have also done a lot of developing housing through State dollars. In an ideal world, those State dollars would be developed as a bridge. We have developed a lot of subsidies. That should be a bridge to a Federal subsidy.

Supportive housing has been known as a three-legged stool, service funding, capital funding as well as subsidy. HUD having the two main roles in subsidy and capital. I really encourage the committee to continue to work on services' funding.

Second, the demo should not impose time limits for folks. Permanent housing has really been the success of the HUD Continuum of Care program. When PHAs engage with landlords, they typically are thinking they are engaging on a permanent basis. Having it be temporary can disincentivize the program.

There is more than three decades of evidence that permanent housing is the most effective way to deal with folks who have a substance-use disorder and/or a mental illness.

The demonstration points to supportive housing as the basis of the model but it runs counter to it, in terms of it not being permanent. The housing needs to be low-barriers. Services need to be individualized and tailored to folks' needs.

The third point is that it is not—public housing authority should be involved, as the Ranking Member indicated. I having run an opioid treatment program, addiction providers typically don't have experience running housing programs.

It is a very logistically, administratively burdensome program, and they have the specific expertise. Public housing authority should be involved in the demonstration.

Housing and services should be—should be separate. Your service provider should not also be your housing provider. That is one of the tenets of supportive housing. Finally, I would offer that, as others have already testified, there should be additional vouchers as part of this program. The Housing Choice Voucher Program is currently—the demand far-exceeds the supply of affordable housing and of affordable vouchers.

Three million people are on the waiting list. Nine million would be on the waiting list if waiting lists were open. Public housing authorities have to close them because the demand is too high.

I will end there.

[The prepared statement of Ms. Kovich can be found on page 35 of the appendix.]

Chairman DUFFY. Thank you, Ms. Kovich.

Mr. Hammond, you are now recognized for 5 minutes.

STATEMENT OF DEAN HAMMOND

Mr. HAMMOND. Chairman Duffy, Ranking Member Cleaver, and other interested parties, Phil Gray, the current President of the Foundation for Affordable Housing, and I thank you and the committee for this invitation.

I have been working in low-income housing for 33 years, developing software to manage those authorities. For the last 14 years, as a Board Member, the President, and now consulting the Board of Directors for the Foundation for Affordable Housing at St. James Place.

We have 102 units of low-income homeless housing there, and we have been running that for 23 years. For the last 14, we have been dealing with veteran housing. Those who have substance-abuse problems and have come through a rehab program and into service-intensive transitional housing.

Today, my focus will be on the Section 8 Voucher Set-Aside Bill for the support of transitional housing for opioid recovery and the Fostering Stable Housing Bill. Each is consistent with our service intensive transitional housing model.

When we introduce opioid factor or other mental conditions, everything changes. It is not just some skills review kind of housing. There is a serious change in behavior, psych, and physiology. Our model seeks those who want to go beyond just existence and into unsubsidized permanent housing.

The question of the candidate is, can you qualify and do you want to work to succeed? Because it is all up to the addict.

Does—this doesn't replace rapid housing. It is a different category in itself. Whenever we speak of a model, rebuild a life, before it goes completely bad and we look to easily measurable items and a checklist of components.

First, we are talking about the opioid problem in Kentucky which is a massive problem. Sustained recovery from addiction, absolutely up to the addict. 90 days of rehab treatment direct must be there. It is a minimum. It is a minimum. Graduate from that.

Stop here and most will go back to where they were. Relapse. If they are on heroin, there will be an O.D. That is how it goes with these folks, and we have been through this several times.

Structured service intensive transitional housing brings something else to bear. It increases the odds of success.

Structure. Most of our clients lack structure. That is what got them where they were. Considered successful, special schools uniforms, discipline structure, military structure, jail structure.

Unfortunately, they continue to go back to the structure they know. In 3 years, 68 percent will be back in prison. In 5 years, 77 percent will be back in prison. 84 percent of inmates 24 or younger, when released, will be arrested within 5 years.

The stable housing. The stable housing has to be in a good environment. It can't be back where they were. It has to be closed circuit. Group in one building. Special lease agreement tied to the program, not the client.

Permanent employment. It has to be mandatory. They have to have a job. That is how they are going to get through this thing.

Mandatory training and education. Two different things. Life skills, of course you hear that. Job skills, complete Dave Ramsey's Financial Peace University. Trade schools. Equine therapy. Recovery meetings. All—whatever we have to do to get them there.

Stable finances. Things like child support, trying to get that straightened out.

Mandatory savings. This is one of our critical mandatory components. 30 percent of their adjusted gross income in savings. This is a great investment for us.

Initially begins in the third quarter of the first year. Current program. Our veterans have saved over \$300,000 in this program. Average was \$2,200 a vet. Some over \$10,000 each in less than 2 years.

When someone completes any course of rehab, training or even incarceration, and they have no savings to start their new life, the recovered life, they have no option but to go back where they were.

Let us return to the Section 8 directorate set aside. This is an exciting proposal with a few variances from the normal Section 8 directly combined with other funds to support all of the components of service intensive transitional housing, we have a successful model.

For the purposes of this model, we would need a variance from the Section 8 normal lease to a behavior agreement. A variance from the 30 percent adjusted gross rent to no rent, at least for the first 6 months, so the savings can begin to build.

Perhaps a hybrid project based or a unit based might be a better substitute for the authorization might work.

To stay in housing, the candidate must be successful. Considering that, we are hopeful that the secretary will see fit to allocate the funds for the operation of the entire program. All of it. For support, as well as housing, as well as any of the outside support that we need for them.

Let us take a look at this cost. If we enroll them in the University of Addiction Life Recovery, the total cost is about \$700,000 a year based on 40 units of SRO housing. Housing comes in about

\$273,000. The program about \$427,000. That was based on a Section 8 FMR in Lexington now.

Based on 40 units at \$17,500 per person per year. University of Incarceration. 2015 numbers, Federal prison, \$31,900. Halfway house, \$26,082. State prison in New York, \$69,355. In the city of New York, \$118,000. I studied this before we could put them in the Waldorf for that kind of money.

We have a spread sheet that you were given to show you the statistics of our success working with these veterans over the last 14 years.

Thank you.

[The prepared statement of Mr. Hammond can be found on page 30 of the appendix.]

Chairman DUFFY. Thank you, Mr. Hammond.

I want to thank our four witnesses for their testimony.

The Chair now recognizes himself for 5 minutes.

First, Ms. Sard, I want to thank you for your insightful feedback on my bill. That is the purpose of the discussion draft is to have well informed people take a look at it, and provide us smart feedback on how we can improve a legislation. I think a lot of your recommendations are sound, so I thank you for that feedback.

But just—I want to quickly go to just the procedural cost and complexity, when we have an individual that wants to move from one authority to another authority. Could you elaborate on that for us?

Ms. SARD. Sure. There are a variety of ways this is done in practice. There are a relatively small number of agencies that actually serve a whole region by themselves.

Then, families can easily move with their voucher wherever they can find a willing landlord. But, in most cases, within a region, there are at least two agencies administering housing vouchers and often far more, 10 or more.

Where I lived for many decades, and learned the voucher program policy in the Boston region, there are over 60 agencies that administer the housing voucher program.

In those cases, when you have to move from agency A, and you want to rent a unit in an area served by agency B, you have to use what are called portability procedures. Under portability, almost everybody loses, currently.

The original agency loses its voucher. The family moves to another community. They lose 80 percent of their administrative fee.

Other than their concern for the well-being of the particular family, they have no self interest in promoting those moves.

Chairman DUFFY. Because they are concerned about the agency itself and what they get, right?

Ms. SARD. Right. Right.

In terms of providing—HUD rules require them to give information to families about the value of moving to lower-poverty areas and about the portability procedures. But they have no incentive to go beyond the bare minimum required.

Chairman DUFFY. Unless they had a pure heart that says, I am just looking out for the people in which I serve. But that is not always the case. Then, we have good people in these programs but

sometimes they are concerned about the money that flows back into.

Ms. SARD. Right. The receiving agencies also don't have any great incentive to help a family from another community get a potentially scarce unit compared to their residents. They only get 80 percent of their fee on an ongoing basis.

Chairman DUFFY. I think that is a good point. But do you see—does the panel see a problem generational poverty? I think this goes to—and I am leading to the point of—and I think you mentioned this, Ms. Sard, in your testimony. But if we can move families in a place—from a place where there is not a lot of opportunity to a place where there is more opportunity and a job, I would think that, one, you can become self-sufficient.

But, also, what impact does that have on your kids and the next generation if you see a family of opportunity and working and that compared to a place where there is no opportunity? Isn't the whole system better off when you can easily move to a location of more opportunities?

Ms. SARD. I agree entirely. I think the report of the speaker's task force on poverty in 2016 really nailed it, in noting that not only does the current administrative geography of the voucher program undermine anti-poverty goals, but it is also inefficient.

Figuring out ways that are consistent with State and local prerogatives, but providing incentives for agencies to figure out solutions to these problems and collaborate are a really important priority for Federal policy.

Chairman DUFFY. Help get people job training. Help get people a job. Help move them hopefully off the system.

Let us say I was to make—strongly consider a lot of the recommendations from Ms. Sard. Does anybody have an objection to my voucher mobility bill? Any other concerns out there? You guys all are bipartisan supportive?

Great. Ms. Kovich is not saying no, so I appreciate that. Thank you. I don't have a lot of time left, but I want to go to Mr. Turner's bill. I would argue that when you fall into homelessness, it is harder to get out of homelessness.

If we see kids in foster care—and one in five are falling into homelessness. This is a significant risk that we want to get them in the pipeline of the system and make sure they have a stable bridge into a home, making sure that they are going to school or getting a job. They can have an offramp into managing their lives on their own. I think that makes a lot of sense.

I appreciate Mr.—you guys might be surprised that we seem so bipartisan up here on these bills. This is not the absolute priority but it has to be one of the three priorities from a housing authority. They have to include those in foster care.

If we can keep kids in foster from homelessness, in the end, I think we save more money and make people's lives better. With that concept, is there any objection? No?

Ms. Sard, go ahead.

Ms. SARD. We are concerned about reversing the 20-year-old decision that Congress painfully made, that the Federal Government shouldn't be deciding local admission preferences. That that should be a local matter.

I think that decision—while I had misgivings about it at the time 20 years ago—actually has been a very successful policy change.

Chairman DUFFY. But, isn't fair it to say that the Government is the parent of the child. In the end when they—

Ms. SARD. Yes, but I think—

Chairman DUFFY. Hit an age, we are kicking them off a cliff.

Ms. SARD. But—

Chairman DUFFY. And saying, you are going to fly or you are going to crash. That is my concern when we are the responsible parties in foster care.

Ms. SARD. I do not doubt, for a moment, that the child welfare system has failed these youth.

But if you try to solve the problem through changing admissions preferences, the people who are paying for that failure are the people with, potentially, equally serious needs at the top of the agencies waiting lists, who are not getting served and who have been waiting. Perhaps a family that is going to lose their child to foster care because they don't have a stable home.

That is why the real solution here is more resources targeted on these—

Chairman DUFFY. But, again, we are not making them the sole priority but one of the top three priorities.

Ms. SARD. That is an improvement in the bill.

Chairman DUFFY. But I am just—my time is well over. I think, in the long run, you are going to have these kids in the system, and we are going to be paying for them.

It will be far more expensive, I think, to easily take them out instead of throwing them off the ledge, I think it is a better approach. But maybe that is a conversation we can continue to have, and I appreciate your honest and straight feedback that you have given.

Mr. Hammond, I am 2 minutes over but I will make sure I get a chance to come to you.

But with that, the Chair now recognizes the gentlelady from New York, Ms. Velazquez, for 5 minutes.

Ms. VELAZQUEZ. Thank you, Mr. Chairman.

Ms. Sard, while there is no question that we need to promote choice of mobility options for individual and families receiving rental assistance in the draft of the House Choice Voucher Mobility Demonstration Bill is a step in the right direction, I still have some outstanding issues regarding the discussion draft.

Are you concerned that the draft comes with no additional resources or new vouchers to carry out the demonstration? What type of impact will this bill have on existing voucher holders or those on current waiting lists?

Yes.

Ms. SARD. You raise two somewhat different concerns, as I heard you. The first one is the need for additional dollars to support the services and, also, additional vouchers.

Now, I have to be forthright with the committee. I would love to see additional vouchers for this purpose. I was an author—lead author of a paper with the Urban Institute that was recently published as part of the U.S. Partnership on Mobility from Poverty,

sponsored by the Gates Foundation, that recommends 500,000 new vouchers for very much the same purpose.

But given that we have now about a million families with children who have vouchers, you can do a reasonable demonstration that can enable us to learn what are the most cost-effective strategies to help families move to higher-opportunity communities.

I am not concerned about any adverse consequence for existing families because the only ones that would participate in such a demonstration are those that chose to do so.

Ms. VELAZQUEZ. OK.

Ms. SARD. That would be choice.

Ms. VELAZQUEZ. OK. Do you recommend the Voucher Mobility Demonstration Act can be improved by focusing on PHAs that serve areas with a high concentration of voucher holders in poor, low-opportunity neighborhoods that have an inadequate number of moderately priced rental units.

Are you concerned about the implementation of a program like this in New York City, where there is an extremely low-vacancy rate, 3.4 percent, and an extremely high monthly rental price for unit? My question for you is, would you think that a program like this will work in New York?

Ms. SARD. I think it can work in New York. My understanding is that the city's Department of Housing Preservation and Development is working on such a program and would look forward to having some resources to help them.

New York City is obviously a diverse place. There are a lot of different kinds of neighborhoods in New York. It would also be important for the city to join with surrounding housing authorities to widen the potential areas where housing vouchers could be used.

I think it is vital if we are going to help achieve the effectiveness and efficiency goals of the demonstration, in addition to the choice goals. That it not be a single housing authority that is participating but a set of agencies in a region.

Ms. VELAZQUEZ. My last question. The discussion draft called for a 3-year-evaluation cycle. Do you think that is enough? The last—this direct bill is modeled after the Obama Administration's one that lasted for 5 years or even 10 years.

What input do you think a 3-year-evaluation cycle will have on the results?

Ms. SARD. I think it is reasonable to do a 3-year demonstration. But to have a sound report to Congress on the effectiveness of that evaluation, you have to add in some extra time. You have to have the full 3 years to implement and that takes some time after enactment.

Then, you have to have time to analyze your data and write a report.

Ms. VELAZQUEZ. In conclusion, do you think that a 3-year cycle is enough?

Ms. SARD. No, we recommend that it be 5 years.

Ms. VELAZQUEZ. OK, thank you.

Thank you, Mr. Chairman.

Chairman DUFFY. The gentlelady yields back.

The Chair now recognizes the Chair of the Financial Institutions Subcommittee, the gentleman from Missouri, Mr. Luetkemeyer, for 5 minutes.

Mr. LUETKEMEYER. Thank you, Mr. Chairman.

Ms. White, I was interested in your conversation a while ago in your testimony. In the last Congress, Ranking Member Cleaver and I introduced the Housing Opportunity Through Modernization Act that you referenced. That legislation provided new options for use of family unification for—of the Family Unification Program, or FUP vouchers that you talked about. I think you indicated that it was funded about \$20 million, if I am not mistaken.

Mr. Turner's legislation appears to extend the FUP model to all transition-age foster youth at risk of homelessness. Even those jurisdictions without an accurate FUP portfolio or where FUP is used primarily for the family population—subpopulation it serves.

I guess the first question I want to ask is, do you think that the Fostering Stable Housing Opportunities Act is precisely the type of education we should use in supporting this activity?

Ms. WHITE. I do because it fixes a significant synchronization problem that, again, I wasn't qualified to—it was invisible to me. But as you talk to young people who are coming out of the system, they understand that there is a situation where they have to live in the right housing jurisdiction. They have to live at a housing authority that has the vouchers.

Then, their emancipation has to be timed perfectly with when one of those vouchers becomes available. Sometimes that works which is why I am such a major proponent of the Family Unification Program.

But when it doesn't, it is a tragic public policy fail. To build the sophisticated answer to that problem, it creates a situation where a young person could get on the waiting list at age 16 or older and remain there until they are close to emancipation which, I want to point out to the committee, isn't age 18. Age—it should be about age 21 and there is a number of ways to extend that using the Title IV-A, Ann Chasey Act funding.

At that point, when they are close to age 21, they would then be bumped as a priority on the waiting list, and then they would get the voucher when it becomes available. I think there is probably a year-long window where they would wait for that voucher to become available.

Mr. LUETKEMEYER. OK, we had an interesting discussion. You mentioned in your testimony and then we had a discussion going from the Chairman and Ms. Sard with regards to preferences.

I don't know how you solve the problem and how you list preferences. How do you prefer somebody who has—what of the other bills we are talking about that has opioid abuse. You have veterans. You have disabled.

There is all these—there are a lot of folks that need some help. The foster children is a group that, obviously, we don't want to forget about either.

You made, in your testimony, a great point with regards to this, maybe one way to keep them from being in this program forever. If you can get them into immediate housing once they get—or allow

them to stay in the housing for a period of time until they get on their feet.

I guess the question is, would you like to discuss for a free few moments, your view of the preference program, how you see it impacting foster youth?

Ms. WHITE. Sure. A couple things. First and foremost, I want to mention the fact that young people, aging out of foster care, would not bump veterans off of the list. They are eligible for a similar program that is actually modeled after the Family Unification Program.

The Veterans Affairs Port of Housing Program used to be a transitional housing program. I made the recommendation in 2006 that they should run it like the Family Unification Program. Where it is—instead of transitional house through the V.A., they partner with HUD.

It is modeled after the Family Unification Program. But no one else is eligible for that except for veterans, so I want to mention that from the outset.

The other thing is we do have a Federal preference system now. It is called Special Purpose Voucher. As Congress only awards new incremental vouchers to public housing authorities in the form of a Special Purpose Voucher, those housing authorities have no local control over the population they serve. We are, essentially, running a default Federal preference system, at this time.

But the other thing is, and Chairman Duffy referenced it, and Mr. Turner actually coined a phrase, he said this is Government-created homelessness. We remove them from their parents. We become their parents. Then, we actually manage to do a worse job than their parents we removed them from.

But I want to mention that, currently, the length of stay in assisted housing in HUD's portfolio is increasing significantly, because we are bringing in very worthy populations of people that are elderly and disabled, without children I might add.

Families are the fastest declining group of people in assisted housing. That is a problem, too.

But these young people would have the length of stay that would average about 2.5 years. The voucher would go back into the pool for the next available household. It actually creates—

Mr. LUETKEMEYER. Do you mind, I don't want to interrupt you but time is just about up. I have one more quick question with regard to that very subject here.

What do—what do the youth do if they—or where are they going to go if they don't get this voucher?

Ms. WHITE. That is very—

Mr. LUETKEMEYER. What will happen?

Ms. WHITE. OK. The reality is we are now giving child welfare and the young people anywhere from 2.5 to 12 to 15 years to plan for their future.

If it became abundantly clear to a public housing authority and all the other partners involved that the person wasn't going to be self-sufficient 2.5 years later, they could work with the permanent supportive housing provider to secure a unit. But it wouldn't be this frantic last-minute planning. There is no planning process.

I think if we all work together, as community partners, if we had a young person. But I want to point out that the young people that came to Ohio are all working and all in school, yet they struggle, unlike our own children, because they don't have parents to support them. They are going to be ready to launch.

Mr. LUETKEMEYER. I yield back. I appreciate the Chairman's indulgence. Thank you.

Chairman DUFFY. The gentleman yields back.

The Chairman recognizes the gentlelady from Ohio, Mrs. Beatty, for 5 minutes.

Mrs. BEATTY. Thank you, Mr. Chairman, and thank you Ranking Member and thank you to our witnesses for their testimony here today.

As you could see, we could probably spend all day talking about and debating this because of the need. Sometimes, it is a little difficult and, certainly, I appreciate my colleague from Missouri's questions in how do we rank and how do we prioritize because there is so much in the bill.

But, first, I would like to start off by looking at the discussion draft of the Fostering Stable Housing Opportunities Act of 2018 which, I believe, is a very well-intended bill. I think, with some amending, it could make a real difference in what we are doing here today.

I have focused on housing for most of my career, whether it was adults or veterans or human—those who are engaged in human trafficking or foster children. Most recently, looking at the problem of housing for aged-out foster youth.

This time, Congressman Stivers and I toured the homeless youth facility in my district in Columbus, Ohio. The Huckleberry House. As a result of this experience, we wrote a letter and, Mr. Chairman, I would like to introduce it into the records.

Chairman DUFFY. Yes, without objection.

Mrs. BEATTY. I need about 10 more seconds.

As a result of that, I am really pleased to say that when we submitted it to the Transportation, Housing, and Urban Development Subcommittee of the Appropriations Committee, we were requesting \$20 million for the Family Unification Program in Fiscal Year 2018.

I am proud to say that those dollars were just awarded in the recent omnibus bill that passed Congress and was signed into law this month.

With these funds, the Department of Housing and Urban Development will be able to provide a child welfare system with the resources necessary to prevent family separation, due to homelessness, and to prevent homelessness among aging-out foster youth.

Ms. Sard, to you. Can you explain the changes you recommended in your testimony to the Family Unification Program, and why you believe this would be a more effective approach to ending foster youth homelessness than a nationwide Federal program? Do you think it could lead to more children entering the foster care system?

Ms. SARD. I think the recommendation the Congresswoman is discussing is the one we made about making sure that the nearly 50,000 vouchers that Congress has funded over the last 20, almost

30 years, for the Family Unification Program actually get used for that purpose.

From the data we found, which we are not sure is correct but it is what HUD has posted, it would appear that more than 30,000 of these vouchers are actually not being used for the Family Unification Program.

Even if the reality is half that amount, if we could require agencies that applied for and receive these vouchers on the condition that they go to families tied up in the child welfare system or to foster youth, we would have accomplished an enormous amount.

If those agencies no longer want to do that, then HUD should be able to reallocate those vouchers to agencies that are willing to.

As Ms. White said, there are hundreds of agencies that want additional resources for this purpose. An important thing about using the FUP program, rather than regular turnover vouchers, is you are not just taking away from another potentially equally needy family. But, also, it is a voucher that is connected to services provided through agencies that are tasked with knowing how to deliver them and have funds to do so.

I think that combination of housing plus services is the key to success here.

Mrs. BEATTY. Thank you.

Thank you, Mr. Chairman. I yield back.

Chairman DUFFY. The gentlelady yields back.

The Chair now recognizes the Ranking Member of the full committee, the gentlelady from California, Ms. Waters, for 5 minutes.

Ms. WATERS. Thank you very much. But I would like to yield to Mr. Green and then I will speak after Mr. Green, if you don't mind.

Chairman DUFFY. Do you want me to recognize Mr. Green before you yield?

Ms. WATERS. Yes.

Chairman DUFFY. Oh, yes.

Ms. WATERS. Thank you.

Chairman DUFFY. The Chair now recognizes the Governor from Texas, Mr. Green, for 5 minutes.

Mr. GREEN. Thank you, Mr. Chairman. I greatly appreciate your extending the courtesy to me. I thank the Ranking Member as well.

I think that there are many places that I could be today, but I thought that it most appropriate that I be here.

I had the honor of serving as the judge of a small claims justice court some 26 years, commonly known as the people's court. I had the opportunity to deal with people and their everyday problems.

Through those years, I had the opportunity to ask questions that were very important then and some are important now.

For example, I can recall asking a person, why don't you just simply move? We had these cases called forcible entry and detainers, commonly known as evictions. Why won't you just move to another area? You can pay less in rent and you can probably find a better job. I thought that was a pretty fair question.

A person gave me what I thought was a pretty fair answer. My support system is in the area where I live. My cousin who keeps my baby is in the area where I live. Uncle Charlie who can give me a ride lives down the street.

For this person and for many others, it is just not as simple as saying, move to the other side of town, pay less rent and there are greater opportunities.

I take what you said, a number of you, about resources to mean that we should probably help people with some degree of job training. I take it to mean that some people will need to have some additional support available to them. Support systems so that their children may be properly taken care of while they are out getting these great opportunities.

I take it also to mean that education, preparing them for these jobs, is important. I take additional resources to mean these things.

Now, if these are not the additional resources of which you speak, kindly let me know because I want the record to reflect what additional resources really means to you.

Anyone differ with me on additional resources? If so, it is OK. I just need to know what they are.

Yes, ma'am, if you please identify yourself by name and speak.

Ms. SARD. Thank you, Mr. Green.

I think we can't forget the need for additional housing resources. Everything you listed is very important. But, today, about three out of every four households eligible for Federal rental assistance get no help at all, despite rising rents throughout the country.

Mr. GREEN. In addition to these things, you would add additional housing resources?

Ms. SARD. Yes.

Mr. GREEN. I think you are eminently correct and I am quite proud that you have mentioned these things.

Anyone else?

Housing resources and these. Anything other resources? Yes, ma'am? Would you identify yourself for the record, please?

Ms. KOVICH. Lynn Kovich.

In addition to that, what we have found is the access to affordable health care, we tend to silo people, in terms of you go here for your behavioral health services and here for your physical health.

Folks need to be—have access to care coordination or case management so that we are looking at the whole person and not siloing them, in terms of their services.

