Solving Veterans Homelessness as One in California

By Milo Peinemann and Hillary Evans, New Directions for Veterans

Introduction

This is the story of how California is leading the nation in ending homelessness among all veterans, regardless of their military service era, discharge status, or current needs. This story starts—or perhaps, one could say that it ends—with Jamal Abdul-Haqq, 63, a veteran of the United States Marines from 1970 to 1971. Abdul-Haqq, who had been homeless for more than two years, said it succinctly as he stepped up in front of the crowd at the recent grand opening of his new apartment building in the Boyle Heights community of Los Angeles.

“It’s a blessing to be able to dream in a bed, instead of dreaming of having a bed,” he said.

Abdul-Haqq, along with the 31 other veterans who now live next door to him in The Guy Gabaldon Apartments, has more than just a bed. He has an apartment in a quiet residential community where, if he opens his door, he is just a moment’s walk away from the onsite offices of a team of social workers. They know him, and when they are not running cooking classes or taking people to see the doctor, they are there to support him, if needed, in doing whatever it takes to help him maintain his housing and connect him to his VA healthcare benefits.

Guy Gabaldon is a partnership between East LA Community Corporation, a respected community development corporation focused on developing housing for local residents, and New Directions for Veterans (NDVets), a longtime veteran services provider. This development and the partnership behind it represents a best-practices model for ending homelessness, now among the highest of priorities for federal housing programs.
Thanks to voters’ recent passage of Proposition 41, the Veterans Housing and Homelessness Prevention (VHHP) Bond Act of 2014, California has doubled down on the federal investment to end veteran homelessness. Affordable buildings that set aside a range of 25 to 50 percent of units for homeless veterans are expected to be able to access some of the $600 million approved under the VHHP.1

This new availability of funding means that you can expect to see more housing like Guy Gabaldon, and it is needed in Southern California: about one out of every eight homeless veterans in the United States lives on the street or in a shelter that is less than a two-hour drive from The Guy Gabaldon Apartments.2 At last count, nearly 15,000 California veterans experienced homelessness on any given night in 2013.3 The timing of VHHP could not be better, with the first $75 million to be allocated in 2015 and operating subsidies and services funding for veterans housing being made available at the same time to match it.

This article will summarize how approaches to affordable housing under VHHP connect to major federal funding initiatives, and discuss how VHHP also serves veterans who are ineligible for housing offered under these federal programs, but are eligible for VHHP-funded housing opportunities. Finally, we will take brief look at how a longtime veteran services provider, NDVets, has adjusted to the shifting landscape.

Services Funding But No Housing

Veteran homelessness has rapidly declined thanks to a massive federal push led by President Barack Obama, who has vowed to end homelessness nationally among veterans. Key federal initiatives have come from the National Center on Homelessness Among Veterans4 and the U.S. Department of Veterans Affairs (VA). Many state and regional efforts to collaborate and coordinate veteran services have been hugely impactful. Regional support has been strong, as elected officials such as Los Angeles Mayor Eric Garcetti have taken a strong lead in supporting this effort in L.A., where success means finding housing for an estimated 291 homeless veterans per month between now and the end of 2015.

This level of success to date has been made possible by a combination of two programs used by the VA and community services providers: the Supportive Services for Veteran Families (SSVF) program, which provides targeted support to help rapidly move homeless Veterans into housing, and the Housing and Urban Development-Veterans Affairs Supportive Housing (HUD-VASH) vouchers program, a collaborative effort between HUD and VA where eligible homeless veterans receive a rental voucher from HUD, paired with VA-provided case management and supportive services. Both of these funding sources implement an approach advised by the United States Interagency Council on Homelessness (USICH), in which state, local and federal agencies invest in Permanent Supportive Housing (PSH) with Housing First as the primary solution to ending veteran homelessness. These interventions quickly move people off the street or out of temporary shelter into stable, affordable housing. USICH, VA, and HUD have actively driven this approach in California and in Los Angeles in particular, collaboratively convening local agencies and organizations in Los Angeles to strategize locally on how to end veteran homelessness.5

This powerful collaboration has pushed down homeless rates with a level of urgency that has changed the mindset of many long-term veteran services providers. At a recent conference of the National Coalition for Homeless Veterans,6 a California services provider paused in the middle of an unrelated discussion to note, “I just have to say that this has all changed so much from five years ago. This is amazing. We now have hope.”

