

Molly Brostrom
Domestic Policy Council

①

Homelessness

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Interagency Council on the Homeless

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NSHAPC Background
NSHAPC Analysis
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P/u 6 notes 1/22/97

Room 207. OEOB

8395

ENCLOSURES FILED OVERSIZE ATTACHMENTS

6 notes filed 1/27/97

NARA 6050

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A DECADE AFTER

ECONOMIC JUSTICE FOR ALL

CONTINUING PRINCIPLES

CHANGING CONTEXT

NEW CHALLENGES



A PASTORAL MESSAGE OF THE
NATIONAL CONFERENCE OF CATHOLIC BISHOPS ON THE
TENTH ANNIVERSARY OF THE ECONOMIC PASTORAL

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Homelessness and Housing: A Human Tragedy, A Moral Challenge



A Statement
of the Administrative Board

United States Catholic Conference

March 24, 1988

THE WHITE HOUSE
WASHINGTON

15. July .96

Molly -

I thought you might want to see the final version of the concerns for the homeless form letter, which was released today. Thanks for all of your help with this.

-Diane

Thank you for expressing your concerns about the serious problem of homelessness in America. My Administration is attacking this issue on many fronts by working to ensure access to the education, job training, housing, health care, and other resources necessary for people to become and remain self-sufficient.

My commitment to ending the cycle of homelessness is reflected in my Administration's budget proposals. In fiscal 1995, \$1.3 billion in targeted homeless assistance funding -- up from \$1.06 billion in 1993 -- was made available to assist communities in developing local, coordinated solutions. In fiscal 1996, funding for this purpose was increased to \$1.5 billion, and I have proposed the same amount for fiscal 1997. I remain concerned about congressional proposals seeking to reverse the progress we have made, and even as we work toward a balanced budget, I will oppose shortsighted efforts that would jeopardize our most vulnerable citizens.

The federal Interagency Council on the Homeless has developed a single, coordinated federal strategy to help break the cycle of homelessness. This strategy focuses on helping communities develop a "continuum-of-care" -- housing and support services that enable homeless individuals and families to live independently. The eighteen member agencies of the Council are now working to implement the recommendations of this plan, which was widely praised at its release in 1994.

In an effort to streamline and coordinate the maze of federal assistance programs and increase local control, I proposed consolidation of the patchwork of fragmented programs within the Department of Housing and Urban Development into a single homeless assistance grant. In fiscal 1995, HUD awarded \$900 million through a single competition to 818 projects in 228 communities throughout the United States, one of the largest funding assistance grants of its type in federal history.

I believe that these efforts will help to address the problem of homelessness. I appreciate hearing your views and hope you will stay involved.

E X E C U T I V E O F F I C E O F T H E P R E S I D E N T

06-Jun-1996 03:02pm

TO: Molly Brostrom

FROM: Diane Ikemiyashiro
 Presidential Correspondence

SUBJECT: final draft of Homeless form letter

Here it finally is, with Katherine Meredith's budget numbers and suggestions. As soon as you clear it, I can send it on through the final editing process.

Thanks, Molly.

-- Diane

Thank you for expressing your concerns about the serious problem of homelessness. My Administration is attacking this problem on multiple fronts. We are working to ensure access to education, job training, housing, health care, and other resources necessary for people to become and remain self-sufficient.

Building on this goal, the federal Interagency Council on the Homeless developed a single, coordinated federal strategy to help break the cycle of homelessness. This strategy focuses on helping communities develop a "continuum-of-care" -- housing and supportive services that enable homeless individuals and families to live independently. The eighteen member agencies of the Council are now working to implement the recommendations of this plan, which was widely praised at its release in 1994.

In an effort to streamline and coordinate the maze of federal assistance programs while increasing local control, I proposed in fiscal 1995 consolidation of the patchwork of fragmented programs within the Department of Housing and Urban Development (HUD) into a single homeless assistance grant. In fiscal 1995, HUD awarded \$900 million through a single competition to 818 projects in 228 communities throughout the United States, one of the largest funding assistance grants of its type in federal history.

I have demonstrated my commitment to ending the cycle of homelessness in my budget proposals. In fiscal 1995, \$1.3 billion in targeted homeless assistance funding -- up from \$1.06 billion in 1993 -- was available to assist communities in developing local, coordinated solutions to break the cycle of

homelessness. In fiscal 1996, \$1.5 billion was enacted and I have proposed the same amount for fiscal 1997 in my Budget. I will continue to be concerned about congressional proposals that will reverse the progress we have made. While working toward a balanced budget, I will oppose shortsighted efforts that would jeopardize our communities.

I appreciate hearing the views of people who, like you, are involved and care about this issue.

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863-7109

WPost 4/7/96

MARY McGRORY

APR 8 1996

The Homeless and the Heartless

In 1993 President Clinton took action that said plainly that he is his brother's keeper. He asked for a \$1.6 billion budget for the homeless. He didn't have to. The people who sleep in shelters or on grates do not have a large constituency on Capitol Hill. But Congress went along, minus \$4 million, and HUD Secretary Henry Cisneros made good use of the money. And now that they're getting somewhere, Congress wants to slash the funds.

Why? Opponents of the program are not saying that HUD's new approach isn't working. They're not saying it is inefficient. They're not saying it costs too much to reclaim human beings who have hit the slids and need all sorts of help, like drug

rehabilitation, job training and child care. They're just not saying.

HUD Assistant Secretary Andrew Cuomo, who pioneered a new approach to homeless solutions in New York and now runs HUD's homeless programs, says it is just part of the Republicans' "overall machete solution to budget-cutting and government downsizing." Cuomo protests that the "continuum of care" approach now required of all applicants for HUD help is the epitome of what Republicans say ought to be done.

"They want local control. It's done," he says. "They want church involvement. It's done. They want non-profit organizations. Done. They want volunteers. Done. But they still want to cut us by

See McGrory, C5, Col. 4

Mary McGrory is a Washington Post columnist.

TO: CHR
JBA

-FYI,
Molly

MARY McGRORY

The Homeless and the Heartless

McGRORY, From C1

32 percent. I will defend investment in a person with a lot of problems as opposed to long-term dependency. It is worth investing in substance abuse control as against incarceration."

HUD is deeply into devolution, which is of maximum concern to Republicans this season. No longer are great behemoth programs wheeled out of Washington and planted in some locale that doesn't particularly want them, except for the money. Instead, HUD goes to the city or town and asks what it needs. The number of emergency shelters has declined. People have learned that taking the homeless in out of the cold is not enough. They have to help them to define their problems and then address them.

Localities have to have plans that dovetail with the plans of other organizations. HUD money is just a part of the budget. It may not impress Republicans, but it is a complete reversal of the old way.

A little restaurant-carryout at the corner of Third and E Streets NW, called "Third and Eats" is a model Cuomo uses to showcase the new HUD. It's the brainchild of the people on the block, who said the neighborhood needed a deli-type restaurant, and the creation of the Trinity Lutheran Church's Community Family Life Services. CFLS is a truly awesome institution, a kind of miniature HUD, a powerhouse of social activism and a rallying place

of people who tutor little children, find housing and jobs for adults, anticipate problems, do battle with the District of Columbia bureaucracy and behave in general like early Christians. The pastor, Tom Knoll, never met a

People who are not sure of their own identity or the day of the week can hardly be expected to snap to when it comes to remembering where and when to go for help.

problem he won't take on. But he shakes his head sadly when conservatives say the church can do it all. "We just can't do any more," he says, and there is no reason not to believe him.

"Third and Eats" is next door to the Trinity Arms, where CFLS houses homeless people who are on their way to permanent housing. Its employees, all homeless, are undergoing intensive training in food services. The trainees have sad personal histories of drugs,

degradation and prison. But they have fallen into a safety net and they are sustained by reasonable hopes of a job and a home. The success rate is dazzling. Eighty-five percent of their alumni have landed jobs in classy local places like the Olive Garden. HUD's contribution is \$10,000 a year, surely a bargain.

Government policy makers find humane pie on their menus these days. It is quite clear that some big plans went seriously awry. Housing projects, once in great repute are in bad odor, and HUD seems to brag as much about its demolitions as about construction. In his 1996 Status Report, Secretary Cisneros writes of "deeply rooted and systemic problems" in the agency.

Another bright idea gone wrong is deinstitutionalization of the mentally ill, which overtook planners in the '70s. It was right and humane to remove people from vast warehouses of the mentally ill, where abuse and neglect were lamentably common. But the idea of having satellite clinics to which the former inmates would repair for medication and help at stated intervals was off the mark. People who are not sure of their own identity or the day of the week can hardly be expected to snap to when it comes to remembering where and when to go for help.

HUD has learned from past mistakes and should be commended. So should Clinton, who has not wavered in his commitment to the homeless.

LEVEL 1 - 1 OF 1 STORY

Copyright 1996 The Washington Post
The Washington Post

April 07, 1996, Sunday, Final Edition

SECTION: OUTLOOK; Pg. C01; MARY MCGRORY

LENGTH: 801 words

HEADLINE: The Homeless and the Heartless

BYLINE: Mary McGrory

BODY:

IN 1993 President Clinton took action that said plainly that he is his brother's keeper. He asked for a \$ 1.6 billion budget for the homeless. He didn't have to. The people who sleep in shelters or on grates do not have a large constituency on Capitol Hill. But Congress went along, minus \$ 4 million, and HUD Secretary Henry Cisneros made good use of the money. And now that they're getting somewhere, Congress wants to slash the funds.

Why?

