

FY 2019 Appropriations: HUD's Homeless Assistance Grants

Program Overview

Homelessness affects more than half a million Americans on any given night. HUD's McKinney-Vento Homeless Assistance Grants program is at the core of Federal efforts to end this crisis.

Consider the results: since 2007, homelessness has decreased by 15 percent. Meanwhile, communities and even states across the country have announced that they have ended veteran and chronic homelessness. That progress is only possible through bipartisan Congressional investments in this program.

Each year, the United States Department of Housing and Urban Development (HUD) awards Homeless Assistance Grants to communities that administer housing and services at the local level. Specifically, the **Emergency Solutions Grant (ESG) formula grant program** and the competitive **Continuum of Care (CoC) program** fund the cornerstones of each community's homeless system. The ESG grant funds street outreach, homelessness prevention and diversion, emergency shelter, and rapid re-housing. The CoC program funds permanent supportive housing, rapid re-housing, transitional housing, coordinated entry, and demonstrations like the Youth Homelessness Demonstration Program.

- **Street Outreach.** Outreach workers connect people to coordinated entry, emergency services, and shelter.
- **Prevention and Diversion.** Prevention assistance helps households preserve their current housing situation. Diversion helps people identify immediate alternate housing arrangements so that they can avoid becoming homeless during an acute crisis.
- **Emergency shelter.** Emergency shelter and interim housing provide people experiencing a housing crisis or fleeing an unsafe situation with an immediate place to stay.
- **Permanent supportive housing.** Permanent supportive housing is a proven, cost-effective housing subsidy, coupled with supportive services, for people experiencing chronic homelessness (long-term homelessness among people with disabling conditions, including mental illness and addiction). Ending chronic homelessness has long been a bipartisan goal. However, progress has recently slowed due to a shortage of funding.
- **Rapid re-housing.** The vast majority of people become homeless as the result of an economic crisis. Rapid re-housing works with landlords to help people locate appropriate housing, provides short-term financial support, and helps them stay in the housing through the supportive services they may need, largely focused on employment. It is an extremely cost-effective permanent housing solution.

Because HUD prioritizes evidence based programs and practices as part of the grants program, homeless assistance systems across the country have improved their ability to quickly respond to housing crises, get people back into housing, and connect them with community-based services to ensure that homelessness is rare, brief, and non-recurring.

Current Status

HUD's McKinney-Vento Homeless Assistance Grants program received \$2.513 billion in fiscal year (FY) 2018. The Administration asked for \$2.383 billion for this program in its FY 2019 Budget Proposal, a \$130 million decrease from the FY 2018 level. The House recently included \$2.571 billion for this program in its FY 2019 T-HUD Subcommittee bill, and the Senate included \$2.612 in its companion bill.

Recommendation

Congress should invest in proven solutions to homelessness by providing at least \$2.8 billion for Homeless Assistance Grants in FY 2019. This represents a \$287 million increase over the FY 18 level, which would end homelessness for 25,000 more households, allowing communities to keep up with rising numbers of people losing their housing due to increasing rents.