The expansion of funding for veterans housing and homeless services has been remarkable, even with increasingly limited funding for many programs and initiatives critical to ending homelessness. Despite this, funding for services alone is not enough if high housing cost areas such as Los Angeles don’t have enough new housing units to place veterans in. Recently, NDVets housing retention specialist Emily Seagraves said she felt exasperated in light of this shortage of housing. Seagraves is one of many outreach specialists who are piloting efforts, guided by The United Way of Greater Los Angeles and Community Solutions, to prioritize support for high-need homeless veterans. After putting in major footwork with limited results to find an apartment for a disabled veteran who needed a handicapped-accessible unit near his medical service provider’s offices, she just let out a huge breath. “It can be disheartening,” she said. “It made me so sad.”

California’s Boost To Veterans’ Housing

To address the serious limitations presented by this shortage of housing units for veterans across the state, the California Department of Housing and Community Development (HCD), in collaboration with the California Housing Finance Agency (CalHFA) and California Department of Veterans Affairs (CalVet), is developing the

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VHHP Program. VHHP is poised to prioritize projects that combine supportive services and housing, including mental health and drug treatment, case management, coordination of medical care, and physical rehabilitation. This effort means that onsite supportive services will be needed in veteran housing developments. With stakeholder input, the agencies have moved to spread the funds throughout the state, with the hope that developers will use VHHP funds with 4% low-income housing tax credits (LIHTC). This would expand the overall volume of LIHTC transactions in the state by bridging the capital shortfall that comes from using 4% credits in lieu of 9% credits which, though more valuable, are capped and significantly oversubscribed. Generally, VASH vouchers (whether project-based or tenant-based) function like Section 8 vouchers, providing rent subsidy for a property. Additionally, VASH contracts include funding for direct services provision through the VA. The vouchers therefore provide both a revenue “overhang” for the site itself, at least in higher-cost areas, but also cover the cost of onsite services from federal funds, not needing to rely solely on revenues from the site’s budget.

In a likely funding structure for many projects funded under VHHP, site-level staff would be funded by a combination of operating cash flow from the building as well as directly from VASH. This dual revenue stream is perceived as an effective means of structuring services at properties. A project with 25 or 50 percent VASH vouchers would come with VA funding for those units, while the balance of the site services might be supported by cash flow from the whole building. The dual stream approach assures that the project has diverse financial stability at the site level, and from an implementation standpoint, assures that the VA-funded and locally funded community partners will work together on site. It also allows a limited number of VASH vouchers to be spread out among more sites.

NDVets has a LIHTC project coming up that is among the first that follow this structure. Veteran Village of Glendale, a partnership with developer Thomas Safran & Associates, has 43 units, of which up to 15 will be supportive housing units for individual veterans, with the rest prioritized for veterans and their families. With VASH case management supporting 15 of the units, and cash flow available to support another services position, the project will have sufficient staff and flexibility to handle some VASH services and the needs of the remaining households, as well as some services for homeless veterans who are not eligible for VASH at all.

**A Gap in Services**

The VA’s Greater Los Angeles Healthcare System (GLAHS) has been a key driver in reducing veteran homelessness in the Los Angeles area. In 2013, GLAHS treated more than 86,000 veterans, with 28,000 receiving care in its mental health programs. It has been supportive of the rollouts of SSVF and VASH homelessness programs. The VA’s move to a new patient-centered primary care delivery model has been critical as well, where these teams have targeted homeless veterans in the Los Angeles area through what are known as Homeless Patient Aligned Care Teams (HPACT), they have proven demonstrably effective in helping chronically homeless veterans with significant, immediate medical needs.

Yet the VA’s scope is limited, in that an estimated 20 to 30 percent of Los Angeles’s homeless veterans have “bad papers,” meaning that they are simply not eligible for VA healthcare. They are not part of that continuum of care. Neither is the VASH program.