Mr. GREEN. Thank you.

There has been an indication that housing should be permanent. I think all of you have concurred but I am not entirely sure. If you are of the opinion that housing should not be permanent, would you kindly extend a hand.

All right, if you could be terse, I would appreciate it because I have one more area to visit.

Mr. HAMMOND. Yes, sir. The only reason I am saying that is that the program with service-intensive transitional housing is more of a closed-circuit operation and when you are looking at 12 to 24 months to incorporate that program and to get the person through it. Especially in these opioid treatment situations after they have gotten out of rehab. You have to get them down that track.

But that is the only time. I agree with permanent housing when possible.

Mr. GREEN. Now, quickly, that means that the 9 million that would be on the list—currently 3 million, that is what is called to our attention. That means that these other persons, what will we do to help them, if we make these permanent and there are others who are on the list?

Hold your point on that. Let me go to the next thing.

I have to say this. Thank you for acknowledging substance abuse as a problem. I don't quarrel with the opioid crisis. But there are other substances that are being abused. I believe you have all indicated that you think that this should be open to people with substance abuse problems, not just opioid problems?

If I am incorrect, would you kindly extend a hand into there.

OK, let the record reflect that everyone agrees. Thank you, Mr. Chairman, for the extra time.

I hope that someone will answer the question about permanent housing and how it impacts those who are on the waiting list.

Thank you very much.

Chairman DUFFY. Thank you. The gentleman's time has expired.

The Chair now recognizes the Ranking Member of the full committee, the distinguished gentlelady from California, for 5 minutes.

Ms. WATERS. Thank you very much, Mr. Chairman and members.

Let me apologize for not being able to be here to hear all of the witnesses. I am sure that I missed part of the conversation that I needed to hear. But I can only now try and respond to what I know and understand about these legislative proposals. Hopefully, I will get the opportunity to talk with some of our preventers individually.

We are here today to talk about three discussion draft proposals related to certain HUD and USDA rental assistance programs.

While it seems all of the draft proposals have potentially laudable goals, in some respects, the goals are in tension with each other, it seems to me, in light of the fact that none of the discussion drafts are authorizing any new funding for their respective initiatives. Federal housing assistance programs in every community have very long waiting lists for assistance.

What these bills do, absent any new resources, is just pick winners and losers in the competition for already scarce resources, rather than providing the sorely needed additional funding to help solve the problems.

There is no question that we, as a country, need to promote choice and mobility options for individuals and families receiving rental assistance. We need to support youth aging out of foster care. The substance abuse crisis needs new solutions.

However, these growing problems cannot be solved by constantly robbing from one population to pay for the needs of another. Trying to address these serious social challenges, without spending additional money, just creates more inequities and problems to solve.

I am very interested to hear from all of the witnesses today, at some point in time, on whether they agree about the acute needs for increased resources to meet our Nation's most pressing housing challenges.

I think that we have embarked upon a point in time where most of our members on both sides of the aisle understand we have a

housing crisis in the country. It is huge. That we need to talk about dedicating resources to deal with this housing crisis.

I have a bill that I introduced for \$13.8 billion just for homelessness. I knew that it was not going to receive a lot of attention. But I wanted to point out the tremendous need that there is and how we just have to come to some realities about what is going on in this country.

We have gentrification going on. We have this conflict between economic development and the creation of affordable housing.

Of course, we support economic development. It is happening in some of the parts of my district. But guess what? With economic development comes the need for landlords who have rental housing to get more money because it becomes very competitive. Because with economic development, the communities become more desirable.

I have a 90-year-old woman on fixed income that was just evicted from her unit. It goes on and on and on.

I am really interested that the Congress of the United States of America make a decision about what we are going to do about housing in this country. What we are going to do about public housing. What we are going to do about Section 8. What we are going to do about homelessness and commit ourselves to spending the money.

Now, I know that we don't mind deficits. Thanks to my friends on the opposite side of the aisle that have shown us that, really, deficits may not matter in the way that they had always said they would.

We have created deficits recently with the leadership from the opposite side of the aisle. If we have to do that, in order to house people, and to provide safe and secure and decent housing for people in this country for our constituents, I want us to do that. I want us to say, we have to bite the bullet on housing, and we have to put up the money and the resources to do it.

With that, I yield back the balance of my time.

Chairman DUFFY. The gentlelady yields back.

The Chair now recognizes the Ranking Member of the subcommittee, Mr. Cleaver, for 5 minutes.

Mr. CLEAVER. Thank you, Mr. Chairman.

Actually, most of the questions I was going to raise have already been raised by others.

Obviously, during my opening statement, I spoke about the separation between opioid addiction and other addictions. My wife has a mental health clinic. She tells me that if you have a substance abuse, you just have a substance abuse. That would—I appreciate that going on.

But when the Obama Administration put this mobility housing proposal out, they also laid out, as the Ranking Member mentioned, funding, \$11 million which is not a lot of money.

My only—one of my concerns with this program has to do with whether or not we are going to really try to run a demonstration program or will we—will it languish on the shelf someplace?

I am—we do a lot of things that don't ever get implemented.

But let me find out one other program—I have one other concern that may not have been raised. It is that the whole issue, as it re-

lates to moving from one area that is in poverty to another. I think you, Ms. Sard, you quoted that in your opening statement to us.

Can you just speak to that a little bit more about your other findings, that are in that report, that will present data showing that life improves as you move to a more substantial and stabilized neighborhood?

Ms. SARD. Thank you, Congressman.

The study by Raj Chetty and others, that the Chairman and you also refer to, is, really, the latest in a series of studies, that have shown the impact on kids and adults from moving out of very high-poverty communities, particularly out of communities that are plagued by violence and moving to safer communities with a mix of incomes and also, importantly, with good schools. We cite research that pulls that together.

The geography of the voucher program today means that there are too many communities where there are a lot of people living in high-poverty areas. But there are not a lot of rental housing opportunities in low-poverty areas with good schools within the boundaries of the jurisdiction.

That means that it becomes vital to have the agencies within a region, that serve a mix of communities, collaborate together for the well being of the families that live in that region.

The rest of us, who are not dependent on the Government for housing assistance, think of housing as a regional market. We think about where is a good school for our kids? Where is transportation? Where is my job? Where are there parks?

Unfortunately, the way the administration of the voucher program is divided up in most places, which is city by city, really limits the choices of low-income people.

Mr. CLEAVER. Of course, gentrification—if the study were going to be done today, I would tell them to try to factor in gentrification.

When I was first elected 14 years ago, my wife and I went down by the stadium looking for a place to maybe buy a house. Capitol Hill police happened to be coming by. He was on horseback. He saw my pin and he said, Congressman, are you looking for a house down here? I said, sure. He said, look, I have a gun and I wouldn't move down here.

Now, I am not going to move down there now because I can't afford it. I don't know many people in Congress who can. What is happening there is happening all over the country.

I think the Ranking Member hit it earlier. Low-income housing—we have—we are in a crisis. Where do those people live who used to live down there and where are they now? Where are they in Kansas City, Missouri?

My wife grew up on a street, Lake Street. Now—the house they lived in cost \$8,000. Two blocks away today is a house selling for \$660,000. The study provides us, I think, some great data.

But, my goodness, this gentrification issue has to be dealt with.

Mr. Chairman, I yield back.

Chairman DUFFY. The gentleman yields back.

The Chair now recognizes the subcommittee chairman on monetary policy, the gentleman from Kentucky, Mr. Barr, for 5 minutes.

Mr. BARR. Thank you, Chairman Duffy and Ranking Member Cleaver, for holding this important hearing.

Again, a welcome to my constituents, Dean Hammond and Phil Gray, and for your leadership and showing us the way with a program that works. That leads to sobriety, that leads to self-sufficiency and long-term nonsubsidized housing and work for many of the veterans that go through your program.

I have been very impressed. I know Secretary Carson, when he came and visited with you in Lexington, was very impressed with the model that you have shared with us today.

As you all know, Congress has passed several key pieces of legislation to address the opioid epidemic, including the 21st Century Cures Act, the Comprehensive Addiction Recovery Act, and the recently enacted appropriations bill which includes several billion dollars in funding for opioid treatment and prevention.

Despite these important investments, what has been frustrating for me and my staff is that when—as we look at some of the programs that are funded, it is really oriented toward treatment and medication-assisted treatment and law enforcement resources. But there is not that long-term recovery piece.

When we are trying to help groups like St. James Place and the Foundation for Affordable Housing in Kentucky, those resources for that next phase after treatment, post-rehab, for long-term sober living, that is not there. There needs to be that longer term.

I think Secretary Kovich, you made this point in arguing against time limits. We need longer-term help. I agree with you. Totally agree with you.

To Mr. Hammond. Do you believe this demonstration program would fill a gap in Federal resources to address the addiction crisis?

Mr. HAMMOND. Yes, sir. As I said, with a couple of variances on the Section 8 voucher program and coupled with the full funding to take care of the rest of the sober living part of learning how to live in society and then going on to unsubsidized housing.

Mr. BARR. Let me address Secretary Kovich's point about time limits and also this should cover all SUDs, all substance-use disorders, not just the opioid crisis.

This is a draft bill for a reason. We want feedback from people on the front lines like you. Ms. Kovich, my condolences on your personal connection to this crisis. Unfortunately, I have met a lot of families whose lives have been upended by this in my Congressional district.

One of the reasons why we propose the bill as—and focus on opioids. One is to respond to the President's declaration and focus on this particularly acute problem.

But the other is actually to address the other point that you made which is that we don't want to displace the existing voucher allotment in a more profound way.

It is a resource question. But your point is well taken.

On the time-limit question. While I agree that 90 days is not enough to get someone to that long-term recovery, would—my question is, do you believe that pairing the work training, the job placement, the recovery services with the Section 8 Housing Choice Voucher Program could help recipients rise above addiction, lift themselves out of poverty through the blessing of work? Then, ulti-

mately, graduate from the subsidized housing piece. Graduate from the dependence on the voucher piece.

That is to Mr. Hammond.

Mr. HAMMOND. Yes, sir, absolutely. We have shown that and you can see the statistics on our veteran program with our graduations.

Just one of them here in 2017. We had 68 percent going into permanent housing. And 44 percent of those were in unsubsidized permanent housing. Certainly that has been our goal all along.

Mr. BARR. I think that is the point as well. We don't want a time limit that is too truncated and unrealistic.

We do believe that you can realistically graduate from the voucher program, freeing up space for others, in the—in the—these lines, these waiting lines. By having a voucher that is, say, limited to 18 months or 2 years.

Mr. HAMMOND. Yes, sir. In that particular statistic I just gave you, the average length of stay was 281 days.

Mr. BARR. One other piece of feedback that we heard from Ms. Sard was that it would be extremely inefficient and error prone if we did not bring in the public housing agencies.

Mr. Hammond, is it your experience that you have—you need a public housing authority to actually implement your program?

Mr. HAMMOND. We need—in Kentucky, they are the ones that administer the Section 8 program.

Mr. BARR. Right. But do you think nonprofits are incapable of actually implementing the program?

Mr. HAMMOND. No, sir. Because what we are having now with our veterans, the V.A. grant per diem program, we administer that whole thing and turn in our reports for bed days and are funded through the Veterans Administration. We are actually running a bachelor program based on bed days.

Mr. BARR. My time is expired but I will just conclude with one final point. That is that I believe that an increased Federal investment in this transitional housing will actually save taxpayers money.

Because, in the long run, if we help people—assist people to escape poverty and move them into permanent, non-subsidized housing where they have a job and they are addiction free, where we end the cycle of addiction, that is a taxpayer. That is a taxpayer.

That is not someone who is incarcerated. That is not some whose life has been destroyed. That is a taxpayer, a productive person through the blessing of work and sobriety. That person is a contributor.

Once again, we appreciate you showing the way.

I yield back.

Chairman DUFFY. The gentleman yields back.

The Chair now recognizes the Ranking Member for points and personal privilege.

Mr. CLEAVER. Thank you, Mr. Chairman.

You had mentioned Theresa Dumais. I just wanted to give an expression of appreciation. I have worked with her over the last few years and she is quite the professional. She is extremely knowledgeable. Not nerdy. She is extremely knowledgeable about all matters housing. I wanted to express appreciation, as you did earlier, for having the opportunity to work with her.

Ms. WATERS. Do you have more time?

Mr. CLEAVER. I yield to you.

Ms. WATERS. Thank you. Thank you very much. I appreciate that.

I have to, perhaps talk about this for the first time. There are some things that I wish I had done, as it relates to substance abuse.

We had an epidemic of crack cocaine in some communities in this country. We had babies who were born to parents who were addicted. We never knew and we don't know what happened to those children. There was never any research done.

We do know that we have increased numbers in some of our public schools for children who have learning disabilities and problems that they put into special education. We don't know whether or not the crack babies survived in a way that they will ever be productive citizens.

I guess what I am thinking now, as I listen to what we are talking about with the opioid epidemic, is we have to make sure that we go for resources to deal with all of the substance abuse problems that have created problems in our communities all over.

I think this can be a bipartisan effort because we all have these problems in our communities. I would love to be able to support something that is comprehensive and really puts the resources into dealing with these epidemics that we are confronted with.

I yield back to the Ranking Member.

Thank you.

Chairman DUFFY. I just, to Theresa, would say, that could be your plaque, knowledgeable but not nerdy. There you go. If wanted to be nerdy, too, you could.

But I think the Ranking Member brings up a good point. We want to look at all substance abuse, and its impacts it has and not just on housing but impacts it has on our children in our society as a whole.

So, I think we might be shocked that a committee, with such diversity of opinion, can be so bipartisan. It is that work that is going to bring us to real solutions that can truly affect people's lives.

I want to thank all the members who participated today.

I would just make a note for our panel. We did have a few Republicans leave. There was a briefing on Syria that was going on today which was why you saw an exit for that briefing. It doesn't mean there was not an interest in the topic of the day.

With that, thank you, panel, for your testimony.

The Chair notes that some Members may have additional questions for this panel, which they may wish to submit in writing. Without objection, the hearing record will remain open for 5 legislative days for Members to submit written questions to these witnesses and to place their responses in the record. Also, without objection, Members will have 5 legislative days to submit extraneous materials to the Chair for inclusion in the record.

But, again, thank you for your testimony.

And, without objection, this hearing is now adjourned.

[Whereupon, at 3:32 p.m., the subcommittee was adjourned.]

A P P E N D I X

April 17, 2018



Foundation for Affordable Housing, Inc.
Developer of St. James Place Apartments
An Affordable Residence for People in Need
 169 Deweese Street – Lexington, Kentucky 40507

NARRATIVE OF TESTIMONY BY DEAN HAMMOND

FOR THE

SUBCOMMITTEE ON HOUSING AND INSURANCE

APRIL 17, 2018 IN WASHINGTON, DC

Congressman Barr, Chairman _____, other interested parties.

I would like to take a moment to mention something that I think we all need to keep in mind. In the midst of polarizing political rhetoric coming from everywhere, I noted that we rarely get to know a particular politician. We only get to see what the team wants us to see, or even worse what the press wants us to see. Since we have been working closely with Congressman Barr, we have come to know him for the honorable man he is. Honorable man is high praise in my book. I am confident that he has the best interests of his constituents in mind as he makes his way through the maze we know as government. We are happy to be part of his efforts to make our communities better.

Phil Gray, the current President of the Foundation for Affordable Housing, and I thank Congressman Barr for inviting us to be a part of this discussion on how we can better serve our fellow citizens who are experiencing seemingly insurmountable obstacles in their lives. We are so pleased that your office has made such an effort to actually solve one of our most pressing social problems, addiction.

My primary testimony focus will be on the Section 8 Voucher set aside bill for support of transitional housing for opioid recovery and the fostering stable housing bill, each of which is consistent with the service-intensive transitional housing model we have employed for several years and propose to this sub-committee. We feel that foster children who age out could be enrolled the same way.

It is imperative that we approach this crisis with full knowledge of the client we are attempting to assist in recovery. And, we need to understand that some will not be able to overcome this dreaded condition. Addiction is a killer, and needs to be dealt with seriously.

To better understand our model, let me describe it briefly. We call it the Addiction Life Recovery Transitional Housing Pilot Project.

Whenever we speak of a model to rebuild a life, before it goes completely bad, we look to easily measurable items in a checklist of objectives:

Stable housing:

With a good environment.

Not where they were living!

No guarantee.

Sustained recovery from addiction:

90 or more days rehab completed successfully.

Structured transitional housing with continuous case work.

Training & education – two different things:

What can I do?

What do I want to do?

Financial Peace University.

Job skills and acquisition training.

Trade Schools.

Life skills.

Permanent work:

Have to work.

This can take some time.

Stable finances:

Child support up to date – advocacy – very successful.

Mandatory savings program – 30% of adjusted gross income in savings.

Manage money – goes back to education.

Steady income from job.

When we examine successful models we see one common thread, structure.

Most of our clients lack structure in their lives.

Look at successful special schools – uniforms, discipline, structure.

Military – structure.

Prison – structure (unfortunately) many return to the structure they know.

Structure is our foundation, without it there is only the return to the old ways. Structure means stable housing tied directly to success. Structure means mandatory meetings and classes. Structure means mandatory job search and acquisition.

That brings me to the Section 8 Voucher Set-Aside. We are so pleased that you have made such an effort to secure housing for this demonstration program, we want to be sure we have it allocated such that we ensure the most successful environment.

To have a stable structured environment, the housing needs to be available but not an entitlement. To stay in the housing the candidate must be successful in their efforts to accomplish the milestones in the program. That doesn't mean there aren't setbacks, because if you know addiction, you know setbacks are a part of recovery.

The housing needs to be based on the units and not through a lease with the clients. It needs to be a performance/behavioral agreement between the program and the client. If the client fails to make progress or refuses to participate, they must leave the program and the housing unit. This is not a scattered site sort of program. The structure required dictates that all in the program be in the same building, multi-unit SRO apartments. We need to have a variance from the voucher rules, or possibly substitute a project or unit-based section 8 authorization without the connection through a lease. We have to be able to "invite" some, possibly 17%,

to depart the program and the premises. Certainly we would refer the candidate to another facility, where they may still recover, but not with the level of success we are seeking. If we cannot make this variance, then we need at least to have a 30-day lease, rather than a one year lease, as is specified.

One of our most effective components is our mandatory savings program. When someone completes any course of rehab, training, or even incarceration, and they have no money to start the new life, the recovered life, they have no option but to go back to where they were. Not a great plan. By allowing for no rent but mandatory savings, we are able to develop their habit to save and to have something to use to start their new life when they complete the program. In our current program, our veterans have saved over \$300,000. The average was \$2,200 per veteran, and some saved over \$10,000, each in less than 2 years in the program. The average stay was less than 18 months. With this in mind we need to have a variance for the 30% AGI rent required under Section 8 for the two years of the program. Our plan includes the clients with a steady income paying partial rent on a sliding scale after the initial six months, while still participating in the mandatory savings plan. So, the variance would be required on that basis.

Now that we have discussed the variances from or substitutes for the Section 8 Vouchers, we need to discuss the entire program as a whole, because it must contain all of the components to be successful. Leaving anything up to a voluntary participation will not produce the citizen product we are seeking, who would go on to unsubsidized permanent housing. Isn't that the real goal here?

Considering that, we are hopeful that the secretary will see fit to allocate funds for the operation of the program to provide all the other components of education, training, case management, and support necessary to complete all the steps we have outlined, in one package. Partial funding or outpatient methods will not be sufficient. That has been proven numerous times.

So what are the costs?

Enroll them in the university of Addiction Life Recovery:

Total cost is approximately \$700,000 per year, based on 40 units of SRO housing. Housing comes in at \$272,640, using the current FMR of \$568 for Lexington KY. Program costs will be approximately \$427,360, based on 40 units. This equates to \$17,500 per person per year.

University of incarceration (2015):

Federal Prison = \$31,977.65.

Halfway House = \$26,082.90.

State Prison in New York = \$69,355.

City of New York = \$118,000 (2017).

We could put them in the Waldorf for that kind of money!

Will this work? Yes. The attached spreadsheet shows the stats for St. James Place. As you can see, constant pressure to move people out within 6 months are causing the numbers to decrease. Additionally, the quality of the candidates has diminished, because those we might select for the program are taking a quick subsidized housing voucher, being thrust upon

them, where they may make it, but will probably remain there indefinitely, in subsidized housing. Shouldn't we give the champions a chance to rise?

So, here is the fork in the road for America and where we can intercede:

We can enroll this individual in the course of study offered by the University of Incarceration, where he or she can learn new skills, have access to drugs, meet influential people, have exciting bed checks, still not pay their child support, graduate with a degree in recidivism, go back to the life and environment they left, and return to prison within 3 years (68%), or five years (77%) and be set for life. 84% of inmates 24 or younger when released, were arrested within 5 years, and no family reconciliation

Or

We can enroll this individual in the course of study offered by the University of Addiction Life Recovery (ALR), where he or she can learn new skills, job training or job seeking, have room inspections, meet influential people, be drug and alcohol tested often, complete Dave Ramsey's financial peace university, learn to dress appropriately, have a resume, increase self-awareness, a key component, participate in mandatory savings 30% AGI instead of rent. Our veterans saved an average \$2,200, 94 clients over 43 months saved \$206,885, 124 have participated and saved \$259,982 - quarter of a million dollars, now over \$300,000. Additionally, be up to date on agreed-to child support, build the habit of paying rent starting in the third quarter of the program, not go back to the life and environment they left, move into permanent housing (86.4%), move into permanent non-subsidized housing (74%), graduate with a degree in addiction life recovery, and possibly have family reconciliation.

Now I ask you, which is the best choice? \$17.5k vs \$31k

What questions do you have of me?

Dean C. Hammond Jr

VA Metrics Comparison FFAH

| Time Period | FFAH Exit % for Permanent Housing, Employment at Exit and Negative Exits | Of the Vets moving into Permanent Housing, the % In UNSUBSIDIZED PERMANENT HOUSING | VA Goal Percentage | |
|--|--|--|--------------------|-------------------------|
| FY17 10-1-16/12-31-2017 Total Exits 56 | FFAH Percentage | | VA Goal Percentage | |
| Permanent Housing at Exit | 68% | 44% | 65% | Length of Stay 281 Days |
| Employment at Exit | 87% | | 50% | |
| Negative Exits | 15.12% | | <23% | |
| FY16 10-1-15/9-30-2016 Total Exits 40 | FFAH Percentage | | VA Goal Percentage | |
| Permanent Housing at Exit | 72.80% | 76% | 65% | Length of Stay 334 Days |
| Employment at Exit | 59% | | 50% | |
| Negative Exits | 12.50% | | <23% | |
| FY15 10-1-14/9-30-15 Total Exits 37 | FFAH Percentage | | VA Goal Percentage | |
| Permanent Housing at Exit | 92% | 82.30% | 65% | Length of Stay 340 Days |
| Employment at Exit | 63.60% | | 50% | |
| Negative Exits | 13.50% | | 23% | |



COMMONWEALTH OF PENNSYLVANIA
DEPUTY SECRETARY FOR MENTAL HEALTH AND SUBSTANCE ABUSE SERVICES

The Transitional Housing for Opioid Recovery Demonstration Program Act of 2018

Testimony of Lynn Kovich

Deputy Secretary
Office of Mental Health and Substance Abuse Services
PA Department of Human Services
April 17, 2018

Good Afternoon. Thank you for the opportunity to provide testimony to you, this afternoon, regarding The Transitional Housing for Opioid Recovery Demonstration Program Act of 2018. I currently serve as the Deputy Secretary for Mental Health and Substance Abuse Services within the Pennsylvania Department of Human Services. Governor Tom Wolf has made fighting the opioid epidemic one of his administration's top priorities. In January 2018, Governor Wolf declared a Disaster Declaration to expand the state's role and response to the epidemic. Since taking office, Governor Wolf has worked to expand the commonwealth's response to this crisis. Most recently, the Governor signed a Disaster Declaration to bolster the administration's response by speeding up and expanding access to treatment, improving tools for families, first responders and others to save lives, and further enhancing coordination and data collection to improve state and local response. The initial declaration was for 90 days and Governor Wolf, recently announced it will be extended for an additional 90 days.

I have been working in the housing/services field for over 20 years. I began working, in the late 1990's, with individuals with a developmental disability or a mental illness, living in their own apartments. This was before Supportive Housing was called Supportive Housing and certainly before it was an evidence based practice. In the early to mid-2000, I worked in New Jersey and Pennsylvania to advance the principles of SH for individuals with a mental illness leaving a state psychiatric hospital or a congregate setting like a group home. I was an original founding member and eventual chair of the New Jersey Supportive Housing Association. I both developed housing projects as well as designed the services to support people living in SH. I am familiar with many of the US Housing and Urban Development (HUD) funding sources such as McKinney-Vento, the original Section 811 program and the new Section 811 Project Based Rental Assistance program. Additionally, I am familiar with different types of federal and state subsidy programs, including tax credit programs. I have implemented Olmstead Settlement agreements using a supportive housing model and based much of my career on ensuring people have access to housing in the community, in an integrated setting, with access to services and supports.

