

FY 2017 Appropriations: HUD's Homeless Assistance Grants Federal Policy Update, July 2016

Program Overview

The McKinney-Vento Homeless Assistance Grants program within the Department of Housing and Urban Development (HUD) is the federal government's primary response to homelessness, funding proven solutions to the problem. The bipartisan HEARTH Act of 2009 reauthorized the program to increase its emphasis on using results to drive decisions. The Homeless Assistance Grants appropriations account funds two programs: the **competitive Continuum of Care (CoC)** program and the **Emergency Solutions Grant (ESG) formula grant** program. The CoC program funds proven interventions like permanent supportive housing for chronically homeless people and rapid re-housing. The ESG block grant funds emergency shelter, homelessness prevention, and rapid re-housing. These are important resources for all who experience homelessness, including youth, families with children, people with disabilities, veterans, and others.

These programs are extremely effective at meeting the critical need of people who are homeless. But they are not funded at the level necessary, particularly now. The affordable housing crisis has grown worse since the end of the recession as rents for modest apartments have sharply increased while incomes at the bottom of the labor market have not kept up. Due largely to the effectiveness of HUD's homelessness programs, the number of people on the streets and in shelters has actually declined modestly, but it is still far too high. Further progress demands sufficient funding.

To implement the HEARTH Act, HUD and homeless service providers have worked to expand the emphasis on **proven, cost-effective solutions**, including:

- **Permanent supportive housing.** Ending chronic homelessness (long-term homelessness among people with severe disabilities) was first articulated as a goal by the Bush Administration in 2003. While we have made progress, that progress has recently slowed due to a shortage of funding for highly effective permanent supportive housing. [Investing in permanent supportive housing saves taxpayers money](#), while vastly improving communities and the lives of vulnerable people.
- **Rapid re-housing.** The vast majority of families experience homelessness due to economic reasons. [Rapid re-housing](#) works with landlords to help families locate appropriate housing, provides short-term financial support, and helps families stay in the housing through ongoing supportive services, largely focused on promoting employment. It is extremely cost-effective.

Current Status

The Administration included \$2.664 billion for the McKinney-Vento Homeless Assistance Grants program in its fiscal year (FY) 2017 Budget Proposal. In May, the full Senate voted to provide \$2.330 billion for McKinney in FY 2017 – representing an \$80 million increase over last year. In late May, **the House Appropriations Committee voted to provide \$2.487 billion for the program in FY 2017 – representing a \$237 million increase over last year, which would allow communities to house 40,000 more homeless people than this year.** The United States Interagency Council on Homelessness (USICH), which plays a key role in facilitating the most strategic use of Congressional investments in homeless assistance programs, is on track to sunset in 2017. The Senate bill extends the sunset date, but the House bill would cut its funding in FY 2017 and allow it to go out of existence after that.

Recommendation

Congress should invest in proven solutions to homelessness by providing at least \$2.487 billion for Homeless Assistance Grants in FY 2017, the amount in the House Appropriations Committee bill. Congress should also extend the sunset date of USICH from 2017 to 2020 while maintaining its current funding level of \$3.6 million. You can find a letter signed by 66 national organizations and 648 state/local organizations urging Congress to take these actions to end homelessness here: <http://www.endhomelessness.org/library/entry/sign-on-to-increase-mckinney-funding-protect-usich>.