It is difficult to talk to a homeless veteran who served two tours of duty, developed Post Traumatic Stress Disorder near the end of his or her second tour, then was discharged without access to healthcare benefits, and went on to spend years, often decades, homeless. Unfortunately, there is no shortage of anecdotes along these lines from veterans, illustrating the complexity of discharge statuses. In years past, prior to significant changes within the military around mental health and discrimination, soldiers received other than honorable (OTH) discharge statuses that can be traced back to their sexuality, an undiagnosed mental illness, or their substance use, all of which leave them today without VA healthcare, and often having to live with a lingering stigma. As with any disability, therefore, compassionate and innovative approaches are necessary to consider the complex narratives of each soldier and support their road home.

Identifying veterans who are not eligible for VASH can be difficult. Often, veterans do not understand the nature of their discharge or even what they are entitled to through the Veteran’s Administration. For others, their systemic experience with rejection and denials has made them weary of embracing the name of veteran. If you ask them whether they are a veteran, they might say no.

This gap in services is not new. Through the Mental Health Services Act, the Los Angeles County Department of Mental Health has worked to fill this services gap by providing services to Veterans through the Veterans and Loved Ones Recovery (VALOR) program.

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Meantime, Veterans who do not qualify for VA healthcare are connected to resources such as the Purple Heart Foundation to review their discharge statuses and petition for a change. Veterans who have a disability caused during their time in the service can petition to receive VA healthcare and can be approved, though the process of having a discharge status changed can take years. An NDVets staff member trained in this process works with tenants on their petitions and denials.

In NDVets’ case, services are structured so as to avoid turning away highly vulnerable veterans in need of housing, regardless of discharge status. At some of its LIHTC-funded housing, NDVets is able to serve veterans who are not eligible for VA healthcare by placing them in housing units that do not require VA healthcare eligibility; for example, a unit with a Section 8 voucher or rental subsidies funded through sources other than VASH.

Now, VHHP offers a structure that can be widely replicated. With VHHP units soon to be available as an option, often without VASH vouchers, there is a strong opportunity to house these veterans using other rental subsidies. VHHP buildings can provide housing, and still have cash flow available to fund services for veterans who do not qualify for VASH. Generally, the services funding mechanisms for these veterans who are not eligible for VA healthcare would not be fundamentally different than what is available for any homeless individual; in other words, there is nowhere close to enough funding to meet their needs. This makes VHHP, and a site-level structure that captures cash to pay for services outside of the VASH program, a critical component to truly ending homelessness among all veterans. This also creates an added redundancy such that, if there is any unexpected future variance in VA funding levels, each site has its own revenue source for services staff that may remain in place as long as HUD continues to fund vouchers.

**Shifting Landscapes for Longtime Veteran Services Providers**

The East LA Community Corporation-NDVets project is among the first batch of new Low Income Housing Tax Credit projects in California that have tapped into project-based HUD-VASH vouchers. For NDVets, after 25 years of providing short-term transitional housing, projects of this nature have represented a paradigm shift. Recognizing that homeless funding is focused on permanent supportive housing, and wanting to promote housing and services innovation in support of veterans, NDVets began to work in this housing partnership approach, culminating in 2013 with the opening of New Directions Sepulveda (NDS). NDS is a community of two LIHTC projects developed in partnership between A Community of Friends, a respected long-time developer of supportive housing, and NDVets which, though a longtime veteran services provider, was new to the world of tax credit housing. This site opened on VA land in the North Hills area of the City of Los Angeles. NDVets has been fortunate to partner on a Los Angeles area site with Mercy Housing California, as well. This has been a major shift for NDVets, adjusting our focus away from providing services within transitional housing to an increased focus on housing placement and retention, where transitional housing is now just one among a set of tools. NDVets has long been part of an existing veterans’ services infrastructure, but now also serves veterans through permanent supportive housing and rapid re-housing, as well as transitional housing. NDVets has found it challenging to let go of the assumption that a homeless person must be stabilized in transitional housing before they can move into permanent supportive housing, but we have been encouraged by the success of these approaches which, though not new, are new to many housing providers.