Opponents of the program are not saying that HUD's new approach isn't working. They're not saying it is inefficient. They're not saying it costs too much to reclaim human beings who have hit the skids and need all sorts of help, like drug rehabilitation, job training and child care. They're just not saying.

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LEXIS-NEXIS

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Mary McGrory is a Washington Post columnist.

LANGUAGE: ENGLISH

LOAD-DATE: April 08, 1996April 07, 1996



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EXIS-NEXIS

A member of the Reed Elsevier plc group

EXECUTIVE OFFICE OF THE PRESIDENT

07-Aug-1995 11:29am

TO: Molly Brostrom

FROM: Diane Ikemiyashiro
Presidential Correspondence

SUBJECT: homeless draft

Hi Molly --

The following is my revised concerns for the homeless draft with your suggestions.

Please let me know what you think. Thanks for your help.

-- Diane, ext. 6-5519

Thank you for your letter. I share your concern about the serious problems of the homeless. My Administration is attacking these problems on multiple levels.

By making the Interagency Council on the Homeless a working group of the White House Domestic Policy Council, I have ensured that senior Administration officials will continue to consider the special needs of the homeless as they work with the Congress to reform welfare, health care, job training, employment opportunities, and other programs benefitting homeless and low-income persons. Currently, there are 17 agencies involved in this effort with officials from all levels of government, nonprofit groups associated with homeless, current and former homeless, and other interested parties.

My Administration and I are pushing to streamline the existing maze of homeless assistance programs while increasing local control. We have been fighting to replace the current patchwork of fragmented homeless assistance programs within the Department of Housing and Urban Development (HUD) with a single, performance-based grant - allowing localities to shape their own solutions free of the red tape that comes with multiple funding requirements and regulations.

My 1996 budget calls for \$1.6 billion in targeted and performance partnership funding across six federal agencies that will assist communities in developing local, coordinated solutions to break

the cycle of homelessness. Earlier this month HUD awarded \$900 million in federal homeless assistance funds to 818 projects in 228 communities throughout the United States, the largest grant of its type in federal history. These funds will support comprehensive local and state initiatives that will empower homeless people to be self-sufficient and get back into mainstream society. Grants were awarded to communities that were best able to identify needs and local resources for homeless persons through a coordinated strategy -- called a continuum of care -- involving local and state governments, non-profit organizations, homeless persons, and the business community.

Attacking issues that face the homeless requires a wide range of approaches. As we work toward solutions, I appreciate hearing the views of those, like you, who are involved in and care about this issue.

Mayar, AZ

EXECUTIVE OFFICE OF THE PRESIDENT

28-Jul-1995 09:24am

TO: Jeremy D. Benami

FROM: Diane Ikemiyashiro
Presidential Correspondence

SUBJECT: text of homeless

I can't believe I forgot to send the text.

The incoming is a basic concern for the problems of the homeless, unemployment, etc., but the focus of this constituent's letter is on homelessness.

Thanks, Diane

Thank you for your letter. I share your concern about the serious problems of the homeless.

I have ordered the members of the Interagency Council on the Homeless to develop a plan that will call for more cooperation among all levels of government and homeless service providers so that our nation can more effectively deal with homelessness. The council members will look closely at local community efforts, especially those concentrating on job training and employment opportunities.

I have directed the agencies involved in this effort to gather suggestions from all those concerned. This includes officials at all levels of government, nonprofit groups associated with homeless, current and former homeless, and all other interested parties. I believe that if we expand lines of communication, support those programs that actually work, redirect and consolidate our funding efforts, and examine innovative local community outreach services, we can address the difficult problem of homelessness facing our cities.

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Attacking issues that face the homeless requires a wide range of approaches. As we work toward solutions, I appreciate hearing the views of those, like you, who are involved in and care about this issue.

LEVEL 1 - 1 OF 3 DOCUMENTS

Public Papers of the President

December 29, 1994

CITE: 30 Weekly Comp. Pres. Doc. 2538

LENGTH: 90 words

HEADLINE: Statement on Grants to Projects Aiding the Homeless

BODY:

It is imperative that we not turn our backs on the Nation's homeless. The number of homeless families and young people suffering from abuse and neglect continues to rise. It is my hope that these grants will help those who need our help the most. I am also pleased that AmeriCorps members will be engaged in the struggle to end homelessness. This is an example of national service at its best.

NOTE: This statement was included in a White House statement announcing the award of grants to projects aiding the homeless.

LANGUAGE: ENGLISH

LOAD-DATE-MDC: January 25, 1995

HOMELESSNESS
LYNN MARGHERIO
456-5561
3/10/95
FILENAME: HOMELSS.TP

HOMELESSNESS

"It is imperative that we not turn our backs on the Nation's homeless. The number of homeless families and young people suffering from abuse and neglect continues to rise..."

- President Clinton
December, 1994

HOMELESSNESS - A SYSTEMIC PROBLEM

- As many as 600,000 people are homeless on any given night, and about 7 million Americans experienced homelessness at least once in the latter half of the 1980's.
- Homelessness results from crisis poverty and unforeseen economic crises and chronic disabling conditions such as severe mental illness, substance abuse, TB or AIDS.

THE CLINTON ADMINISTRATION IS COMMITTED TO BREAKING THE CYCLE OF HOMELESSNESS

- The President's 1996 budget calls for \$1.6 billion in targeted and performance-partnership funding across 6 federal agencies that will assist local communities in developing local, coordinated solutions to break the cycle of homelessness.

REINVENTED HOMELESS ASSISTANCE *The Clinton Administration is pushing to streamline and consolidate the existing maze of homeless assistance programs.*

- **Increasing Local Control and Streamlining Funding** - The Administration has been fighting to replace the current patchwork of targeted, fragmented homeless assistance programs within HUD with a single, performance-based grant and giving localities the flexibility to shape their own solutions and freeing them of the red tape of multiple funding requirements and regulations.

COORDINATED FEDERAL STRATEGY *The 17 federal agencies of the Interagency Council on the Homeless are implementing recommendations from the Council's widely praised May 1994 report, Priority: Home! The Federal Plan to Break the Cycle of Homelessness, which laid out a single, coordinated Federal plan for breaking the cycle of homelessness and for preventing future homelessness.*

- **Focus on Personal Responsibility: We Should Move People to Independence, not Punish them for Being Poor.** Homeless assistance programs alone won't solve the homeless problem. Breaking the cycle requires restoring values of work, family and personal and community responsibility.
- **Restructure the relationship between the Federal, state and local governments and not-for-profit providers.** The Administration is working to consolidate and streamline programs to give localities the ability to assess community needs and coordinate a continuum of public and private services from emergency shelters to transitional and rehabilitative services and housing arrangements.
- **Place increased emphasis on the linkages between job training, employment, education and economic development.**
- By making the Interagency Council on the Homeless a working group of the White House Domestic Policy Council, the President has ensured that senior Administration officials will continue to consider the special needs of the homeless as they work with the Congress to reform welfare, health care, job training, and other programs benefitting homeless and low-income persons.

UPDATE:

PROPOSED RESCISSIONS WILL REVERSE PROGRESS

- Proposals by the House Committee on Appropriations to cut over \$550 million in targeted homeless programs and programs targeted at low-income and at-risk families (e.g. general HUD Section 8 vouchers and HHS assisted housing programs) will impede efforts to curb homelessness and place families and children at risk of becoming homeless.

Prepared by: Lynn Margherio, DPC X65561
March 9, 1995

HOMELESSNESS

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March 8, 1995



Interagency Council on the Homeless

FACSIMILE COVER SHEET

DATE 3-8-95

NUMBER OF PAGES (INCLUDING COVER) 3

MATERIAL SENT TO: Lynn Margheris

FAX NUMBER: 456-7028

TELEPHONE NUMBER: _____

FROM: GEORGE FERGUSON
TEL: (202) 708-1480
FAX: (202) 708-3672

HOMELESSNESS

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and community

- Restructure the relationship between the Federal, state and local governments and not-for-profit providers. The Administration is working to consolidate and streamline programs to give localities the ability to assess community needs and coordinate a continuum of services from emergency shelters to transitional and rehabilitative services and housing arrangements *with service providers and others involved in addressing homelessness.*
- Place increased emphasis on the linkages between job training, employment, education and economic development.
- By making the Interagency Council on the Homeless a working group of the White House Domestic Policy Council, the President has ensured that senior Administration officials will continue to consider the special needs of the homeless as they work with the Congress to reform welfare, health care, job training, and other programs benefiting homeless and low-income persons.

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targeted

E X E C U T I V E O F F I C E O F T H E P R E S I D E N T

10-Mar-1995 10:07am

TO: Lynn M. Margherio

FROM: Katherine L. Meredith
Office of Mgmt and Budget, GG

CC: Francis S. Redburn
CC: Joseph Firschein

SUBJECT: Homeless numbers

Hi, Lynn. There are two places in the report that you sent me that I suggest edits on.

1--Under the Reinvented Homeless Assistance.

It reads: "...fragmented homeless assistance programs within HUD with a single, performance-based grant, doubling the funding available..." HUD's funding for the homeless programs was \$822.7 million in FY 94 and \$1,120.0 million in targeted program funding in FY 95, plus the \$514.2 million in vouchers, making the FY 95 total \$1,634.2 million. When HUD says that funding has "doubled" this is why. Funding from FY 95 to the FY 96 estimate only increased \$2.1 million. The consolidation of the programs is not linked to the funding increases.

2--Update: Proposed Rescissions will Reverse Progress.