People with mental illness and/or substance use disorder can and do recover with the proper services and supports, including affordable and permanent housing. Housing needs to be permanent and affordable and not transitional or based on a period of 12-24 months. Countless studies have been conducted on the positive outcomes people experience once they have stable housing and access to services. Outcomes include improved health outcomes, reduction in homelessness, reduction in the inappropriate use of emergency rooms' and reduced substance use.ⁱ

The Services Administration for Mental Health and Substance Abuse Services (SAMHSA) has developed a tool kit for Supportive Housing that providers can utilize to ensure fidelity to the model.¹⁸ CMS, through its Innovative Accelerated Program (IAP), created technical assistance opportunities for states to learn about how Medicaid can be used to pay for services that people need to be successful in maintaining housing. This particular IAP program brought together experts in services, housing and Medicaid so that each sector could learn each other's systems. Medicaid is not able to pay for housing and so the partnership between housing providers and service providers is key.

While I have been touched by the opioid crisis personally, having lost a cousin to an overdose, as well as professionally in trying to attack this crisis in two different states, I still feel that this legislation, as written, is too narrow of a focus and should address Substance Use Disorder (SUD) in general.

The Committee has requested witnesses' views about a discussion draft of the "Transitional Housing for Opioid Recovery Demonstration Program Act of 2018," circulated by Rep. Barr. The draft bill is well-intentioned, aiming to dedicate resources for residential substance use treatment programs that help people recover from opioid use disorders. However, I would like to offer some suggestions:

1. **Obtaining a Housing Choice Voucher should not be dependent on the consumer's drug of choice. Anyone with a substance use disorder should be eligible for assistance.**

It is absolutely true that permanent and affordable housing coupled with supportive services is a key component to a successful recovery for individuals with an Opioid Use Disorder (OUD). But this is not just true for an individual with an OUD but for all individuals recovering from substance use disorder, including those in recovery from a dependence on alcohol, cocaine, meth-amphetamine, as well as those with a co-occurring mental illness. See below for specific PA statistics:

| Year | Affliction | Black or African American | Hispanic or Latino | Non-Hispanic | White |
|------|------------|---------------------------|--------------------|--------------|-----------|
| | | Diagnosed | Diagnosed | Diagnosed | Diagnosed |
| 2015 | Alcohol* | 19,634 | 3,463 | 897 | 44,194 |
| | Opiate* | 11,963 | 4,062 | 1,030 | 72,204 |
| | Other* | 33,784 | 6,932 | 1,414 | 63,420 |
| 2016 | Alcohol* | 22,594 | 4,071 | 1,093 | 51,685 |
| | Opiate* | 14,996 | 4,806 | 1,243 | 88,314 |
| | Other* | 36,625 | 7,273 | 1,530 | 66,641 |
| 2017 | Alcohol* | 21,429 | 3,770 | 1,159 | 52,521 |
| | Opiate* | 15,324 | 5,405 | 1,457 | 94,594 |
| | Other* | 37,054 | 7,577 | 1,628 | 71,049 |

It will be difficult to develop eligibility criteria based on an opioid addiction alone and may set up a have versus have not type of system. As depicted in the chart above, the use of all substances, not just opioids, is problematic for many of Pennsylvania's citizens. Coupled with this is the fact that many individuals have poly-substance use issues and specifying one diagnosis may prove problematic in administering the program in a fair

and equitable way. Substance use providers do not treat one addiction, such as opioid use disorder, with the exception of Opioid Treatment Programs (OTP's). And even within an OTP many people are battling addictions to alcohol and/or benzodiazepines along with their OUD. Providers are equipped to work with individuals who have a range of addictions and treatment needs. Affordable housing is in very short supply and in order to be eligible, people may turn to opioids as a way to gain access to this very important resource. This would be entirely counterproductive to the bill and can cause an unintended consequence.

The voucher program should be open to all individuals with a substance use disorder that should be a component of comprehensive supportive and recovery services that include peer support, employment and job training, counseling and medication assisted treatment, if appropriate. Many individuals complete a continuum of treatment starting with detox and/or in-patient rehabilitation and progress to a halfway house in preparation to return to the community. Many of these services are covered either through the Pennsylvania Behavioral Health Choices Program (PA's managed Medicaid program for behavioral health) or through other funds such as federal block grant, state or county dollars. So, while many of the services are currently funded, there is still a great need for additional funding. I would encourage the committee to work with the House Energy and Commerce Committee to address funding for all services needed to support the recovery process for individuals. Supportive housing is often referred to as the three (3) legged stool...capital, subsidies and services. HUD plays a vital role in two legs of this stool and continuing to add resources, especially for subsidies, can provide someone the opportunity to receive a voucher, in order to further their recovery, and to live in the community permanently.

2. The demonstration should not impose time limits for participation in the section 8 housing choice voucher demonstration. The vouchers should be permanent and follow the same rules and regulations as the current Housing Choice Voucher Program.

The housing choice voucher program is one of the nation's most successful public/private partnershipsⁱⁱⁱ. Private landlords enter into agreements with public housing authorities (PHA) with the understanding that the voucher subsidy is permanent, save participant termination for a program violation or participant income levels in excess of program requirements. Voucher time-limits is a disincentive to private landlords who want stable clients and do not want the hassle of removing someone from the unit because their voucher ended and they can no longer afford their apartment. Furthermore, participants with complex issues related to SUD/OUD, are not likely to resolve issues related to income or a need for subsidy within arbitrary timeframes. Finally, PHAs may not have the resources to house the participants in this program once their voucher ends due to existing waiting lists and scarce resources.

Permanent Supportive Housing, a strategy that combines affordable housing with intensive coordinated services, has been the primary funding focus for the HUD Homeless Continuum of Care.^{iv} Today, HUD has focused efforts on making housing subsidies permanent to ensure success for both families and individuals experiencing homelessness.^v Providing a temporary subsidy for the OUD population, an arguably more complex population to serve, runs counter to three decades of

evidence suggesting that permanent housing is more effective than transitional housing. Furthermore, the draft legislation characterizes this demonstration as supportive housing, but the lack of permanency runs counter to the idea that permanency is a critical component of supportive housing.

The demonstration talks about using supportive housing as a model but as it is described actually runs counter to the tenets of the model. Supportive housing is a highly effective strategy that combines affordable housing with coordinated services to help people struggling with mental illness, physical health care issues and substance use issues. The key features of supportive housing are permanence and affordability. Tenants typically pay 30% of their income towards rent and have the same rights and responsibilities as any other tenant renting an apartment. There are also a core set of principles that include services that are housing oriented, multi-disciplinary and voluntary but assertive in that staff will continue to provide follow up should someone choose not to engage. The housing is also integrated into the community so individuals have access to all community resources that everyone enjoys. Individuals have a choice in their housing as well as in the services they receive. Finally, the housing is considered low barrier and instead of screening people out of housing, the model screens people into the housing. Again, the point to all of this is the permanency, affordability and access to services that are key to the model. Using a transitional model, that involves losing a subsidy at the end of a defined time period runs counter to the true tenets of the model.^{vi} Even after a person has stabilized their life, they may need the housing voucher because their job may not pay enough to afford housing. Housing instability can jeopardize a person's recovery. In fact, the loss of subsidy at the end of 24 months can be a trigger for relapse.^{vii}

Housing First or low barrier housing, as described above, has also been studied as a way to engage those who have been resistant to housing or services in the past. This is mostly due to the requirements, such as sobriety, completing a certain program, etc., that were really barriers to individuals accessing housing and services. Although there was no direct substance use intervention, individuals with alcohol dependency living in a Housing First program in Seattle, Washington had *decreased* alcohol consumption over time.^{viii} A Housing First model in Seattle, Washington serving women that experienced chronic homelessness with co-occurring substance use disorder showed *reduced* substance use among women in this program.^{ix} This again, just points to the need for permanent vouchers and not compromising someone's recovery with the loss of a voucher.

3. As the primary grantees of Housing Choice Voucher program, Public Housing Authorities should be involved in this demonstration

The Housing Choice Voucher program is not an easy program to administer. PHAs have a staff person for every 200 to 300 participants served. This staff compliment is largely dedicated to ensuring compliance with regulations and providing quality customer service to participants and landlords. Most residential substance use treatment or recovery housing providers do not have expertise administering housing vouchers. Distributing vouchers requires understanding fair housing rules, unit inspection, receiving rent payments from clients, and regularly updating clients' eligibility criteria. It might make more sense to employ lessons learned from the HUD-Veterans Affairs Supportive Housing (HUD-VASH) program, which leverages the expertise of PHAs in administering the voucher program with the case management and human services provided by the Veterans Administration.^x

Because there is no new money recommended in this bill, PHAs are the most likely local entities to be negatively impacted by this demonstration. However, for this demonstration to be effective, we will likely need PHA buy-in and expertise during the planning and implementation phases. In addition, if the demonstration is successful, substance use treatment providers will need PHAs in order to grow the program to help more people. PHAs will not be inclined to be partners if they see substance use treatment providers as having taken their resources.

The legislation allows that an eligible entity to provide a voucher for such assistance to a covered individual through a supportive housing program that provides treatment for opioid use disorders, job skills training and such assistance for a period of 12-24 months. Supportive housing providers typically provide the services as referenced, however, accessing housing is not contingent on participating in these services. Services are voluntary and engagement is decided by the client. In a true supportive housing model, the services and housing are separate. The specifics of operating a housing choice voucher program, as stated above, is complicated due to all the regulatory and compliance issues. Service providers should provide services and housing providers should provide housing.

4. The legislation does not create additional vouchers for the purpose of the demonstration. In order to address the housing needs of individuals with SUD/OD, additional vouchers should be created.

The current program is not able to meet the need of all the individuals and families who could benefit from having a voucher in order to locate and maintain permanent and affordable housing. In fact, three in four renters who are low income are not able to receive assistance due to funding limitations. Demand for vouchers is so high that a majority of housing agencies have closed their waiting lists and agencies are often flooded when waiting lists are re-opened. Families/individuals who do manage to get on a waiting list can wait for years before a voucher becomes available. Surging demand and long waiting lists provide further evidence that the need for affordable housing far outstrips the supply and that current federal voucher funding levels are inadequate to address the current need. Almost 3 million families are currently on a waiting list for a voucher but over 9 million would be waiting if lists had not been closed according to a report, in 2016, by the Public and Affordable Housing Research Corporation. Nearly all of those on the list are seniors, people with disabilities or seniors.^{vi} In fact, many of the individuals served by the PA Office of Mental Health and Substance Abuse Services (OMHSAS), could benefit from a housing voucher. There are individuals who are currently being served in a group home or a more congregate setting, receiving a higher level of service than required because there are simply not enough rental vouchers for individuals. If those individuals could move into supportive housing, with a rental voucher, individuals currently in a state psychiatric hospital could be stepped down to the community to create a through put in the continuum. People, however, are stuck because of the lack of rental vouchers/assistance. OMHSAS also serves individuals who are homeless who also have a mental illness and/or a co-occurring substance use disorder. These individuals also require a supportive housing setting coupled with support services. OMHSAS has been able to create some rental assistance vouchers with its own funding, as well as funding for services, including using Medicaid for approved state plan services. However, in a perfect world, the subsidies created by OMHSAS would be a bridge to a more permanent housing choice voucher. This just speaks to the point that

the addition of vouchers would be far more advantageous than just using and recycling existing vouchers. It tends to set up a rob Peter to pay Paul scenario.

ⁱ Ehren Dohler, Peggy Bailey, Douglas Rice and Hannah Katch, "Supportive Housing Helps Vulnerable People Live and Thrive in the Community", *Center on Budget and Policy Priorities*, May 31, 2016.

^h *Permanent Supportive Housing Evidence-Based Practices*, available at: <https://store.samhsa.gov/product/Permanent-Supportive-Housing-Evidence-Based-Practices-EBP-KIT-/SMA10-4510>.

ⁱⁱ *The Housing Choice Voucher Program (formerly known as Section 8) is one of the most successful federal housing programs funded by HUD*, available at: <http://www.tacinc.org/media/27844/Federal%20Housing%20Programs.pdf>.

^{iv} "Congress and the U.S. Department of Housing and Urban Development (HUD) have encouraged the development of permanent supportive housing for homeless people since the inception of the McKinney-Vento Act in 1987.

<https://www.huduser.gov/portal/publications/hsgfirst.pdf>:

^v *Permanent Housing Subsidies Most Effective Intervention to Assure Housing Stability for Families Experiencing Homelessness*, available at: <http://nlihc.org/article/permanent-housing-subsidies-most-effective-intervention-assure-housing-stability-families>.

^{vi} Dohler, et al.

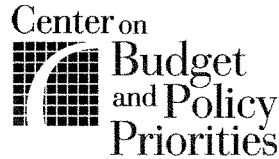
^{vii} Carol Pearson, Anne Montgomery, and Gretchen Locke, "Housing stability among homeless individuals with serious mental illness participating in housing first programs", *Journal of Community Psychology*, Vol. 37 | Issue 3, March 3, 2009.

^{viii} S. Collins, D. Malone, S. Clifasefi, J. Ginzler, M. Garner, B. Burlingham, M. Larimer, "Project-based housing first for chronically homeless individuals with alcohol problems: Within-subjects analyses of 2-year alcohol trajectories", *American Journal of Public Health*, 102(3), 511-519, 2012.

^{ix} Susan Collins, Seema Clifasefi, Elizabeth Dana, Michele Andrasik, Natalie Stahl, Megan Kirouac, Callista Welbaum, Margaret King, and Daniel Malone, Where Harm Reduction Meets Housing First: Exploring Alcohol's Role in a Project-based Housing First Setting", *International Journal of Drug Policy*, Volume 23 | Issue 2, March 2012.

^x HUD-VASH, available at: https://www.hud.gov/program_offices/public_indian_housing/programs/hcv/vash.

^{xi} Alicia Mazzara, Housing Vouchers Work: Huge Demand, Insufficient Funding for Housing Vouchers Means Long Waits, *Center for Budget and Policy Priorities*, Blog Post April 19, 2017.



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Housing Choice Voucher Program: Oversight and Review of Legislative Proposals

**Testimony of Barbara Sard,
Vice President for Housing Policy,
Before the House Financial Services Subcommittee
on Housing and Insurance**

Thank you for the opportunity to testify. I am Barbara Sard, Vice President for Housing Policy at the Center on Budget and Policy Priorities. The Center is an independent, nonprofit policy institute that conducts research and analysis on a range of federal and state policy issues affecting low- and moderate-income families. The Center's housing work focuses on improving the effectiveness of federal low-income housing programs, particularly the Section 8 Housing Choice Voucher (HCV) program.

My testimony will focus primarily on the draft Housing Choice Voucher Mobility Demonstration Act of 2018, and at the end touch on the other two legislative proposals that are the subject of the hearing. The Housing Choice Voucher program, our nation's primary vehicle to help very low-income families afford decent, safe, and sanitary housing, is designed to provide financial assistance to households to enable them to choose the housing and neighborhood that best suits their needs. Evidence underscores that low-income children whose families move from very poor neighborhoods to lower-poverty areas have higher earnings as adults — and are less likely to become single parents and more likely to attend college — than children remaining in less-advantageous neighborhoods.¹ Yet as currently administered, housing vouchers often are not sufficient to enable families to access neighborhoods with greater opportunities that can help prevent intergenerational poverty. The draft Voucher Mobility Demonstration Act could help the voucher program reach its full potential in three ways.

1. It would encourage local housing agencies to form regional collaboratives to reduce barriers preventing families from moving to higher-opportunity areas. Such collaboratives also have potential to reduce long-run operating costs.

¹ Raj Chetty, Nathaniel Hendren, and Lawrence Katz, "The Effects of Exposure to Better Neighborhoods on Children: New Evidence from the Moving to Opportunity Experiment," *American Economic Review* 106, no. 4 (2016): 855–902.

2. By providing the Secretary of the Department of Housing and Urban Development (HUD) with authority to waive or specify alternative requirements for certain statutory provisions necessary to implement a regional plan, the bill could make regional operation of the HCV program more feasible.
3. It provides a framework for learning what types of mobility-related services are most cost-effective at increasing the share of HCV families with children living in higher-opportunity areas.

With certain improvements that I discuss at pages 11-15, the bill could have even greater benefits for families.

Housing Choice Voucher Program Generally Very Effective

The Housing Choice Voucher program, the nation's largest rental assistance program, helps 2.2 million low-income households, including about 1 million families with children, rent modest units of their choice in the private market. But due to funding limitations, about 3 in 4 households eligible for a voucher do not receive any form of federal rental assistance.²

Rigorous studies demonstrate that Housing Choice Vouchers sharply reduce homelessness and other hardships. In addition, vouchers for homeless families cut foster care placements (which are often triggered by parents' inability to afford suitable housing) by more than half, reduce moves from one school to another, and cut rates of alcohol dependence, psychological distress, and domestic violence victimization among the adults with whom the children live.

By reducing families' rental costs, housing vouchers allow them to devote more of their limited resources to meeting other basic needs. Families paying large shares of their income for rent spend less on food, clothing, health care, and transportation than those with affordable rents. Children in low-income households that pay around 30 percent of their income for rent (as voucher holders typically do) score better on cognitive development tests than children in households with higher rent burdens; researchers suggest that this is partly because parents with affordable rent burdens can invest more in activities and materials that support their children's development. Children in families that are behind on their rent, on the other hand, are disproportionately likely to be in poor health and experience developmental delays.³

Most voucher recipients who would be expected to work do so. Nearly 9 out of 10 households using vouchers are elderly, disabled, working or had worked recently, or likely subject to a work requirement under the Temporary Assistance for Needy Families program. Dependent care needs

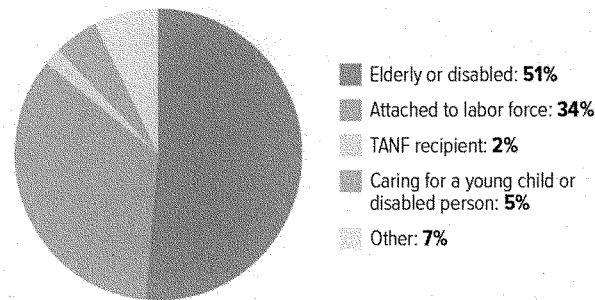
² See Center on Budget and Policy Priorities, "Three Out of Four Low-Income At-Risk Renters Do Not Receive Federal Rental Assistance," August 2017, <https://www.cbpp.org/three-out-of-four-low-income-at-risk-renters-do-not-receive-federal-rental-assistance>.

³ Research documenting the wide range of benefits of housing vouchers is gathered in Will Fischer, "Research Shows Housing Vouchers Reduce Hardship and Provide Platform for Long-Term Gains Among Children," Center on Budget and Policy Priorities, October 7, 2015, <http://www.cbpp.org/research/housing/research-shows-housing-vouchers-reduce-hardship-and-provide-platform-for-long-term>.

may prevent adults from working in a large share of the remaining households, which include a pre-school child or a person with disabilities. (See Figure 1.)

FIGURE 1

9 in 10 Households Receiving Housing Choice Vouchers Are Elderly, Disabled, Attached to the Labor Force, or Receiving TANF



Note: "Elderly" = head of household or spouse is 62 or older. "Disabled" = head or spouse meets Department of Housing and Urban Development (HUD) disability criteria. "Attached to labor force" = at least one household member worked in 2015 or 2016, or received unemployment insurance in 2016. "Young child" = child under age 6. "Other" = many non-working households were searching for work, in school or training, or had a health or other condition (such as domestic violence) that limited work. Most recipients of Temporary Assistance for Needy Families (TANF) are subject to work requirements. Numbers may not add to 100 percent due to rounding.

Source: CBPP analysis of 2015 and 2016 HUD administrative data

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Voucher use is temporary, though longer in areas with high or steeply rising rents than in other areas. Recent HUD-sponsored research found that the median duration of receipt of HCV assistance for households that left the program in 2015 was 3.3 years. Length of stay was significantly longer for households headed by an elderly person than others.⁴

Vouchers Help Families to Access Opportunities, But Could Do Better

A strong body of research shows that growing up in safe, low-poverty neighborhoods with good schools improves children's academic achievement and long-term chances of success, and may reduce inter-generational poverty. Studies have also consistently found that living in segregated

⁴ Kirk McClure, "Length of Stay in Assisted Housing," U.S. Department of Housing and Urban Development Office of Policy Development and Research, October 2017, <https://www.huduser.gov/portal/publications/length-of-stay.html>.

neighborhoods with low-quality schools and high rates of poverty and violent crime diminishes families' well-being and children's long-term outcomes.⁵

Location also can affect adults' access to jobs, the cost of getting to work, the ease of obtaining fresh and reasonably priced food and other basic goods and services, and the feasibility of balancing child care responsibilities with work schedules.⁶

Vouchers enable families with children to move to safer neighborhoods with less poverty, and thereby enhance their chances of long-term health and success. But reforms are needed to realize the program's potential in helping families to access neighborhoods of opportunity. The proposed Voucher Mobility Demonstration Act could provide the foundation for many of these key changes.

Rigorous Studies Find Persuasive Evidence of Neighborhoods' Influence

A groundbreaking study by Raj Chetty, Nathaniel Hendren, and Lawrence Katz found that young children in families that used housing vouchers to move to better neighborhoods fared much better as young adults than similar children who remained in extremely poor neighborhoods.⁷ The study provided the first look at adult outcomes for children who were younger than 13 when their families entered the Moving to Opportunity (MTO) demonstration, a rigorous, random-assignment, multi-decade comparison of low-income families who used housing vouchers to relocate to low-poverty neighborhoods to similar families that remained in public housing developments in extremely poor neighborhoods.

The Chetty study found that young boys and girls in families that used a voucher to move to lower-poverty neighborhoods were 32 percent more likely to attend college and earned 31 percent more — nearly \$3,500 a year — as young adults than their counterparts in families that did not receive an MTO voucher. Girls in families that moved to lower-poverty neighborhoods were also 30 percent less likely to be single parents as adults. (See Figure 2.) MTO's design imparts confidence to the conclusion that neighborhood differences are responsible for these striking outcomes.

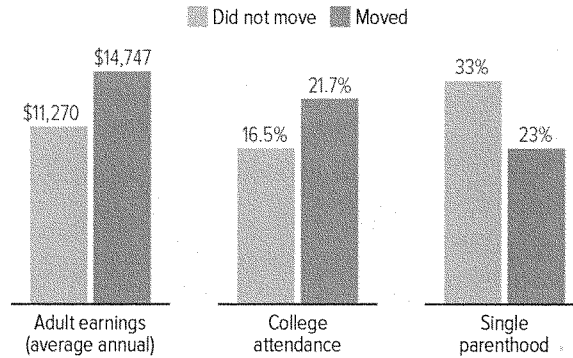
⁵ Barbara Sard and Douglas Rice, "Realizing the Housing Voucher Program's Potential to Enable Families to Move to Better Neighborhoods," Center on Budget and Policy Priorities, January 12, 2016, <http://www.cbpp.org/sites/default/files/atoms/files/11-9-15hous.pdf>.

⁶ See X. Briggs, *The geography of opportunity: Race and housing choice in metropolitan America*. Washington, D.C.: Brookings Institution Press.

⁷ Chetty, Hendren, and Katz.

FIGURE 2

Moving with Voucher to Lower-Poverty Neighborhoods While Young Children Improves Key Adult Outcomes



Note: Outcomes are for children up to age 13 at the time of random assignment under the Moving to Opportunity (MTO) demonstration. "Moved" refers to families that used MTO vouchers to relocate to neighborhoods where fewer than 10 percent of residents were poor. "Did not move" refers to control group families that did not receive MTO vouchers.

Source: Chetty *et al.*, "The Effects of Exposure to Better Neighborhoods on Children: New Evidence from the Moving to Opportunity Experiment," National Bureau of Economic Research, Working Paper #21156, May 2015.

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Program Improvements Needed to Realize the Housing Choice Voucher Program's Location Potential

When African American and Hispanic families use housing vouchers, their children are nearly twice as likely as other poor minority children to grow up in low-poverty neighborhoods (where fewer than 10 percent of residents are poor) and somewhat less likely to grow up in extremely poor areas (where 40 percent or more of residents are poor). The voucher program thus has an important, positive impact on minority families' access to opportunities.

Still, only 1 in 8 (12.9 percent) families with children participating in the HCV program in 2014 used their vouchers to live in a low-poverty area, while 343,000 children in families using vouchers lived in extremely poor neighborhoods. Vouchers could do much more to help these and other children grow up in safer, low-poverty neighborhoods with good schools.⁸

⁸ Sard and Rice, 2016.

Many more families would like to use vouchers to move to better neighborhoods — and many housing agencies would like to help them do so — but families typically do not receive the information and assistance they need to make successful moves. In addition, the program’s balkanized administrative structure makes it more difficult for families to use vouchers in high-opportunity areas. In the few cases where families receive assistance from public housing agencies (PHAs) — or partner organizations — that operate regionally, have policies that facilitate using vouchers in higher-opportunity areas, and provide information and assistance to families to move to such areas, thousands have successfully made such life-changing moves.