For NDVets, among other factors, the tremendous growth of permanent supportive housing has meant adjusting to a broader geography, where our staff now literally, as well as figuratively, goes out to meet homeless veterans wherever they are. It has also meant adjusting to a mode of operations where, unlike transitional housing, NDVets occupies a narrower role as the lead services provider within a larger LIHTC transaction that includes a management company, an investor, and development partners. In the meantime, though, our existing transitional housing has started to take on new shapes, in particular helping incarcerated veterans get into housing upon release from prison. And overall, it has become evident that NDVets’ ability has been significantly strengthened to help all veterans who come to us in need of a home, regardless of their military service era, discharge status, or current needs.

The expansion of permanent supportive housing and rapid re-housing for veterans has also attracted more service providers to work with veterans. VHHP is expected to drive that diversification even further. “It’s going to take all of us, working collaboratively, to end veteran homelessness, and to keep it that way in the future,” said Gregory Scott, President and CEO of NDVets. “Californians have made it clear that anyone who signed up for the U.S. military has earned the right to get our help in getting off the streets and into a safe place to live, where their struggles can become more manageable.”

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Endnotes

The Next Mission: American Veterans and the Transition Back to Civilian Communities

1 John C. Williams, Opening remarks to the Los Angeles Unite for Veterans Summit, July 16, 2014, Los Angeles, CA.
5 See note 2.
7 Ibid.
10 Ibid 2014.
11 Ibid; see also interview with Dr. Jon Sherin in this issue.
13 IAVA 2014.
15 IAVA / Prudential 2012.
16 Harrell and Berglass 2012.
17 IAVA / Prudential 2012.
18 DAV 2014.
19 IAVA 2014; IAVA / Prudential 2012
20 Castro et. al 2014
21 Ibid.
22 Harrell and Berglass 2012.
23 Harrell and Berglass 2012.
24 Hall et. al 2014; Harrell and Berglass 2012.
25 IAVA 2014.
26 Castro et. al 2014.
27 Ibid.
28 The Economist 2014.
30 Ibid.
31 Ibid.
32 IAVA 2014.
33 Castro et. al 2014.
34 Castro et. al 2014.
37 Ibid.
38 IAVA 2014.
39 Castro et. al 2014.

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4 http://www.endveteranhomelessness.org/
6 nhcv.org/index.php/about/about/who_is_nhcv
7 https://veterans.house.gov/witness-testimony/donna-m-beiter
8 http://www.endveteranhomelessness.org/programs/homeless-pact
9 http://www.va.gov/homeless/h_pact.asp
10 10 http://www.benefits.va.gov/BENEFITS/docs/COD_Factsheet.pdf
Why Financial Literacy Matters After Returning Home from War: Reducing Veteran Homelessness by Improving Money Management


11. Student Veterans in Higher Education: A Transitional Challenge


22. Ibid.


24. Ibid.

25. Ibid.

26. Student Veterans of America provides military veterans with resources, support, and advocacy needed to succeed in higher education and post-graduation. Information at: http://www.studentveterans.org


Notes from the Frontlines in the Small Business Finance Revolution: A Microlender’s View

1. https://www.sta.gov/offices/headquarters/oecp/resources/13493

2. For the purposes of this article we define small businesses as businesses with less than $1 million in annual revenues and less than five employees.


6. For a comprehensive overview of these factors please see a recent report working paper from Harvard Business School: http://www.hbs.edu/faculty/Publication%20Files/15-004_09b1f8b-b2a2-4e63-9ce4-0374f770856f.pdf

7. http://www.c金陵invest.org/system/resources/Wi1zdZkJoMvMTMvMTMvMTMvMTNvJ10TQzX0NSQ1JTVFStafG9Q0NpVz19S5ZXbc0RMjAv5wZG1XW0CRC%20Small%20Business%20Report%202013.pdf


10. Other alternative business financing such as accounts receivable finance and purchase order finance and have been excluded here as those products typically serve mid-sized businesses rather than small businesses.

11. Thanks to Brian Graham of Alliance Development for sharing this framework.


13. In addition, many online lenders partner with banks located in states with lax usury laws.

14. Credit reporting may not be possible when the entity is a corporation and the loan is not secured with a personal guarantee by the owner(s) of the business.