

Mr. Tim Cantwell, Manager, Cloudbreak Development, LLC, Inglewood, CA

Testimony before the  
United States Senate  
Committee on Veterans Affairs

Regarding the effectiveness of homeless programs  
Operated by the Department of Veterans Affairs  
and its Federal partners.

March 16, 2006

of

Thomas R. Cantwell, Jr.  
Manager, Cloudbreak Development, LLC

on behalf of

A Public/Private Collaboration for Homeless Veterans  
known as

U.S. VETS

between

The Cloudbreak Development family of Companies  
(for profit Special Needs Real Estate Development)  
&  
United States Veterans Initiative  
(A 501 (c) (3) non profit Homeless Veteran Service Provider)

The mission of U.S. VETS is the successful reintegration of the greatest number of homeless veterans to their highest level of independence as rapidly as possible.

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U.S.VETS is a collaboration primarily between the Cloudbreak Development family of companies owned by Cantwell-Anderson, Inc. (a for profit real estate developer) and United States Veterans Initiative (a non-profit homeless veteran service provider). Today, we collectively operate service enriched housing facilities for over 2000 homeless veterans (694 of which are per diem beds) in nine locations (7 sites are per diem and HVRP supported)

throughout the country, and services-only programs in two additional locations. With property in some stage of development we anticipate total housing capacity to approach 4000 veterans. An alarming new homeless veteran population is surfacing. In virtually all of our sites we are seeing Iraqi war homeless veterans. Disturbingly, many of these mostly able-bodied young men are clearly disoriented. Incidence of PTSD is rampant and we suspect what we see today is but the tip of the iceberg.

Operating housing in Hawaii, California, Nevada, Arizona, Texas, and Washington DC, a GPD service center in Houston, and an Americorps program in VSN 3 (New York City area and New Jersey), U.S.VETS serves more 10,000 individual veterans each year, placing more than 1000 annually in jobs. The attached Exhibit A "U.S. VETS HOUSING PROGRAMS" detail beds and average job placement wage by location.

Beginning with one site in 1993, U.S.VETS has housed over 14,000 homeless veterans. We measure outcomes and they are remarkable. This itself a testimony to the fundamental commitment of the vets we serve and the coordination with the existing community care system in which we are located including the attendant VHA system. When placed in our VA Per Diem and HVRP programs the following tables (for Westside Residence Hall in Los Angeles) show you both a one year set of objectives as well as results by year 2000-2005:

-Table #2 shows that for 2005 approximately 84% maintained sobriety, of those relapsing 50% returned to treatment.

-Table #3 shows that for 2005 approximately 85% transitioned from the VA Per Diems programs to long term housing.

-Table #4 shows that for 2005 over 80% remained in that housing for more than 6 months.

-Table #5 shows that for 2005 approximately 81% of obtained employment within 90 days.

-the U.S. VETS HOUSING PROGRAMS Table shows an average wage placement rate of \$9.51 per hour.

At the former Cabrillo Savannah Naval Housing Base we first acquired control (thru the 1994 base closure process) then conceived, planned, entitled, developed and have managed through to delivery and operations a Residential Planned Community for homeless veterans, families and youth. With financing primarily from Century Housing Corporation and tax credit equity from John Hancock Realty (aggregating \$40M), the development is now housing over 500 veterans and more than 250 women and children in specialized family programs run by Catholic Charities, Salvation Army, New Image, 1736 Family Crisis Center, and Changing Spirits (a Native American Indian Treatment program), a child care center, homeless transitional school (Long Beach Unified), on campus college teaching (Long Beach City College), and a Long Beach VAMC substance abuse clinic. With active new development under way the full 921 beds and the nearly 80,000 square feet of commercial education and training services space approved through the City of Long Beach entitlement process in 1998 (General Plan Amendment, Zone Change, Use permit, and multiple tract maps) should be achieved within the next 5 years.

All our sites operate within a self determined, case managed, full accountability modality. The VA grant and Per Diem and Per Diem Only programs regularly combined with HVRP, HUD, Americorps, State, County, City and local private funds have allowed us to create a specific Fathers Program for veteran fathers with dependent children, a program for veterans with High Barriers to employment, the largest female veteran program in the country with a special unit for sexual trauma victims (Long Beach VAMC), several dually-diagnosed programs for chronically homeless mentally ill veterans, and a special needs Critical Time Intervention effort (Houston

VAMC). Westside Residence Hall has a has an on campus Mental Health Clinic (West L.A. VAMC) that provides crisis intervention and case management to veterans not in the per diem supported beds. The VA Compensated Work Therapy programs are actively engaged with our veteran residents for initial stabilization when appropriate and in locations where it is available. Everywhere we link with VA outreach from the HVHC and coordinate with their VASH programs.