It reads: "Proposals by the House Committee on Appropriations to cut over \$550 million in targeted homeless programs and to cut programs targeted at low-income and at-risk families (e.g. general HUD Section 8 vouchers and HHS..." The Section 8 vouchers make up \$514.2 million of the \$550 million cut. Suggest change to:

"Proposals by the House Committee on Appropriations to cut over \$550 million in targeted homeless and low-income, at-risk family programs (e.g. general HUD Section 8 vouchers and HHS..."

Let me know if you have any more questions or need some more figures checked.

Congrats again on your new career!

--KM

HOPWA GRANTS

June 26, 1995



Remarks prepared for

SECRETARY HENRY G. CISNEROS

Housing Opportunities for Persons With AIDS
Washington, D.C.
June 26, 1995

- **Good morning. Welcome to today's press briefing.**
- **I'd like to welcome our guests today. Baltimore Mayor Kurt Schmoke and Dr. Martin Wasserman, you are both pioneers in helping communities access housing for persons living with HIV/AIDS. Thank you for joins us today.**
- **I welcome this opportunity to talk about how HUD is helping communities expand affordable housing opportunities for one of America's most vulnerable populations: homeless people infected with HIV and AIDS.**

- **Today we have two major announcements; An important federal commitment to house people living with AIDS, and the creation of a federal office to address the housing concerns of this population.**

- **Throughout urban America, low-income people, minority people, and people living with HIV/AIDS have largely been concentrated in inner-city neighborhoods where affordable housing is rare, specialized medical facilities are scarce, job opportunities are virtually nonexistent, welfare dependency is widespread, and drugs, violence and crime are rampant.**

- **There is probably no one more vulnerable in America today than the homeless men and women who live on our streets and who are infected with the HIV virus or who literally have full-blown AIDS.**

- **That is why I am proud to announce that HUD now has this unique opportunity -- the Office of HIV/AIDS -- which will assist persons living with HIV/AIDS obtain decent, safe and affordable housing.**
- **Fortunately, federal resources are available to help communities provide housing assistance for people with AIDS -- for people who are terminally ill, and who do not have the time to wait on the waiting list for a Section 8 voucher. The Housing Opportunities for Persons with AIDS (HOPWA) program, which is administered by HUD's Office of Community Planning and Development, provides these critical resources. It is the only federal program devoted exclusively to providing housing assistance for people with HIV/AIDS.**

- **Today we are announcing 21 HOPWA grants -- totaling over \$18 million -- to help nonprofit organizations, and state and local governments provide housing assistance and supportive services for low-income persons with HIV/AIDS.**
- **Through these grants, 6,287 persons with HIV/AIDS across the country will receive some form of housing; 1,666 additional family members will receive some form of housing assistance, and 4,308 additional persons with HIV/AIDS will benefit from supportive services such as transportation, counseling, or testing.**
- **The recipients of these grants have been selected because of their comprehensive approach to providing housing assistance and supportive services for people with HIV/AIDS.**

- **The following highlight the comprehensive approach to providing housing assistance and supportive services for persons living with AIDS and their family members:**
- **In Washington State, the AIDS Housing of Washington will receive \$813,700 for a national technical assistance program to provide consultations to over 300 HIV/AIDS housing providers. The assistance has the potential to benefit from 10,000 to 40,000 persons with HIV/AIDS and their families.**
- **A second grant for \$229,070 will fund the renovation of the Lyon Building, a historic downtown Seattle office building, into 64 efficiency apartments to be used as a supportive housing for homeless, single adults who are disabled with AIDS, operated by the Downtown Emergency Service Center (DESC).**

- **We are announcing a Massachusetts grant. In Massachusetts, the AIDS Housing Corporation will receive \$990,534 for a Special Project of National Significance.**

- **This grant will fund the Supported Agencies Resource Exchange (SHARE) involving: a volunteer program operated by the Victory Programs Mobile AIDS Resource Team, to recruit, train and fill requests for "buddies"; and, home helpers and the Consumer Employment Agency will develop job placements for residents of AIDS housing programs and coordinate workers to fill these positions.**

- **For the State of Maryland, HUD is awarding the Maryland State Government a grant for \$1 million to support a continuum of home-based coordinated supportive health services and housing assistance.**

- **This rural supportive housing initiative will provide housing assistance services to at least 560 individuals and 437 families impacted by AIDS on the Eastern and Western Shores of Maryland.**

- **The City of Baltimore is being recognized today with an award for a Special Project of National Significance for \$1,076,718. The City will receive HOPWA funds to provide comprehensive housing assistance to close to 500 person with AIDS and 135 family members. The proposal implements parts of the *HIV Housing Plan for Greater Baltimore*, a strategic plan for addressing the needs of persons living with HIV/AIDS in a metropolitan area. Organizations include:**



U. S. Department of Housing and Urban Development
Washington, D.C. 20410-4000

OFFICE OF THE ASSISTANT SECRETARY
FOR PUBLIC AFFAIRS

Joint Center for Housing Studies Housing Conference
Williamsburg, Va.
June 15, 1995
Secretary Henry G. Cisneros

Thank you, Steve (Bonner, President of McGraw-Hill's Construction Information Group), for that wonderful introduction.

I am honored to keynote the Joint Center for Housing Studies' 1995 Housing Leadership Conference.

This conference provides a wonderful opportunity for thoughtful discussion of the issues and the challenges we face in meeting the housing needs of Americans. It is truly important, because it brings together the housing sector's top leaders. You are in a position to act on the discussions held here, and you can really effect changes that will make a real difference in communities across America and in the lives of millions of people.

The housing sector accounts for about 4 percent of America's gross domestic product. But that figure understates its importance, because housing is a leading sector of the nation's economy. Housing traditionally leads the nation out of recessions, and at this moment, when the economy is slowing, and long-term interest rates are falling, we are counting on housing to keep the economy on track.

We're counting on home construction to generate jobs in building trades, land development and related service industries. We're counting on new home buyers to make the durable goods purchases that support good-paying manufacturing jobs -- for Americans who make washers, dryers, dishwashers, ranges and refrigerators.

So we're counting on you and the industries you lead. You keep capital flowing to housing and you build it. You are modern-day alchemists. You take raw earth and transform it into new communities; you reenergize aging neighborhoods; you turn hopes and dreams into the stuff of real life. You will take the ideas that come out of this conference and give them real meaning in people's lives.

I would like to thank McGraw-Hill, the National Housing Endowment and the Joint Center for the major support they have

(These remarks were prepared for delivery by Secretary Henry G. Cisneros, whose actual remarks may have departed from this text.)

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provided for this meeting. And I especially want to thank Bill Appgar and his staff at the Joint Center for all they have done to advance the cause of decent, affordable housing for all Americans. The Joint Center played a key role in organizing and assessing HUD's forums on the future of the Federal Housing Administration, and once again, it is playing a key role in advancing the discussion of housing opportunity in America.

I would also like to thank the other organizations which have provided support for this conference: the American Bankers Association, America's Community Bankers, Freddie Mac, Fannie Mae, the Mortgage Bankers Association, the Mortgage Insurance Companies of America, the National Association of Home Builders, and the National Association of Realtors. I'm struck by the fact that each of these groups is a partner, with HUD, in the National Homeownership Strategy, which President Clinton announced a week ago Monday.

The partners in the National Homeownership Strategy have accepted a challenge from President Clinton to raise America's homeownership rate to an all-time high by the end of the year 2000. Working together, we will add up to 8 million households to the nation's homeownership rolls over the next six years. Many of these households will be headed by lower-income workers, and many will be minority or immigrant households.

We will meet this goal because of the commitment of partners like America's Community Bankers, who have for years been in the forefront of community lending. Efforts of partners like them will now be amplified through the synergy of this tremendous collaborative effort. The whole will truly become greater than the sum of the parts. Two plus two will literally equal five.

The National Homeownership Strategy is real. The partners have made hard commitments to take 100 specific actions to expand homeownership -- cutting downpayment and closing-cost requirements; increasing production of modestly priced starter homes; advancing new technologies that will reduce the cost of home construction and rehabilitation. We have already met with the key organizations who will implement these actions in 100 communities around the nation. There will be a full partnership meeting within the next 30 days. We will report quarterly on our progress.

This is not a one-day media wave; it is a strong and steady current which will carry millions of families across the threshold to homeownership.

The National Homeownership Strategy epitomizes a new model of government engagement in housing. It is a supple model which does not depend on centralized, rule-bound, command-and-control-style programs, but instead on collaborative relationships --

between the federal government and the lenders, builders and real estate agents who deliver housing and mortgage financing and who make the housing market work; the nonprofit organizations which work to expand homeownership to people who have been excluded in the past; and the state and local agencies which have similar aims and which also shape local housing markets and homeownership opportunities through zoning and other regulation.

In this new model, the federal government plays a catalytic, leadership role -- contributing its resources and expertise, but also bringing other parties to the table with their own know-how and resources.

This new model of federal engagement is entrepreneurial and market-driven. It maximizes individual choice. And it is place-based -- it acknowledges that there is no single, formulaic, solution to our communities' problems, and it gives primacy to local initiatives for change.

The National Homeownership Strategy reflects all these elements: It calls forth the creativity of the market to expand homeownership; it expands housing choice for families and individuals; and it is being implemented through local action in communities from coast to coast.

The National Homeownership Strategy enables HUD to leverage its resources with partners in the public and private sectors to expand homeownership, which is one of the department's primary commitments.

HUD does two other things:

- HUD is committed to expanding the nation's supply of decent, affordable rental housing and increasing people's access to it; and
- HUD is committed to strengthening cities.

In President Clinton's administration, we have sought to achieve both these goals by following this new model of federal engagement which I've outlined.

