



Housing Assistance Council

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Statement of

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before the Subcommittee on Housing, Committee on Financial Services

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Chairwoman Waters, Ranking Member Capito, and Members of the Subcommittee, thank you for inviting the Housing Assistance Council to offer testimony on pending legislation to reauthorize federal programs for the homeless.

My name is Moises Loza and I am the Executive Director of the Housing Assistance Council (HAC), a national nonprofit dedicated to improving housing conditions for low-income rural Americans. Established in 1971 to provide financing, information, and technical services to nonprofit, for-profit, public, and other providers of rural housing, HAC strives to meet the housing needs of the rural poor by working in close partnership with local organizations throughout the nation, including providers of housing and services for the rural homeless. HAC is thus particularly interested in the resources that are needed to address homelessness effectively in rural areas. Let me begin with a brief overview of rural homelessness.

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OVERVIEW OF RURAL HOMELESSNESS

Homelessness is widely viewed as an urban problem, but rural individuals and families also experience both literal homelessness and very precarious housing situations. The literally homeless, those who live outside or in a shelter, are present but less common in rural areas than in cities. HAC's local partners have often reported and research has shown that homeless people in rural places typically experience precarious housing conditions, moving from one extremely substandard, overcrowded, and/or cost-burdened housing situation to another, often doubling or tripling up with friends or relatives.¹

Recent HAC analysis of 2005 American Housing Survey (AHS) data highlights the large number of rural residents who are precariously housed (Table 1). For instance, over 6 million rural households experience a precarious housing condition, threatening their ability to achieve housing stability, and placing them at risk of homelessness.

Table 1. Precariously Housed Rural Households

Housing Characteristic	Number of Housing Units
Severe Cost Burden	3,244,325
Poor Quality	1,683,322
Crowding	445,430
Multiple Housing Problems	694,798
Total	6,067,875

Source: HAC Tabulations of AHS, 2005

Homelessness is the most severe manifestation of poverty. Rural poverty remains a stubborn problem, particularly among minorities, female-headed households, and children. More than 7.5 million or 14.2 percent of all rural households were poor in 2003, as compared to less than 12.5

¹ Patricia Post, *Hard to Reach: Rural Homelessness & Health Care* (Nashville: National Health Care for the Homeless Council, 2002); Housing Assistance Council, *Information Sheet on Rural Homelessness* (Washington, D.C.: HAC, 2006).

percent of the rest of the United States. It is estimated that there are more than 750,000 persons homeless in the U.S. on any given night.² Based on conservative estimates, 9 percent of the homeless population lives in rural areas.³

Geographic, programmatic, and organizational capacity constraints often hinder the ability of rural community organizations to meet the needs of the rural homeless. For instance, many rural communities lack a system to meet emergency housing needs, and several structural issues limit the creation of these resources in rural areas. Such issues include:

- △ ***Community Awareness and Support.*** Since rural homeless people do not usually sleep outside, in emergency shelters, or in visible spaces, there may be a perception that this problem does not exist in rural communities. Thus awareness and support may be lacking.
- △ ***Access to Services.*** Rural areas have fewer service providers, and people may have to travel long distances to obtain services. The rural service providers that exist differ from their urban counterparts; they tend to provide less shelter and housing than prevention, outreach, food, and financial assistance. Small, dispersed populations make it more expensive to serve the rural homeless. In addition, the range of homeless persons' needs is just as great in rural areas as in cities.⁴ Homeless assistance resources are usually targeted to places with the largest and most visible populations, further challenging rural

² National Alliance to End Homelessness, *Homelessness Counts* (Washington, D.C.: NAEH, 2007); U.S. Department of Housing and Urban Development, *Annual Homeless Assessment Report to Congress* (Washington, D.C.: HUD, 2007).

³ Martha R. Burt, et al., Homelessness: Programs and the People They Serve, *Findings of the National Survey of Homeless Assistance Providers and Clients* (Washington, D.C.: Urban Institute, 1999).

