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Committee on Veterans Affairs
Senate Transportation and Housing Committee
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Re: Veterans Housing and Homeless Prevention Program

Good afternoon honorable members of the committee. My name is Dana Trujillo. I am the Chief Real Estate Officer for Skid Row Housing Trust. Thank you for the opportunity to speak here today.

Skid Row Housing Trust is a leading permanent supportive housing provider in Southern California. We are both a real estate developer and a direct service provider. Over the past 25 years we have developed almost 2000 units of PSH in Los Angeles.

The Trust is known nationally for its high quality designed housing as well as the innovative service models that we utilize which have resulted in positive recovery and health outcomes for our residents. Just this past year one of our developments, the Star Apartments, was selected as one of the top 25 innovations for 2015 by *Time Magazine*.

I am here today to provide feedback on the VHHP program because of our early interest and engagement with the program and our utilization of VHHP funds. In the first round, Skid Row Housing Trust received 2 VHHP awards. One project is a new construction project with 100 units. 50% of those will be VHHP units. The other project is an existing affordable project with 106 units. 10% of those will be VHHP units after rehab is completed. In total, we received approximately \$7 MM for 59 VHHP supportive housing units. This round we have submitted 3 applications. All of those are for rehabs of existing affordable projects (each one has about 100 units). At those projects we are dedicating between 10-20% of the units to veterans. The applications total almost \$8 MM for 54 VHHP supportive housing units.

Skid Row Housing Trust focuses on housing the most vulnerable individuals in Los Angeles; those that are most in need of housing & services. We serve primarily individuals who are suffering from chronic homelessness. They typically have several mental illness, chronic health conditions and substance abuse issues. Of the 1800 units currently owned and operated by the Trust, approximately 3% are formally restricted for homeless veterans. However, based on resident feedback, we estimate that across our portfolio about 20% of our residents have been in military service.

As an experienced service and housing provider the Trust has been extremely successful at serving those with the highest vulnerability. During 2015 90% of our existing and new residents across our entire portfolio remained in housing at the end of the year.

At one of our developments, where we have partnered with the Department of Mental Health and a local Federally Qualified Health Clinic (or FQHC), we are tracking detailed resident outcomes and we are amazing results! This project is called the New Genesis Apartments. It is 106 units on a prominent mixed use street in downtown. The New Genesis serves 75% homeless individuals and 25% low income artists.

We have 41 residents who have been participating in a long term study since the building opened 3 years ago. Those participants, when they entered housing, were all chronically homeless, had a dual diagnosis, or more had several chemical dependencies.

After 3 years of living at the New Genesis and receiving high quality services 100% of participants are coping with their mental illness & actively engaged in recovery. The study has shown that visits to the Emergency Room have dropped dramatically and incarcerations have been eliminated altogether.

Before they were housed, 67% of individuals were frequently visiting the ER. 7% of them went to the ER more than 10 TIMES in a year. After 3 years of being housed, only 8% went to the ER at all ---- and they all went 3 times or less. Let me repeat that, ER visits went from 67% TO 8% in 3 years for a group that was extremely sick with chronic health conditions.

Another tremendous outcome is that, after 3 years, we are seeing that 100% of the participants are abstinent or have minimal impairment from drugs or alcohol. All of this was achieved through onsite dedicated services and case management, including collaboration with medical professionals focusing on health and wellness. I want to emphasize that the sober living or abstinence is not required at the New Genesis.

The Trust follows Housing First and what is called the Harm Reduction model. We meet residents where they are at, and with these practices we know that we can achieve dramatic behavioral improvements with regard to drugs and alcohol.

Now that you know who Skid Row Housing Trust is. I want to focus my attention back to the VHHP program.

The Trust was drawn to VHHP, because the goals of the program align nicely with the mission and resident programs at the Trust. We have been able to seamlessly layer this program with the funding programs and services programs already being utilized in our planned developments. As I stated before, about 20% of our existing residents are veterans who were experiencing homelessness when they came to the Trust.

Restricting a percentage of units in our developments to be dedicated to veterans was really just formally recognizing what already exists in the homeless community in Los Angeles: That a significant percentage of homeless and chronically homeless individuals are veterans. What VHHP has done is brought much needed capital resources to PSH projects that may not have happened without that funding. Even if the projects would have moved forward, they would have taken longer to get them developed.

The VHHP program has created a source for gap financing. It is not only producing units for veterans, but also helping affordable and supportive housing projects to move forward by filling funding gaps.

There are some key features of the VHHP program that I think make it successful:

1. The program is flexible. It can fund all types of housing, combinations of populations, families, individuals, supportive housing, affordable. Like the general population, veterans have a variety of need, and the flexible nature of the program produces a variety of housing types, which gives veterans choice.

2. Under the revised guidelines, project income can be used to fund case management. As stated before, case management is crucial to the success of permanent supportive housing.
3. VHHP allows providers to serve veterans of all types of discharge status, including those that were dishonorably discharged. It is difficult for a Housing First organization, to utilize other financing (such as VASH) when you have to deny applicants because they don't have the necessary discharge status. That is why the Trust has tended to use rental subsidies other than VASH. As such, we applaud VHHP for not defining veterans based on discharge status.

In general, the state agencies have done a good job with incorporating stakeholder feedback into the guidelines and overall it is a very user friendly and efficient program.

A couple recommendations we have for improvement include:

1. The 20% requirement for veteran restricted housing across portfolio (or across your entire clientele) to receive full points for an experienced service provider is creating an unnecessary barrier for highly qualified service providers. It seems like an unnecessary high bar and is penalizing highly experienced homeless service providers.
2. In addition, we are missing an opportunity to use the operating subsidy to deeply target veterans most in need. The current per unit caps are not high enough to supplement costs for a veteran who has no or minimal income.

Again, thank you for the opportunity to provide testimony.