For example, we have sought to expand affordable rental housing by forging multifamily risk-sharing partnerships between the Federal Housing Administration and 33 state and local housing finance agencies, as well as Fannie Mae, Freddie Mac and the National Cooperative Bank. These partnerships take advantage of the state and local agencies' and our other partners' superior ability to assess the soundness of local development proposals. And, because our partners assume a share of the risk, they have a built-in incentive to subject these multifamily financing decisions to a rigorous standard of market compatibility. They

will not become involved in projects which are not well thought out, or which do not meet local needs, and therefore are unlikely to be self-sustaining. Where they have been implemented, the administration's risk-sharing initiatives are introducing an automatic market reality check into FHA's multifamily insurance programs.

We have sought to strengthen cities through the Empowerment Zones and Enterprise Communities initiative, which is truly the quintessence of the Clinton Administration's place-based approach to housing and community economic development needs. The Empowerment Zones and Enterprise Communities initiative has been a catalyst for communities across the country to leverage local resources with federal resources and mobilize broad coalitions of residents, nonprofit groups, businesses, civic organizations and local government agencies to develop and implement local housing and economic development initiatives.

HUD has also supported the National Community Development Initiative, which has leveraged federal dollars with funds from foundations and corporations to support local community development corporations. These CDCs are expanding housing and job opportunity, neighborhood by neighborhood, in some of America's most distressed communities. HUD's participation in NCDI is another example of the administration's commitment to place-based solutions to housing and economic development needs.

In the first two years of President Clinton's administration, we have worked to bring market discipline, choice and place-based strategies to HUD programs essentially on an ad-hoc, program-by-program basis.

HUD's reinvention plan would permanently infuse these principles into the department's management and programs.

Our proposal to consolidate 60 narrowly defined, separately funded programs into three flexible funds recognizes the importance of community-based solutions. It discards the notion -- inherent in the old, categorical programs -- that Washington can decide what is best for communities by limiting the alternatives available to them: by narrowly defining through competitive grants what kind of housing they can build or what kind of economic development projects they can pursue with federal funds.

Consolidation combines the flexibility of the Community Development Block Grant program -- one of the federal government's most successful programs -- with broad national objectives. We'll require localities to use consolidated funds to address the needs of poor and low-income families and underserved communities. But we won't tell them how to do it. Instead of imposing complex, paper-generating, time-consuming regulations on

them, we'll simply say: "Develop a plan with measurable objectives and show us results -- more affordable housing, more homeowners, more jobs." And for the localities which show results, there will be bonus funding. And for communities which fail to produce results, there will be the real possibility of reduced funding.

Consolidation will combine place-based solutions with local entrepreneurial creativity in a funding environment that is imbued with market incentives.

Our proposal to transform public housing by shifting from subsidies for buildings and bureaucracies to direct rental assistance for residents will give residents real choices about where they live and impose market discipline on public housing managers. At the end of a transition period, during which we would help them improve their properties, they will have to compete with private-market housing for residents' business. Housing choice for residents, and regulation by market forces instead of federal employees -- this is a forward-looking proposal with a solid payoff. We will help people meet their housing needs with a minimum overlay of federal regulation and administrative expense.

Finally, our proposal to turn the Federal Housing Administration into a government-owned Federal Housing Corporation will result in more effective realization by the new FHC of FHA's primary objective: expansion of affordable housing and homeownership opportunity. We will jettison statutes which have constrained FHA's ability to adjust to changing markets and introduce new mortgage-insurance products. The new FHC will combine state-of-the-art, private-sector management principles with public purpose, and it will be a much more creative, entrepreneurial partner with the private sector.

Our reinvention plan, with its emphasis on choice, place-based solutions and market discipline, represents a dramatic step forward for HUD. I believe it will be seen as model for reinvention across the federal government. It is intrinsically the smart thing to do. But beyond its intrinsic worth, it is quite frankly absolutely necessary in today's fiscal and political environment.

The larger drive for deficit reduction will require large budget savings in HUD programs and HUD administration. This is inevitable. The central question is whether these budget savings will be generated pursuant to a coherent federal housing policy or whether they will be the outcome of random and arbitrary cuts and spending reductions.

I believe HUD reinvention represents the right way -- the smart way -- to go about budget savings in housing and community

development programs. Our reinvention reflects a dramatic shift towards policies that impose market constraints on HUD's support for affordable housing. Let me cite several examples:

- We will no longer try to preserve all assisted housing at any cost. In the affected communities, there are better, more efficient alternatives to providing affordable housing for low-income people.
- We will no longer try to modernize and replace every single public housing development, regardless of their condition. The cost of rehabilitation in many instances outstrips the costs of sensible alternatives. In addition, many of these older developments are overly dense and badly situated -- bottling up the poorest of the poor in distressed communities.
- We will end excessive subsidies to landlords. This means we will no longer subsidize rents in federally assisted housing that are higher than rents for comparable private housing. There is no reason why assisted-housing landlords should collect more in rent than landlords who operate without taxpayer dollars.

We will also realize substantial administrative savings. The consolidation of HUD programs into three performance-based funds and the move toward an FHA corporation will reduce the number of employees needed at both HUD headquarters and in the department's field offices. What HUD employees do, how they do it, and where they do it will be inexorably altered by this ambitious restructuring.

In the first two years of this administration, we have already cut the department's workforce from 13,500 to about 11,400 employees. Over the next five years, we will cut deeper, shrinking HUD to about 7,500 employees.

Clearly, the House and Senate Budget Resolution contemplate deeper cuts for the Department -- in funding for public housing operating subsidies, incremental section 8 certificates and even the Community Development Block Grants. But before we carry out these recommendations -- before we diminish HUD's ability to meet the nation's growing housing needs -- we need to explore the efficiency and efficacy of our current policies. That's what HUD's reinvention is about; I believe it provides a sound template for program reform in an era of fiscal constraints.

In this time of deficit reduction and budget balancing, reinvention is HUD's ticket of admission to the arena. We simply cannot continue as we have been and expect the continued support of the Congress or the public. We must show we can learn from past mistakes and that we can wisely and effectively allocate

federal resources to truly help people improve their lives and their communities.

But more important than the obvious immediate cost savings, reinvention will strengthen HUD's ability to continue to serve America's poor people and low- and moderate-income families and the communities in which they live -- at any level of federal funding.

It is common today to talk about living and surviving in an era of limits. This is also an era of rapid and often surprising political change. For the sake of our cities, for the sake of millions of Americans who desperately need decent, affordable rental housing, and for the sake of millions of families who aspire to homeownership, HUD must be able to weather both limits and change.

Reinvention will preserve HUD and, more importantly, its mission -- strengthening cities, expanding housing and homeownership, and enabling people to have real choices about where they live. But in the final analysis, reinvention is about much, much more than the preservation of one federal department's mission. It is about the adaptation of national housing policy to an era when the federal government must play a more limited and more collaborative role than it has in the past.

We have reached a day of reckoning on federal spending. The federal government and American taxpayers labor under the burden of interest payments on a national debt which quadrupled from \$1 trillion to \$4 trillion between 1980 and 1992. Federal borrowing impinges on private savings and investment. We cannot build a strong economy which will create the employment and housing opportunities we must have if we continue to carry this burden of public borrowing and public debt. This burden must be reduced.

At the same time, we have fundamental, undeniable needs which must be addressed, primarily through the public sector. We must protect access to health care for millions of senior citizens and poor Americans who lack health insurance. The physical health of millions people -- including millions of children -- is literally at stake. We must ensure that our public education system -- the primary road to economic opportunity and a productive life for tens of millions of American children -- remains strong. Our children's future and America's future depends on this.

This confluence of fiscal pressure and pressing human needs is forcing tough choices on us. We must make the right choices; and we must make smart choices.

We must, as President Clinton has proposed, moderate our drive for a balanced budget to protect health care for seniors

and poor people, and to secure our continued investment in education. We must target tax cuts to people who really need them.

In housing policy, we must move aggressively to widen the kind of public/private collaboration embodied by the National Homeownership Strategy. At a time when the scope of federal involvement in housing must become narrower and more targeted, because federal resources are more limited, we must find new ways to leverage federal resources with private resources to realize a goal which is so vital to all of us, whether we work in the public sector or in private industry -- expanded access to decent, affordable housing for all Americans.

In this administration, we recognize that ultimately, it is the private market which will produce the affordable housing and homeownership opportunities the American people deserve and must have. You have the know-how; you have the resources. You have the ability to make the housing industry more responsive to the America's need for affordable housing. You have the creativity to find ways to do this that are compatible with the demands of the free-enterprise system.

By augmenting your efforts through careful targeting of federal resources, we can help you meet those demands, and together we can make a difference for millions of people who want only one thing: a chance to build a better life for themselves and their children.

As you consider the state of the nation's housing at this important conference, I urge you to consider it in the larger context of the state of our union in 1995. This is an historic moment of truth for America. We are making difficult choices that have been deferred for years. We are defining who we are as we greet the new century. And it is my most fervent hope that we who are engaged in the vital enterprise of housing -- whether it is in the public sector or the private sector -- will define this enterprise in terms of a common cause.

Thank you.

Priority: Reducing Homelessness

Principle

The true extent and character of homelessness must be acknowledged, and the Federal government must do its part to ensure that men, women, and children in America need not turn to streets, parks, and subway stations to live.

Approach

HUD's strategy is to address the root causes of homelessness through a "continuum of care" that has as its goal the availability of permanent, affordable housing and services, where needed, so that homeless persons can become self-sufficient.