⁴ Mary Stover, "The Hidden Homeless," in *Housing in Rural America*, ed. Joseph N. Belden and Robert J. Weiner (Thousand Oaks, Calif.: Sage Publications, 1999), 91-95.

providers.

- △ *Assessment of Need.* There is no national survey that comprehensively quantifies the rural homeless. Much of the homeless literature surveys metro and nonmetro service providers to document characteristics of the homeless population. This method is insufficient in characterizing rural homelessness since this population has less access to service providers, most likely resulting in a rural undercount. The difficulty of enumerating homeless persons leads to challenges in quantifying need, ultimately hindering policy and funding attention. In addition, many rural communities have few or no nonprofits, and limited capacity often hinders those providers that do exist.
- △ *Definitional Issues.* HUD's definition of homelessness limits resources to those who are literally homeless. Rural residents who have no permanent homes but are experiencing housing stress (e.g., overcrowding) are not counted for programs such as the Continuum of Care. Therefore, many rural communities cannot access the funding needed to address the housing and service needs of this population. These definitional issues reinforce and compound the other challenges inherent in addressing rural homelessness.

SUCCESSFUL MCKINNEY-VENTO FUNDED INTERVENTIONS

For all these reasons, using federal resources can be difficult in rural places. Because the number of homeless people in a given community is often small and congregate shelter may be viewed as inappropriate, providers in rural areas have a strong incentive to emphasize homelessness prevention and permanent "re-housing" options. They must depend, however, on the best resources available: federal McKinney-Vento programs, which focus on providing temporary housing and services to those who are literally homeless. Despite some limitations, these

programs, specifically HUD's Continuum of Care programs, can be very useful in rural places.⁵ A number of McKinney-Vento funded programs have proven successful in rural America. Some examples include:

The Center for Family Solutions -- California

The Center for Family Solutions (CFS) is located in Imperial County, a large, sparsely settled area that borders Mexico on the south and Arizona on the east. Imperial is the poorest county in California, with the lowest average annual family income, and has the highest unemployment rate of any county in the state. Imperial County's attractive climate draws a transient homeless population, in addition to homeless residents already living along the river and irrigation canal banks.

To meet local shelter needs, the Center for Family Solutions operates two emergency shelters and 14 transitional shelter apartments for women and their children who are victims of domestic violence or who are homeless for other reasons. Shelters enable CFS to provide much-needed medical, dental, legal, educational, social, and mental health services for its clients. These services include educational classes in Spanish and English, English as a Second Language, computer skills, driver's education, and a children's program.

For the individual clients, CFS's shelters have had a big impact. Women enter the transitional apartments because they need shelter and want to further their education. The participants are required to enter an academic associate degree program or certificate program at the local

⁵ Stover 1999; Housing Assistance Council, *Formulas for Success: Housing Plus Services in Rural America* (Washington, D.C.: HAC, 2006); selected articles in *Rural Voices* (HAC magazine), forthcoming, Fall 2007.

community college, participate in an internship, or attend a work-training program. In addition to having a safe and decent place to call home, participants also learn skills that will enable them to support themselves and their children in the future.

Expanding the capacity of rural homeless providers is critical. CFS shelter programs have met only a portion of the need for shelter for the homeless in Imperial County. In this large county of 4,500 square miles, needs often far exceed the available resources.

Hazard Perry County Community Ministries -- Kentucky

For Hazard-Perry County Community Ministries, a Continuum of Care grantee that provides shelter and services for homeless individuals and families in rural Kentucky, the definition of homelessness currently used has proven to be a significant challenge in meeting local needs.

There is only one homeless shelter with 20 beds in rural Hazard, Kentucky. Given the lack of options, those in critical need will often live in severely overcrowded conditions or in badly dilapidated structures. People live in campers and all manner of improvised construction. Some of these makeshift homes have electricity and plumbing, but many do not. If HUD does not recognize these people as homeless, they will not qualify for the limited aid that is available.

