

# Breaking the Cycle of Veteran Homelessness



BY MICHAEL MURNEY

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Since 2008, when the federal government revived the Department of Housing and Urban Development's and the Veterans Affairs Supportive Housing program (HUD-VASH), it has acted as a bulwark against veteran homelessness. HUD-VASH serves a uniquely complex subgroup of America's homeless population and is likewise composed of a uniquely complex development application and approval process. This, in turn, presents a singular set of robust incentives—and potential challenges—for prospective developers.

*Debbie Burkart*

"It's a wonderful program," says Debbie Burkart, managing director of supportive housing at National Equity Fund (NEF). "We just needed a little bit of tweaking here and there over the years."

HUD-VASH is a collaborative program between VA and HUD. The program links HUD's Housing Choice Vouchers (HCV) with VA case management and clinical services.

"VA's clinical and case management services are designed to help homeless veterans and their families obtain permanent housing and access health care, mental health treatment, and other support

necessary to help them improve their quality of life and maintain housing over time," explains Dr. Thomas O'Toole, deputy assistant undersecretary for health for clinical services, Veterans Health Administration (VHA), Department of Veterans Affairs (VA). "They are often delivered by a case management team comprised of social workers, peers (i.e., formerly homeless veterans), nurses, and other health care disciplines," O'Toole says.

## A Powerful Solution for a Significant Need

Though the program was formally started in 1992, the Bush Administration revived and expanded it in 2008 to address the growing national population of veterans experiencing homelessness. The Bush administration requested and received increased funding for HUD-VASH, including \$75 million in the FY 2009 budget to house and serve 10,000 homeless veterans.

Since then, HUD-VASH has seen steady growth, with congressional appropriations increasing every year since 2008, [according to HUD](#).

HUD-VASH emerged during the Bush presidency as a response to the significant issue of veteran homelessness, with veterans overrepresented within the homeless population compared to their share of the total civilian population. According to a November 2007 [Homelessness Research Institute \(HRI\) analysis](#), by 2006, veterans constituted about 26 percent of the homeless population, but only 11 percent of the total civilian population ages 18 and above. HRI found that, in 2006, around 336,627 veterans were living on the street over the year, with approximately 195,827 veterans homeless on a given night.



*Dr. Thomas O'Toole*

HUD-VASH saw its first significant budget investment during the last year of the Bush administration in 2008. Under President Barack Obama, VA and HUD took a more ambitious approach to combating homelessness among veterans, and Congress supported the HUD-VASH program's growth.

"When Obama became president, [VA Secretary Eric] Shinseki put out a challenge to end veteran homelessness within five years," says Burkart. "It was the first time that there was a coordinated push, with federal resources and public/private partnerships, to reduce the number of homeless veterans on the street."

The magnitude of the veteran homelessness problem spurred Congress to act. "We've seen Congress rise to the occasion and allocate more HUD-VASH vouchers each year, as well as fund other programs to support veterans and their families experiencing homelessness," Burkart says.

Now, over 92,000 veterans are currently using HUD-VASH vouchers to rent nationwide, according to O'Toole.

Congress's investment in expanding HUD-VASH has had a significant positive impact: a record-low 32,882 veterans were [experiencing homelessness in January 2024](#), when the last Point-in-Time (PIT) count was conducted. This represents an overall reduction of more than 55 percent since the first PIT count in 2009, when HUD started to include data on veterans experiencing homelessness.<sup>[1]</sup>

### **Streamlining HUD-VASH**

HUD-VASH is a partnership between two federal agencies and requires coordination between the local Public Housing Agency (PHA) and Veterans Affairs Medical Center (VAMC). Unlike HUD's Section 8 Housing Choice Voucher program (HCV), HUD-VASH involves a dual agency process before veterans receive support and move into a unit.

VAMCs identify and screen homeless veterans who are eligible for the HUD-VASH program and agree to participate in VA case management. The local PHA is responsible for housing quality standards inspections of the unit, rental payments, and limited background checks.

This two-step process increases the administrative burden on developers seeking referrals during the lease-up of their projects, which Burkart says is one of the program's "main barriers." However, "you can't really get around that," she says. "It requires understanding the process and developing relationships at both agencies."