How HUD Defines Homelessness

- A. According to Priority Home! The Federal Plan to Break the Cycle of Homelessness:
1. Approximately 600,000 persons are homeless on any given night.
 2. About 7 million persons experienced homelessness at some point in the latter half of the 1980s.
- B. The fastest growing group in the homeless population is women with children.
- C. There are two broad, sometimes overlapping, categories of problems that cause homelessness:
1. Crisis poverty, which is the result of economic and social changes in the job and housing markets and in family structures.
 2. Chronic disabilities, including mental illness, substance abuse, AIDS, Tuberculosis, and other health-related disabilities.
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What is HUD Doing to Reduce Homelessness?

- A. Helping communities develop a continuum of housing and services necessary to address the root causes of homelessness by:
1. Improving aggressive, but sensitive outreach to the streets.
 2. Ensuring appropriate number of shelter beds and quality needs assessment upon entry to shelters.
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3. Providing substance abuse treatment at appropriate community facilities.
 4. Providing transitional housing with support services such as job training, child care, and health care, when needed.
 5. Ensuring supportive housing for persons requiring mental health treatment.
 6. Increasing permanent housing options through single room occupancy housing, vouchers, construction and rehabilitation.
 7. Stemming the flow of people into homelessness through prevention efforts and traditional housing programs.
-

Other Elements of HUD's Plan

- A. Not every homeless family and individual will need all steps of the continuum, but communities should develop the full range of services to meet the varying needs of the homeless population.
 - B. HUD seeks to replace six burdensome McKinney programs with one flexible block grant.
 - C. The 1995 HUD budget for homeless programs is double the 1994 level of \$823 million to \$1.7 billion.
 - D. HUD is encouraging community planning of homeless efforts to address local needs in 319 cities and in communities in all 50 States and the District of Columbia:
 1. Formula grants will extend funding in order to allow planning predictability and flexibility in communities.
 2. Local homeless planning boards will be established.
 - E. Nonprofit providers lead in delivering housing and services:
 1. At least 51 percent of funds will go to nonprofits.
 2. Nonprofits will serve on local homeless planning boards.
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Angeles, Denver, Miami, the San Francisco-Bay Area, and Philadelphia as demonstration areas. HUD awarded an additional 48 grants for innovative projects in 26 states.

- The Administration achieved a 44% increase in HUD homeless funding for 1994. This has enabled HUD to fund hundreds of nonprofit organizations and city homeless programs.
- Congress funded President Clinton's request for a doubling of HUD's budget in fiscal 1995 to assist homeless individuals and families -- from \$823 million to \$1.7 billion.
- HUD established a National Office of HIV/AIDS Homeless Housing and has set aside Section 8 certificates to provide housing for persons with HIV/AIDS who are homeless or at-risk of being homeless.
- HUD initiated a \$10 million effort for 250 Section 8 certificates for aggressive outreach to help the homeless in New York City's subway system.

What are HUD's Homeless Priorities for 1995?

- Work with Congress to pass the consolidation of McKinney programs in order to:
 - Consolidate 6 programs into a single, flexible program.
 - Allocate funds for the consolidated program through a needs-driven formula to States and cities.
 - Foster comprehensive homeless systems in America's cities, enabling homeless persons to leave the streets and achieve self-sufficient lives.
 - Use vouchers for homeless families by setting aside Section 8 vouchers to provide the permanent housing component of communities' continuum of care. This will increase housing options for homeless families.
 - Work with communities to help ensure that homelessness is a central part of a community's development plan. This will integrate the solutions to homelessness into the overall plan for community growth.
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- Implement specific initiatives to help ensure that the neediest homeless populations are helped. For example, HUD will work with community-based groups and cities to help ensure that persons living with HIV/AIDs, mental health needs, and other needs have appropriate housing options.
 - Implement the Federal Plan on Homelessness. The Clinton Administration will work to implement the Plan's recommendations. The Plan calls for, among other things, reorganization of HUD McKinney Homeless programs, enactment of Health Reform and Welfare Reform.

For further information contact:

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To: June
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June--

Here are some edits to paragraphs 4&5. call if you have any questions.

-Molly

The Clinton Administration firmly believes that the federal government has an important role to play in this effort. Three years ago, the President called for an interagency federal plan to end the cycle of homelessness. Under the leadership of...

This Administration has demonstrated its commitment to ending homelessness by tripling funding for homeless programs at HUD. And even more importantly, we have made this funding go further by providing leadership to assist local communities in moving from fragmented approaches to comprehensive and coordinated continuums of care that meet the diverse needs of homeless people.

And this President is committed to ensuring the federal response to homelessness in our nation encompass not only emergency stopgap measures, but the permanent solutions that are necessary for people to become and remain self-sufficient -- such as access to education, job training, affordable housing, health care and supportive services.

HOMELESS, GENERAL CONCERNS

Thank you for expressing your concerns about the serious problem of homelessness. My Administration is attacking this problem on multiple fronts.

Throughout my Administration, we are working to ensure access to education, job training, housing, health care, and other resources necessary for people to become and remain self-sufficient.

Building on this goal of helping the homeless to live independently, the federal Interagency Council on the Homeless developed a single, coordinated Federal strategy to help break the cycle of homelessness. This strategy focuses on helping communities develop a "continuum-of-care" -- a continuum of housing and supportive services that enable homeless individuals and families to live independently. The eighteen member agencies of the Council are now working to implement the recommendations of this plan, which was widely praised at its release in 1994.

As part of our efforts to streamline and coordinate the existing maze of federal assistance programs while increasing local control, I have proposed the consolidation of the current patchwork of fragmented programs within the Department of Housing and Urban Development (HUD) into a single homeless assistance grant. Moving in that direction, this year HUD awarded \$900 million through a single competition to 818 projects in 228 communities throughout the United States, the largest funding assistance of its type in federal history.

I have demonstrated my commitment to ending the cycle of homelessness in my budget proposals. My 1996 budget calls for \$1.6 billion in targeted homeless assistance funding, up from \$1.06 billion in 1993, to assist communities in developing local, coordinated solutions to break the cycle of homelessness.

I am concerned about Congressional budget proposals that will reverse the progress we have made. While working toward a balanced budget, I will oppose shortsighted efforts that would jeopardize our communities.

I appreciate hearing the views of people like you who are involved in and care about this issue.

Sincerely,

BC

/ HOMELESSNESS

"It is imperative that we not turn our backs on the Nation's homeless. The number of homeless families and young people suffering from abuse and neglect continues to rise..."

President Clinton
December, 1994

Background

- As many as 600,000 people are homeless on any given night, and about 7 million Americans experienced homelessness at least once in the latter half of the 1980's.
- At least two major subgroups exist among the homeless: a relatively small population of long-term homeless who are more likely to be disabled by mental disorders and substance abuse, and a much larger population of precariously housed individuals who experience short-term or intermittent homelessness.

The Clinton Record

The Clinton Administration has laid out a comprehensive plan for addressing homelessness at the federal level, devoted record levels of funding and resources to the problem, and proposed a creative reinvention of federal homeless assistance that cuts red tape and empowers communities to address the roots of the problem.

- **A Coordinated Federal Strategy.** The 17 federal agencies of the Interagency Council on the Homeless are implementing recommendations from the Council's widely praised May 1994 report, "Priority: Home! The Federal Plan to Break the Cycle of Homelessness," which laid out a single, coordinated Federal plan for breaking the cycle of homelessness and for preventing future homelessness. The Plan called for:
 - Focusing on prevention, expanded housing opportunities, and the reorganization of services into a "continuum of care." Not creating a new bureaucracy of emergency shelter systems, but working to break the cycle of homelessness through structural changes.
 - Restructuring the relationship between all levels of government and not-for-profit

providers: giving localities the ability to assess community needs and coordinate a continuum of public and private services from emergency shelters to transitional and rehabilitative services and housing arrangements.

- Increasing the emphasis on linkages between job training, employment, education and economic development.
- **Record Resources.** Federal homeless funding has nearly tripled under this Administration. The President's 1996 budget calls for \$1.6 billion in targeted and performance-partnership funding across 6 federal agencies that will assist local communities in developing local, coordinated solutions to break the cycle of homelessness.
- In July, HUD awarded \$900 million in federal homeless assistance funds to 818 projects in 228 communities throughout the United States to support comprehensive local and state initiatives that move homeless people off the streets to self-sufficient lives in permanent housing. Grants were awarded to communities that were best able to identify needs and local resources for homeless persons through a coordinated strategy -- called a continuum of care -- involving local and state governments, non-profit organizations, homeless persons, the business community and others.
- **Reinventing Homeless Assistance.** The Clinton Administration is pushing to streamline the existing maze of homeless assistance programs while increasing local control. The Administration has been fighting to replace the current patchwork of fragmented homeless assistance programs within HUD with a single, performance-based grant - allowing localities to shape their own solutions free of the red tape that comes with multiple funding requirements and regulations.
- By making the Interagency Council on the Homeless a working group of the White House Domestic Policy Council, the President has ensured that senior Administration officials will continue to consider the special needs of the homeless as they work with the Congress to reform welfare, health care, job training, and other programs benefitting homeless and low-income persons.

Update: Proposed Rescissions Will Reverse Progress

- Proposed Republican cuts will impede efforts to curb homelessness and deny communities help needed to create transitional and longer-term housing options to return the homeless to the mainstream, placing families and children at risk of becoming homeless.
- The proposed rescissions package includes a deferral of \$297 million in FY 1995 homeless assistance funding until September 30, 1995.
- In addition, the House Subcommittee Mark would cut FY 1996 homeless assistance almost in half from its FY 1995 enacted level of \$1.12 billion, to \$576 million. However, the size of the cut is disguised by adding to the \$576 million the \$297 million proposed in the rescissions bill.
- FEMA Emergency Food and Shelter Assistance, which supports local homeless shelters, also is cut from \$130 million (the President's requested level) to \$100 million.

