

Study Points to Significant Need Among Veterans for Affordable Housing, Services

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The word “veteran” tends to conjure up images of an older generation, one that served in wars of yesteryear. But take a look at the statistics, and a very different picture emerges.

Nationwide, over 60% of veterans are under the age of 65.

Population	Veterans	Male	Female	Age 18-64	Age 65+
United States	23,425,051	93%	7%	61%	39%
Massachusetts	453,873	95%	6%	53%	47%
City of Boston	23,217	93%	7%	64%	36%

Source: 2006 American Community Survey

In places like Greater Boston, it is these younger veterans who lack choices for permanent affordable housing options, not their older peers who can turn to public housing, according to a recent study of area veterans housing by LDS Consulting Group, LLC. Their needs, the study found, go beyond housing as they struggle with issues from traumatic brain injury to unemployment.

To assist these veterans, experts say, developers and service providers need to partner up and employ creative financing.

“We need to take a holistic approach to the problem,” said Mark Winkeller, Ph.D, executive director of Caritas Communities, Greater Boston’s largest nonprofit owner of affordable single-room occupancy (SRO) housing.

LDS, based in Newton, MA, conducted the veterans housing needs study for Caritas Communities this year to help the organization determine how to best redevelop an existing building in Boston into veterans housing.

The study focused on the Greater Boston area and included information from state agencies as well as local officials in 41 communities. The goal was to quantify the supply of housing available to veterans in the study area and determine what type of veterans housing was most needed.

Younger Generation in Need

In Massachusetts and Boston, like elsewhere, the majority of veterans are under age 65. This population of younger veterans in need of housing is expected to grow as more men and women return from the wars in Iraq and Afghanistan. According to the U.S. Department of Veterans Affairs (VA), those recently separated from the military are at an increased risk of unemployment and homelessness.

Massachusetts Department of Veterans Services officials saw an increase in the number of families sheltered in hotels last summer. This trend was mirrored by veterans who were “couch surfing” or doubling up with friends and families – a more desirable alternative to shelters.

The problem appears amplified in Boston, where the rate of unemployment (6.9%) and poverty (10.6%) among veterans is higher than for veterans statewide, LDS found. An estimated 1,975 homeless veterans lived in the Boston area in Fiscal 2007, according to a federal report.¹ Area homeless veterans and service providers ranked permanent housing as the second highest unmet veterans need out of 38 categories.

The LDS study also noted many Korean and Vietnam war veterans struggle with drug and alcohol problems or have criminal backgrounds that stand as barriers to permanent housing.

Shortage of Housing Options

Despite the great need, there are very few permanent rental housing options in Greater Boston for veterans, according to the study. Most, including facilities in Quincy and New Bedford, are SRO and efficiency units that target homeless veterans.

Nationwide, the state-funded public housing (Chapter 200) built after World War II for veterans has since been integrated into the public housing stock. Very few veterans currently live in this type of housing, which is managed by local housing authorities.

The majority of public housing in the Greater Boston area studied by LDS is for seniors, and waiting lists are long for most of the multifamily public housing facilities. In addition, the degree of preference to veterans for admission to public housing in Massachusetts varies with each housing authority. It ranks sixth on the list of preferences among housing authorities in Greater Boston.

Meanwhile, veterans wait in line for vacant public housing units. In Boston alone, more than 450 veterans are on the Boston Housing Authority's waiting list. Approximately one-third of these veterans are homeless; 80% are under age 62

Need for Different Kind of Housing

The LDS study concluded a need in the Greater Boston area for private, permanent, affordable rental apartments for veterans and their families. This younger generation of veterans is looking for housing units that contain full kitchens and bathrooms that afford them dignity and privacy. The study noted that buildings should be in close proximity to public transportation, jobs, health care, and other services.

For many veterans, public housing is seen as a last resort. Younger veterans take pride in their independence and not relying on others for assistance. They prefer private apartments over subsidized public housing, which many veterans view as a handout.

Beyond a home, LDS determined that veterans in the Boston area need supportive services. The rate of disability among veterans in Boston, 31%, was nearly double that of non-veterans.² Further, a growing number of combat veterans nationally, up to 300,000, are suffering from mild traumatic brain injuries or concussions sustained while serving in Iraq and Afghanistan. Tens of thousands have long-term health issues such as headaches, dizziness, and memory loss.

