

MEMORANDUM

TO: Regional Steering Committee on Homelessness and Housing

FROM: HomeBase

RE: Homelessness Assistance and its Alternatives

DATE: April 18, 2008

Background

For years the Regional Steering Committee has debated the merits of Housing First and Rapid Re-Housing against the traditional continuum of care of shelter, transitional housing and permanent supportive housing. The RSC has reviewed new research on the issues whenever such research has been published, including the cost of the traditional system vs. Housing First and the relative successes of each system. Today that debate continues with a new article published by Dennis Culhane and Stephen Metreux: *Rearranging the Deck Chairs or Reallocating the Life Boats: Homelessness Assistance and its Alternatives*.¹ This memo summarizes that article.

Introduction

Historically, services for the homeless have focused on assisting households only when they are literally homeless, and then in a manner that duplicates and often supplants the services of more mainstream social welfare systems like corrections, substance abuse treatment, income maintenance, housing assistance, mental health, and child welfare services. The growth of this “parallel system” has been facilitated by HUD’s continuum of care (CoC) policy. In this system, shelters have become more rehabilitative, with households served for longer periods of time and at greater cost, rather than shelters serving as crisis housing.

In this article the authors propose an alternative to the shelter/ transitional housing continuum of care system currently in place. They believe their alternative has potential to reduce, and possibly end, homelessness based on what is known about how individuals and families use the current homelessness service system. They emphasize approaches that more deliberately couple housing and services with need and suggest reallocating resources to community programs that provide services regardless of housing status, rather than through residential institutions such as shelters.

The authors argue that homelessness should be reframed, and rather than focusing narrowly on bouts of outright lack of shelter, should address the broader experience of an imminent or existing housing emergency. In such a framework, interventions to reduce homelessness should be redirected from providing shelter alone to assisting households

¹ Journal of the American Planning Association 74.1 (2008): 111-121. Available at: http://works.bepress.com/dennis_culhane/51

with a range of potential interventions that optimize housing stability and efficiency. Most homeless households need temporary, low-cost assistance with resolving a recent housing loss or other displacement, or with transitioning out of an institutional living environment. They do not necessarily need a shelter stay or a shelter stay of long duration. Under the authors' alternative approach to the CoC, fewer households would require long-term programmatic housing and services.

Most social welfare and social insurance programs use such an approach, offering the least expensive interventions first, and reserving more costly interventions for those few with the most complex needs. This model provides a framework for the interventions proposed in the following sections.

Homeless Single Adults

The authors argue that housing and services could be delivered to homeless single adults more efficiently and more effectively by better matching needs and resources.

Shelter users can be sorted into three types according to patterns of homelessness: transitional, episodic, and chronic. Data from Philadelphia show that transitional shelter users represent about 80% of the sheltered adult population, while the episodic and chronic subgroups represent 9% and 11% of shelter users, respectively. Transitional users account for 33% of the total bed days; episodic shelter users use 17% of the bed days; and the chronic shelter users, while only 11% of the shelter population, account for 50% of the total system bed days. In general, transitional shelter users have the lowest rates of mental health or substance abuse treatment. They are also younger and have fewer physical disabilities. Chronic shelter users are older and have the highest rates of behavioral health treatment and disability, with 83% having some record indicative of a disability. The episodic users occupy a middle ground.

Alternative Responses to Chronic and Episodic Homelessness Among Single Adults

Data suggests that chronic users of homeless shelters, and episodic shelter users who spend time homeless on the streets and in other locations, remain homeless because they have health-related barriers which, combined with insufficient residential support from the community treatment system and their very low incomes, make it difficult for them to avoid occasional homelessness.

Clearly, one alternative would be to provide people who experience chronic or frequent episodic homelessness with subsidized housing and access to the services they need to maintain housing. Depending on the jurisdiction, the costs of supportive housing could be wholly or partially offset by reducing the use of emergency shelters and collateral services. In many jurisdictions, expenditures for shelters that essentially maintain a person in a state of homelessness could be reallocated to offset the cost of rental subsidies that provide permanent housing. One study of chronically homeless people with severe mental illness in New York City found a combined average annual cost associated with services in public corrections, health, mental health, and shelter systems to be \$40,500. When persons in this study were provided with supportive housing, all but \$1,000 of the additional cost was offset by their reduced use of these other services. Thus, it is not

substantially more expensive to house the chronically homeless who have extreme services needs than to leave them homeless. National and local advocates for the homeless have established this as a policy priority relatively recently.

Alternative Responses to Transitional Homelessness Among Single Adults

Reducing homelessness among the population of adults who are not chronically homeless will require a different set of strategies. They are not likely to use services as extensively, thus they occasion fewer cost savings if we change the existing system, yet many are also likely to be capable of regaining stable housing without long-term housing and support services. Interventions should seek to support these people on a temporary basis to facilitate their exits from homelessness. The authors consider two potential means of accomplishing this: transitional residential programming and relocation assistance.

Transitional residential programming would focus on individuals who, in the absence of supports, would be homeless after being discharged from an institution. Approximately 3% to 5% of persons in institutions such as psychiatric hospitals, detoxification centers, and prisons enter shelters shortly after being discharged. Transitional programming for such persons could range from residential facilities like halfway houses or supported communities (for people leaving prison or substance abuse detoxification, for example), to independent living programs with mobile, as-needed support services (for youth or young adults with recent foster care experience). Such programs would seek to move people to self-sufficiency and community-based support within specified time periods.