Latest Update: July 12, 1995

Office of HIV/AIDS Housing

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Material sent by: FRED KARNA'S

 THE WASHINGTON POST

 MONDAY, SEPTEMBER 11, 1995 A21

Lucie C. McKinney

Dumb Move on Housing

Right before the summer break, the House approved drastic cuts to housing programs for the neediest Americans: homeless people who have chronic mental and medical illnesses. Four of these—the McKinney Programs, named after my late husband, Stewart B. McKinney, who was a Republican representative from Connecticut—face reductions of 40 percent or \$444 million (as compared to that unasked-for \$7 billion the House decided to give the Pentagon). Usually when I testify before Congress I talk about the people who have reclaimed their lives through the offer of housing and a helping hand. In keeping with the times, however, I'd like to reframe the debate—and talk about statistics and cold, hard cash.

I'm stunned that Congress, which has proclaimed its commitment to finding and funding plans that actually work, would allow these cuts to stand. The McKinney Programs provide funding for something called supportive housing—permanent housing linked to a safety net of support services that allow even chronically disabled people who are homeless to live autonomously in hope and dignity. And according to the evidence, including two separate government evaluations, supportive housing is our best bet for ending homelessness and doing so cost-effectively.

The first study found that formerly homeless people with severe mental illnesses achieved stability at a rate of 83.4 percent in supportive housing. Tenants also cut their hospital inpatient use by 50 percent. The four-year evaluation concluded that this unique housing "not only will alleviate human suffering, but also will reduce costs for institutionalization and hospitalization. The five projects [studied] offer proof that the face of homelessness in America can be changed dramatically."

seem to grasp the fact that cuts, far from saving money, will waste it. Put simply, not housing our most vulnerable Americans costs millions more than housing them. It's just common sense: People with mental illnesses end up using expensive hospital beds, state psychiatric institutions and even jails as de facto housing; people with AIDS end up in acute-care beds (at more than \$1,000 a day); people with alcohol or drug dependencies stay too long in high-cost treatment programs. Meanwhile, they are still homeless, still dependent on crisis services and

"These programs actually end homelessness."

no closer to living independent productive lives. This is worse than penny-wise, pound-foolish—it's billions foolish.

The cost of providing housing linked to services, on the other hand, can be as little as \$10,000 a year, an expenditure that actually ends that person's homelessness and allows him or her to use clinics instead of emergency rooms, counseling instead of psychiatric hospitalizations and drug counseling instead of treatment centers. Supportive housing also promotes self-sufficiency through employment and education linkages. Aren't these the very goals Congress is so anxious to advance?

My late husband was committed to ending the blight of widespread homelessness. Four months before he died, he even spent a night on the streets in 20-below weather to bring media attention to the plight of homeless people. Yes, he was deathly ill at the time, but so are more than 70 percent

The second evaluation found a success rate of 84.5 percent and concluded that supportive housing—"provided cost-effective assistance to help families and individuals escape from homelessness."

So. These programs actually end homelessness, which is one of those seemingly intractable social problems we thought would be a permanent part of the American urban landscape.

As to the cost, Congress doesn't

of homeless Americans.

We may not have a cure for AIDS, cancer or a way to provide health care to all Americans, but we do know how to end homelessness. And while the cure is not cost-free, it costs a whole lot less than not facing—and solving—the problem. Saving lives and saving money—how can that be bad?

The writer chairs a foundation that works on housing for the homeless.



Interagency Council on the Homeless

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TALKING POINTS--HOMELESSNESS

DRAFT

"I do not believe we can repair the basic fabric of society until people who are willing to work have work. Work organizes life. It gives structure and discipline to life. It gives a role model to children. We cannot repair the American community and restore the American family until we provide the structure, the value, the discipline and reward that work gives."

--President Bill Clinton
(Source: ?)

OR

"We don't have a person to waste. No one should be left behind."

--President Bill Clinton
(Source: ?)

THE CLINTON ADMINISTRATION HAS MADE A PRIORITY ADDRESSING HOMELESSNESS RESPONSIBLY

FEDERAL FUNDING TO ASSIST THE HOMELESS HAS INCREASED

--President Clinton successfully achieved a doubling of the HUD homeless assistance budget to assist local communities in developing local, coordinated systems of addressing housing and other needs of homeless people to help them obtain self-sufficiency to the degree possible.

--HUD's homeless assistance budget for tripled doubled between 1993 and 1995. This includes: \$1.2 billion to assist not-for-profit providers, local and state governments and Section 8 vouchers designated by HUD Secretary Henry Cisneros to enable 12,000 homeless families and 3,000 homeless or at-risk persons living with HIV/AIDS. (These vouchers are currently slated for rescission by the House Appropriations Committee.)

REINVENT HOMELESS ASSISTANCE

--In 1994, the Clinton Administration proposed consolidating HUD's six McKinney homeless programs into a single Homeless Assistance Grant to enable localities to shape a comprehensive, flexible, coordinated "continuum of care" approach to solving, rather than institutionalizing homelessness. This includes emergency shelter, transitional housing and permanent or permanent supportive housing, together with a strong prevention strategy.

--The Administration is still pursuing the consolidation of all of HUD's targeted homeless assistance programs into a performance-based grant. It would replace the existing maze of separate programs which often compel providers to design program funding requirements rather than actual needs.

96 - HHS block grants aren't earmarked for homelessness
\$1.6 isn't necessarily earmarked for homeless programs.

under Sect 8 for
Total FY 95
\$1.6 billion for
all agencies
+ 15,000 vouchers
FY 93
\$1.06B
(96 budget
proposed
\$1.6 billion)
None of perf
grants passed
this year
K. Meredith

DRAFT

2

--HUD recently announced a \$900 million competition offering assistance combined with efforts to streamline programs and cut bureaucracy, to help in community-based efforts designed to address homelessness in effective and comprehensive ways.

PRESIDENT CLINTON HAS ACTED TO END HOMELESSNESS:

--A CLEAR AND WELL-COORDINATED FEDERAL STRATEGY TO ASSIST THOSE WHO ARE CURRENTLY HOMELESS AND TO MAKE STRUCTURAL CHANGES IN FEDERAL PROGRAMS IS NOW IN PLACE

--Shortly after taking office, the President issued an Executive Order directing the 17 member agencies of the Federal Interagency Council on the Homeless to develop a single, coordinated Federal plan for breaking the cycle of existing homelessness and for preventing future homelessness. The agencies released the plan in a widely praised May 1994 report, "Priority: Home! The Federal Plan to Break the Cycle of Homelessness."

In Priority Home!, this Administration recognizes the true nature and extent of homelessness in the United States:

--As many as 600,000 people are homeless on any given night, and about 7 million Americans experienced homelessness at least once in the latter half of the 1980's.

--Homelessness results from two broad and sometimes overlapping problems--(1) crisis poverty exacerbated by unforeseen crises, and (2) chronic disabling conditions such as severe mental illness, substance abuse, TB or AIDS.

--Under the President's direction, Federal agencies are now implementing the recommendations in Priority: Home! by taking steps to:

Restructure the relationship between Federal, State and local governments and the not-for-profit provider community.

Make mental health, physical health, and substance abuse health services work for the poor through health care reform.

Place increased emphasis on the linkages between job training, employment, education, and economic development and implementation of a new social contract that recognizes both individual and family rights and responsibilities.

DRAFT

3

CURRENT ACTIONS

--The actions taken by the House Committee on Appropriations that would rescind \$7.2 billion in HUD funds could adversely affect efforts to decrease homelessness. Of this amount, \$514 million was specifically targeted to providing permanent housing to homeless families and individuals.

HOMELESSNESS CONTINUES TO BE A PRIORITY WITHIN THE ADMINISTRATION

--By making the Interagency Council on the Homeless a working group of the White House Domestic Policy Council, the President has ensured that senior Administration officials will continue to consider the special needs of the homeless as they work with Congress to improve Federally funded welfare, health care, job training, and other programs benefiting homeless persons and other low-income people.

--Administration officials will continue to be especially vigilant in combatting efforts to weaken the social "safety net" for the homeless and very poor.

Targeted programs for homeless

2 in DoE	28.8
1 in HHS	9.5
1 in DOL	13.0
	5.0
	<u>514.0</u>

In addition for low-income

~~programs~~

~~the order~~

NIC, LIHSAP

Run by Catherine Meredith

THE WHITE HOUSE

WASHINGTON

95's budget

= Proposed consolidated h'less
funding @ HUD →
Homeless Ass grant
(Super NOFA)

= Streamlined app's, flex to
states ^{grants} locals, + promotor p'ships
in cont of care plan r

FY 96 - 1.6B

up from \$1.060 in 93

HUD

^{h'less}
HUD funding has dbld (McKinney
only - almost; plus vouchers,
dbld plus')

A periodic commentary on housing and urban research



Housing

*Federal
Plan to End
Homelessness*

*File: homelessness
big and*

Research News

Vol. 3 • No. 1

Office of Housing Research

February 1995

Federal Plan to Address Homelessness Recognizes Size, Complexity of Problem

by Dennis P. Culhane

The Clinton administration's plan to end homelessness, *Priority Home! The Federal Plan to Break the Cycle of Homelessness*, begins on a strong foundation of the most recent research in the field. In arguing for the severity of the homelessness crisis, the administration cites both the estimates of Martha Burt at the Urban Institute that 600,000 people are homeless on any given day as well as the results of new research suggesting that as many as 7 million Americans are homeless at some point during a five-year period (see *Housing Policy Debate* volume 2, issue 3, for a discussion of single-night counts and *Housing Policy Debate* volume 5, issue 2, for the new longitudinal evidence).

