

Ensuring a Positive Response to the Homelessness Crisis: Reauthorizing the McKinney-Vento Act

Bay Area Regional Steering Committee on Homelessness and Housing

Serving the homeless population from the Monterey to San Francisco Bay Areas, members of the Regional Steering Committee have a shared goal of ending homelessness. As we have made forward progress on this goal, we have been very appreciative of the role the federal government has played in funding homeless programs and in being a true partner in our communities. In order to maintain the drive towards ending homelessness, federal funding and support of proven programs must continue to improve. Based upon the richness of our experience, we hope you will consider the following suggestions for reauthorizing the McKinney-Vento Homeless Assistance Act, and the continued revitalization of our nation's response to homelessness.*

Background

The McKinney-Vento Homeless Assistance Act funds the majority of homeless-targeted services and housing programs across the nation. The McKinney Act was originally enacted as an emergency response to the rapid rise in numbers of Americans becoming homeless. Unfortunately, the emergency continues as even greater numbers of both urban and rural persons wind up on the streets, victims of a housing shortage and a poor economy. The legislative authority for four of the Act's HUD programs – Emergency Shelter Grant, Supportive Housing, Shelter Plus Care and Single Room Occupancy Dwellings – technically expired in 1995. These programs continue to serve increasing numbers of homeless persons and must be reauthorized. The McKinney-Vento Act has been a top performing federal program, responsible for much of the success we have create as a nation on the issue of homelessness. Changes to this act would have consequences for many programs and agencies across the nation. Currently there are two proposals to amend and reauthorize the 1987 McKinney-Vento Homeless Assistance Act, the Reed Bill (S.1801) and the Renzi Bill (H.R. 5041).

Guiding Statement of the Causes of Homelessness and the Scope of the Problem

Findings of the McKinney-Vento Act should accurately reflect the scope of homelessness in the United States, the disproportionality of the incidence of homelessness on particular subpopulations, the complex causes of homelessness, and the human costs of failing to end homelessness. Current drafts of proposed legislation understate the scope and significance of homelessness, and should be amended to include language closer to that of the 1987 Act.

Findings of the McKinney-Vento Act should also reflect the lessons of the last 20 years of work to end homelessness. These include:

- accountability of homeless-serving programs for meeting the diverse needs of consumers;
- engagement of federal, state, and local mainstream systems of services and housing to appropriately serve people who are homeless;
- value of local, inclusive, collaborative planning process to end homelessness;
- value of the diverse array of interventions to prevent and end homelessness.

* HomeBase gathered the input of members of the Bay Area Regional Steering Committee (RSC), the Northern/Central Valley Roundtable, as well as two broad meetings (March 22nd in Los Angeles, and January 20th in Oakland) inclusive of others from around California.

Roles and Responsibilities of the Federal Government

The McKinney-Vento Act should underscore the responsibility of the Federal Government for solving the problem of homelessness. While the responsibility is shared with other public sectors and the private sectors, every federal department should be actively engaged in eliminating barriers and identifying resources to support mainstream programs to serve and house people who are homeless. To this end, it is critical that federal departments and agencies coordinate their efforts under the Interagency Council on Homelessness (ICH).

The ICH should be overseen by the President's Office of Domestic Policy, in order to:

- ensure federal interagency collaboration and program coordination to focus on preventing and ending homelessness;
- ensure federal collaboration and coordination with State interagency councils and other state-level entities charged with overseeing the response to homelessness;
- ensure federal collaboration and coordination with local Continua of Care in order to integrate federal policies, programs, and resources to support local efforts.

The activities of the Interagency Council on Homelessness should *not* be funded out of the annual amount made available to carry out Title IV subtitles B and C. In order to achieve the goal of mainstreaming the response to homelessness, it is critical that the ICH achieve full participation from all federal departments, not only HUD. Therefore, ICH member departments should share the costs of funding the activities of the ICH. A shared investment by all departments would encourage a shared responsibility for ending homelessness, and the outcomes of the ICH.

Structure and Responsibilities of Local Planning Bodies (Continua of Care/Collaborative Applicants)

The structure of local planning bodies should be modeled after the successful Continua of Care planning bodies, and should be inclusive, collaborative, and strategic. Local communities have learned that it is critical to have all stakeholders involved in order to successfully implement strategies to end homelessness. However, the reauthorizing legislation should not mandate the composition of the planning bodies. While the legislation may *recommend* that certain stakeholder groups be members, or that a certain proportion of the membership should be composed of each stakeholder group, the legislation should not mandate either. The diversity of local communities prevents the development of an effective "one size fits all" structure of local planning bodies. It is not necessary for the particular membership of all local planning bodies to be identical for all local planning bodies to be effective.

Local planning bodies would welcome increased responsibilities around oversight, coordination, and evaluation if they had sufficient financial resources and political leadership to successfully meet increased obligations in administration and oversight of HUD-funded activities. The administrative allowance available to local planning bodies should be increased if additional responsibilities are to be required of local planning bodies. Further, local planning bodies should not have to choose between allocating funding towards direct services/housing or administration. Therefore, depending on the responsibilities required of local planning bodies, the administrative allowance should be set at an amount up to 10% of the total amount awarded (including awards under the Homeless Assistance Programs and the ESG Program), over and above the total award for direct services/housing.