Regionalizing HCV Administration Would Increase Efficiency and Expand Opportunity

The June 2016 report of the Speaker’s Task Force on Poverty, Opportunity, and Upward Mobility noted that “A major obstacle to housing assistance recipients moving up the economic ladder is the lack of individual choice in housing programs and bureaucracies.” It recommends that “To combat this, we should enhance the portability of housing assistance vouchers” and reform the “fragmented” system of thousands of public housing agencies.⁹ Strong evidence supports the Task Force’s finding and recommendations.

HUD contracts with about 2,200 PHAs to administer housing vouchers.¹⁰ These agencies administer as few as four and as many as 99,200 vouchers. Beyond consideration of population and housing need, differences in municipal and county governance as well as state politics have led to this great variation in PHAs’ scale, as well as in their geographic coverage. The result is a complex network of program administration, where multiple agencies, both large and small, often administer vouchers in the same metro areas, sometime with overlapping jurisdictions. The complexity and redundancy of program administration is inefficient, increases program costs, makes federal oversight more difficult, and reduces housing opportunities for families.

In some states, state-level agencies oversee a large share of the federal rental assistance resources. About 30 states (including the District of Columbia) have state-level agencies that administer a portion of the housing vouchers in the state.¹¹ Other states have created regional entities that respond to the administrative challenge posed by rural areas. In Mississippi, for example, six regional housing authorities administer nearly 75 percent of the state’s vouchers and nearly 15 percent of its public housing units. State or regional administration of rental assistance makes it easier for families to apply for assistance and to choose where to live, and typically provides economies of scale.

⁹ Task Force on Poverty, Opportunity, and Upward Mobility, “A Better Way: Our Vision for a Confident America,” June 7, 2016, p. 18, <http://abetterway.speaker.gov/assets/pdf/ABetterWay-Poverty-PolicyPaper.pdf>.

¹⁰ 1,433 of these agencies also manage public housing. For more data concerning PHAs and the programs they administer, see Barbara Sard and Deborah Thrope, “Consolidating Rental Assistance Administration Would Increase Efficiency and Expand Opportunity,” Center on Budget and Policy Priorities, April 11, 2016, <http://www.cbpp.org/sites/default/files/atoms/files/4-11-16hous.pdf>.

¹¹ For example, the Montana Department of Commerce administers about two-thirds of the vouchers in Montana, and the Idaho Housing Finance Agency administers about half of that state’s vouchers. State agencies in Alaska and Delaware manage both public housing and voucher programs.

Most Metro Areas Served by Multiple Housing Voucher Programs

In most metropolitan areas, one agency administers the HCV program in the central city and one or more different agencies serve suburban cities and towns. This pattern is the case in 97 of the 100 largest metro areas, where 71 percent of households in the HCV program lived in 2015. In 35 of the 100 largest metro areas, voucher administration is divided among ten or more agencies. This is the case even in mid-size metro areas such as Providence, Rhode Island, and Albany, New York, each of which has at least 35 agencies administering the HCV program.¹²

One reason for this pattern is that HUD in the past allocated voucher funds to hundreds of new small agencies to serve individual suburban towns or to administer special vouchers for people with disabilities, including nearly 700 small agencies in metro areas.¹³ These decisions result, at the extreme, in 68 different small PHAs administering the HCV program in the greater Boston metropolitan area (which includes part of southern New Hampshire), in addition to 25 larger agencies and two state-administered HCV programs.

**Large Number of PHAs Increases Costs,
Reduces Program Effectiveness, and Limits Housing Choice**

The large number of PHAs administering the HCV program has made its operation more costly and less efficient — as well as less effective for families — than it could be.

Oversight and Operation of Small PHAs Increase Federal Costs

The large number of PHAs increases the cost of federal oversight as well as the cost of local agency administration. In an analysis of opportunities to increase HCV program efficiency, the Government Accountability Office (GAO) found that “consolidation of voucher program administration under fewer housing agencies . . . could yield a more efficient oversight and administrative structure for the voucher program and cost savings for HUD and housing agencies”¹⁴

A careful HUD study recently examined the actual costs that high-performing agencies of various sizes incur in administering the HCV program, as well as the financial data that voucher PHAs submit to HUD. It found that PHAs that administered fewer vouchers had significantly higher costs per family served than larger programs.¹⁵ (See Figure 3.) One significant cost factor is additional staff per voucher in use. This is likely because some basic administrative functions — such as overall planning and staying up to date on program rules — take essentially the same amount of time regardless of the number of vouchers a PHA administers.

¹² CBPP analysis of HUD, *2015 Picture of Subsidized Households*. In 278 out of the 381 metro areas in the United States and territories, two or more PHAs administered HCV programs; a single agency served only a little more than one-fourth of metro areas. Sard and Thrope. (Appendix 3 has data for each of the largest 100 metro areas.)

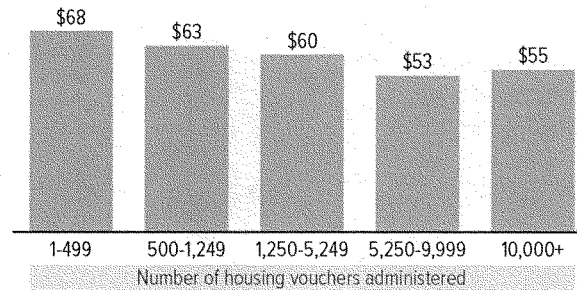
¹³ U.S. Government Accountability Office, “Housing Choice Vouchers: Options Exist to Increase Program Efficiencies,” GAO-12-300, March 2012, p. 39.

¹⁴ Abt Associates, “Housing Choice Voucher Program Administrative Fee Study,” August 2015, http://www.huduser.org/portal/publications/pdf/AdminFeeStudy_2015.pdf.

FIGURE 3

Smaller Public Housing Agencies Have Higher Administrative Costs

Average monthly administrative cost per voucher



Source: Abt Associates, "Housing Choice Voucher Program Administrative Fee Study" Ex. B-2, August 2015, http://www.huduser.org/portal/publications/pdf/AdminFeeStudy_2015.pdf.

Note: Abt adjusted its cost estimates to account for differences in local labor costs.

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Under current policy, HUD gives smaller agencies — those with 600 or fewer vouchers — higher per-unit subsidies for voucher administrative costs, with the payment boost phasing out for larger programs.¹⁵ The recent HUD study recommends paying additional fees for agencies serving fewer than 750 families, with the biggest boost to agencies serving fewer than 250 families and then gradually phasing out the boost to avoid a funding cliff. If federal policymakers maintain current law or adopt the study's recommendation, the federal cost will be greater than if policymakers decide that agencies should be paid only the amount needed to operate at an efficient scale, without a boost based on the small size of their voucher programs.¹⁶

¹⁵ This policy is required by statute: see 42 U.S.C. § 1437f(q).

¹⁶ The size adjustment in the proposed administrative fee formula that HUD released on July 6, 2016 would have increased smaller agencies' funding eligibility by \$43 million in 2015. (CBPP analysis of HUD's estimate of 2015 fee eligibility under the proposed formula, available at <http://portal.hud.gov/hudportal/documents/huddoc?id=proposdformulafcephas.xlsx>.)

Fragmented Rental Assistance Administration Reduces Housing Choice and Is Less Efficient

Rental units in safe neighborhoods with good schools are more plentiful in some suburban areas than in the central cities or older suburbs, which are more likely to have higher-poverty neighborhoods with lower-performing schools. A recent study by the Urban Institute found that interventions that don't support relocation to suburban areas with high-quality schools "cannot reasonably expect improved educational outcomes for children, given the educational environment in most cities."¹⁷

But the balkanization of metro-area HCV programs among numerous housing agencies often impedes greater use of vouchers in higher-opportunity areas. Families living in high-poverty neighborhoods in central cities or older suburbs with increasing poverty may have more difficulty using a voucher to move to such areas than if a single agency, or consortia of agencies, served the metro area. Agency staff in higher-poverty jurisdictions may be unfamiliar with housing opportunities elsewhere and unlikely to encourage families to make such moves. And PHAs in destination communities may be reluctant to accept new families or assist them in finding a willing landlord, seeing newcomers as potential competition with current residents for scarce rentals.

Current administrative fee policy exacerbates the disincentives for agencies to help families make successful inter-jurisdictional moves. Despite the increased administrative costs of such "portability" moves, due to the ongoing transfers of funds and records between the agencies that issued the vouchers and the agencies that serve the areas where families lease housing, both issuing and receiving agencies receive diminished administrative fees in these cases. Typically, issuing agencies retain only 20 percent of the HUD-provided administrative fee for a voucher used in another PHA's jurisdiction, while receiving PHAs get less for the ongoing administration of these vouchers than for those they issue. The recent HUD study recommends paying receiving agencies the full administrative fee due for vouchers leased in their service area, while still providing one-fifth of the regular fee to the issuing agencies to compensate for their costs.¹⁸

Because most portability moves occur within a metro area, regional voucher administration would eliminate the need to use these costly procedures and the additional fees they may entail. If PHAs in a metro area could form a consortium in which they each retain their local board but together have a single voucher funding contract with HUD, families would be able to use their vouchers to move relatively seamlessly among the cities and towns in the consortium. (Consolidation of separate housing agencies to form a single metro-wide PHA could have greater benefits but also faces greater political hurdles; for many PHAs, the ability to retain their independent identity is a paramount concern. This makes it more likely that PHAs would join a consortium to achieve administrative

¹⁷ Brett Theodos, Claudia Coulton, and Amos Budde, "Getting to Better Performing Schools: The Role of Residential Mobility in School Attainment in Low-Income Neighborhoods," *Cityscape* 16:1, 2014, p. 81, <http://www.huduser.gov/portal/periodicals/cityscpe/vol16num1/ch3.pdf>.

¹⁸ Abt Associates. Fee-splitting and ongoing transfers of funds and records between the agencies that issued the vouchers and the agencies that serve the areas where families lease housing are required, unless the "receiving" agencies "absorb" the families into their own HCV program by giving the families vouchers the receiving agencies have available instead of serving families on their waiting lists. In recent years, HUD has provided a supplemental fee of 5 percent — for a total of 85 percent if fully funded — to PHAs that administer a very large share of "port-in" vouchers.

economies of scale than formally consolidate with other agencies.¹⁹) Under HUD's current rules, however, agencies have little incentive to form consortia, and when they do, they still lack a single funding contract with HUD.²⁰

Enabling agencies in a consortium to function as a single entity for funding, reporting, and oversight purposes would substantially reduce PHAs' and HUD's administrative burdens. Agencies would also benefit from greater economies of scale. GAO notes, for example, the greater efficiencies that are possible when small agencies join together to hire inspectors or when a voucher program is large enough to generate sufficient administrative fees to support a fraud detection unit.²¹ Economies of scale also could free up staff time to take advantage of program options such as using project-based vouchers to help develop or preserve mixed-income housing and supportive housing. Creation of a consortium with a single funding contract would also eliminate the administrative work required when a voucher holder moves from one community to another.

PHAs Need Additional Funds to Help Families Move to and Remain in High-Opportunity Neighborhoods

In 2018, agencies likely will receive less than 80 percent of the voucher administrative fees for which they're eligible because policymakers didn't appropriate enough money to cover the full amounts.²² Without additional funding, few agencies will have the resources needed to help more families with vouchers rent in higher-opportunity areas.

There have been efforts in some metro areas, funded through a variety of sources, to provide intensive mobility assistance to families that want to move to lower-poverty neighborhoods, but only about 15 such programs operate today.²³ Programs in the Baltimore and Dallas areas have reported significant success in moving substantial numbers of families to — and helping them remain in — much lower-poverty, predominantly non-minority communities. These initiatives provide families with assistance in locating available units, higher rental subsidy levels, payments for security deposits and other moving costs, and counseling to help them adjust to such neighborhoods. They provide similar services to families for at least one subsequent move to help them remain in designated opportunity areas. These programs operate on a regional basis covering at least the central city and many suburban areas, thereby avoiding the barriers created by separate agency service areas.²⁴

¹⁹ HUD Office of Policy Development and Research, "Strategies for Regional Collaboration," *Evidence Matters*, Summer/Fall 2015, pp. 13-17, <https://www.huduser.gov/portal/periodicals/em/fall15/highlight2.html>.

²⁰ According to HUD, in 2014 there were only eight consortia involving 35 PHAs that administer the HCV program. HUD, Streamlining Requirements Applicable to Formation of Consortia by Public Housing Agencies, Proposed Rule, 79 Federal Register 40019, July 11, 2014.

²¹ GAO-12-300, p. 40.

²² Because of inflation and other factors, fees in 2018 will cover about the same share of costs as in 2017, and a smaller share than in 2015 and 2016, despite the increased funding in the omnibus bill Congress passed last month.

²³ Poverty & Race Research Action Council, "Housing Mobility Programs in the U.S. in 2015," <http://prrac.org/pdf/HousingMobilityProgramsInTheUS2015.pdf>.

²⁴ For more information, see Sard and Rice, 2016, pp. 16-17.

These local initiatives illustrate that housing vouchers can enable more families to move to safe, lower-poverty neighborhoods with greater opportunities, but it will require both policy changes and additional resources to do so at a larger scale. The Baltimore Housing Mobility Program (BHMP), which offers extensive pre- and post-move counseling services targeted to families with children in high-poverty neighborhoods, estimates their cost per successful move to be \$4,500.²⁵

Supporting Regional Voucher Mobility Initiatives Would Expand Housing Choice and Increase the Efficiency of the HCV Program

A growing number of communities are interested in developing or strengthening regional collaborations — including forming consortia — to facilitate housing mobility but are stymied by the lack of funding to support the related administrative costs and HUD’s failure to follow through on its 2014 proposal to allow PHAs forming consortia to have a single voucher funding contract with HUD.²⁶

The draft Housing Choice Voucher Mobility Demonstration Act of 2018 would authorize a demonstration that would encourage public housing agencies in ten regions to collaborate on locally designed initiatives to help low-income families use existing vouchers to move to higher-opportunity neighborhoods. The bill would require HUD to report on the effectiveness of the demonstration within three years after the regional housing mobility programs are implemented, if funds are made available for evaluation.

The draft bill is similar to a proposed housing mobility demonstration in the Senate Appropriations Committee’s version of the fiscal year 2017 appropriations bill for HUD, S. 2844, which included \$11 million to support staff time to plan for regional collaboration and align policies and administrative systems across public housing agencies, as well as to cover costs of enhanced landlord recruitment and other activities to expand families’ housing choices.²⁷ The bill also included an additional \$3 million to research what mobility strategies are most effective. The House bill did not include any provision specifically related to housing mobility, and the final 2017 funding bill did not authorize the demonstration or include funding for it.

Certain Modifications Would Make the Proposed Voucher Mobility Bill More Effective

As noted at the top of my testimony, the operational changes the draft Voucher Mobility Demonstration Act is designed to incentivize would produce better outcomes for families and could

²⁵ CBPP analysis developed in consultation with the Baltimore Regional Housing Partnership, which administers the BHMP. The cost estimate was derived from actual program expenditures and the services offered through 2017. This estimate is consistent with independent research on the cost of BHMP’s services. See Dan Rinzler *et al.*, “Leveraging the Power of Place: Using Pay for Success to Support Housing Mobility,” Federal Reserve Bank of San Francisco, Working Paper 2015-04, July 2015, <http://prtc.org/pdf/LeveragingThePowerOfPlace2015.pdf>.

²⁶ In July 2014, HUD proposed revising its consortia rule to allow all agencies in a consortium to have a single voucher funding contract with HUD. 79 Federal Register 40019, July 11, 2014. To date, HUD hasn’t finalized the rule, or proposed a new rule that would allow PHAs to form consortia for the administration of both the HCV program and public housing.

²⁷ See section 243 of S. 2844 (2016).

help the voucher program reach its full potential. The following additions and changes to the draft bill would strengthen the bill by ensuring that the housing mobility initiative assists the families and children likely to most benefit from it, in regions where fostering greater collaboration among PHAs would enhance efficient HCV program operation. I also propose narrowing the allowable waivers to policy changes directly relevant to the goal of encouraging families to move to lower-poverty, higher-opportunity areas, and authorizing additional funding to support mobility strategies and regional collaboration.

1. **Criteria for competitive selection of PHAs.** In designing the selection criteria for the demonstration, Congress should require HUD to prioritize applications from PHAs with the following characteristics and commitments:
 - a. *PHAs that together serve areas with high concentrations of voucher holders in poor, low-opportunity neighborhoods and have an adequate number of moderately priced rental units in higher-opportunity areas.* The compelling evidence from the Moving to Opportunity Demonstration and the Gautreaux program in Chicago of the positive impacts of moving to low-poverty neighborhoods was based on families that, prior to being selected to receive housing vouchers and mobility services, lived in federally assisted housing in deeply poor neighborhoods.²⁸ Less dramatic neighborhood changes aren't likely to produce impacts as significant as those found in these initiatives. But the success of the proposed type of relatively short-term mobility initiative requires the existence of rental units in high-opportunity neighborhoods that families with vouchers can afford to rent.²⁹ Each regional set of applicant PHAs should be required to demonstrate that a substantial number of voucher families live in neighborhoods of concentrated poverty and that one or more of the partner agencies serves low-poverty/high-opportunity destination neighborhoods with rental units below the agencies' planned voucher subsidy levels and a reasonable vacancy rate.³⁰
 - b. *Groups of PHAs that include at least one PHA with a high-performing Family Self-Sufficiency (FSS) program and that will enable participating families to continue in the FSS program if they relocate to the service area of any PHA in the regional partnership.* The House recently passed H.R. 4258, the Family Self-Sufficiency Act, sponsored by Chairman Sean Duffy and Ranking Member Emanuel Cleaver, "to promote the development of local strategies to coordinate use of [housing] assistance ... with public and private resources, to enable eligible families to achieve economic independence and self-sufficiency." Despite the very important reforms this bill will make to increase the effectiveness of

²⁸ Lisa Sanbonmatsu *et al.*, "Moving to Opportunity for Fair Housing Demonstration Program: Final Impacts Evaluation," National Bureau of Economic Research, November 2011, <http://www.huduser.org/portal/publications/publist/MTOPFHD.html>; DeLuca *et al.*, "Gautreaux mothers and their children: An update," *Housing Policy Debate*, 20(1), 2010, 7-25.

²⁹ Strategies to add to the modestly priced rental stock in high-opportunity areas can be an important part of a comprehensive strategy to increase housing mobility. But if such strategies rely on constructing new housing they could take too long to show results during a three-year demonstration.

³⁰ HUD exempted metro areas with excess concentration of voucher holders but a rental vacancy rate of 4 percent or less from mandatory implementation of Small Area Fair Market Rents, as a precaution to help ensure that families would have adequate housing choices even if subsidy levels declined in areas where many voucher holders lived prior to the implementation of the new policy. See 81 Fed. Reg. 80567, 80569 (November 16, 2016).

the FSS program, it will not overcome a problem created by the multiplicity of PHAs operating in a region. If an HCV family enrolled in FSS moves to another PHA's jurisdiction, the family may lose FSS case management support and forfeit the savings accumulated under FSS as earnings increased. Under HUD rules, it is up to the original PHA to decide if the family can continue in its FSS program and to the receiving PHA to decide whether to accept the family into its FSS program, if it has one.³¹ The regional collaborations the draft bill will encourage present an opportunity to overcome this barrier to combining housing mobility with strategies to increase employment and earnings. Parents should not have to choose between a safer neighborhood with better opportunities for their children and their own economic advancement.

- c. *Regional PUA partnerships that include small agencies in the region and will consolidate mobility-focused operations.* As noted above, the large number of small PHAs that administer HCV programs increases administrative costs as well as HUD's oversight burdens. Applications that include small PHAs — and propose to consolidate at least some aspects of program administration that are likely to enhance voucher mobility — should receive priority.
- 2. **No statutory limit on the number of regional efforts that can be included in the initiative.** The flexibility — and particularly any supplemental funds — that the initiative makes available could attract PHAs in more than ten regions to apply. Even if HUD caps the number of regions selected based on feasibility of evaluation or amount of funds available for mobility services, a more open application process could encourage additional regional collaboration. The Senate THUD version of the demo did not include a cap on the number of participating regions, despite the Obama Administration's proposal that it be limited to ten regions.
- 3. **Allow Regional Housing Mobility Plans to prioritize for receipt of mobility services families with young children that live in areas of concentrated poverty.** Families with young children living in areas of concentrated poverty are likely to benefit the most from moving to lower-poverty neighborhoods with good schools and other amenities. Research by Raj Chetty and others summarized above shows that using vouchers to move to neighborhoods with lower concentrations of poverty resulted in higher lifetime earnings and increased college attendance for children who moved before they were 13. The research also found that the longer a child lives in a low-poverty area, the greater the gains. Every year that children who moved before they were 13 spent in better neighborhoods improved outcomes, underscoring the importance of intervening when children are young.³² The US Partnership on Mobility from Poverty recently recommended targeting new vouchers combined with housing mobility and other services on families with at least one child under age 6 that are homeless or living in neighborhoods with a poverty rate of 30 percent or higher.³³

³¹ See 24 C.F.R. § 984.306.

³² Chetty, Hendren, and Katz.

³³ Barbara Sard, Mary Cunningham, and Robert Greenstein, "Helping Young Children Move Out of Poverty by Creating a New Type of Rental Voucher," US Partnership on Mobility from Poverty, February 2018, <http://www.mobilitypartnership.org/helping-young-children-move-out-poverty-creating-new-type-rental-voucher>.

4. **Require applicants to specify criteria for “opportunity areas.”** Congress should ensure that applicant PHAs specify the criteria they would use to identify opportunity areas in their proposed Regional Housing Mobility Plan. This would enable HUD to know whether the applicants are aiming to help families move to the types of neighborhoods that are likely to accomplish the intended goals of the initiative, and whether they have brought together the range of partners likely to be necessary to achieve the targeted moves.
5. **Narrow the scope of allowable waivers.** Congress should use caution in delegating authority to the executive branch to bypass statutory and regulatory requirements. Some authority to waive or specify alternative requirements for existing law could advance the goals of the initiative, but Congress should anticipate the likely areas where such flexibility is needed and craft the delegation of authority appropriately. For example, the Senate’s bill proposing a similar initiative included certain new authority concerning maximum voucher subsidies and specified the subparagraphs or clauses of Section 8 of the U.S. Housing Act the HUD Secretary could waive or modify, in place of the more sweeping waiver authority the Obama Administration had requested.³⁴ In addition to the still-relevant flexibilities in the Senate bill, I recommend the Committee include authority for PHAs in a selected region to form a consortium that has a single HCV funding contract, or to enter into a partial consortium to operate all or portions of the regional mobility plan, for the reasons explained above. Agencies participating in the Moving to Work Demonstration should be allowed to participate in a partial consortium.³⁵
6. **Authorize sufficient funding for a robust demonstration.** The draft bill relies on current administrative fees, any accumulated fee reserves, and funding from private entities to support the mobility services the initiative is designed to encourage and evaluate. These sources are unlikely to be adequate for a successful demonstration. We estimate that \$30 million would support 15 regional mobility programs to offer comprehensive mobility services to a total of 22,500 families over a three-year period. Based on the experience of existing mobility programs, we anticipate that about one-third of the families that initially indicate interest in receiving mobility services will move to a low-poverty, high-opportunity area. (Of course, the mix of services and policy changes that particular regions adopt may

³⁴ Section 243 of S. 2844, approved by the Senate Appropriations Committee on April 21, 2016. Additional flexibility concerning maximum voucher subsidies is no longer needed, as all PHAs may now set HCV payment standards up to 110 percent of the Small Area Fair Market Rent and request HUD approval for further increases if warranted. Section 243(d) of the Senate bill limited allowable waivers to sections 8(o)(7)(A) and 8(o)(13)(E)(i) (related to shortening the term of a family’s assisted lease to permit a move to an opportunity area); section 8(o)(13)(C)(i) (related to the ability of a PHA participating in a regional housing mobility program to administer assistance contributed to the program consistent with the Regional Plan rather than individual PHA plans); section 8(r)(2) (related to the ability of a PHA participating in a regional housing mobility program to administer HCV assistance anywhere within the region); and a few other provisions that are no longer relevant in light of the statutory changes enacted as part of the Housing Opportunity Through Modernization Act of 2016 (HOTMA).

³⁵ Partial consortia — which HUD rules do not currently permit — are appropriate to operate particular initiatives, such as promoting moves to higher-opportunity areas. HUD should allow agencies participating in the Moving to Work (MTW) demonstration to participate in partial consortia when such collaborations will bring significant benefits to eligible families in the region as well as to the agencies. (HUD interprets congressional limits on the number of MTW agencies to preclude their participation in a full consortium, because that would in effect increase the number of PHAs with MTW flexibility.) In a number of the larger and more segregated metropolitan areas in this country, the center city where most low-income non-white households live is served by an MTW agency (e.g., Atlanta, Baltimore, Chicago, New Haven, Oakland, Philadelphia, and Pittsburgh).

result in different per-household costs and success rates.) In addition, the bill should permit participating PHAs to use HCV renewal funds or housing assistance payments reserves to pay for security deposits if necessary for families to secure homes in opportunity areas.