Perry County was fortunate to receive funding early on in the HUD Continuum of Care process. CoC funding and other resources are used to support *Community Programs*, an assistance strategy that includes emergency shelter, transitional housing, rental assistance, case

management, and a host of services. By linking these efforts, the Continuum was able to serve 350 people last year.

Working in rural areas like Hazard necessitates a level of flexibility and innovation that must be reflected in homeless programs and policy. Hazard-Perry Community Ministries has needed to adjust strategies to the realities of the demographics and geography of central Appalachia, in order to develop a comprehensive, effective, and culturally appropriate Continuum of Care.

SAFE -- West Virginia

For more than 25 years, Stop Abusive Family Environments, Inc. (SAFE) has been working to break the cycle of violence through a social justice approach that combines domestic violence services and the provision of transitional housing with permanent housing and economic development. The organization is located in McDowell County, West Virginia, and has a service area that includes McDowell, Wyoming, and Mercer Counties. These counties are situated in the southern-most part of the state.

SAFE, a participant in West Virginia's statewide Continuum of Care, operates a 31-unit transitional housing facility for victims of domestic violence. Among other services, SAFE also provides homeownership and credit counseling. SAFE became involved in permanent housing development for low-income families in 1997 and has been successful in moving formerly homeless women from temporary housing to homeownership. Many of the women that SAFE has helped to become homeowners are coming from abusive family environments resulting in issues of self-doubt and low self-esteem. The homeownership opportunity provided through the

organization's self-help homeownership program has given them a much needed sense of self-worth and the awareness that they do not have to return to their abusers.

Reauthorization of the McKinney-Vento programs will enable organizations like those above to continue providing their valuable services for rural residents.

COMMENTS ON H.R. 840 AND S. 1518

Both reauthorization measures have important components that can support the work of rural homeless providers and equip them to better serve homeless individuals and families in rural areas. At this crossroads in the dialogue, it is important to keep in mind the progress that Congress is making in adjusting McKinney-Vento to meet the complex and broad needs of rural homeless populations. In addition to increasing funding for homeless activities, both S. 1518 and H.R. 840 would make important improvements that HAC supports. The bills would:

- ***Consolidate Programs.*** Both bills would consolidate HUD's three main competitive homelessness programs (Supportive Housing Program, Shelter Plus Care, Moderate Rehabilitation/Single Room Occupancy) into one program. This change would reduce the administrative burden on communities caused by varying program requirements. Such a consolidation will benefit groups like Tennessee Valley Family Services (TVFS) in Guntersville, Alabama. TVFS serves the needs of runaway youth, other homeless youth, and children in need of supervision, offering the full continuum of runaway and homeless programs. Streamlining the application process for its varied programs would enable TVFS staff to spend more time delivering aid and less time on administrative

work.

HAC supports this provision, since it would improve rural communities' ability to apply for and receive needed homelessness assistance resources. While there are a great many rural organizations doing excellent work in serving homeless populations, many lack the administrative and organizational capacity to apply for and manage multiple funding streams. Consolidation will benefit these groups.

- ***Make Prevention an Eligible Activity.*** Since the number of homeless people in a given rural community is often small and congregate shelter is often not feasible, homeless prevention services are a very important part of homeless assistance activities in rural communities. Currently, Continuum of Care funds cannot be used for prevention activities.

By implementing these common themes into the final legislation, Congress would make tremendous strides in making McKinney-Vento programs more accessible to rural homeless providers.

EXPANDING THE DEFINITION OF HOMELESSNESS

The definition of homelessness used by the Departments of Education, Health and Human Services, and Justice would work better in rural communities, as proposed in H.R. 840. HUD's definition is targeted towards those who are literally homeless. Literal homelessness, the condition of living on the street or in a shelter, is often episodic and less common in rural areas

than in cities due to kinship networks and the lack of service providers and resources. HAC's experience is that homeless people in rural areas typically have unstable housing situations. They move from bad housing situation to another, often doubling or tripling up in other households. While housed in these unstable situations, rural homeless people do not meet HUD's definition of homelessness, which is used to determine eligibility for their homeless assistance programs.