Despite the steady growth and evident success of the program, there were still elements of HUD-VASH that deterred potential developers from engaging with it on a tenant- and project-based basis. Policy changes in the last ten years, and a significant one last fall, have helped improve its use as a financing tool in Low Income Housing Tax Credit projects.

For example, Treasury action for LIHTC projects, adopted in the fall of 2024, changed HUD rules to allow for the exclusion of VA disability benefits for purposes of income eligibility in the LIHTC program. This significantly improved the ability to lease up project-based HUD-VASH units in LIHTC deals, according to Burkart, since many homeless veterans would otherwise be ineligible for a project's LIHTC units set at 30 percent of area median income due to VA benefits. With this policy change, disability income is no longer counted in the LIHTC income eligibility test, allowing developers to maximize rental income using HUD-VASH, increasing the pool of HUD-VASH-eligible veterans who experience homelessness, and ultimately expediting the leasing of project-based HUD-VASH units.

This significant change is part of a wider expansion of the use of HUD-VASH in a project-based capacity. When the HUD-VASH program was restarted in 2008, the emphasis was on its use as a tenant-based voucher, with the reasoning being that tenant-based vouchers—provided directly to individuals, rather than future projects—could expedite the process of moving veterans from the streets into housing. Thus, project-based use of HUD-VASH was generally discouraged and was allowed initially only on a case-by-case basis. At the time, only a small number of local housing authorities utilized the program for project-based funding, Burkart says.

However, Burkart notes that some policymakers eventually determined that project-based HUD-VASH contracts could lock in affordability of units for decades and could help create a veteran-focused community within a housing development, fostering peer support among neighbors with shared experiences. So, over time, rules were loosened to provide PHAs with greater flexibility to administer project-based HUD-VASH contracts.

In particular, in 2012, VA began promoting more construction of housing on the VA medical campuses through an initiative called the Enhanced Use Lease program, which enables developers to build affordable supportive housing on VA medical campuses. Project-based HUD-VASH was an instrumental financing tool to move that initiative forward.

“This change in policy,” Burkart says, “facilitated another goal of the VA, to develop underutilized VAMCs that had excess land and obsolete buildings, adjacent to VA medical care, psychiatric care, and social services. With project-based HUD-VASH contracts, developers could move ahead with their plans to build affordable and supportive housing on VA medical campuses under Enhanced Use Leases. HUD-VASH provided the key leveraging financial tool to secure LIHTCs and public funding.”

Burkart says that VA and HUD could make even more strides towards breaking the cycle of veteran homelessness by streamlining HUD-VASH rules for project-based developments and incentivizing developers to create even more veteran-centric housing projects aimed at providing both housing and comprehensive clinical and counseling services in one place.

Indeed, while project-based rules have changed to expand access for developers since 2012, “the majority of HUD-VASH vouchers are tenant-based, i.e., rental subsidies are provided on behalf of the family or individual, so that participants can find their own housing, including single-family homes, townhouses, and apartments,” says O’Toole.

Burkart emphasizes that just because there are still opportunities for improvement in the program does not mean it has not already been effective. “What was really wonderful,” she says, has been the “dedication of a rental subsidy (HUD-VASH) for a sub-population of homelessness in partnership with the private sector [to create] a comprehensive and integrated approach to this complex problem. We were really able to make a dent in the number of veterans on the street,” says Burkart.

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[1] HUD began conducting the PIT count of people experiencing homelessness in 2005 and added veterans to the sub-populations tracked in 2009. The counts are conducted on a single night in January to provide a snapshot of the number of people experiencing homelessness, both sheltered and unsheltered.

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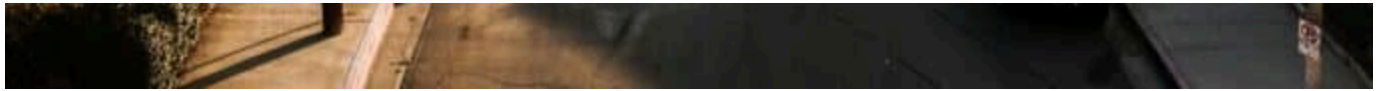
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