These programs would be preferable to homeless shelters because they could be vertically integrated extensions of the care systems from which people have recently come. Evidence also shows that people who become homeless after being discharged from such systems have a higher rate of recidivism to them. Thus, these institutions have an incentive to prevent their clients from slipping backward and requiring re-institutionalization.

Some existing shelter facilities could be reconfigured to serve in these new capacities as facilities focused on more service-oriented and population-specific purposes. The goal would be to convert existing shelters into residential facilities providing transitional services to specific populations for limited amounts of time.

For those adults who experience short-term, transitional homelessness and who have not recently come from institutions, relocation assistance could reduce or supplant shelter stays. Relocation or resettlement assistance could take the form of modest emergency cash assistance or shallow rent subsidies, coupled with an assessment and referral for social support and employment services as needed.

Families With Minor Children

The vast majority of families experience single episodes of relatively short duration, and two much smaller groups experience either multiple episodes (episodic) or shelter stays of long duration (long-stayers). However, the proportion of families with long shelter

stays (20% to 22%) is nearly twice the proportion of single adults who have long, continuous shelter stays (11%).

As a group, the long-term shelter users among families are not any more likely to have mental health or substance abuse problems or child welfare system involvement than the short-term homeless. They are also more likely to be employed, and less likely to have disabilities than the other groups. Overall, while they still represent a minority of the service users, the long-term stayers consume 50% of the shelter system resources, at a cost of \$22,000 to \$55,000 per family per stay, depending on the jurisdiction. Among families with minor children, the episodically homeless stand out as the most needful of services.

These distributions suggest that long-term shelter stays by families do not indicate chronic homelessness in the same sense as they do for single adults, among whom we believe disabilities commonly create barriers to overcoming homelessness. Instead, while a relatively small number of families use most of the emergency shelter system resources, their histories of social service use do not demonstrate greater need. It appears that the homeless families who are best able to adhere to structured, long-term program regimens stay longest in transitional shelter programs.

There have been some promising experiments in permanent supportive housing and rapid-relocation or housing-first models for families, indicating that community-based alternatives have had some successes in various regions of the country. However, more research is needed to determine the relative merits of shelter-based programs as compared to normalized housing with community-based services.

This data suggests that most families should require only relatively low-intensity interventions. Under the current system even a low-intensity intervention would typically mean living in an emergency shelter, which is likely to be fairly costly, and disruptive to families and children. Direct rental assistance such as relocation grants may well be more cost-efficient when compared to shelter stays of even relatively short durations. For families with long shelter stays, rental assistance could be considerably less expensive. Long-stay families cost an average of \$48,500 per family in shelter reimbursements, which would be equivalent to five or more years of a full federal rental subsidy.

Rental and service supports should be matched to the characteristics and needs of the families. Housing and rental assistance for families could vary from stabilization (assistance paying rent arrears or outstanding utility bills, at a cost of perhaps \$500 to \$1,000 per case), to relocation grants (first and last month's rent and security deposit, at a cost of approximately \$3,000), to transitional rent subsidies of varying duration (6–24 months).

Services could likewise range from assessment and referral only, to employment training and placement, to intensive case management services, depending on the characteristics of the family. While more families are likely to avail themselves of prevention, relocation and transitional rental assistance programs compared to shelter-based programs, planners

could design these programs to minimize their overuse, through clear eligibility requirements and program time limits.

Research is needed to develop targeted approaches that match families' temporary housing and service needs with appropriate resources. While research concludes that housing subsidies are effective for most homeless families, less is known about whether time limits on subsidies work.

The authors feel strongly that the emergency assistance system is not appropriate as a source of long-term housing and services for families and individuals in need. That responsibility lies with mainstream social welfare systems. They argue that their alternative proposal for housing stabilization and relocation assistance would provide timely and efficient aid, including emergency shelter where necessary, to families facing acute housing emergencies while allowing them to remain in or return quickly to normal living situations system.

Limitations

The authors acknowledge that the redesigned response to homelessness proposed here does have several limitations:

- 1) Little research exists in this area; more is known about what does not work than about this alternative approach.
- 2) A redesign of the emergency assistance system is also likely to have unintended consequences. For example, nonshelter, community-based assistance models may be perceived as having lower barriers to entry than a shelter-based program, and providing direct financial support rather than a shelter stay may be perceived as more beneficial by clients.
- 3) The costs and cost offsets discussed here are based on a simple cost accounting approach.

Conclusion

This article describes approaches to reorganizing the delivery of emergency and transitional assistance to individuals and families faced with housing emergencies, including long-term and chronic homelessness. The alternatives to shelter described are intended to be less institutional than the current system, to emphasize more normal living environments, and to make more efficient use of resources, including reserving expensive programs for populations with complicated needs. The authors recommend that shelters or transitional residential programs be reserved for those needing short-term shelter and services, like specific populations of single adults leaving institutions.

These proposals are not intended as substitutes for substantive solutions to the housing affordability problem. The focus here is on people facing acute or imminent housing loss.

Questions for the RSC

1. In your community, has there been a shift of resources such as using transitional housing for targeted populations or emphasizing Housing First?
2. How does our traditional “emergency response” to homelessness fit into the new “end homelessness” systems?
3. What is the role of emergency shelters in the world of 10 Year Plans that emphasize a Housing First model?

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