This research suggests that at least two major subgroups exist among the homeless: a relatively small population of long-term homeless who are more likely to be disabled by mental disorders and substance abuse, and a much larger, previously

underestimated population of precariously housed individuals who experience short-term or intermittent periods of homelessness.

The plan argues for reorganizing services for the long-term homeless into a "continuum of care" emphasizing transitional services followed by expanded opportunities for perma-

nent housing. This reorganization, which has its roots in previous initiatives such as the Shelter Plus Care program, must be expanded to assure enough permanent housing to eliminate the backlog of people in transitional housing. To give momentum to this reorganization, the administration proposes doubling the funding for the Stewart B. McKinney Homeless Assistance Act and consolidating its programs into a single block grant to localities.

Localities would be required to design a specific process, which would include creating a planning board with stakeholder participation, to identify gaps in their existing continuum. Questions will undoubtedly arise in some localities as to what entity is equipped to oversee the contracting and management required to administer the grant, particularly given the openly anti-homeless posture of some local governments. Some may also wonder whether the federal leadership is giving localities too much discretion in choosing a policy approach. Nevertheless, these proposals could result in a more coherently organized and improved system of care for the long-term homeless with more opportunities for permanent and supported housing.

The more difficult challenge, however, lies in addressing the problems of the short-term homeless. To reduce temporary and intermittent homelessness (and the long-term homelessness that often results),

See Federal Plan on page 3

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The Need For Leadership On the Homeless Issue

by Jim Johnson

The plight of the homeless is of great concern to all Americans. Leadership in developing innovative solutions to this tragedy is needed. As well, a better understanding of the nature of homelessness and the characteristics of the people who suffer its consequences is also required. With this knowledge, federal, state, and local governments, the private sector, and nonprofit organizations can design more effective ways to provide shelter and assistance to the homeless people.

New demographic research published by the Fannie Mae Office of Housing Research provides the kind of information we need. It suggests that over time the homeless population may be three times larger than previous estimates for a specific point in time. It also suggests that working Americans make up a higher proportion of the homeless than previous studies indicated.

As a nation, we must confront this problem. Without adequate housing and services, families and our communities face limited opportunities for growth and prosperity. Secretary Henry Cisneros of the U.S. Department of Housing and Urban Development has made helping the homeless the department's number one priority. He has recommended new initiatives to break the cycle of homelessness. Congress also has recognized the need for reform and has moved to reorganize homeless assistance programs to more efficiently serve local needs.

Fannie Mae also is committed to helping the homeless, in part by providing housing and home-ownership opportunities to low- and moderate-income families. For example, we formed a partnership with the Enterprise Foundation to finance the development of more than 30,500 units of affordable multifamily rental housing nationwide.

As our nation moves forward in addressing the needs of the homeless, let us be guided by a vision of our communities where safe, affordable housing is available to all.

Jim Johnson is Chairman and Chief Executive Officer of Fannie Mae.



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Federal Plan

Continued from page 1

the administration's plan calls for more preventive measures. Because specific prevention programs are by their very nature difficult to target, the plan relies on broader structural reforms to attack the root causes of homelessness. These include universal health insurance; the job training, placement, and child care included in the administration's welfare reform proposal; an expansion of the earned income tax credit; and further study of a tax credit to expand subsidized housing for low-income households.

Unfortunately, because the welfare and health care reform initiatives were developed independently of the federal homelessness plan, they do not always support the homelessness prevention effort. For instance, the administration's proposed minimum health care benefit package would place a limit of 60 days on inpatient and residential treatment (combined) for people with mental health and substance use disorders, a period too short to deal effectively with many homeless persons' acute problems. The welfare reform initiatives also propose a similarly counterproductive time limit on welfare receipt and a cap on states' use of emergency assistance grants for eviction prevention.

The uncertain future for passage of these reforms makes them an unsteady foundation for a homelessness prevention strategy. Moreover, the administration's call for a modest increase in new HUD subsidies and the offsetting of some increases in McKinney funds by cuts in other housing assistance programs shows that much remains to be done.

The Clinton administration's homelessness plan represents a departure from past federal efforts in recognizing the scope, complexity, and structural causes of homelessness. Most importantly, it provides a much improved conceptual framework for the design of future efforts to reduce homelessness, particularly the recognition that mainstream programs and policies must be enlisted in this fight to avoid expanding the emergency housing system with an unnecessary health and welfare bureaucracy of its own.

Just attempting to bring together services, housing, health care, and economic development, as this plan does, is commendable.

Unfortunately, the plan's analysis and vision exceed the scope of the proposed remedies. But hopefully, in the long term, the plan will help the federal government shift its direction and heighten its priority for homelessness prevention policies in the years to come.

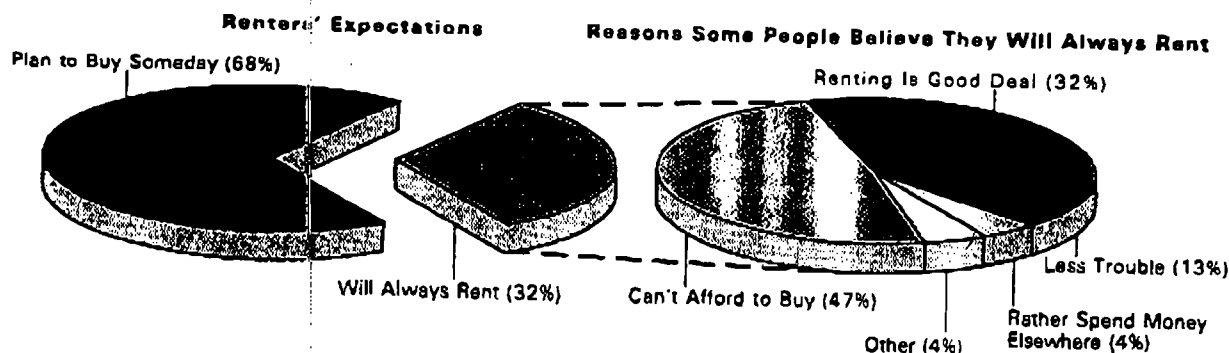
The federal government must insure that when housing is provided to the homeless there is an accompanying array of supportive services. There needs to be a coordination of housing with job training, health care, child care, mental health care, substance abuse treatment, and other services necessary to assist homeless persons.

—Rep. Henry Gonzalez (D-Tex.)

as quoted in Priority Home! The Federal Plan to Break the Cycle of Homelessness

Dennis P. Culhane is a Research Assistant Professor of Psychology at the University of Pennsylvania and a Senior Fellow at the Leonard Davis Institute for Health Economics.

n ight Do Renters Want to Become Homeowners?



From research by David P. Varady and Barbara J. Lipman published in *Housing Policy Debate*, vol. 5, no. 1, 1994.

Housing and the Federal Homeless Plan

by Andrew Cuomo



America's homeless problem grew dramatically during the 1980s. Our cities' streets, parks, and other public places became homes of last resort to thousands of men, women, and children with no other place to rest. The indi-

vidual tragedies of the homeless have increased tremendously, forming a "silent earthquake" that has shaken the foundations of our communities.

On May 17, the Department of Housing and Urban Development (HUD) Secretary Henry Cisneros released an innovative proposal to dramatically change the federal government's approach to homelessness. The plan, *Priority: Home! The Federal Plan to Break the Cycle of Homelessness* (the federal plan), recognizes the full extent and nature of homelessness in America and offers a series of dramatic initiatives to break the cycle of existing homelessness and prevent future homelessness. It recommends doubling HUD's homeless assistance budget from \$823 million to \$1.7 billion and reorganizing HUD's Stewart B. McKinney Act homeless programs on a large scale.

By designating homelessness as HUD's number one priority, Secretary Cisneros is committed to addressing the problems and needs that render people homeless in the first place, rather than simply focusing on providing shelter services. The Secretary believes the ultimate solution to homelessness must include a long-term strategy to address two broad categories of problems: crisis poverty and chronic disability.

People living in crisis poverty become homeless due to transient or episodic disruptions in their lives. These people's lives are routinely marked by hardship, and their persistent poverty can turn unforeseen crises and even minor setbacks into bouts of homelessness.

For those homeless men and women with chronic disabilities, homelessness can appear to be a way of life. Although they make up a minority of the homeless population, it is this group that is most visible and tends to dominate the public's image of homelessness.

The federal plan provides startling evidence of the severity and character of the homelessness problem. It notes that approximately 600,000 individuals are homeless on any given night but recognizes that such "point-in-time" or "snapshot" estimates do not accurately illustrate the depth and magnitude of homelessness in America.

A nationwide survey of more than 1,500 individuals by Bruce Link of Columbia University estimates that about 7 million Americans may have experienced homelessness at some point in the late 1980s. Research by Dennis Culhane of the University of Pennsylvania also suggests that the homeless are not a homogeneous group of individuals who suffer from mental illnesses and/or substance abuse and are typically homeless for extended stretches of time. His research points to the existence of a much larger group of individuals who have episodic, short-term bouts of homelessness, a group very likely suffering from crisis poverty.