7. **Consider authorizing the initiative as a “tiered-evidence” grant program, rather than a one-time demonstration.** Under a tiered-evidence grant program, promising approaches can be tested — in this case to determine the effectiveness of particular types of mobility services and policies — and expanded to additional communities based on proven effectiveness. The gradual expansion can continue to build a knowledge base of what types of interventions work best for different types of families and in different types of housing markets, and demonstrate what strategies are not worth the investment. As of 2015, five federal agencies administered a total of nine tiered-evidence grants.³⁶
8. **Allow five years post-implementation for HUD to publish an evaluation.** The draft bill requires that HUD publish an evaluation within three years after the regional programs under the demonstration are implemented, if evaluation funding is available. Considering the time it is likely to take from selection of the participating agencies to families actually beginning to move to opportunity areas through the services they receive, a three-year deadline is not likely to be sufficient to gather and analyze robust results. If the final bill continues to focus on a one-time demonstration, it would be better to allow up to five years for the evaluation, as the prior Senate bill did.

Congress Should Not Create a New Federal Preference for Rental Subsidies for Children Aging Out of Foster Care

The Committee has requested witnesses’ views about a discussion draft of the “Fostering Stable Housing Opportunities Act of 2018,” circulated by Rep. Michael Turner. The draft bill is well-intentioned, aiming to alleviate the serious problem that many youth aging out of foster care become homeless. Moreover, one of the bill’s key provisions — which would enable 16-year-old youth in foster care to submit applications for federal rental assistance — is a sensible policy that would improve their access to affordable housing and reduce the risks of homelessness.

However, I have deep concerns about the core of the proposed approach — to set a federal priority for foster youth who meet certain requirements to receive federal rental assistance — and believe that there are better strategies to address the problem. My concerns include the following:

- **The bill undoes a longstanding housing policy compromise that effectively balances federal and state/local concerns.** Nearly two decades ago, in the Quality Housing and Work Responsibility Act of 1998, Congress rescinded federal preferences for homeless applicants and other types of households that previous congresses had deemed a priority for admission. In their place, the 1998 Act imposed a simple-to-administer requirement that local agencies and owners admit extremely low-income applicants for a specified share of available units or vouchers each year (the percentage and related requirements vary by program). Such income-targeting requirements ensure that a large share of federal housing resources serve

³⁶ U.S. Government Accountability Office, *Tiered Evidence Grants: Opportunities Exist to Share Lessons from Early Implementation and Inform Future Federal Efforts*, GAO-16-818, September 21, 2016, <https://www.gao.gov/products/GAO-16-818>.

those with the greatest needs, while deferring to state and local agencies to determine how to set priorities for admission for certain types of households.³⁷

- **The bill does nothing to address the underlying issues that leave children aging out of foster care at risk of homelessness.** These issues include a foster care system that fails to adequately support youth who are “aging out,” as well as a severe shortage of rental aid for vulnerable people, including those who are homeless or at risk of losing their homes. As I’ve noted, 3 out of 4 eligible households receives no federal rental assistance due to program funding limitations.
- **The bill would help foster youth only by reducing the availability of aid to other vulnerable people.** Because the bill would establish a federal requirement to include a preference for foster youth and no more than two other groups with equal priority, without expanding the pool of available rental assistance, it would effectively reduce the amount of aid available to other vulnerable people that agencies have prioritized, including veterans, families with children, and others who are homeless, seniors and people with disabilities living on extremely low fixed incomes, and victims of domestic violence who are fleeing abusive homes. Indeed, the new preference could mean that more children *enter* the foster care system because their families are unable to afford stable housing.³⁸
- **The bill would not help equally deserving youth who are unable to afford full-time college or find reliable full-time work.** The draft bill limits assistance to youth who are either full-time students or working at least 35 hours per week. Given that the serious hardships that many exiting foster care youth confront are due largely to the failure of the foster care system, it’s difficult to perceive the moral or other justification for this limitation. Moreover, post-secondary education is expensive, while many youth exiting foster care will have few resources, and the immediate job prospects of many will be limited to jobs where hours are irregular and set on a daily or weekly basis by the employer. Under the bill’s requirements, vulnerable youth could lose their rental assistance and thus their homes if, despite their best efforts, their work hours fall for short periods due to employer decisions.

Foster care youth are in dire need of policymakers’ help, but Congress can address this need more fairly and effectively than by re-establishing federal preferences for rental assistance. Instead, Congress should enact the following measures:

- **Fund new Family Unification (FUP) vouchers for youth exiting foster care.** This program, which provides housing vouchers and case management to youth and families, has strong bipartisan support — indeed, this Committee took important steps to improve the FUP program as part of the Housing Opportunity Through Modernization Act of 2016. The

³⁷ A 2012 Congressional Research Service study of 131 housing agencies found that the vast majority had instituted local preferences, most commonly preferences for people with disabilities, seniors, homeless people, victims of domestic violence, veterans, working families, households displaced by disaster or government action, and local residents. See Maggie McCarty and Carmen Brick, *The Use of Discretionary Authority in the Housing Choice Voucher Program: A CRS Study*, Congressional Research Service, April 11, 2012.

³⁸ HUD’s rigorous Family Options Study found that children in homeless families that received rental assistance were significantly less likely to be placed into foster care or otherwise separated from their families than children in similar families that received no rent aid. HUD, “Family Options Study, Short-Term Impacts of Housing and Services Interventions for Homeless Families,” July 2015, https://www.huduser.gov/portal/portal/sites/default/files/pdf/FamilyOptionsStudy_final.pdf.

program has also received several allocations of additional funds in recent years, including \$20 million in the 2018 omnibus funding law. (Recent appropriations acts have also included substantial new funding for initiatives to reduce youth homelessness, another indication of the strong support that exists for increasing funding to address the problem.)

- **Direct HUD to identify and, if necessary, reallocate FUP vouchers that are no longer being used for their intended purpose.** Since 1992, HUD has awarded roughly 47,000 FUP vouchers to dozens of housing agencies across the country, yet recent HUD program data suggest that a substantial share of these vouchers may no longer be used for their original purpose.³⁹ One reason for this is that for many years HUD did not monitor recipient agencies to ensure that FUP vouchers were being reissued to foster youth and child-welfare involved families in need of housing aid. (Following Congress' direction, HUD issued guidance in 2011 to ensure that, going forward, FUP vouchers that turnover and are reissued continue to be used for their original purpose, but it did not require agencies to take corrective action if they had previously reissued former FUP vouchers to families that did not meet the special eligibility requirements.)⁴⁰ A sensible step to expand rental aid available to foster youth would be to require HUD to take steps to ensure that all vouchers that Congress funded as part of the Family Unification Program are used as Congress intended, including by reallocating the vouchers to other agencies, if necessary.

Congress Should Not Use the Voucher Program to Pay for Transitional Housing for People with Opioid Use Disorders, But Instead Direct Other Resources to Serve This Purpose

The Committee has requested witnesses' views about a discussion draft of the "Transitional Housing for Opioid Recovery Demonstration Program Act of 2018," circulated by Rep. Andy Barr. The draft bill is well-intentioned, aiming to dedicate resources for residential substance use treatment programs that help people recover from opioid use disorders. This proposal, however, is misguided for reasons similar to the rental subsidy preference for youth aging out of foster care discussed above.

The opioid epidemic is a public health problem. Rising opioid-related death rates — more than 42,000 people died in 2016 due to opioid misuse, up from 8,400 in 2000 — underscore the need to increase resources for substance use treatment services to make effective treatment more widely available.⁴¹ Inability to access affordable housing is a problem for people recovering from substance use disorders, who may face additional barriers to federal housing assistance due to federal statutory requirements that impose time-limited bans against living in HUD-assisted housing for people

³⁹ A cumulative list of FUP awards may be downloaded from the National Center for Housing and Child Welfare website, <http://www.nchcw.org/>. As of the end of 2017, housing agencies reported roughly 17,000 FUP vouchers leased to HUD's Voucher Management System. While agencies are required to report FUP vouchers in use, reporting may be incomplete; still, the data suggest that many of the 47,000 original FUP vouchers are likely no longer being used by the youth and families for which they were intended.

⁴⁰ See HUD PIH Notice 2011-52, "Reporting, Turnover, and Other Requirements for the Family Unification Program."

⁴¹ Centers for Disease Control and Prevention, "Drug Overdose Death Data," updated December 19, 2017, <https://www.cdc.gov/drugoverdose/data/statedeaths.html> and National Institute on Drug Abuse, "Overdose Death Rates," revised September 2017, <https://www.drugabuse.gov/related-topics/trends-statistics/overdose-death-rates>.

evicted for drug-related activities and policies that allow housing agencies to prohibit people who have histories of past drug use or are considered at risk of engaging in illegal drug use from receiving assistance.⁴²

Moreover, Medicaid can't pay for housing but people leaving inpatient or residential treatment often need affordable housing assistance to re-enter their communities, particularly those who can't live with family or friends because such living environments would threaten their sobriety. An inability to pay rent and the threat of losing housing can also lead to stress that triggers substance misuse and relapse, which can result in death.⁴³

The discussion draft, unfortunately, does not address these challenges. The proposal would set aside 10,000 vouchers specifically for people with an opioid use disorder.⁴⁴ These vouchers would be time limited (12-24 months) and only available for people in programs that provide evidence-based treatment and job skills training according to standards established by the HUD Secretary. This is not the appropriate role for HUD or the voucher program. Moreover, the bill proposes to allocate the vouchers to the agencies that provide the drug treatment and job skills training, rather than to public housing agencies. This would be extremely inefficient and error-prone. It also would require additional resources for technical assistance and oversight, and worsen the current challenges HUD faces in monitoring too many small agencies, as discussed earlier in my testimony.

The discussion draft aims to help residential treatment and recovery housing programs that serve people with opioid use disorders by providing treatment and wraparound supports like housing, employment, and child care. This narrow targeting is neither practical nor fair. Substance use providers usually are not focused on serving only clients with a particular drug of choice. This proposal would create a scenario where providers have housing resources available for some clients but not others.

Residential treatment and recovery housing programs are an important part of a continuum of substance use treatment services. People stay in these programs from 90 days to a year or more. These programs, when targeted to low-income populations, are supported by federal funding from the Department of Health and Human Services (HHS) through Medicaid reimbursement or grant funding from the Substance Abuse and Mental Health Services Administration. State and local governments and private philanthropic entities also provide resources for these programs. Congress is currently considering additional funding to address the opioid crisis, including more funding for residential treatment programs. While more funding is needed to increase provider capacity to serve more people, HHS is the agency with the expertise to support these programs and hold providers to appropriate standards of care.

⁴² HUD Housing Programs: Tenants' Rights (4th Edition), National Housing Law Project, 2014, <https://web.archive.org/web/20170824131126/http://nhlp.org/2012greenbook>.

⁴³ Rajita Sinha, "Chronic Stress, Drug Use, and Vulnerability to Addiction," *Annals of the New York Academy of Sciences* 1141 (2008): 105-130, March 8, 2018, <https://www.ncbi.nlm.nih.gov/pmc/articles/PMC2732004/>.

⁴⁴ The draft bill is not clear whether it is authorizing new funding for these 10,000 vouchers, or whether the effect of the bill would be to reallocate funds that are needed to renew vouchers currently in use. The latter would present a very serious problem, given the negative impacts on currently assisted families and their communities.

Housing vouchers or other HUD assistance may have a role to play as part of a comprehensive strategy to address substance use. Income-based housing subsidies can help people exiting residential treatment or currently in outpatient care who need financial assistance to maintain their housing. Using an approach similar to the Veterans Affairs Supportive Housing Program, in which HUD provides housing vouchers and the VA provides services, this committee could explore adding vouchers that help people with substance use disorders overcome the barriers they face to accessing safe, affordable housing post-treatment.

Conclusion

I would like to thank the Committee for inviting me to testify today. Helping all Americans afford decent, stable homes is key to ensuring that people have the opportunity to lead healthy and productive lives. Enacting the Housing Choice Voucher Mobility Demonstration Act is one small, but important, step Congress can take to address this challenge. I look forward to working with you and your colleagues to help identify policy solutions that can help all Americans afford decent homes.



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TESTIMONY OF RUTH WHITE, EXECUTIVE DIRECTOR
NATIONAL CENTER FOR HOUSING AND CHILD WELFARE

HEARING ON THE "HOUSING CHOICE VOUCHER PROGRAM: AN OVERVIEW AND
REVIEW OF LEGISLATIVE PROPOSALS"

BEFORE THE HOUSE FINANCIAL SERVICES SUBCOMMITTEE ON
HOUSING AND INSURANCE

TUESDAY, APRIL 17, 2018
2:00 PM
RAYBURN HOUSE OFFICE BUILDING ROOM 2128

Good afternoon Chairman Duffy and Ranking Member Cleaver. It is my honor to address this Committee about how the Housing Choice Voucher program can act as a platform for upward mobility and to express my organization's full support for the "Fostering Stable Housing Opportunities Act of 2017" as a means towards this end.

I will focus on four main points: **the vital role foster care alumni must play in shaping policy; the interaction of the "Fostering Stable Housing Opportunities Act of 2017" with HUD's Family Unification Program; my support for the amended version of the bill; and the role of the child welfare system in appropriately preparing young adults for stable housing as it relates to the bill.**

I am also prepared to answer any questions you might have about the "Transitional Housing for Opioid Recovery Demonstration Program Act of 2018" and the "Housing Choice Voucher Mobility Demonstration Act of 2018."

My name is Ruth White and I am the co-founder and executive director of the National Center for Housing and Child Welfare (NCHCW) and a professor of social work at the Catholic University of America.

NCHCW is a national agency which aims to increase the range of housing options for families and youth. We are the leading advocacy organization for HUD's Family Unification Program (FUP) which provides Housing Choice Vouchers to families at risk of separation due to inadequate housing and to youth leaving foster care. My co-founder, the late Bob McKay, and I were the team that worked with the CWLA Youth Advisory Committee and Sen. Christopher 'Kit' Bond (R-MO) to add youth as an eligible population to the Family Unification Program in 1999. I co-authored the original FUP cost-benefit analysis showing that if FUP were extended to all families separated by the child welfare system due to inadequate housing, the U.S. would save \$1.94 billion in foster care costs annually (or \$31,694 per family)¹. It was this cost-benefit analysis coupled with stories of families and youth in child welfare that inspired Sens. Murray and Bond to re-establish funding for the Program in 2008.

¹ Harburger, D. with Ruth White (2004). Reunifying families, cutting costs: Housing-child welfare partnerships for permanent supportive housing. *Child Welfare*, 83(5), 493-508.

Recently NCHCW worked with the Corporation for Supportive Housing (CSH) to develop a concept by which Public Housing Authorities (PHAs) may request a waiver to couple Housing Choice Vouchers for youth (under FUP) with HUD's Family Self-Sufficiency Program. This approach allows youth to keep their vouchers for a maximum of five years (thereby extending the FUP youth time limit from three years to five), provided that the young people move toward independence.

When Congress included this idea in legislation, they offered it as a demonstration. However given the abundance of research regarding the housing needs of youth leaving public systems of care² and the merits of HUD's FSS program as a platform for economic mobility³, NCHCW argued that the demonstration program format would simply delay progress and common sense. Therefore we recommended to HUD that it be offered in the form of a waiver. This is essentially what HUD did. HUD has embraced this program and PHAs nationwide are now administering this common sense approach to coupling FUP and FSS to encourage upward mobility for youth. I mention this at length because this approach is not altogether different from the model included in the bill which I am here to support today, "The Fostering Stable Housing Opportunities Act of 2017."

THE IMPORTANCE OF FOSTER CARE ALUMNI CONTRIBUTIONS TO POLICY CHANGE

My professional expertise, as it turns out, is the least important part of what brings me in front of this esteemed committee today. "The Fostering Stable Housing Opportunities Act of 2017" emerged directly from the experience and recommendations of current and former foster youth. I was present during those meetings and listened to the incredible hardship placed upon

² For a meta-analysis and an annotated bibliography of youth surveys and research conducted prior to 1995 documenting the homelessness experienced by youth leaving foster care through 1995, see Roman & Wolfe (1995) *Web of Failure: The Relationship Between Foster Care and Homelessness*. Retrieved from National Alliance to End Homelessness website: http://b3cdn.net/naeh/0322dc703428f347f3_s3m6iiv34.pdf; See also Pecora et al (2005), the Northwest Study of Former Foster Youth which found, among other things, the PTSD rate of former foster youth to be higher than that of veterans returning from the Gulf War; Courtney et al (2012) and ; Dworsky et al (2017), *The Midwest Study of the Adult Functioning of Former Foster Youth*; Morton, M. (2018), *Voices of Youth Count*.

³ Sard, B. (2001); *The Family Self-Sufficiency Program: HUD's Best Kept Secret for Promoting Employment and Asset Growth*. Washington, DC: Center on Budget and Policy Priorities U.S. Department of Housing and Urban Development.

these young people, first by their families, and second by a system that failed to prepare them adequately for adulthood and support them on that journey.

For the past six years, my organization has been involved in an event called *Three Days on the Hill*⁴ which brings current and former foster youth to DC to share their ideas about improvements to federal policy. NCHCW is involved as an as-needed facilitator; but we deserve no credit for the yeoman's work it takes to pull this event together. The event and all of the associated training is organized by three volunteers: Lisa Dickson, a full-time librarian; Jamole Callahan, a young business professional; and Doris Edelman, a retired 30 year veteran of child welfare work. Lisa is an alumna who aged out in 1989 and at that time experienced her own set of housing challenges. Jamole is also an alumnus.

The teens and young adults who participate in this event understand that policymaking takes time and, thus, they will be unlikely to benefit from any improvements. Yet, they take time off of work and school, study the issues, and come to Capitol Hill prepared to express gratitude when Congress gets it right, offer the gift of their personal stories, and share suggestions from their unique vantage point - and what a unique vantage point indeed.

Contributions to the literature by outstanding ethnographers like Matthew Desmond⁴ notwithstanding, the only way to inform policy based on experience is to personally navigate the intersection between public systems as if your life depended upon it – not just your research. This is why, despite my 20 year history of training PHAs and their child welfare partners to work together, I did not identify **the obvious synchronization problems that this bill will fix; nor did anyone else in the professional class.**

It is also important to point out that ignoring the youth perspective results in a costly (both in human terms and in terms of federal spending) and persistent epistemic lag between the common sense ideas expressed by foster youth and the speed with which the epistemic community of

⁴Desmond, M. (2016). *Evicted: Poverty and profit in the American city*. New York: Crown Publishers. Professor Desmond's painstaking research involved a form of ethnography in which he lived among the poor and embedded himself in the lives of eight families on their way through the eviction process in neighborhoods throughout Milwaukee to gain an understanding of extreme poverty and economic exploitation while providing fresh ideas for solving a devastating, uniquely American problem. Professor Desmond's research has inspired an important conversation about the devastating, costly consequences affordable crisis to families, particularly families headed by African American women throughout the U.S.

researchers and professionals accept the ideas as fact and move to implement those ideas. This has resulted in a cycle dating back to 1983 of youth interviews, grants to institutions to vet the ideas expressed by surveyed youth, technical assistance on innovative approaches, evaluations of housing programs, followed by satisfaction surveys. Despite the fact year after year young adults bear their souls to policy makers *and* the reality that Public Housing Authorities, Community Action Programs, and private providers have provided independent living, private housing, and self-sufficiency services with great success for decades, we have been unable to move forward nationally since the first youth survey in 1983.

What's more, the line items within HHS and HUD for research and technical assistance continue to swell, yet the pool of affordable housing continues to shrink and homelessness among all populations has never been worse. This is quite puzzling but one must also wonder - *Why are we asking youth to share their painful stories time and time again, if professionals must then step in and use federal funds to validate these ideas?, Why is it taking so long for the epistemic community to move forward?, and Where is the sense of urgency?*

With “the Fostering Stable Housing Opportunities Act of 2017,” Mr. Turner and Ms. Bass and the bi-partisan group of co-sponsors have crafted a piece of legislation that honors the youth experience and adds an appropriate sense of urgency to the pace of reform.

While meeting with foster youth directly, Mr. Turner of Ohio immediately seized upon something that continues to be ignored or missed entirely by policymakers and advocates alike: **the housing instability faced by former foster youth is entirely predictable** – but systems fail time and time again to work together to close the obvious gaps through which so many youth are destined to fall into homelessness. Mr. Turner termed this phenomenon, “government created homelessness.”

Together with the youth, Hill staff crafted the straight-forward, yet sophisticated solution offered in this bill. It is no surprise that Mr. Turner's partner in refining and introducing this bill is The Honorable Karen Bass of California (the founder and co-chair of the Congressional Caucus on Foster Youth) who, among so many other accomplishments, shepherded the Improving Services for Foster Youth Act of 2018 into law last month.

It is my understanding that some professionals have determined that HUD's proven, evidence-based Family Unification Program (FUP) is the simple answer to the problems addressed in this bill, so please allow me to provide a brief overview of FUP. This will serve to illustrate how the "Fostering Stable Housing Opportunities Act" is an important compliment to FUP.

THE INTERACTION OF FUP AND THE "FOSTERING STABLE HOUSING OPPORTUNITIES ACT OF 2017"

Signed into law in 1990 by President George H. W. Bush, FUP works through local level partnerships between public housing authorities and child welfare agencies. FUP provides families with housing subsidies and the supportive services (funded by child welfare agencies) necessary to prevent separation or reunite children who would otherwise linger needlessly in foster care.

At the request of the CWLA Youth Advisory Committee and at the urging of Senator Bond (R-MO), Congress added youth as an eligible population for FUP in October 2000. As a result, thousands of young people aging out of foster care have received the vital housing resources they needed to make successful transitions to independence. This approach is also cost-effective. Van Leeuwen (2004) found that providing housing and services through FUP cost a tenth of a placement in youth corrections or residential treatment. FUP averaged \$5,378 annually compared to \$53,655 for corrections and \$53,527 for residential treatment.

We are exceedingly grateful to this Committee for the significant improvements made to through "The Housing Opportunities through Modernization Act of 2016" (HOTMA). HOTMA extended the age through which a former foster youth can be referred to 24 and extended the time limit on FUP vouchers for youth from 18 to 30 months. HOTMA also allowed for the project-basing of FUP vouchers in the limited circumstances when such a practice would be appropriate. HUD implemented these changes swiftly and we have a great deal of admiration for the HUD PIH staff, several of whom are considered subject matter experts on FUP and a range of housing options for foster youth. In light of the HOTMA improvements, the foster youth with whom my organization works as well as the parents who have benefited from FUP, do not recommend changes to the Family Unification Program. Of course, as you can imagine, they seek continued

and predictable funding of \$20 million annually from the appropriators. As it pertains to FUP, we do not have authorizing request.

Instead, foster youth have identified a **synchronization flaw** that must be addressed outside of FUP. **The fate of a foster child aging out in need of a FUP voucher to ease their transition to independence is tied to whether or not they live in the jurisdiction of a PHA that has successfully applied for FUP and whether or not the availability of a voucher is synchronized with their emancipation.** Currently, 197 of the 3,400 PHAs administer FUP⁵. This is not for lack of interest. The last fiscal year that HUD announced funding for FUP, nearly 400 PHAs applied, but HUD had funding for only 32 awards.

When viewed in the aggregate; this seems like a typical resource constraint problem, but, as I pointed out earlier, from the perspective of one teen alone in the world, facing adulthood without the support of a family, this mismatch is an epic tragedy. The “Fostering Stable Housing Opportunities Act of 2017” addresses the interstitial synchronization problems of FUP Housing Choice Vouchers and other housing resources more generally in a few ways. We hope that these comments will not be construed as complaints about FUP, which is an elegantly simple and cost-effective program for both families and youth in child welfare.

THE “FOSTERING STABLE HOUSING OPPORTUNITIES ACT OF 2017”

The “Fostering Stable Housing Opportunities Act of 2017” offers a cost-neutral, two-pronged approach (early application and priority preference) to synchronize public resources for young people transitioning to independence from foster care. Additionally, the bill incorporates recommendations by former foster youth to ensure that housing is used as a platform for self-sufficiency.

Early Application

Foster youth will be able to apply for housing assistance and be placed on a waiting list upon reaching 16 years of age, prior to aging out of foster care. This predictability will allow child

⁵ U.S. Department of Housing and Urban Development. (2014) *The Family Unification Program: A resource for youth aging out of foster care*. Washington, DC: Author.

welfare agencies to add a viable housing option for young people who are highly likely to exit foster care into independence. In 2014, the U.S. Children's Bureau reported that five percent of all 415,129 children in foster care had a goal of aging out into independence (AFCARS, 2016). During 2014, nine percent of the 238,230 children who exited the foster care system aged out -- or a total of 21,440 young people. It is not the case that all of these young people would transition to a Housing Choice Voucher or a public housing unit. Instead, we predict that due to recent changes to child welfare law under the Families First and Prevention Services Act of 2018⁶ and proper utilization of foster care resources, the most likely candidates for these housing resources will be 21 year olds at risk of homelessness, not the entire portfolio of youth aging out.

The most recent AFCARS report indicates that the total number of 21 year olds in care is in 2016 was 2,129.⁶ It is a portion of this group of young adults would transition from independent living programs into a subsidy administered by a PHA after having been adequately prepared for adulthood, connected to work, and self-sufficiency services.