RURAL HOUSING STABILITY ASSISTANCE PROGRAM

HAC is pleased that S. 1518 would create a new rural resource. The bill would modify the Rural Homeless Assistance Grant (RHAG) program, a rural homeless-specific assistance program that was authorized by the original McKinney-Vento Act, but never funded. This program was created to support local rural organizations providing prevention, emergency assistance, services, and housing options to precariously housed and literally homeless persons. S. 1518 changes the name of RHAG to the Rural Housing Stability Assistance program and makes amendments to the program, including but not limited to:

- △ targeting resources to re-housing or improving the housing conditions of individuals who are homeless or in the worst housing situation in a rural area;
- △ stabilizing the housing of individuals who are in danger of losing housing;
- △ providing a simplified funding application that recognizes the capacity constraints of rural community organizations; and
- △ allowing successful applicants to use up to 20 percent of their grant for capacity building activities.

For a definition of rural in this new program, HAC recommends using the USDA Rural Development definition found in Section 520 of the Housing Act of 1949 (42 U.S.C. 1490). Organizations working in rural America are very familiar with this definition.

HAC supports the Rural Housing Stability Assistance program because it will help local rural organizations both address and prevent homelessness. The importance of this flexible targeting is demonstrated by the work of Bishop Sheen Ecumenical Housing Foundation, a HAC partner and faith-based nonprofit housing organization that serves low-income families, seniors, and persons with disabilities in 13 counties in western New York. Most homes in that part of the state are aging, resulting in increased needs for rehabilitation. Last year, Sheen Housing helped rehabilitate the homes of more than 500 families, seniors, and disabled persons, thus keeping them stably housed.

A striking story illuminates the work of Sheen Housing and like organizations that help keep low-income persons away from literal homelessness. Mr. C, his wife, and his 17-year-old son are disabled and live in a remote, very rural setting. Sheen Housing received a handwritten note from this family stating their ceiling was collapsing. A representative from the New York State Office for the Aging who had stopped at the home called Sheen Housing to report that the ceiling could fall “at any time.” Sheen Housing made the needed health and safety repairs, including replacing the ceiling, repairing the roof, and painting the interior. Mr. and Mrs. C and their son are now able to remain in their home.

HAC also supports the simplified application and capacity building portions of the Rural Housing Stability Assistance program. Many rural residents are still crowded into others' homes, at risk of injury in substandard housing, unsheltered, or still paying more than they can afford for their homes, simply because community-based and faith-based organizations in their areas do not have the knowledge or funding to help them.

As an intermediary organization for 36 years, HAC has seen repeatedly that strengthening the capabilities of local rural housing organizations can provide immense benefits to rural communities. The simplified application will help rural organizations access much-needed resources. Capacity building funds will provide relatively small investments in staff training, equipment purchases, and the like that enable local rural organizations to meet the needs of homeless and precariously housed people now and in the future.

HAC fully supports the creation of the Rural Housing Stability Assistance program. It is sensitive to the needs of rural communities and presents crucial, flexible resources for rural organizations providing homeless assistance programs to their communities.

OTHER USEFUL CHANGES FOR RURAL COMMUNITIES

HAC also suggests following a change recommended in H.R. 840 -- allowing local communities to set their own priorities for spending McKinney-Vento funds, as long as those priorities are consistent with documented needs in the gaps and needs analysis required in the Continuums of Care. This would mean not codifying set-asides and incentives focusing on chronic

homelessness or any other particular homeless population. Communities could certainly choose to prioritize chronic homelessness if appropriate, but no community would be required to do so.

CONCLUSION

Thank you for this opportunity to comment on the bills before the Subcommittee and on the housing needs of rural homeless persons. I would be happy to respond to any questions.