Growing Poverty and Inadequate Affordable Housing

During the 1980s, growing poverty mixed tragically with the significant decline in the amount of affordable housing. Despite the economic expansion in the 1980s—the longest since World War II—the poverty rate at the decade's end differed very little from 1981. In 1992, 37 million people in our nation, or 14.5 percent of the population, lived in poverty, up 5 million from 1989.

Moreover, the gap between affordable housing need and supply continued to grow. Between 1979 and 1989, the number of unassisted very low income renters either paying more than one-half of their income for rent or living in substandard housing increased from 3.6 to 5.1 million. For extremely low income renters—those who are close to or below the poverty line—the 1980s saw the affordable unit shortfall increase by 1.4 million. In addition, the number of single-room occupancy (SRO) hotels

dropped drastically in the last 30 years, creating a large loss of very low rent units.

In that period, the federal government responded inadequately to the increased poverty and lack of adequate affordable housing opportunities, triggering the present homelessness crisis. The number of additional households receiving HUD assistance dropped from over 250,000 annually during the Carter administration to less than 100,000 annually in the 1980s. In a similar vein, HUD's 1994 budget authority was only \$26 billion, which pales in comparison to the \$65 billion (adjusted for inflation) that HUD received in 1980. By 1991, only 25 percent of eligible, very low income renters received rental assistance.

Providing Housing as Part of the Solution

The above analysis strongly suggests that permanent housing must be part of the solution to homelessness. The federal plan describes innovative financing techniques that HUD is exploring in partnerships with different housing agencies. These initiatives would enhance HUD's ability to leverage federal resources for McKinney Act homeless assistance programs.

Housing for poor and homeless families should also be linked to employment opportunities. An important cause of poverty is the lack of access to low- and semi-skilled jobs. Two strategies are being implemented to alleviate this problem. The first involves moving jobs to people through the president's Empowerment Zone initiative. The second is a mobility strategy, whereby poor people relocate to existing job centers through the administration's Housing Choice and Community Investment Act of 1994.

To address the HUD budget cuts of the 1980s, the federal plan recommends providing precariously housed families access to permanent housing opportunities. At the same time, the plan advocates vigorous enforcement of fair housing laws to ensure freedom of choice in residential location.

Better Delivery of Homeless Assistance

More affordable housing alone will not address the current homelessness problem. Thus, HUD has formed partnerships with various localities and nonprofit agencies to develop a comprehensive "continuum of care" system. There are three

fundamental components of such a system. The first is an emergency shelter/assessment effort to offer immediate shelter and identify an individual's or family's needs. The second consists of supplying transitional housing and necessary social services, including substance abuse treatment, short-term mental health services, and independent living skills. The third is to provide permanent housing or supportive housing arrangements. While not all homeless individuals and families in a community will need all three components, they must be coordinated within the community to be successful.

Secretary Cisneros also favors reforming HUD's McKinney Act programs. HUD administers more than 60 percent of all targeted homeless assistance funding. This assistance, however, is provided through six different categorical grant programs, causing unnecessary overlaps in paperwork and project development. To rectify this problem, Secretary Cisneros has proposed reorganizing HUD's six McKinney Act programs into a single grant to states and localities. Under this streamlined system, local governments, urban counties, and states would be eligible for a formula grant based on need. Nonprofit organizations will be guaranteed involvement in the planning process and allocated at least 51 percent of these funds.

Conclusion

The Clinton administration realizes budgetary and political realities make it difficult to address all homeless problems immediately, yet recognizes the need for a short-term increase in funding and a long-term agenda to eliminate homelessness. That agenda includes promoting economic development, providing job training for the poor, reforming the welfare system, providing health care security for every American, and dramatically improving housing and community development efforts.

The homelessness crisis was not created in a day, and will not disappear in a day. Nonetheless, the new federal plan offers a road map for America to find its way to a more just, more humane future. The time to start on this road is now.

Andrew Cuomo is the Assistant Secretary for Community Planning and Development at the U.S.

Federal Homeless Assistance and HUD McKinney Reorganization

by Bruce F. Vento



During 1993, I chaired a special task force appointed by then House of Representatives Speaker Thomas Foley at the request of President Clinton. The Speaker's Task Force spent a year examining new and past initiatives to deal with

the problems of homelessness. We looked at the factors that many argue are the root causes of homelessness—lack of affordable housing, health care, mental health care, drug treatment, and job training; underemployment; demographic and social trends; and the absence of safety nets for many Americans—and tried to understand the linkages among them.

In reviewing new research on homelessness, the task force became aware of a more dynamic picture that underscores poverty as a primary cause of homelessness. This led the task force to recommend a new policy direction to restructure and reinvigorate federal policies and programs for the homeless. No longer could America simply warehouse the homeless or rely solely on the short-term, emergency response of the Stewart B. McKinney Homeless Assistance Act programs to solve our problems. Federal policy needed to tackle homelessness in a much broader social and structural context.

Recognizing the need to address the problems of poverty, crime, affordable housing, quality education, and the lack of jobs, the task force recommended combining better delivery of a broad range of social programs—such as Social Security, food stamps, housing assistance, Medicaid, emergency assistance, and certain veterans programs—with specific changes to the McKinney Act programs. We sought to consolidate and simplify the administration of the McKinney programs, specifically those at

the Department of Housing and Urban Development (HUD). The proposed changes seek to reduce homelessness through better prevention, intervention, and service delivery. It is gratifying to see that the task force stimulated renewed interest in this issue by the Clinton administration. Secretary Henry Cisneros and the administration have proposed a radical restructuring of current HUD homelessness programs in the federal plan, *Priority Home*. In the past, reorganization has often been an excuse for the federal government to do less. Refreshingly in this case, the administration is effectively advocating new dollars and commitments to meet the needs of the homeless.

Significantly, in both the housing reauthorization bill (H.R. 3838) and the McKinney Reauthorization Act (H.R. 4578), the House of Representatives has responded to the task force and the federal plan. After many years of debate in committee, the House approved a formula allocation for the HUD McKinney Act programs and proposed to consolidate them, including programs such as Emergency Shelter Grants, Supportive Housing, Safe Havens, and certain provisions of Shelter Plus Care. The Section 8 Single Room Occupancy program, which last year provided some 2,000 new units nationwide, will be maintained as a separate program to ensure an adequate level of new housing production.

Consolidation of these programs will anchor comprehensive community-wide planning efforts by providing a long-term steady flow of federal funding and support. The legislation creates comprehensive local and state planning for homelessness and requires meaningful participation by nonprofit organizations on the front lines of the response to homelessness. It also seeks citizen participation via Homeless Assistance Planning Boards (HAPBs).

The House concurred with the recommendations of the administration and others that the majority of HAPB board members be homeless advocates, providers of homeless assistance, and, most importantly, the homeless themselves, including veterans, heads of household with children, substance abusers and the mentally ill. The House-passed legislation also incorporates the administration's goal of consolidating the planning and application processes for several major HUD programs at once to enable localities to plan a more comprehensive

homelessness effort as part of a larger housing and community development strategy.

The more than 300 grant recipients anticipated by the proposed law will set up HAPBs and other citizen participation mechanisms to plan and execute activities under the new homeless flexible grant program. The improved local planning and citizen participation framework will help ensure an integrated response to homelessness at the local, state, and federal levels; improved use of all resources to prevent homelessness; and increased community acceptance of efforts to aid the homeless population.

I am often reminded and guided by the quote of Minnesota's Hubert H. Humphrey: "The moral test

of government is how that government treats those who are in the dawn of life, the children; those who are in the twilight of life, the elderly; and those who are in the shadows of life—the sick, the needy, and the handicapped." We must make the difference for those who are truly in the shadows of life, and challenge ourselves to see, not ignore, the plight of the homeless. This new federal policy provides the necessary tools to redouble our efforts for the most vulnerable of our society. ■

Rep. Bruce Vento (D-Minn.) is a ten-term member of the U.S. House of Representatives who serves on the Banking and Financial Services committee.

Exploring A New Concept in Multifamily Development

by Stephen Kendall and Ellis Leslie

A new approach to multifamily development known as "Open Building" is gaining attention because of its significant potential to reduce development costs, increase affordability, and provide more flexible, market-oriented housing options.

The conventional view is that a building and its dwelling units are largely inseparable. The Open Building concept distinguishes the layout and equipment of each dwelling from other units and the building itself. This is a better way to build, yielding dramatic improvements in new construction or renovation while allowing customization of units.

In the Open Building approach, each unit is rapidly outfitted with an "infill system" (prepared off-site by a specialized vendor and installed in 5-10 days) consisting of non-bearing walls, piping and cabling, heating and cooling equipment, cabinets, and fixtures. Each unit's power, water, and sewer lines are connected independently to the base building's systems. For both rehabilitation and new construction this approach—

similar to the way commercial construction is organized—offers unparalleled decision flexibility, efficiency, and consumer choice on unit layout and cost.

More than 2,500 housing units have been developed in Open Building projects in the Netherlands, China, Japan, France, and Finland. The potential application of Open Building in the U.S. market was the topic of a workshop hosted by the Fannie Mae Office of Housing Research in cooperation with Technology+Economics, a building construction consulting firm. Participants included developers, building industry associations, material manufacturers and suppliers, design firms, government agencies, and financial institutions.

According to John Habraken, originator of the Open Building concept and former head of the MIT Architecture Department, the use of computer technology and flexible manufacturing methods allows rapid production and installation of custom-designed infill or "fit-out" packages at an installed cost that is no more than that of conventionally built projects.

Mark McBride, a specialist in multifamily development at NationsBank, says "Open Building could greatly streamline the process of developing multifamily housing in the U.S. by reducing the number of actors involved, the conflicts between them, and the

See A New Concept on page 9