It works. In 1996 the general consensus homeless estimate that on any given night for the streets of LA County was around 80,000 individuals and of that 24,000-27,000 were estimated to be veterans. In 2005, The Los Angeles Homeless Services Authority's Greater Los Angeles Homeless Count released in January 2006 indicates there are now more than 88,000 homeless individuals on any given night but of those only 18,000 were veterans. This is a reduction in both absolute and percentage terms. While there are flaws in comparing estimate to actual, the fact is that in 1992 there were only 69 beds across all of L.A.'s shelter system for vets, and today, there are nearly 2,000. 1,200 of these are supported by VA Per Diem dollars. U.S.VETS provides 1,000, or 50% of the total veteran specific beds, and 312 (25%) of the VA Per Diem supported beds.

We believe that the ability of the L.A. system to place a motivated homeless veteran into an appropriate setting on a same day basis, has contributed to a reduction in the number of homeless veterans. Clearly the carefully woven effort in L.A. is having an impact. The hand up not a hand out philosophy is proving its worth. The coordinated effort of the Greater LA VAMC system and the Community Based Service Providers are chipping away at the problem.

L.A. still has the highest homeless veteran population in the country; so much more is to be accomplished. However this progress should give this committee great comfort and satisfaction.

Authorize. Keep the specialized programs of the VA and DOL authorized and funded to the fullest possible extent. NCHV has suggested funding levels by program which we support. Furthermore we join them in urging you to establish a specialized homeless program specific purpose account within VA medical services appropriation and ensure that of such sums appropriated annually for VA medical services, the greater of a fixed sum of \$345,672,000 or 1.26% of the total medical services appropriation be reserved for specialized homeless programs.

Simplify. The lowest cost per day of inpatient care in the veterans' health care system is their domiciliary operations of at least \$150 per day. Most VA contracted substance abuse treatment programs exceed \$60 per day some are over \$100 per day. Surely it is safe to say that if a homeless veteran provider is delivering beds scrutinized by VA life safety inspections, meals approved by a VA dietician, and services that may include substance abuse treatment, case management, job placement, and life skills development, it's safe to say that's worth at least \$30/day. One can't rent a low end hotel room for less than \$45 per day except in the softest of markets? much less with food and services of any kind. Right now, community based providers are spending scarce time and resources to demonstrate their need for \$30 per day. If the provider is successful in getting additional funding from agencies or corporations, they are required to reduce their per diem payment accordingly, thereby assuring that the provider can never increase its capacity to do anything. Simplify the process and structure the per diem payments as a fee paid by VHA set at the current State Home Domiciliary rate! Look to the VA monitors to review the quality of services delivered pursuant to the contract developed following the grant

application award. Measure outcomes?it can be that simple.

Clarify. The point is, it works! How? Because we have leveraged and combined funds from DVA, DOL, HUD, and CNS to provide housing, treatment, training and employment, and a variety of supportive services?

Taxpayers have invested lots of resources in trying to address the homeless issue, and specifically the homeless veteran issue. There has been an underlying presumption that there have been a variety of resources available through HUD, VA, DOL, and HHS that could be accessible for providers serving homeless veterans. In fact Congress saw fit to increase funding to many of these programs. An underlying mandate came with this funding, that they would be leveraged and combined with other available federal and local resources to take the otherwise fragmented service delivery and stitch it into a seamless delivery for the homeless veterans we are targeting. The creation of the Samaritan funding for chronically homeless is based on the idea that these funds should be used together and leveraged to create the greatest possibility of success for the hardest to serve populations.

The Interagency Council on Homelessness is charged with being sure that federal agencies are coordinating efforts to end homelessness! We should be combining all federal, state and local resources to get the best possible service delivery for these men and women who have served their country. No one agency can fund all these costs. Surely, it is the congressional intent that we collaborate in everything and are redundant in nothing.

While everyone talks about collaborating and coordinating funds and services, and we're told the best programs do that, there appears to a lack of clarity on whether these VA program funds can be used to leverage or match other federal funds to assist homeless veterans. This committee should clearly provide that these funds can be used for this purpose.