Priority Preference

The bill creates a priority preference for housing resources provided by local PHAs for youth leaving foster care, including public housing, tenant-based assistance, and project-based housing assistance. When a foster youth reaches the point six months prior to aging out of foster care (for most youth this will be six months prior to age 21), he/she will receive a priority preference over other applicants for housing assistance, allowing the young adult to receive the next available housing resource.

It is the case that in 1998, Congress eliminated federal preferences, leaving it to local PHA and community leadership to determine local priorities. However for over a decade, Congress has distributed the bulk of new incremental vouchers in the form of boutique programs, now referred to as "Special Purpose Vouchers". This means that if a PHA intends to apply for new vouchers, they will only receive vouchers for which the federal government has pre-determined the group of people who the PHA will serve with the vouchers. Essentially, this is a default federal

⁶ USDHHS. (2016). AFCARS Report #24. Retrieved from the Administration for Children and Families Website: <https://www.acf.hhs.gov/sites/default/files/cb/afcarsreport24.pdf>

preference system because if the PHA accepts the voucher, the PHA has no local control over the population they prioritize for the Special Purpose Vouchers.

Therefore, creating a top three preference for youth leaving foster care would not be contradictory to current practice. It is also the case that PHAs already have the latitude to create local preferences which many have done. America's oldest and largest PHA, the New York City Housing Authority (NYCHA) has had a priority preference for emancipating foster youth for both Housing Choice Vouchers and public housing since 1999.

While foster youth could organize and attempt to influence each PHA Board of Directors nationwide in order to insert a local preference into each administrative plan, this is simply not feasible and it is unreasonable to expect teens nationwide to become conversant in community development policy and protocol in order to solve this problem.

HR 2069 encourages housing as platform for self-sufficiency at the youths' request

Through the provision of housing resources, the bill would close the yawning gap between the wages youth are qualified to earn and the cost of decent housing. The most comprehensive longitudinal study of former foster youth shows that 48 percent of 26 year olds work fulltime but their annual earnings are \$ 13,989. This is less than half the annual earnings of their non-foster care alumni peers of \$32,312.⁷

This bill does more than just close that gap on the housing subsidy side – it requires the kinds of activities that will bolster income as well. In fact, from our organization's perspective it is your emphasis on preparation for independence and self-sufficiency that most intrigues us. This is our perspective – because it matches the alumni's perspective – dating back to the seminal Festinger survey of 1983, aptly entitled, "No one ever asked us."⁸ Year after year, former foster youth express a complete disappointment with the lack of attention by public agencies to economic self-sufficiency for youth.

⁷ Dworsky, A. (2017). *The Midwest Study of the Adult Functioning of Former Foster Youth*. See also: Nathanael J. Okpych & Courtney (2014). *Does education pay for youth formerly in foster care? Comparison of employment outcomes with a national sample*. *Children and Youth Services Review*. 43 (2014) 18–28

⁸ Festinger, T. (1983). *No one ever asked us*. Columbia University Press: New York, NY

Alumni of care routinely describe a last-minute, frantic, and crisis-driven aging out process that relies heavily on emergency services such as homeless shelters and loose connections of friends they might stay with temporarily. While a law student at American University, former foster youth, Farrah Champagne, Esq. published a 2014 law review article entitled *Providing Proper Preparation: Achieving Economic Self-Sufficiency for Foster Youth*. She shares some of these unimaginable stories and her legal finding indicates that public systems of care fail so miserably to prepare youth that state actors can and should be held liable in court.

This bill emphasizes the responsibility of the foster care and housing systems to make self-sufficiency services available to youth – but we also appreciate that this approach sets expectations for the young people themselves as well. In fact, the bill in its amended form bears a striking resemblance to what the Center on Budget and Policy Priorities (2001) refers to as “HUD’s best kept secret,” The Family Self Sufficiency Program (FSS); and more specifically, the FSS program HUD has fully embraced for FUP youth.

The self-sufficiency elements in this bill are phased in after one year and include a nine month period during the course of a year wherein youth will agree to participate in workforce development, education, or employment. As one would expect, there are appropriate exemptions for parents of children under six as well as other exemptions related to physical or mental health limitations or rehabilitation.

Time limits

Much like FUP for youth, eligibility for housing assistance is time-limited. This is in line with what both youth and providers have recommended for housing subsidies for youth. In fact, VanLeeuwen (2004) referred to unlimited housing subsidies for young adults as “incubating dysfunction.” This author argued that it is not developmentally appropriate to provide unlimited assistance without a clearly defined future and expectations for growth.

We predict that the average length of stay in a housing resource accessed through this bill will be three, given the fact that child welfare services will be available to the majority of young people through their 21st birthday; or 1.3 years shorter than HUD’s current (and growing) length of stay. Since 2000, HUD has added 1.1 million units to the Housing Choice Voucher Program and this

growth, according to McClure, “is nearly entirely among elderly households and people with disabilities” (2017, p.16). Their protracted stays in assisted housing, while justifiable and prudent, make it nearly impossible for PHAs to serve new households.

Therefore, adding a small portion of young adults on their way to self-sufficiency, whose length of stay is time-limited (without assigning a “special purpose” to the specific voucher) will allow for vouchers to be returned to the general Housing Choice Voucher pool more quickly – thus creating an important flow in an otherwise stagnant pool of vouchers that does not currently exist.

THE ROLE OF THE CHILD WELFARE SYSTEM IN APPROPRIATELY PREPARING YOUNG ADULTS FOR STABLE HOUSING

The role of the foster care system in adequately preparing youth should not be overlooked. Instead of simply acting as a feeder system to the adult and family homeless system, it is important to acknowledge that foster care funding can be used to appropriately prepare foster youth and unaccompanied youth for independence and housing stability as adults. Furthermore, programs serving youth must build formal, robust partnerships to with competent housing entities beyond public housing authorities to ensure that young people who are in need of support as adults are seamlessly transitioned into the resources controlled by those partners.

The use of Title IV E for housing placements

But perhaps more importantly, we must understand that HHS funding is flexible and can subsidize affordable housing in the private market for youth under the age of 21. Title IV-E can follow the young person to the most appropriate and least restrictive setting. The HHS Administration for Children and Families provides guidance that encourages a range of housing options from family reunification, to traditional family foster care, to an independent apartment with supportive services provided by a licensed agency, or any other appropriate setting in between⁹.

⁹ The Fostering Connections to Success and Increasing Adoptions Act of 2008 amended the definition of “child care institution” to include “a supervised setting in which the individual is living independently.” 42 U.S.C.A. 671 (c)(2).

HHS funding is not only flexible, it is elastic – meaning that it expands and contracts to meet the need. As such, no child, no teen, no one under the age of 21 should ever be homeless in the U.S. Child-welfare agencies must be expected to partner with independent living providers who administer housing programs and reimburse them for preparing youth for adulthood. A running joke among seasoned independent living professionals dating back to the 80s is that “independent living without housing is like driver’s education without a car” (Kroner, 2007, p. 52). We simply must expect more from the child welfare system – and Congresswoman Bass has done exactly that.

Ms. Bass has made important improvements to the John H. Chafee Foster Care Independence Program which will serve as an important compliment to the Fostering Stable Housing Opportunities Act of 2017

Another important resource is the John H. Chafee Foster Care Independence Program. All young people who age out of foster care at age 18 are entitled to services through the John H. Chafee Foster Care Independence Program. This program provides a number of important supports to youth leaving foster care including, education and training vouchers, transportation assistance, counseling, and employment assistance. Chafee funding may be used to support housing costs but this cannot exceed thirty percent of a state’s funding.

The Chafee Act is an important part of assisting young people in their transition to adulthood that is often coupled with housing supports when they are available; and this would be an ideal complement to help with landlord recruitment and to help young people move towards self-sufficiency in order to make “The Fostering Stable Housing Opportunities Act of 2017.”

Thanks to Ms. Bass and her colleagues on the Ways and Means Committee, “The Families First Prevention Services Act of 2018” (Sec. 2) amends part E (Foster Care and Adoption Assistance) of title IV of the Social Security Act to improve the John H. Chafee Foster Care Independence Program to:

- authorize states electing to extend foster care eligibility up to age 21 to extend assistance and services to youths who have aged out of foster care but have not yet reached age 23,

- authorize redistribution of unexpended amounts among states that apply for additional program funds, and
- allow states to make individuals eligible for participation in the educational and training voucher program through age 25 (but no more than 5 years).

Thus as it turns out, while system synchronization improvements contained in the Fostering Stable Housing Opportunities Act of 2017” are long overdue, it is also the case that they are perfectly timed.

Thank you for inviting me. I’m happy to answer any questions you may have, but perhaps more importantly, I’m able to connect Committee members with foster care alumni in their Districts from whom they can learn more.

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Housing Choice Voucher Program: An Oversight and Review of Legislative Proposals

Diane Yentel, President and CEO of the National Low Income Housing Coalition
House Financial Services Subcommittee on Housing and Insurance
Statement for the Record
April 17, 2018

On behalf of the National Low Income Housing Coalition (NLIHC), I thank this Committee for focusing on the need to build on the success of the Housing Choice Voucher program to reach more households with the highest needs and to provide families with real opportunities to climb the economic ladder and achieve financial stability. I also appreciate the opportunity to submit a statement for the record, outlining NLIHC's concerns and recommendations regarding the draft legislation, including the *Housing Choice Voucher Mobility Demonstration Act of 2018*, the *Fostering Stable Housing Opportunities Act of 2018*, and the *Transitional Housing for Opioid Recovery Demonstration Program Act of 2018*, currently under consideration by this Committee.

NLIHC is dedicated solely to achieving socially just public policy that assures people with the lowest incomes in the United States have affordable and decent homes. Our members include state and local housing coalitions, residents of public and assisted housing, nonprofit housing providers, homeless service providers, fair housing organizations, researchers, public housing agencies, private developers and property owners, local and state government agencies, faith-based organizations, and concerned citizens. While our members include the spectrum of housing interests, we do not represent any segment of the housing industry. Rather, we focus on policy and funding improvements for people who receive and those who are in need of federal housing assistance, especially extremely low income people.

As discussed in more detail below, NLIHC supports the *Housing Choice Voucher Mobility Demonstration Act of 2018* to improve voucher mobility among households receiving these benefits, but we identify several modifications to improve and strengthen the bill. While the *Fostering Stable Housing Opportunities Act of 2018* and the *Transitional Housing for Opioid Recovery Demonstration Program Act of 2018* have worthy aims, NLIHC has several concerns about the legislation, and we urge the Committee to reconsider the proposals before moving forward.

Comprehensive Solutions to the Affordable Housing Crisis

Today, the affordable housing crisis continues to reach new heights. Rents are rising, wages for the lowest income people are flat, and more people are renting their homes than ever before. Yet, the supply of affordable housing has not kept pace. As a result, record-breaking numbers of families cannot afford a decent place to call home. Every state and every community is impacted.

The greatest need for affordable housing is primarily concentrated among extremely low-income renters who earn no more than the federal poverty limit or 30% of their area median income (AMI). NLIHC's recent report, [The Gap: A Shortage of Available Homes](#), found that there is a

shortage of more than 7 million affordable and available rental homes for the nation's 11 million extremely low income renters. This means that just three out of ten extremely low income families can find an affordable place to call home. Without affordable options, three out of four extremely low income families are severely cost-burdened, spending more than half of their income on rent and utilities. These families are often forced to make impossible choices between paying rent and buying groceries or visiting their doctor. In worst cases, they become homeless. Yet, despite the growing need, three in four families in need of housing benefits are turned away, due to chronic underfunding.

There is no silver-bullet solution to addressing the growing affordable rental housing crisis; A comprehensive set of solutions to end housing poverty in America includes both capital investments and rental assistance.

Capital investments are needed to build, preserve and rehabilitate homes affordable to the lowest income people, as well as to address other challenges, including the need to revitalize distressed urban and rural communities, provide housing options for low income families in tight markets, and produce accessible housing for families with disabilities and special needs. This must start with an expansion of the national Housing Trust Fund, the newest federal housing resource in a generation and one that is exclusively targeted to serve households with the greatest needs.

It is also critical to invest in rental assistance for extremely low income families, including Housing Choice Vouchers (housing vouchers), which have a proven track record of reducing homelessness and housing poverty. Housing vouchers help people with the lowest incomes afford housing in the private housing market by paying landlords the difference between what a household can afford to pay in rent and the rent itself, up to a reasonable amount. Administered by the U.S. Department of Housing and Urban Development (HUD), housing vouchers comprise the agency's largest rental assistance program, serving more than 2.2 million households.

Housing Choice Voucher Mobility Demonstration Act of 2018

Groundbreaking research by Harvard economist Raj Chetty offers persuasive evidence on the impact of housing choice vouchers on upward mobility. Using new tax data, Chetty and his colleagues assessed the longer-term outcomes for children who moved at a younger age as part of the HUD's Moving to Opportunity demonstration. Chetty's study found that children who were younger than 13 when their family moved to a lower-poverty neighborhood saw adult earnings increased by approximately 31%. These children also lived in better neighborhoods as adults and were less likely to be single parents.

If enacted, the *Housing Choice Voucher Mobility Demonstration Act of 2018* would further improve voucher mobility to help ensure that more households using housing benefits can move to neighborhoods of their choice, including those with access to jobs with decent pay, good schools, transportation, and healthcare. Through this three-year demonstration, HUD and PHAs will be able to develop new models for improving voucher mobility and provide counseling to help HUD-assisted families move to areas of opportunity.

Under the bill, PHAs could use demonstration funds to improve collaboration between agencies and align policies and administrative systems. Currently, more than 2,400 PHAs administer the nation's two million housing vouchers, with multiple PHAs often operating in a single housing market. Under the current system, a household seeking a voucher must apply to several different agencies to maximize its chances of successfully competing for a voucher – a process

that is time consuming and frustrating for the applicant household. This process is also costly for a housing authority to process an application, a cost that is compounded when several housing authorities are processing applications from the same household. Federal policy changes to encourage regional collaboration in voucher administration would provide people more freedom to choose where they want to live with a voucher, including moving to low-poverty neighborhoods.

Funds could also be used to better recruit landlords and other activities that promote greater voucher mobility and housing choice. While housing vouchers currently offer families the prospect of moving to areas of opportunity, many private-sector landlords, particularly those in areas of opportunity, refuse to accept housing vouchers—whether because of the administrative costs, because vouchers do not cover the full cost of rent in high-cost areas, or outright discrimination. Recruiting landlord participation in areas of opportunity would help encourage economic mobility among vouchers households.

The proposal also includes an important research component to study what strategies proved most cost-effective at increasing the share of voucher holders with children living in higher-opportunity areas.

The draft bill is similar to a proposed housing mobility demonstration in S.2844, the Senate Appropriations Committee's version of the fiscal year 2017 appropriations bill for HUD, which included \$11 million to support staff time to plan for regional collaboration and align policies and administrative systems across public housing agencies, as well as to cover costs of enhanced landlord recruitment and other activities to expand families' housing choices.¹ The bill also included an additional \$3 million to research what mobility strategies are most effective. The House version did not include any provision specifically related to housing mobility, and the final 2017 funding bill did not authorize the demonstration or include funding for it.

While NLIHC supports the *Voucher Mobility Demonstration Act*, we recommend several modifications to strengthen the bill:

1. **Eliminate the statutory limit on the number of regional efforts that can be included in the initiative.** Any flexibility and supplemental funding that the initiative makes available could attract PHAs in more than ten regions to apply. Even if HUD caps the number of regions selected based on feasibility of evaluation or amount of funds available for mobility services, a more open application process could encourage additional regional collaboration. The Senate THUD version of the demonstration did not include a cap on the number of participating regions.
2. **Allow Regional Housing Mobility Plans to prioritize families with young children living in areas of concentrated poverty for mobility services.** Families with young children living in areas of concentrated poverty are likely to benefit the most from moving to lower-poverty neighborhoods with good schools and other amenities. Research by Raj Chetty and others shows that using vouchers to move to neighborhoods with lower concentrations of poverty resulted in higher lifetime earnings and increased college attendance for children who moved before they were 13 years old. The research also found that the longer a child lives in a low-poverty area, the greater the gains. Every year that children spent in better neighborhoods who moved before they were 13 years old saw improved outcomes, underscoring the importance of intervening when children are young.²

¹ See section 243 of S. 2844 (2016).

² Chetty, Hendren, and Katz.

3. **Require applicants to specify criteria for “opportunity areas.”** Congress should ensure that applicant PHAs specify the criteria they would use to identify opportunity areas in their proposed Regional Housing Mobility Plan. This would enable HUD to know whether the applicants are aiming to help families move to the types of neighborhoods that are likely to accomplish the intended goals of the initiative, and whether they have brought together the range of partners likely to be necessary to achieve the targeted moves.
4. **Narrow the scope of allowable waivers.** Congress should use caution in delegating authority to the executive branch to bypass statutory and regulatory requirements. Some authority to waive or specify alternative requirements for existing law could advance the goals of the initiative, but Congress should anticipate the likely areas where such flexibility is needed and craft the delegation of authority appropriately. NLIHC also recommends the Committee include authority for PHAs in a selected region to form a consortium that has a single housing voucher funding contract or to enter into a partial consortium to operate all or portions of the regional mobility plan. Agencies participating in the Moving to Work Demonstration should be allowed to participate in a partial consortium.
5. **Authorize sufficient funding for a robust demonstration.** The draft bill relies on current administrative fees, any accumulated fee reserves, and funding from private entities to support the mobility services the initiative is designed to encourage and evaluate. These sources are unlikely to be adequate for a successful demonstration. The Center on Budget and Policy Priorities (CBPP) estimates that \$30 million would support 15 regional mobility programs to offer comprehensive mobility services to a total of 22,500 families over a three-year period. In addition, the bill should permit participating PHAs to use voucher renewal funds or housing assistance payments reserves to pay for security deposits if necessary for families to secure homes in opportunity areas.
6. **Allow five years post-implementation for HUD to publish an evaluation.** The draft bill requires that HUD publish an evaluation within three years after the regional programs under the demonstration are implemented, if evaluation funding is available. Considering the likely timeframe for the demonstration – from selection of the participating agencies to families actually beginning to move to opportunity areas through the services they receive – a three-year deadline is not likely to be sufficient to gather and analyze robust results. If the final bill continues to focus on a one-time demonstration, it would be better to allow up to five years for the evaluation, as the prior Senate bill did.

Fostering Stable Housing Opportunities Act of 2018

The *Fostering Stable Housing Opportunities Act of 2018*, authored by Representative Michael Turner, would set a federal priority for foster youth who meet certain requirements to receive federal rental assistance. While the bill is well-intentioned – it aims to prevent many youth aging out of foster care from becoming homeless – we write to express our concerns with the bill.

NLIHC is concerned that the bill:

- **Undoes a longstanding compromise that effectively balances federal and state/local concerns.** The *Quality Housing and Work Responsibility Act of 1998* rescinded federal preferences for homeless applicants and other types of households that previous Congresses had deemed a priority for admission. In their place, the 1998 Act imposed a simple-to-administer requirement that local agencies and owners admit extremely low income applicants for a

specified share of available units or vouchers each year (the percentage and related requirements vary by program). Such income-targeting requirements ensure that a large share of federal housing resources serve those with the greatest needs, while deferring to state and local agencies to determine how to set priorities for admission for certain types of households.³ The *Fostering Stable Housing Opportunities Act of 2018* would undo this careful balance.

- **Does not address the underlying issues that put children aging out of foster care at risk of homelessness.** These issues include a foster care system that fails to adequately support youth who are aging out, as well as a severe shortage of rental assistance for vulnerable people, including those who are homeless or at risk of losing their homes. Only one in four eligible households receives federal rental assistance due to program funding limitations.
- **Helps foster youth only by reducing the availability of aid to other vulnerable people.** The bill would establish a federal requirement to include a preference for foster youth and no more than two other groups with equal priority. Without expanding the pool of available rental assistance, this would effectively reduce the amount of aid available to other vulnerable people that agencies have prioritized, including veterans, families with children, seniors and people with disabilities living on extremely low fixed incomes, victims of domestic violence who are fleeing abusive homes, and others who are homeless.
- **Would not help equally deserving youth who are unable to afford full-time college or find reliable full-time work.** The draft bill limits assistance to youth who are either full-time students or working at least 35 hours per week. This limitation seems to ignore the serious hardships faced by many youth exiting foster care, including hardships due largely to the failure of the foster care system. For this reason, it is difficult to perceive a moral or other justification limiting assistance in this way. Post-secondary education is expensive, and many youth exiting foster care have few resources. Moreover, many of these young adults face immediate job prospects that are often limited to jobs with irregular hours set by the employer. Under the bill's requirements, vulnerable youth could lose their rental assistance and thus their homes if, despite their best efforts, their work hours fall for short periods due to employer decisions.

Instead, NLIHC urges Congress to address the needs of youth aging out of foster care more fairly and effectively by:

- **Funding new Family Unification (FUP) vouchers for youth exiting foster care.** This program, which provides housing vouchers and case management to youth and families, has strong bipartisan support — indeed, this Committee took important steps to improve the FUP program as part of the Housing Opportunity Through Modernization Act of 2016. The program has also received several allocations of additional funds in recent years, including \$20 million in the 2018 omnibus funding law. Recent appropriations acts have also included substantial new funding for initiatives to reduce youth homelessness, another indication of the strong support that exists for increasing funding to address the problem.
- **Directing HUD to identify and, if necessary, reallocate FUP vouchers that are no longer being used for their intended purpose.** Since 1992, HUD has awarded roughly 47,000 FUP vouchers to dozens of housing agencies across the country, yet recent HUD program data

³ A 2012 Congressional Research Service study of 131 housing agencies found that the vast majority had instituted local preferences, most commonly preferences for people with disabilities, seniors, homeless people, victims of domestic violence, veterans, working families, households displaced by disaster or government action, and local residents. See Maggie McCarty and Carmen Brick, *The Use of Discretionary Authority in the Housing Choice Voucher Program: A CRS Study*, Congressional Research Service, April 11, 2012.

suggest that a substantial share of these vouchers may no longer be used for their original purpose.⁴ One reason for this is that for many years HUD did not monitor recipient agencies to ensure that FUP vouchers were being reissued to foster youth and child-welfare involved families in need of housing aid.⁵ A sensible step to expand rental aid available to foster youth would be to require HUD to take steps to ensure that all vouchers that Congress funded as part of the Family Unification Program are used as Congress intended, including by reallocating vouchers to other agencies, if necessary.

The Transitional Housing for Opioid Recovery Demonstration Program Act of 2018

The *Transitional Housing for Opioid Recovery Demonstration Program Act of 2018*, authored by Representative Andy Barr, aims to dedicate resources for residential substance use treatment programs that help people recover from opioid addiction. Despite the bill's worthy goal, NLIHC has several concerns with the proposal.

NLIHC is concerned that:

- **HUD is not well-positioned to administer and monitor the proposed demonstration.** The proposal would set aside 10,000 vouchers specifically for people with an opioid use disorder.⁶ These vouchers would be time limited (12-24 months) and only available for people in programs that provide evidence-based treatment and job skills training, according to standards established by the HUD Secretary. This is not the appropriate role for HUD or the voucher program. Moreover, the bill proposes to allocate the vouchers to the agencies that provide the drug treatment and job skills training, rather than to public housing agencies. This would be extremely inefficient and prone to errors. It also would require additional resources for technical assistance and oversight, and it would worsen the current challenges HUD faces in monitoring too many small agencies.
- **The demonstration is too narrow in serving only people suffering from opioid addiction.** The proposal aims to help residential treatment and recovery housing programs that serve only people with opioid use disorders – not other substance abuse issues – by providing treatment and wraparound supports like housing, employment, and child care. Substance use providers usually do not focus on serving only clients with a particular drug of choice. This proposal would create a scenario where providers have housing resources available for some clients but not others. This is neither practical nor fair.
- **Existing programs to help people with opioid addiction should be expanded, instead of creating a new one.** Residential treatment and recovery housing programs are an important part of a continuum of substance use treatment services. People stay in these programs from

⁴ A cumulative list of FUP awards may be downloaded from the National Center for Housing and Child Welfare website, <http://www.nchcw.org/>. As of the end of 2017, housing agencies reported roughly 17,000 FUP vouchers leased to HUD's Voucher Management System. While agencies are required to report FUP vouchers in use, reporting may be incomplete; still, the data suggest that many of the 47,000 original FUP vouchers are likely no longer being used by the youth and families for which they were intended.

⁵ Following Congress' direction, HUD issued guidance in 2011 to ensure that, going forward, FUP vouchers that turnover and are reissued continue to be used for their original purpose, but it did not require agencies to take corrective action if they had previously reissued former FUP vouchers to families that did not meet the special eligibility requirements. See HUD PIH Notice 2011-52, "Reporting, Turnover, and Other Requirements for the Family Unification Program."

⁶ The draft bill is not clear whether it is authorizing new funding for these 10,000 vouchers, or whether the effect of the bill would be to reallocate funds that are needed to renew vouchers currently in use. The latter would present a very serious problem, given the negative impacts on currently assisted families and their communities.

90 days to a year or more. These programs, when targeted to low-income populations, are supported by federal funding from the Department of Health and Human Services (HHS) through Medicaid reimbursement or grant funding from the Substance Abuse and Mental Health Services Administration. State and local governments and private philanthropic entities also provide resources for these programs. Congress is currently considering additional funding to address the opioid crisis, including more funding for residential treatment programs.

