

## FY 2007 Appropriations – Homeless Assistance Grants January 17, 2007

Congressional appropriators have suggested that they plan to fund HUD’s Homeless Assistance Grants at the Fiscal Year 2006 level, a decision that would have disastrous consequences for over 14,000 homeless people. The Administration’s FY 2007 budget requested an increase of \$209 million for Homeless Assistance grants. The House version of the appropriations bill called for the same increase of \$209 million, while the Senate bill was a slightly lower \$185 million increase. The increase is needed to meet two goals:

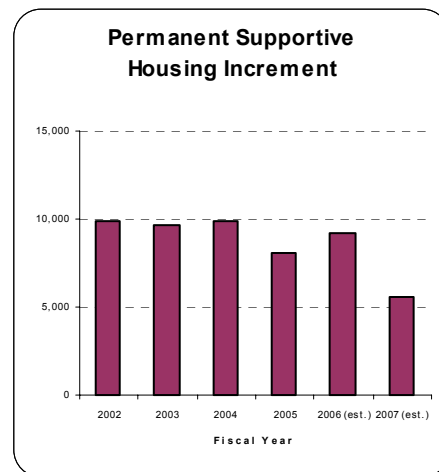
- Keep up with the increasing cost of renewing homeless assistance projects
- Begin catching up with existing need -- In the last homelessness count taken in January of 2005, 44 percent of homeless people were unsheltered

For thousands of homeless people across the country, it is critical that Congress increase HUD McKinney programs by \$185 million, as called for by the Senate last year (an even smaller increase than asked for by the President and the House), and reject funding these programs at FY 2006 levels.

### **What Would Happen Under FY 2006 Funding Levels**

Without the increase for Homeless Assistance Grants, HUD’s capacity to provide housing and services to homeless people will be greatly diminished. If FY 2007 Homeless Assistance Grants are funded at FY 2006 levels:

- There would be 6,400 fewer units of permanent supportive housing for people with disabilities than under the level proposed last year by the Senate, resulting in 11,000 fewer people being housed. As the chart shows, It would result in the lowest increment of permanent supportive housing in many years.



- There would be 1,000 fewer beds of transitional housing. Those beds would serve about 3,000 people, mostly families with children.

### **Why We Need an Increase in FY 2007 Homeless Assistance Grants**

There are a number of reasons why FY 2007 appropriations for Homeless Assistance Grants should increase to \$185 million, as called for in the Senate bill:

- **Fiscal Responsibility.** Increasing McKinney funding demonstrates fiscal foresight and responsible planning. Several studies – including ones in New York, Denver, and Portland – show that because of savings to emergency shelter, health, mental health and criminal justice systems, providing permanent supportive housing to homeless people costs the same or less than allowing them to remain homeless.
- **Strong Bipartisan Support.** Over the past decade, Democrats and Republicans in the House and Senate have supported increased funding as have Mayors, Governors and other officials in every region of the country.
- **Communities' Commitment to End Homelessness.** Well over 200 communities in every state have developed plans to end homelessness, and over 100 localities around the country have completed their plans and are working on implementing them. These plans rely on McKinney funding to develop permanent supportive housing, and, without an increase, the momentum they have generated at the local level will suffer a significant setback.

Both the House and the Senate were set to provide housing for over 14,000 homeless people and move forward in ending the national tragedy of homelessness. Now, however, Congress is considering a funding level for homeless assistance that rejects broad bipartisan support, is more costly to the public overall, and hurts homeless people and the communities working to end homelessness. Congress should increase funding for Homeless Assistance Grants to \$185 million, as called for by the Senate Appropriations bill, and provide the housing that over 14,000 homeless people desperately need.