

# FY 2023 Appropriations:

Ensuring More Adequate Funding for HUD's Homeless Assistance Grants

## Summary

The principal source of federal funding to fight homelessness is the Homeless Assistance Grants (HAG) account. This account, currently funded at \$3.2 billion, supports a nationwide network of state, local, charitable, and faith-based homeless assistance providers who make sure that people who become homeless will be identified, kept safe, and quickly returned to housing.

Despite the growing need and the modest investments in these programs, they have been successful at ending people's homelessness, particularly with respect to families and veterans. But with the on-going affordable housing crisis pushing more Americans into homelessness, the Alliance has urged the Administration and Congressional lawmakers to provide the HAG program with \$3.6 billion in funding in Fiscal Year (FY) 2023.

## Program Overview

The HAG programs were established by the McKinney-Vento Homeless Assistance Act of 1987, as revised by the Homeless Emergency Assistance and Rapid Transition to Housing (HEARTH) Act of 2009. The Department of Housing and Urban Development (HUD) awards HAG funds to communities that administer housing and services at the local level. Specifically, the formula Emergency Solutions Grant (ESG) program and the competitive Continuum of Care (CoC) program fund the foundations of homelessness systems in cities and towns across the nation.

### The ESG formula grant funds:

**Street Outreach.** Outreach connects people to coordinated entry, emergency services, and shelter.

**Prevention and Diversion.** Prevention assistance helps households preserve their current housing or secure new housing. Diversion helps people who have lost their housing identify immediate alternate housing arrangements and avoid entering shelter.

**Emergency shelter.** Emergency shelter and interim housing provide people experiencing a housing crisis or fleeing an unsafe situation with an immediate place to stay.

**Rapid Re-Housing (RRH).** The vast majority of people become homeless as the result of an economic crisis. RRH works with landlords to help people locate appropriate housing, provides short-term financial support, and helps people 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.

### The CoC program funds:

**Rapid Re-Housing.** See left column.

**Permanent Supportive Housing (PSH).** PSH 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, in recent years, progress has slowed due to a shortage of funding.

**Transitional Housing (TH).** TH aims to provide homeless individuals and families with interim stability and support to successfully move into and maintain permanent housing.

**Coordinated entry.** An effective coordinated entry process ensures that people with the greatest needs receive priority for any type of housing and homeless assistance available in the CoC.

**Youth Homelessness Demonstration Program (YHDP).** YHDP supports a small number of communities, several of them rural, to develop and implement coordinated community approaches to preventing and ending youth homelessness. Those experiences are then shared with communities around the country to mobilize them toward the same end. This demonstration program serves youth experiencing homelessness, including unaccompanied and pregnant or parenting youth, where no member of the household is older than 24.

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## Current Status

For FY 2022, HAG was funded at \$3.2 billion, the fourth year in a row of \$100-million-plus annual increases. For FY 2023, the Alliance seeks \$3.6 billion for HAG, to address growing need, and in recognition of the strong results these programs achieve.

	Administration	House T-HUD	Senate T-HUD	Actual	Alliance rec.
<b>FY 2023</b>	\$3.6 billion	\$3.6 billion	TBD	TBD	\$3.6 billion

## Recommendation

The Alliance urges lawmakers to encourage their colleagues on the Senate Appropriations Committees, particularly the Transportation-Housing and Urban Development Subcommittee (T-HUD), to provide \$3.6 billion for HAG because:

- 1. The programs paid for by ESG and CoC grants work.**

Between 2010 and 2016, homeless assistance providers, funded in part through HAG, reduced homelessness every single year. Unfortunately, in recent years, that progress has stalled, as HAG investments have not kept pace with increasing demand.

- 2. The cause of homelessness — the nationwide lack of affordable housing — is getting worse.**

Too many Americans of modest means are chasing too few affordable homes. Moreover, many low-income homeowners are severely rent-burdened, contributing unsustainable amounts of their paychecks to housing; they are only one family crisis (e.g., a big health care bill or a broken-down car) away from homelessness. HUD's larger programs, and other policies, will need to step up to address this problem. In the meantime, Homeless Assistance Grants must be adequately funded to deal with the immediate results.