Many women veterans in Massachusetts also have post-traumatic stress disorder, having seen combat or experienced military sexual trauma, according to a state veterans agency.³ The percentage of women with families on active duty jumped from 5% in the 1980s to 15% in 2008.³

Creative Solutions

There are a few funding options available for developing veterans housing, each with its own benefits and constraints. These include the:

1. **VA Loan Guarantee Program for Transitional Multi-Family Housing.** This pilot program, started in 1998 and limited to 15 developments, provides low-cost construction and permanent financing for projects larger than 100 units. Only one project has been built so far, in Chicago. The constraints are a lack of operating funds and the required large size for projects. VA is looking at re-working the program to make it more user-friendly.
2. **VA Enhanced-Use Lease Program.** This allows organizations to re-purpose buildings on existing VA campuses at a long-term lease rate of \$1 per year plus reimbursement for utilities.
3. **HUD Veterans Affairs Supportive Housing (VASH) Program.** This joint program of the U.S. Department of Housing and Urban Development and the VA provides permanent housing and ongoing treatment services to harder-to-serve homeless, mentally ill veterans, and those suffering from substance abuse disorders. HUD provides tenant-based housing rental vouchers for the veterans residing in this supportive permanent housing. Constraints from a funding standpoint are that the vouchers are mobile and issued only for a 10-year term.
4. **VA Grant and Per Diem Programs.** These twin programs provide grants and per diem funds to community agencies to help pay for providing services to homeless veterans for transitional housing. The grant program pays up to 65% of the costs of construction, renovation, or acquisition of a building for use as a service center or transitional housing for homeless veterans. The per diem program provides funds for operational costs for facilities or services, such as maintenance and staffing.

None of these programs alone is sufficient for the feasibility of projects, and only two are for supportive permanent housing. Multiple sources of soft debt are needed to create and sustain a development. A common thread to the success of developments under these programs has been the opportunity for sponsors to acquire land and/or buildings at a nominal cost.

Caritas Developments

Caritas Communities is among organizations and agencies working to meet the housing needs of veterans in Massachusetts. This nonprofit, based in Braintree, built a 60-unit SRO facility on the campus of the Bedford Veterans Hospital in 2007 under the VA's Enhanced-Use

Lease Pro³gram. Theⁱⁱⁱ annual lease payment is \$1, and Caritas reimburses the VA for its share of utility costs. While the facility is near the hospital with its supportive services, residents can be challenged in trying to find jobs and transportation to work.

For its next project, Caritas wants to redevelop a vacant building in South Boston into veterans housing with permanent housing and transitional housing components. The organization hopes to secure long-term control of the municipal-owned property for a modest amount of money in 2009, said Caritas' Mark Winkeller. This low property cost is necessary to make the project work, he said. A combination of tax credits and state and city money is expected to fund the project. Caritas is also looking at the VA Grant and Per Diem program for funding the transitional housing piece.

Caritas is also moving forward with 19 one-bedroom apartments for veterans in New Bedford, MA. This city has a large population of veterans and strong network of supportive services.

Separately, LDS is working with a local developer who is redeveloping a former mill in western Massachusetts into 70 units of permanent supportive veterans housing using VASH

vouchers. A local veterans social services organization will provide supportive services to residents. The developer is examining various possible funding sources, including, tax credits, HUD's Section 221(d) insured loan program, federal HOME program dollars, and monies from the Massachusetts Affordable Housing Trust Fund.

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Online Resources

Corporation for Supportive Housing
Guidebook for Developing Permanent Supportive Housing for Homeless Veterans
<http://www.csh.org/index.cfm?fuseaction=page.viewPage&pageID=3745&nodeID=81>

Ending Homelessness Among Veterans through Permanent Supportive Housing (report)
<http://www.voa.org/portals/40/veterans-leadership-dialogue-final-web.pdf>

¹Draft 2007 federal Department of Veterans Affairs' CHALENG Report

² 2006 American Community Survey

³ Women Veterans' Network of the Massachusetts Department of Veterans' Services