Housing vouchers or other HUD assistance may have a role to play as part of a comprehensive strategy to address substance use. Income-based housing subsidies can help people exiting residential treatment or currently in outpatient care who need financial assistance to maintain their housing. Using an approach similar to the Veterans Affairs Supportive Housing Program, in which HUD provides housing vouchers and the VA provides services, this committee could explore adding vouchers that help people with substance use disorders overcome the barriers they face to accessing safe, affordable housing post-treatment.

Thank you again for this opportunity for NLIHC to share our views on how to improve the way we provide and administer affordable housing in our country. If you have additional questions, please contact Senior Policy Analyst Elayne Weiss at eweiss@nlihc.org.

Tuesday, April 17, 2018

United States House of Representatives
House Committee on Financial Services
Subcommittee on Housing and Insurance

Lisa Dickson
Alumni of Care Together Improving Outcomes Now
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Proponent testimony on:

The Amended Version of H.R. 2069, the Fostering Stable Housing Opportunities Act

Chairman Duffy, Vice Chairman Ross, Ranking Member Cleaver, and members of the committee,

Thank you for this opportunity to offer testimony on the amended version of H.R. 2069, the Fostering Stable Housing Opportunities Act.

My name is Lisa Dickson. As a former foster youth, I wish that I could be there in person to share how much this matters, and the potential this bill has to improve outcomes after foster care. More importantly, I wish you could hear directly from the young people themselves, in and from foster care, who have worked for six years to make this bill a reality.

I am contacting you on behalf of two volunteer organizations. The OHIO Youth Advisory Board serves as the statewide voice of foster care youth, ages 14 and older. ACTION Ohio is an alumni group of adults who experienced foster care personally, and who dedicate our time to improve outcomes for the next generation. Our two groups have been working together since 2006 to make a difference, side-by-side.

Young people enter foster care due to factors outside of their control, such as experiencing neglect, abuse or disconnection from a parent to due to death, incarceration or substance abuse challenges. As foster youth, we do not choose the family that we are born into - we can only make our own choices. In the midst of family upheaval, all we can do is seek to survive the moment at hand, and figure out how to build our future. We often feel alone in this struggle - especially when throughout the nation, over 20,000 youth "age out" of the system every year, and strive to build successful lives.

Leaving home and moving out on your own as a young adult is a milestone that many young people look forward to. But for young people in foster care, this experience often catapults them into an immediate struggle for survival. We want to attain self-sufficiency, and the most important and pressing question is: "Where am I going to live?" Having a stable residence is critical when it comes to pursuing employment and higher education.

Imagine being a teen in foster care who is getting ready to enter into young adulthood. You have no savings account, and no parental co-signer to move into an apartment. You worked really hard to get into college, but the dorms are closed on holiday breaks - so, the irony is that while everyone else is celebrating with their family, you don't know where you are going to sleep that night.

I don't have to imagine that, because I was one of those young people. When I aged out of foster care in 1989, there was no plan for my future. I had to figure out that path on my own. Thanks to support from an Admissions Counselor at the University of Kentucky named Randy Mills, I entered college at 16 years old. But I ended up homeless within a year. I continued to pursue college, even as I struggled to find an affordable place to live. I found a home in a Methodist dorm called the Wesley Foundation. With stable housing, I was able to complete college and graduate school, working up to five part-time jobs at a time. Since then, I've been working as a full-time librarian for 19 years. It's my honor to work hard, pay taxes, and seek to "pay it forward" for the next generation.

But that was back in 1989 – so why is the Foster Care to Homeless Pipeline still so prevalent today? Our nation has moved forward in so many other areas since the time when I was in foster care. The 1997 Adoption and Safe Families Act set a time limit for how long children should languish in foster care limbo before seeking to terminate parental rights. The 1999 Foster Care Independence Act established Chafee funding and independent living classes. The 2008 Fostering Connections Act provided states with the option to extend foster care supports until age 21.

And yet, housing remains the biggest missing piece after foster care. Research demonstrates the pervasiveness of this struggle. Chapin Hall's longitudinal Midwest research study reveals that 36% of former foster youth experience homelessness before turning 26 years old. In a recent national survey conducted by Child Trends, states were asked to report the primary area in which they could do better to support young people transitioning from foster care. Not surprisingly, housing was the area most commonly marked as in need of improvement.

We have the numbers, and we have the data - what our nation needs is a sense of urgency about this problem. While children are in foster care, the Children's Bureau measures each states' success in caring for them by three categories: Safety, Permanence and Well-Being. But if we care about the safety of our children, it should matter to us that when they "age out" into homelessness, they are at risk of trafficking and many other negative outcomes. If we care about permanence, we need to recognize that there is nothing more impermanent than not having a stable address. If we care about well being, then we need to acknowledge the dreams, talents and aspirations of our youth – and that helping them successfully launch into adulthood benefits not only them personally, but also our nation. Given the chance to contribute to society, please know that we can and will give back.

The Fostering Stable Housing Opportunities Act is thoughtful and intentional. It is based on the premise that we already know where teens in foster care are placed, and that we can connect them with existing housing supports by putting them on the list early. This bill is youth-driven in every sense – because the very reason it exists is that a volunteer group of Ohio foster youth and alumni have been fundraising locally and then traveling to D.C. to advocate for the past six years about the national gap that exists between foster care and housing.

We are not lobbyists or paid staff members. We are current and former foster youth ourselves - and this is an issue that deeply matters to us. We demonstrate how much we care by volunteering our time to help others. Even as we travel to D.C. annually to advocate for this need, on a volunteer basis, we each continue to pursue work, college and opportunities to give back to the community - because that's what matters most to each of us. Our goal is to work hard, move forward and care for the next generation.

I urge you to pass this bill. The price tag is literally nothing. This is no-cost opportunity to improve outcomes for my brothers and sisters in and from foster care.

Thank you for your time. Please know that I am and will remain available for any questions.

Contact:

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(614) 787-5257





Council of Large Public Housing Authorities
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April 16, 2018

The Honorable Sean Duffy
 Chairman
 Subcommittee on Housing and Insurance
 Committee on Financial Services
 U.S. House of Representatives
 2129 Rayburn House Office Building
 Washington, D.C. 20515

The Honorable Emanuel Cleaver II
 Ranking Member
 Subcommittee on Housing and Insurance
 Committee on Financial Services
 U.S. House of Representatives
 2129 Rayburn House Office Building
 Washington, D.C. 20515

Dear Chairman Duffy and Ranking Member Cleaver:

On behalf of the Council of Large Public Housing Authorities (CLPHA), I am writing to submit comments for the record pertaining to the hearing entitled "Housing Choice Voucher Program: An Oversight and Review of Legislative Proposals" scheduled for April 17, 2018.

It is CLPHA's understanding, the hearing is planning to review three legislative discussion draft proposals, "Fostering Stable Housing Opportunities Act of 2018"; "Transitional Housing for Opioid Recovery Demonstration Program Act of 2018"; and an Act establishing a housing choice voucher mobility demonstration. After a careful review of each discussion draft, CLPHA's comments are as follows for the three proposals—

"Transitional Housing for Opioid Recovery Demonstration Program Act of 2018"

While we applaud efforts to assist individuals recovering from opioid addiction and attend to their housing needs, this discussion draft requires substantial clarification around the role of PHAs in administering the program and what constitutes an "eligible entity," and whether termination of assistance may conflict with leasing and eviction laws as well as provide appropriate support to transition to market rate housing.

Program administration and voucher allotment. While the draft specifies a set-aside of 10,000 voucher nationally, it is unclear how vouchers would be allotted at the local level, to what eligible entities (defined as nonprofit organizations) PHAs would distribute the vouchers, and how the vouchers would be managed. The draft appears to suggest a sponsor-based program in which PHAs would identify eligible non-profit organizations who are administering an evidence-based treatment program for opioid addiction. The draft needs additional clarification as to whether this would indeed be a sponsor-based program, and what entity will be responsible for eligibility screening and income verification. Because only PHAs with Moving to Work (MTW) status can participate in sponsor-based programs, this restriction will considerably limit participation and eligible PHAs may not overlap substantially with geographic areas in which mortality rates from opioid overdoses are high. To maintain this and other eligibility criteria, the draft will need to reconsider and clarify

how eligible organizations will receive and administer the vouchers and what role PHAs will have in the administration and selection process.

Termination of Assistance. The draft does not provide specifics as to what happens to tenants after 12-24 months of assistance, and what kind of planning or services will be available to help them find other housing. Treatment programs also do not typically last 12-24 months, so the draft could benefit from additional clarification as to where tenants will be living after completing treatment. Most sponsor-based organizations are permanent supportive housing programs, which do not have time-limited assistance.

“Fostering Stable Housing Opportunities Act of 2018”

Given the growing number of youth aging out of foster care and their overrepresentation in the homeless population, increasing efforts to assist them with affordable housing opportunities is a worthy goal. But we have concerns that the discussion draft interferes with local autonomy to create waitlist preferences, duplicates the efforts of an existing housing program, includes unsupported work requirements, creates an unmanageable occupancy rule exception, includes termination of assistance that conflicts with other laws and treats youth unequally, and contains unworkable data and reporting requirements.

Waiting list preferences. In 1998, the Quality Housing and Work Responsibility Act eliminated federal preferences for housing assistance and allowed for individual PHAs to determine waitlist preferences based on local needs. A study of PHAs’ efforts to serve the homeless, commissioned by HUD in 2013, found that over half of the total inventory of public housing and Housing Choice Voucher units are managed by PHAs that use some type of preference system to give housing priority to households experiencing homelessness, including youth aging out of care. Populations prioritized through a preference system also include many other vulnerable groups, such as households displaced by natural disasters, people with disabilities, seniors, veterans, households experiencing domestic violence, and households living in substandard housing conditions. PHAs create waitlist preferences for these groups in response to local needs, demonstrated by the fact that metro areas with the largest homeless populations are served by PHAs most likely to use a waitlist preference for homeless households. Individual PHAs should retain their autonomy to determine waitlist preferences based on the needs of the homeless population, decisions that are often made in conjunction with local stakeholders such as social service and faith-based organizations, private sector service providers, and planners.

Overlap with the Family Unification Program. The program proposed in the draft overlaps substantially with the existing Family Unification Program (FUP). A partnership between child welfare agencies and PHAs, FUP provides a Housing Choice Voucher for up to 36 months to youth between the ages of 18-21 who are homeless or at risk of homelessness and spent time in the foster care system. FUP received \$20 million in funding in the recent 2018 omnibus bill and has undergone multiple evaluations by third-party evaluators that indicate its success in improving outcomes for youth. PHAs participating in FUP provide a waitlist preference to families or youth referred by child welfare agencies, meaning that youth aging out of care have an existing waitlist preference when they are referred to a PHA through this process. A number of PHAs participating in FUP have also reported having a waitlist preference for youth whose FUP voucher is expiring but wish to continue using their voucher.

Work, training, and education requirements. While the work and education requirements do provide a substantial grace period and contain appropriate exceptions, such requirements should be left to the discretion of the individual PHA and should be accompanied by funding for supportive services. Transitional living programs for youth aging out of foster care as well as FUP voucher programs provide youth with supportive services such as educational and job counseling, financial management and budgeting, and individual case management. Such services are often crucial to youth for finding and maintaining stable employment or school enrollment.

Occupancy standards. The proposed occupancy standards include the ability for two or more unrelated youth to live together. Shared housing is only permitted in the Housing Choice Voucher program under specific circumstances, typically when a tenant requires a live-in aide. Allowing for unrelated youth in the same unit under the same lease agreement is more representative of a group home setting, which would be far beyond the scope of the types of housing that PHAs typically manage.

Termination of assistance. Terminating assistance at age 25 seems somewhat arbitrary and may not be most appropriate for all program participants. There is likely to be individual variation in the length of time that youth need in assisted housing to achieve self-sufficiency and live independently. Rather than identifying an age at which assistance should terminate, a length of assistance similar to FUP's 36-month timeframe may be more appropriate to ensure that regardless of what age they enter, all youth are entitled to receive the same length of assistance.

Data and reporting. While the draft includes significant evaluation efforts, we have some concerns about the feasibility of the evaluation plan. Some of the outcomes to be reported on, such as employment, wages, and criminal justice involvement, can be obtained using administrative records, but other outcomes such as well-being and housing status will require extensive data collection efforts. Because youth outcomes will be tracked for up to 10 years after termination of assistance, a significant amount of resources will be required to maintain accurate contact information for a population that is likely to be residentially unstable. While the draft proposes creation of a database in which youth themselves enter information about their outcomes, this proposal raises concerns about privacy and security as well as the costs of creating and maintaining such a database. Expecting youth to enter extensive personal information online for evaluation purposes is unrealistic and is not consistent with standard evaluation practices around data collection. It is also unclear how these required data collection requirements would be funded.

"Housing Choice Voucher Mobility Demonstration"

The recent work of economist Raj Chetty and colleagues showing the long-term positive impacts for children whose families participated in the Moving to Opportunity (MTO) demonstration provided optimistic evidence that voucher use in highly resourced neighborhoods can foster economic mobility. But as currently written, the discussion draft presents several challenges to creating a new demonstration program that can successfully encourage opportunity moves and appropriately evaluate those efforts. Specifically, the draft does not provide sufficient funding for a mobility demonstration, has a weak evaluation directive, and needs clarification as to what programmatic flexibilities would be offered to participating PHAs.

Funding. The original MTO demonstration awarded over \$75 million to PHAs participating in MTO in the form of extraordinary administrative fees and additional vouchers, which allowed PHAs to offer housing search assistance and mobility counseling to participating families. The draft discussion proposes that participating PHAs use existing administrative fees, reserves, and private funding to fund mobility activities. Proposing use of existing administrative fees, which have not been fully funded since 2008, raises concerns about a lack of commitment to support a mobility program with sufficient funding to fully support a robust menu of mobility services that can adequately promote opportunity moves.

Research and evaluation. The discussion draft proposes an option to randomly select families to participate in the demonstration and a report evaluating the program's effectiveness conditioned upon the availability of evaluation funding. Many of the policy lessons learned from MTO have stemmed from a large body of research evaluating outcomes of participating families. This research, including those from Chetty and colleagues, was possible due to extensive data collection and evaluation efforts as well as the randomization of families into the program. The implementation of a new mobility demonstration program should require similar research and evaluation commitments, including a requirement for a randomized design and funding for a full evaluation.

Waiver authority. While waiving some programmatic requirements may be useful and provide PHAs with flexibility needed to implement mobility services, the discussion draft refers to several subsections of Section 8, including payment standards, portability, tenancy, waitlist preferences, and inspections. The draft would benefit from more clarity as to which program rules would be waived and under what circumstances. Additionally, the authorization of preferences for families with children is not necessary as PHAs are already permitted to enact local preferences for the Housing Choice Voucher program.

Thank you for the opportunity to submit comments on the discussion drafts, and CLPHA respectfully requests that our comments be included in the official record of the hearing.

Sincerely,



Sunia Zatterman
Executive Director



COLUMBUS METROPOLITAN HOUSING AUTHORITY
COMMUNITY. COMMITMENT. COLLABORATION.

April 16, 2018

The Honorable Michael R. Turner
United States House of Representatives
2368 Rayburn House Office Building
Washington, DC 20515

Dear Representative Turner:

I am writing to offer the Columbus Metropolitan Housing Authority's (CMHA's) support for the Fostering Stable Housing Opportunities Act (FSHO Act). We believe that with the amended language you have proposed, the Act will strike a balance between providing a preference for youth aging out of foster care and preserving local flexibility for public housing authorities (PHAs) to administer their voucher programs. We appreciate your leadership in proposing this legislation.

The FSHO Act addresses a critical problem facing Ohio and states across the country. When youth leave the foster care system upon aging out many have no family safety net to rely on, and according to the Ohio Department of Job and Family Services, by age 19, 26% of Ohio foster youth become homeless and 36% become incarcerated.

With the amended language you have proposed included, the FSHO Act will provide PHAs the necessary tools and flexibility to find solutions for this vulnerable population. And CMHA will be more than happy to lead the way in implementing policy changes provided for by the Act. In fact, we recently applied for low-income housing tax credits for a new development, Scholar House 3, that will use project-based vouchers to house youth aging out of foster care.

CMHA is one of the largest and most innovative housing authorities in the country. We provide over 13,500 Housing Choice Vouchers and operate 1,000 public housing units for residents in Columbus and Franklin County, Ohio. Through a Choice Neighborhood Implementation grant from the U.S. Department of Housing and Urban Development we are developing 450 new units of mixed-income family & senior housing in the historic Near East Side neighborhood of Columbus. We are also converting our entire public housing portfolio to project-based rental assistance through HUD's Rental Assistance Demonstration (RAD). By the end of 2020 we will have converted our entire public housing portfolio through RAD. And across Franklin County we have worked with numerous partners to build hundreds of units of supportive housing for Veterans and other vulnerable populations.

Thank you for your time and attention on this matter. If you or your staff have any questions, please feel free to reach out to me directly at bbrown@cmhanet.com or 614-421-6066.

Sincerely,

Bryan Brown
Chief Operating Officer



April 17, 2018

Chairman Jeb Hensarling
 Ranking Member Maxine Waters
 Members of the Committee
 Financial Services Committee
 U.S House of Representatives
 Washington, DC 20515

Chairman Hensarling, Ranking Member Waters, and Members of the Committee:

We greatly appreciate the opportunity to share our views on the important issues being considered by the Committee today.

After reviewing the proposals, one clear reality emerges: The United States simply does not have enough affordable housing and this fact is hitting our poor and vulnerable the hardest, exacerbating homelessness in several regions of the country, fraying community services and taxing state and local budgets. Overall, communities across the country need more assistance in creating affordable housing and Americans must have additional options for realizing affordability, as only one in four individuals and families eligible for a housing subsidy receive it. Reform around the edges will not solve the dire housing needs we face. Our nation must adopt a well-thought-out, comprehensive approach to tackle the housing affordability issues that threaten to unleash waves of poverty for generations to come.

Moving to Work Expansion & Work Requirements

The current Moving to Work (MTW) demonstration within the United States Department of Housing and Urban Development (HUD) can be expanded under existing authorization. CSH is on record supporting reasonable and evidence-based methods to move individuals and families toward self- and economic-sufficiency.

We are the pioneers of the Moving On initiative within supportive housing, which encourages tenants who are ready and able to do so to transition to less-intense services and supports as well as market housing. The thrust of our Moving On aligns with the belief that some tenants are able to leave supportive housing for an even greater degree of independence that further improves their lives.

Nonetheless, Moving On carefully considers the circumstances of very vulnerable people who may be dealing with life-long disabilities and trauma, debilitating medical issues and disabilities, mental health or substance use challenges, and educational and skill set deficiencies, and so meets tenants where they are. It is premised on avoiding negative consequences for the individual or community (i.e. a return to homelessness and frequent use of emergency services).

Conversely, a detailed look at HUD's MTW, released just nine months ago by the independent Abt Associates, should cause policymakers to pause before endorsing rapid expansion of this federal program (MTW) or work requirements for housing assistance recipients in general.¹

¹ Larry Buron, Melissa Vandawalker, and Tyler Morrill, "Testing Performance Measures for the MTW Program," Abt Associates, July 25, 2017, https://www.housingcenter.com/sites/default/files/testing_performance_measures_for_the_mtw_program.pdf.



Abt suggests the benefits of MTW fall way short of justifying its costs. Their findings also strengthen the case for reform of MTW while exhibiting caution with further expansion.

The conclusions by Abt are concerning and worth noting:

1. MTW diversion of funds denied housing assistance to 68,000 families desperately in need of it.
2. MTW agencies provided housing assistance to fewer families than they could with available funds.
3. There is little evidence MTWs goals have been realized or even advanced.
4. No evidence that MTW agencies have significantly expanded choice or independence.
5. MTW agencies seem less cost effective.
6. Findings on MTW self-sufficiency policies are in no way conclusive.

For other considerations before the Committee, CSH offers the following comments.

Prioritizing Youth Aging Out of Foster Care

CSH agrees that youth transitioning out of foster care with nowhere to go is a national problem. CSH is heartened by the changes to Family Unification Program (FUP) vouchers through the Housing Opportunity Through Modernization Act (HOTMA) in 2016, including the ability to project-base these vouchers.

Recent Congressional appropriations of FUP vouchers (\$10M in FY 2017 and \$20 M in FY 2018) have not yet been advanced through notices of funding availability but could help meet the unique needs of this population. We urge Members of Congress to make it their first priority to encourage HUD and the Administration to release these appropriated monies to local public housing authority (PHA) providers as soon as possible.

We believe youth transitioning out of foster care need support and services, not just housing, to be successful, and FUP provides an avenue for child welfare agencies to partner with PHAs to offer those services and case management.

In spite of our wholehearted support for additional FUP vouchers, CSH would urge caution on creating a housing preference/prioritization within the PHA structure for youth transitioning out of foster care. Mandating such a prioritization without understanding the impact may create unintended consequences.

We also are concerned that such a federal mandate would limit PHAs to only designate a few more priority, vulnerable populations behind youth aging out, hamstringing local communities from evaluating, setting and addressing their own priorities.

As such, we would ask that the Committee consider directing HUD to study this well-intentioned suggestion and its potential impact on existing waiting lists before forging ahead with such a consequential policy change.

Opioid Housing Demonstration Vouchers

CSH agrees that the opioid crisis is devastating communities across the country and we are proud supportive housing is playing a key role in addressing this national emergency. But we would urge the Committee to only consider such a demonstration if new vouchers would be created and issued (rather than simply cannibalizing existing vouchers), and if changes to this demonstration as drafted are incorporated.



Without new resources, CSH believes that this demonstration would detract from others equally in need of housing assistance. And CSH feels time-limited vouchers for those recovering from addiction would be a mixed bag; from our experience, they have the ability to help some, but would not be effective for others.

We would also point out that setting up a demonstration just to address opioids while ignoring other forms of addiction seems short-sighted.

Our other recommendations for the Committee are that you endeavor to:

- Work with the House Energy and Commerce Committee to request that the United States Department of Health and Human Services create clear guidelines and best practices for recovery housing.
- Work with House Ways and Means Committee to end the Institutions for Mental Diseases (IMD) exclusion under Medicaid.
- Work with House Energy and Commerce and Appropriations Committees to create a new funding stream in opioid response legislation to allow states and communities to apply for planning and implementation grants for better data coordination among first responders, medical professionals, child welfare agencies, law enforcement, Continuums of Care (CoC), and public housing authorities. CoC partnerships and coordinated entry systems can be great examples of how to effectively coordinate a crisis-response that produces long-term and lasting results. They should be seen as valuable allies and frameworks in this effort and can help best prioritize who needs time-limited housing assistance and who needs long-term or permanent supportive housing.

Once again, I want to thank the Committee for this opportunity to express our views and urge you to consider our depth of experience and expertise working on these issues in every corner of the country as you deliberate on the proposals before you.

If you have any questions or need additional input and information, please do not hesitate to contact me at deborah.desantis@csh.org or at 212-986-2966.

Sincerely,

Deborah DeSantis

Deborah De Santis
President & CEO
CSH

61 Broadway, Suite 2300
New York, New York 10006
csh.org



Board of Commissioners
 Doug Barnes, *Chair*
 Michael Brown, *Vice-Chair*
 Susan Palmer
 Terry Lynn Stewart
 John Welch

Executive Director
 Stephen J. Norman

April 16, 2018

The Honorable Sean Duffy
 Chairman
 Subcommittee on Housing and Insurance
 Committee on Financial Services
 U.S. House of Representatives
 2129 Rayburn House Office Building
 Washington, D.C. 20515

The Honorable Emanuel Cleaver II
 Ranking Member
 Subcommittee on Housing and Insurance
 Committee on Financial Services
 U.S. House of Representatives
 2129 Rayburn House Office Building
 Washington, D.C. 20515

Dear Chairman Duffy and Ranking Member Cleaver,

The King County Housing Authority (KCHA) is pleased to have the opportunity to submit comments for the record regarding three proposed bills scheduled for consideration by the Committee at the *"Housing Choice Voucher Program: An Oversight and Review of Legislative Proposals"* hearing on April 17th, 2018. These bills all seek to address pressing issues confronting our community – the need to understand how best to support low-income families' access to low poverty and high opportunity areas, a need for supportive housing for individuals recovering from opioid addiction, and the growing number of youth aging out of the foster care system into homelessness – and we applaud the Committee for their commitment to effective and efficient approaches to meeting these challenges.

KCHA has extensive experience with housing mobility and supportive housing programs for homeless and at-risk populations and, in close consultation with community partners, has developed a number of successful locally designed approaches. KCHA is one of 39 housing authorities nationally that is participating in HUD's Moving to Work (MTW) program and has used the flexibility provided under this initiative to most efficiently utilize our federally funded housing resources to support these efforts.

