

HUD's Homeless Assistance Grants Need \$2.4 billion in FY 2011 to Implement the HEARTH Act

Overview

HUD's McKinney-Vento Homeless Assistance Grants program is the federal government's primary response to homelessness, and it plays a key role in the national movement that is underway to prevent and end homelessness. In recent years, over 350 communities have developed Ten Year Plans to End Homelessness by focusing on McKinney-funded interventions that actually prevent and end homelessness -- rather than just managing its consequences. Many of these plans have already demonstrated success, resulting in a drop in homelessness nationwide between 2005 and 2007.

Originally enacted in 1987, the Homeless Assistance Grants program has slowly evolved in response to new proven strategies, but – until 2009 – had not been reauthorized since 1992. In May 2009, Congress passed the Homeless Emergency Assistance and Rapid Transition to Housing (HEARTH) Act, which makes numerous improvements to the program based on lessons learned from communities across the country over recent years. The HEARTH Act increases funding for many activities, particularly homelessness prevention, planning and oversight, and assistance for homeless families and to rural communities.

The HEARTH Act expands investments in proven, cost-effective solutions to homelessness, including:

- Rapid re-housing (short-term financial and rental assistance, landlord mediation and other housing search and relocation services, and linking people to employment and physical and behavioral health care services) targeted to homeless families
- Permanent supportive housing (long-term housing and supportive services) targeted to people with disabilities who experience long-term and repeated homelessness
- Homelessness prevention

These investments helped reduce homelessness among families by 18% and among individuals with disabilities by 28% from 2005 to 2007, before the economic crisis hit.

Current status: The Administration's FY 2011 Budget requests \$2.055 billion for the program. This represents a 10 percent increase over the FY 2010 level, but not enough funding to fully implement the HEARTH Act and provide communities with funding for new projects in FY 2011.

Recommendation: The HEARTH Act expands investments in solutions to homelessness. Congress should fund those investments without shifting significant resources from existing homeless assistance programs. The Homeless Assistance Grants program will require an increase of 28 percent to approximately \$2.4 billion in FY 2011. The components of the needed increase are shown in Table 1.

Table 1: Breakdown of Needed Increases

HEARTH Act Changes	
Increased prevention and re-housing	18%
Increased funding for rural areas	2%
Community-based oversight	3%
<u>Permanent housing renewal need</u>	<u>5%</u>
TOTAL	28%