Better local coordination of HUD Homeless Assistance Programs and ESG Programs should be encouraged through this reauthorization. The proposal contained in S.1801 to eliminate the administrative allowance for the ESG Program would devastate the ability of ESG-entitlement jurisdictions, especially states, to conduct basic administrative oversight, much less increased administrative oversight and coordination with local planning bodies.

Local planning bodies should be more formally supported by federal and state partners in order to achieving goals of increasing access to mainstream benefits and systems for people who are homeless, ensuring that no one is discharged from publicly funded systems into homelessness, and other system-wide efforts that require deep commitment from mainstream government partners. To this end, local planning bodies should be structured in such a way that the burden of transforming mainstream systems falls jointly on those mainstream systems and the local planning bodies, not on only the local planning bodies, or their grantees.

Allowable Activities and Required Match

Allowable supportive services activities should not be ended or phased out until there are adequate, appropriate, and accessible services funding available from other sources. At the federal level, it is critical to analyze not only the amount of funding available in other departments, but also to fully analyze how appropriate and accessible these funding sources are for homeless people or the programs that serve them. Further, proposals to limit services to those directly relevant to accessing and retaining housing would undermine the success of many programs that do so much more than solely house formerly homeless people. It is imperative to fund services related to self-sufficiency and health, rather than only housing retention.

Allowing the activities of prevention and transitional rental assistance would enhance the Continuum of Care by providing local planning bodies with increased flexibility to meet local needs through the development of innovative programs.

Capital development activities should *not* receive increased federal preference over other activities, as proposed under S.1801. A limit on the request amount for construction and acquisition/rehabilitation activities should be maintained. This will control against these extremely limited funds to be used disproportionately for high-cost, one-time expenses such as development. While capital activities should remain eligible activities under this program, they should not receive a preference above other activities. Other funding sources should be identified for development activities. S.1801 contains other provisions around providing a federal preference for the actual development of permanent housing, and an effective reduction in the cash match required for development activities. In conjunction with these other proposed provisions, the failure to maintain a cap on the request amounts available for capital activities could lead to expensive capital activities using a disproportionate amount of limited funding for few projects.

Cash Match

The uniform 25% cash match per project would be *catastrophic* for Shelter Plus Care programs that have built an in-kind supportive services infrastructure. The proposed provision actually decreases the local commitment currently required of Shelter Plus Care projects, which is 100% in-kind supportive services match. Shelter Plus Care programs have been extremely successful in delivering high quality, cost-effective permanent supportive housing under a 100% in-kind service match requirement. The shift to a cash match rather than an in-kind match would devastate existing successful permanent supportive housing funded through Shelter Plus Care. The local systems developed to provide services to Shelter Plus Care tenants are complex, and would be undermined by the imposition of a cash, rather than, in-kind match.

Balancing Federal Priorities with Local Needs

Given limited funds, maximum flexibility for the use of those funds should be maintained. Increasingly narrow priorities at the federal level do not match the local reality that the causes of and solutions to homelessness are diverse. Further, many of the proposed provisions would permanently codify federal priorities that have previously been prioritized annually through the appropriations process, or annually

through the HUD Continuum of Care NOFA. Further, there are federal priorities codified in the 1987 McKinney-Vento Act that would be removed.

Chronically Homeless

Currently, the term “chronically homeless” does not exist in federal statute. HUD has defined “chronically homeless” through the annual NOFA. The two current reauthorization proposals contain provisions to expand the federal definition of “chronically homeless” in order to include families with an adult head of household who has a disability, individuals without disabilities, and people who have not been sleeping on the streets or in emergency shelters. The efforts to expand the definition of “chronically homeless” are a result of the collective learning about how to better target the most underserved. “Chronic homelessness” is an evolving definition, and there is not yet enough consensus on the definition to codify it. Therefore, we recommend that a definition instead be included in the regulations.

Permanent Housing

The priority to fund permanent supportive housing through this source is generally supported as it has been implemented through the national 30% goal achieved through the last 8 annual appropriations processes, and the accompanying “permanent housing bonus” available to local Continua of Care. In the last two competitions, the ability of smaller CoCs to effectively utilize the “permanent housing bonus” has been compromised by the HUD “fair share” permanent housing bonus formula adopted in 2005. However, the effects of an expanded preference, as each of the reauthorization proposals suggest, are unclear.

Current reauthorization proposals expand the preference for permanent housing significantly beyond what it has been the last 8 years. While each contain some version of “the 30% set-aside,” the differences are significant. We recommend that the 30% set-aside remain as it is currently under appropriations, where new and renewal permanent housing are counted toward the 30% target, and the 30% is based on total annual funds allocated nationally.



The San Francisco and Monterey Bay Area Regional Steering Committee on Homelessness and Housing is an eleven-county body composed of representatives of local government, non-profit homeless service providers and housing developers, academics, advocates, volunteers and those who have experienced homelessness. The RSC meets bi-monthly to collaborate on homelessness and poverty issues. We have been proactive in advocating our concerns regarding federal and state policy issues, conducting research and trainings, designing programs, and supporting the work of those in our community to serve homeless people while seeking an end to homelessness.

For additional information, please contact

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