While the intent of the current bills is laudable, our experiences lead us to point out a number of challenges in the design of these programs as currently envisioned:

"Housing Choice Voucher Mobility Demonstration". Of the 5,600 low income households with children currently supported through KCHA's public housing and housing choice voucher programs, a full 28% live in high or very high opportunity neighborhoods.¹ We have accomplished this through a variety of approaches involving locally designed small area Fair Market Rent payment standards and site-based approaches made possible by our MTW contract. Currently KCHA and the Seattle Housing Authority, also a Moving to Work Housing Authority, are partnering with Raj Chetty and other members of a national, interdisciplinary research team on a three-year study aimed at rigorously identifying through random access trials the most effective strategies for empowering households with children on our Housing Choice Voucher waitlist to access housing in the community of their choice – in many cases high opportunity neighborhoods. This program tracks closely with the approach envisioned under the proposed bill.

The additional costs involved in designing and implementing this three-year pilot are significant. The budget for services and administrative costs beyond those which can be covered by Housing Choice Voucher administrative

¹Utilizing opportunity area criteria developed by the Kirwin Institute and Puget Sound Regional Council.
 600 Andover Park W • Seattle, WA 98188-3326 • kcha.org
 Phone 206-574-1100 • Fax 206-574-1104
 EQUAL HOUSING OPPORTUNITY

fees is estimated at \$3 million. These costs are in addition to costs being incurred by our academic partners to ensure the rigorous evaluation and data collection necessary to produce conclusive results from the Demonstration Program.

These additional costs are unavoidable – they involve services to support high-touch tenant education and counseling, resources to engage and sustain connections with private market landlords, and the data collection, analysis and evaluation necessary to ensure the success of a randomized controlled demonstration program. The projected costs of this program are not dissimilar to the experiences of successful mobility initiatives currently underway in Baltimore, Chicago, San Mateo, and other sites. These budget realities are exacerbated by the fact that Congress currently funds Housing Choice Voucher program administrative costs at a 77% pro-rate.

In our case we are fortunate to have these costs covered by a significant philanthropic commitment. This entailed a multiyear fundraising effort. While I believe that leveraging foundation support for initiatives such as the one proposed in this bill is a laudable goal, I am doubtful that this initiative will be able to leverage the \$30 million plus in foundation support necessary, particularly within a reasonable timeframe for implementation. More likely, fundraising efforts will fall short and programs will either be cancelled or attempt to move forward with inadequate funding and services, doing a disservice to both clients and the intent of this initiative, with a very real chance of failure. I would strongly advocate for the provision of adequate funding for the administrative, service, and evaluative costs incurred by the participating housing authorities and their community and academic partners be included in the proposed bill.

“Transitional Housing for Opioid Recovery Demonstration Program Act of 2018”, KCHA administers over 3,700 vouchers dedicated to targeted “special needs” populations. These include chronically homeless individuals, child welfare involved households, disabled households (including those with substance abuse disorders), homeless veterans, survivors of domestic violence, homeless youth, and individuals with terminal illnesses.

While the nature of services provided varies from population to population, the basic model remains the same – KCHA administers the Housing Choice Voucher subsidy, performing such functions as administering the waiting list, assuring that applicants meet program admission standards, inspecting apartments for compliance with Housing Quality Standards (including lead based paint mitigation), verifying rent reasonableness, determining tenant income, executing the lease, processing reasonable accommodation requests, distributing monthly rent payments, submitting data on a regular basis to HUD, and assuring overall compliance with HUD program requirements. In these programs, KCHA partners with a wide variety of service providers that assume responsibility for the provision of “wrap-around” services for clients served under these programs. We believe that this partnership approach, analogous to the model used under the VASH program, where public housing authorities administer the Housing Choice Vouchers and the Veterans Administration, or a local service provider, delivers necessary services, is a proven model.

To ask our service provider partners to administer rental assistance in full compliance with the Housing Choice Voucher program’s complex regulations is unrealistic. It would involve the hiring and training of staff versed in HUD rules, the installation of HUD compatible information systems, the need for HUD to monitor additional entities administering Housing Choice Vouchers at a time when the Department is actively engaged in trying to reduce the number of housing delivery platforms through consolidation, and create confusion among private sector landlords, who would have multiple program administrators to deal with – each inevitably with a slightly different set of implementation protocols on the ground. The limited size of individual awards from a pool of 10,000 vouchers nationally would also provide real diseconomies of scale in administrative costs for overseeing these rental assistance programs. We would strongly advocate for an approach that seeks to partner public housing authorities with experienced behavioral health and addiction service providers so that each can work in the service area where they are most experienced and effective.

The proposed Demonstration Program also does not provide any funding for necessary services, or for the evaluative components of this pilot. It is our experience that existing addiction service providers are generally underfunded for their present work in supporting clients’ treatment and recovery, and would be poorly positioned to provide additional and expanded services under the proposed demonstration absent significant

funding resources to support this new body of work. The logistics of service delivery – particularly in cases where clients are in scattered-site apartments – is staff intensive and expensive. Effective intervention frequently entails on-site visits to ensure lease compliance, address landlord issues and support continued housing stability. Failure to provide funding for robust services runs the very real risk of program failure, again doing a disservice to program participants who fail out of housing, to private property owners who will incur financial losses, to the Housing Choice Voucher Program which depends on its reputation with private landlords to successfully broker voucher use in the private market, and to the community in which recovering opioid users are being housed. An approach similar to that in the VASH program, where service funding is provided in conjunction to housing support, is also advocated in this instance.

Additionally, the proposed bill does not provide incremental vouchers for the Demonstration Program. This Administration has consistently proposed Housing Choice Voucher funding levels that are insufficient to support the number of households currently participating in the program. The set-aside from annual funding amounts of up to 10,000 vouchers could conceivably involve a reduction in the number of households presently served under existing programs. In a worst case scenario it could necessitate the termination of assistance to households presently being housed under the program. We would urge that this Demonstration Program provide incremental special purpose vouchers for the purpose of evaluating this important approach to the housing needs of individuals recovering from opioid addiction so as to avoid the reduction of resources to already oversubscribed existing programs.

We are also concerned about the lack of clarity in the proposed draft regarding the strategy for assuring stable housing for program participants after the 12- to 24-month assistance period, or for recently admitted households upon termination of the five-year demonstration program. It is critical that the program design address these issues. It should be noted that in many markets, such as the Seattle/King County metropolitan region, housing costs significantly exceed the wages provided by most low wage jobs and termination of assistance – even after several years of Housing Choice Voucher assistance – could well result in the churning of program participants back to the streets and emergency shelters as well as to a lapse in substance use recovery.

In consideration of possible approaches, KCHA would urge that the Committee consider the sponsor-based housing model. This is a program design developed by MTW public housing authorities whereby the Housing Choice Voucher funding is funneled under locally designed programs from the housing authorities to local service providers, who then directly lease apartments from landlords. This approach addresses the issue of landlord reluctance to rent directly to program participants who have poor credit and landlord histories and criminal records. The risks and obligations regarding damages and lease enforcement are assumed by the sponsoring provider. It is KCHA's experience that this approach, which we currently utilize in partnership with local providers for housing chronically homeless individuals and homeless youth, has significantly improved program track records in successfully housing these households in private sector housing.

"Fostering Stable Housing Opportunities Act of 2018". KCHA houses over 150 homeless youth each year under a number of differing program approaches. We deeply appreciate the Committee's attention to this issue, which we believe central to our mission and to the future of our community.

The youth we serve come from a number of circumstances, including individuals aging out of foster care, youth who are living on the street, and youth who are transitioning from a variety of institutions. In many cases, these youth are victims of sex trafficking, physical and emotional abuse, and other trauma experiences. Our experience with this population has led us to a deeper understanding of the housing and support needs of youth being served under these programs. Service approaches, desirable housing typologies, length of stay and outcome expectations can all vary significantly. One size truly does not fit all.

The approach envisioned in this draft bill would prioritize admission to a variety of differing subsidized housing programs without any consideration of the best approach for the individual involved. The programmatic tailoring that we have learned to be essential in meeting the needs of homeless youth is not reflected in the current discussion draft. Additionally, the draft does not provide specific resources for the delivery of the services that experience shows us are essential for the success of these housing efforts. Without resources for support services

- and particularly in the context of participant requirements regarding employment, education or vocational training - this program will not work.

We would advocate using the Family Unification Program (FUP) as the primary vehicle for this effort and urge that incremental vouchers be provided to increase the number of homeless youth that can be served. This approach will prevent a decrease in overall housing resources available to other vulnerable households, many of whom are also currently homeless and already on our waiting lists for assistance. We would further advocate for greater local flexibility, as KCHA currently employs through its MTW contract, in order for housing authorities and their youth, education and workforce training partners to design housing assistance programs that work well in the context of local service delivery systems and resources. This should also include the ability to utilize a sponsor-based approach, as described above, to assist in successfully placing youth into private-sector apartments.

The imposition of a national waiting list preference for most federally subsidized housing also creates challenges on the local level and is contrary to the experiences that led Congress to shift to locally determined waitlist preferences under the Quality Housing and Work Responsibility Act of 1998. In our instance, it would create significant challenges by limiting priority access for other, arguably equally at-risk, populations. With a limit of two additional "highest preferences", we would be charged with the nearly impossible task of determining which other vulnerable groups -- homeless youth being victimized through sex trafficking, survivors of domestic violence, terminally ill and frail elderly, chronically homeless individuals, or others -- would receive lower priority. The ability of local jurisdictions to flexibly match federal resources to local needs and service resources has proven its worth over time. We would strongly advocate that Congress not go back to an approach that creates the potential for unfortunate mismatches between federal edicts and local priorities.

Our deep thanks to the Committee for your concern and engagement in addressing these critical issues, and for the opportunity to submit these comments. We look forward to constructive engagement between local government and Congress in advancing workable solutions to addressing the housing needs of our community's poorest and most vulnerable residents.

Sincerely,



Stephen Norman

cc: The Honorable Jeb Hensarling, Chairman, House Financial Services Committee
The Honorable Maxine Waters, Ranking Member, House Financial Services Committee



April 17, 2018

House Financial Services Committee
 2129 Rayburn House Office Building
 Washington, DC 20515

Dear Chairman Hensarling and Ranking Member Waters:

On behalf of the National Association of Housing and Redevelopment Officials (NAHRO), I would like to offer the following comments to the House Financial Services Committee in response to the hearing titled "Housing Choice Voucher Program: An Oversight and Review of Legislative Proposals" on Tuesday, April 17.

Formed in 1933, NAHRO represents over 20,000 housing and community development individuals and agencies. Collectively, our members manage over 970,000 public housing units, 1.7 million Housing Choice Vouchers (HCVs), and receive over \$1.5 billion in Community Development Block Grant (CDBG) and HOME Investment Partnerships (HOME) Program funding to use in their communities. NAHRO has the unique ability to represent public housing agencies, local redevelopment agencies, and other HUD grantees of all sizes and geography.

This letter offers commentary on three bills that are scheduled to be discussed by the House Financial Services Committee: the "Housing Choice Voucher Mobility Demonstration Act of 2018"; the "Transitional Housing for Opioid Recovery Demonstration Program Act of 2018"; and the "Fostering Stable Housing Opportunities Act of 2018." NAHRO's thoughts on each of the bills can be found below.

Housing Choice Voucher Mobility Demonstration of 2018

NAHRO does not object to any of the provisions of this bill, but notes that, for it to be effective, authorizing funding will be essential. NAHRO is especially pleased by the voluntary nature of this program, which will allow those entities that wish to create regional mobility plans and enact comprehensive mobility programs to do so. This ability to allow on-the-ground entities to create plans that best suit their communities is vital. NAHRO also appreciates the additional funding flexibility offered by the bill, which allows funding from both administrative fee sources and other private entities, but, again, notes that for this Demonstration to be truly viable additional administrative fee funding is required. Finally, NAHRO believes that the flexibilities offered by waivers from certain regulations will allow for implementation of mobility provisions in an optimal manner.

Transitional Housing for Opioid Recovery Demonstration Program Act of 2018

While NAHRO supports the goals of this bill, there are certain provisions that NAHRO finds problematic. The most pressing issue is that this bill would set aside the lesser of 0.5 percent of the total number of vouchers allocated in a year or 10,000 vouchers for this special purpose opioid recovery voucher. The nation is currently in an affordable housing crisis, where only one out every four eligible program participants currently receives federal housing assistance. Rather than restricting the use of the limited supply of vouchers, we recommend expanding the voucher allocation to accommodate the households that would be supported by this program. Additionally, NAHRO believes more clarification is warranted regarding HUD's role and capacity in setting the standards for determining which entities can provide appropriate opioid treatment programs.

Fostering Stable Housing Opportunities Act of 2018

NAHRO believes that vulnerable families and individuals should have access to stable housing, and this certainly includes young adults aging out of the foster care system. Our concern is that it would force Public Housing Agencies (PHAs) to give local preferences out of their established housing units and voucher allocation. This would apply to Public Housing, the Housing Choice Voucher Program, and several other programs. By denying PHAs the ability to set their own wait list preferences, the bill weakens the ability of PHAs to respond to local housing needs. PHAs should be able to set their preferences to best meet the needs of their community. Here again we recommend that additional vouchers be made available to help these vulnerable young adults.

NAHRO thanks the committee for this opportunity to provide input. For further comments or questions, please feel free to contact NAHRO Legislative Liaison Tess Hembree (thembree@nahro.org).

Sincerely,



Adrienne Todman
Chief Executive Officer
NAHRO



April 16, 2018

The Honorable Sean Duffy
United States House of Representatives
2330 Rayburn House Office Building
Washington, DC 20515

The Honorable Emanuel Cleaver
United States House of Representatives
2335 Rayburn House Office Building
Washington, DC 20515

Re: The amended version of H.R. 2069, the "Fostering Stable Housing Opportunities Act of 2018"

Dear Chairman Duffy and Ranking Member Cleaver,

On behalf of the National Housing Trust (NHT), thank you for the opportunity to submit comments about the amended version of the "Fostering Stable Housing Opportunities Act of 2018." We request that the following comments be submitted for the record of the hearing entitled "Housing Choice Voucher Program: An Oversight and Review of Legislative Proposals" on Tuesday, April 17.

NHT is the nation's leading expert in preserving and improving affordable housing, ensuring that privately owned rental housing remains in our affordable housing stock and is sustainable over time. Using the tools of real estate development, rehabilitation, finance, and policy engagement, NHT is responsible for saving more than 25,000 affordable homes in 41 states, leveraging more than \$1 billion in financing.

NHT appreciates and supports the intent of this legislation to help youths aging out of foster care obtain rental assistance to secure decent, affordable housing. Affordable rental housing provides a platform for low-income Americans to achieve financial stability and access education, jobs, and health care, which is especially critical for young people entering adulthood without the benefit of a supportive family. Many properties with project-based rental assistance (PBRA) also provide valuable supportive services that help residents succeed and becoming economically mobile.

Despite the good intentions of this draft bill, we have great concerns that it may cause unintended consequences. First, we oppose the creation of federal housing preferences. Federal preferences were imposed on public housing, voucher, and PBRA programs for many years. After much discussion, debate,

and with bipartisan support, these federal preferences were eliminated by Section 514 of the Quality Housing and Work Responsibility Act of 1998 (QHWRA).

NHT supports the current system which encourages housing providers, including public housing authorities (PHAs) and private owners, to develop local preferences which are best suited to the needs and circumstances of local communities. We endorse efforts to expand housing opportunities for youths who are aging out of foster care, but we believe that occupancy preferences should be developed and imposed by the housing provider, not the federal government. In fact, many providers already have local preferences for the homeless, which have been supported and recommended by the U.S. Department of Housing and Urban Development. Such a local preference could be applied to children aging out of foster care.

NHT also has serious concerns about the bill's inclusion of work requirements for youths aging out of foster care who secure assisted housing. We agree that young people should be strongly encouraged to pursue education, job training, and employment, but we disagree with federal mandates that could serve to inadvertently punish those who may face obstacles in meeting these goals. Research has demonstrated that for most Americans, work requirements do not lead to stable employment or a path out of poverty.

In fact, work requirements may be counter-productive. Without housing assistance, low-income youth face a greater risk of eviction and homelessness, circumstances that make it incredibly difficult to maintain a job. Affordable housing and housing assistance are fundamental to employment and economic security.¹

NHT believes that youth aging out of foster care would benefit from participating in employment and financial literacy training programs, such as the Family Self-Sufficiency (FSS) program, which is available to residents of public housing, properties with PBRA, and those with Housing Choice Vouchers. Through FSS, residents work with service coordinators to create financial goals and make progress toward economic independence. As residents pay more rent as their earnings increase, the funds are deposited in escrow accounts, which they receive upon graduating the program.

NHT urges you to avoid imposing federal preferences and work requirements upon low-income residents of assisted housing, and instead support comprehensive solutions that are proven to promote economic mobility, such as FSS. Please let me know if you have any questions or would like additional information.

Sincerely,

Ellen Lurie Hoffman
Federal Policy Director
National Housing Trust

¹ Desmond, M. and Gershenson, M. (2016). Housing and Employment Insecurity among the Working Poor. *Social Problems* 63: 46-67.



April 16, 2018

The Honorable Sean P. Duffy
Chair
Subcommittee on Housing and Insurance
2129 Rayburn House Office Building
Washington, DC 20515

The Honorable Emmanuel Cleaver
Ranking Member
Subcommittee on Housing and Insurance
2129 Rayburn House Office Building
Washington, DC 20515

Dear Chairman Duffy and Ranking Member Cleaver:

The National Leased Housing Association (NLHA) represents the interests of both private and public sector providers of affordable rental housing for the elderly, families and veterans. Our members are developers, investors, owners, housing agencies, lenders and non profits. We request that the foregoing comments be submitted for the record of the hearing entitled "Housing Choice Voucher Program: An Oversight and Review of Legislative Proposals" on Tuesday, April 17.

We have reviewed with interest the discussion drafts that will be the focus of the hearing. We are pleased that the subcommittee is engaged in discussing important issues impacting low income renters. We have particular interest in promoting opportunities for our residents. In fact, NLHA created the NLHA Education Fund in 2007 and to date we have provided education assistance to nearly 1000 residents.

We are focusing our comments today on the discussion draft entitled "Fostering Stable Housing Opportunities Act of 2018". We recognize the importance of providing housing solutions for vulnerable housing populations, but reject the imposition of Federal housing preferences. Our members are no strangers to Federal preferences which were imposed on the public housing, voucher and project-based rental assistance programs for many years. However, they were eliminated by Section 514 of the Quality Housing and Work Responsibility Act of 1998 (QHWRA) after much discussion, debate and with bipartisan support. NLHA supported such repeal to reduce administrative burdens and to encourage housing providers to develop local preferences that were more suited to the needs and circumstances of individual communities.

We encourage efforts to expand housing opportunities for children that are aging out of foster care, but we believe any occupancy preference should be developed and imposed by the provider, not the Federal Government. In fact, many providers already have local preferences for the homeless, which has been supported and recommended by the Department of Housing and Urban Development. Such a local preference could be applied to children aging out of foster care. Local preferences are designed to

address local housing related issues and are often part of a larger strategy to ensure that the community's housing needs are met, generally in connection with the provision of resident services.

We would also caution against creating work requirements to be imposed by all providers of federally assisted housing. Not only will such a move create additional regulatory burdens for owners and agencies; the results of work requirements in the public housing realm indicate less than successful outcomes. Housing providers need flexibility to be innovative. Prescriptive rules like work requirements deter innovation. We believe that children aging out of foster care would benefit from participation in programs that encourage and provide opportunities for eligible residents to increase wages and opportunities. One such program is the Family Self-Sufficiency (FSS) program which has broad bipartisan support and most recently evidenced by the passage of H.R. 4258, "The Family-Self Sufficiency Act" that expands the program to multifamily owners. There is a body of research conducted by MDRC (formerly known as the Manpower Demonstration Research Corporation) as well as reports on various FSS programs and other service enrichment efforts including the Jobs Plus program that would certainly inform the discussion of how providers may best provide creative approaches to lifting folks out of poverty.

We urge the subcommittee to avoid imposing new requirements on housing providers and instead support the flexibility for owners and PHAs to design comprehensive solutions as part of a Family Self Sufficiency program, Jobs Plus or other resident services efforts that promote economic independence. NLHA would like to continue a dialogue on these issues and offer our expertise as the subcommittee moves forward.

Sincerely,



Denise B. Muha
Executive Director

Congress of the United States
Washington, DC 20515

April 4, 2017

The Honorable Rep. Mario Diaz-Balart
Chairman
Transportation, Housing and Urban
Development Subcommittee
Committee on Appropriations
2358-A Rayburn HOB
Washington, DC 20515

The Honorable Rep. David Price
Ranking Member
Transportation, Housing and Urban
Development Subcommittee
Committee on Appropriations
1016 Longworth HOB
Washington, DC 20515

Dear Chairman Diaz-Balart and Ranking Member Price:

As you begin work on the fiscal year 2018 Transportation, Housing and Urban Development and Related Agencies Appropriations bill, we respectfully urge you to include the following bill and report language pertaining to the Department of Housing and Urban Development's (HUD) Family Unification Program (FUP).

The FUP aims to provide the child welfare system with the resources necessary to prevent family separation due to homelessness and to prevent homelessness among aging-out youth. Eligible families include those families who are in imminent danger of losing their children to foster care primarily due to housing problems and families who are unable to regain custody of their children primarily due to housing problems. Eligible youth include those who were in foster care any time after the age of 16 who are currently between the ages of 18 - 21 (have not reached their 22nd birthday) and are homeless or at risk of homelessness. Public Housing Agencies administer FUP in partnership with public child welfare agencies.

According to Chapin Hall at the University of Chicago, young adults associated with child welfare systems are more likely to experience homelessness as adults or as they transition to adulthood. Housing instability can undermine the pursuit of post-secondary education and employment at a livable wage, may be detrimental to physical and emotional health. It also leads to increased vulnerability to crime and substance abuse. Stable, affordable housing with appropriate services can help prevent youth exiting foster care transition to adulthood. Investments in preserving families and supporting foster youth who age out of the child welfare system will save taxpayer dollars by diverting children from entering foster care, as well as diverting older youth from the judicial system. FUP housing choice vouchers provide foster youth with the opportunity to remain with their families as well as provide aged out youth with resources to make better life decisions.

For these reasons, we urge you to prioritize the Family Unification Program within your FY 2018 bill and include the below bill and report language.

Bill Language:

Under Public and Indian Housing, Tenant-Based Rental Assistance:

(7) \$20,000,000 shall be made available for new incremental voucher assistance through the family unification program as authorized by section 8(x) of the Act: *Provided*, That the assistance made available under this paragraph shall continue to remain available for family unification upon turnover: *Provided further*, That for any public housing agency administering voucher assistance appropriated in a prior Act under the family unification program that determine that it no longer has an identified need for such assistance upon turnover, such agency shall notify the Secretary, and the Secretary shall recapture such assistance from the agency and reallocate it to any other public housing agency or agencies based on need for voucher assistance in connection with such program;

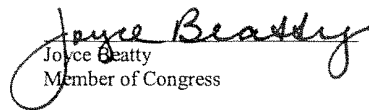
Report Language:


*Family Unification Program [FUP].—*Young adults associated with child welfare systems are more likely to experience homelessness as adults or as they transition to adulthood. The Committee recognizes that stable, affordable housing with appropriate services can help prevent children from being unnecessarily removed from their families and help youth exiting foster care transition to adulthood. The Committee is concerned that FUP vouchers are underutilized as a housing strategy to assist at-risk youth and that PHAs and local public child welfare agencies have had limited success in developing effective partnerships. According to a May 2014 report from HUD's Office of Policy Development & Research, youth only comprise about 14 percent of the total program participants. Therefore, the Committee includes \$20,000,000 for new FUP vouchers. The Committee directs HUD to prioritize the award of these new vouchers to PHAs that will target them to youth and PHAs that have partnered with their local public child welfare agency to ensure youth referrals for these vouchers. The Committee recognizes the current timeline of 18-months for youth vouchers is inadequate and administratively impracticable. In response, the Committee includes a provision permitting FUP vouchers to be used by youth who have left, or will shortly leave, foster care, to be used for up to 36 months or longer if the youth is participating in a family self-sufficiency program. The Committee also recognizes the need to expand youth eligibility for FUP vouchers and includes a provision increasing the age range of eligible youth to those who are 18 to 24, and who have left foster care at age 14 or older, or will leave foster care within 90 days and are homeless or at risk of becoming homeless. The Committee also includes language permitting the Secretary to recapture voucher assistance from PHAs that no longer have a need for that assistance, and reallocate it to PHAs with an identified need.

The Committee is also concerned about how and when families and youth are being referred to receive FUP assistance. The Committee directs HUD to work with the Department of Health and Human Services' Administration on Children and Families [ACF] to develop guidance and training materials necessary to improve connections between local agencies, increase collaboration, improve programs, goals, and supportive housing models that align at the local level. Further, HUD is directed to identify specific statutory or regulatory barriers either within the FUP program or child welfare serve programs that limit individuals' access to services and case management that can help improve outcomes for at-risk youth. The Committee directs HUD to report to the House and Senate Committees on Appropriations 180 days after enactment of this act on the status and results of these efforts.

We appreciate your consideration of the above requests. Thank you for your consideration.

Sincerely,


Joyce Beatty
Member of Congress


Steve Stivers
Member of Congress