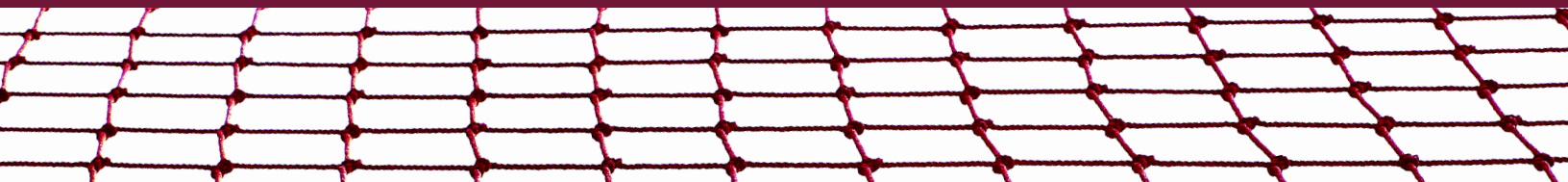# Homelessness

Overview of the Homelessness Safety Net

Homelessness may seem like an entrenched and permanent social problem in the United States. However, it only emerged as a widespread issue in the 1980s, primarily as a result of public disinvestment in affordable housing and the dismantling of institutional care for individuals with mental illness. Thirty years later, there are more than 650,000 individuals across the country, and over 150,000 in California, who are homeless on any given night.

About 60% of the people experiencing homelessness nationwide are single adults, predominantly men, many with mental health, substance abuse, and/or chronic health issues. Approximately one in eight homeless single adults is a veteran. The other 40% of homeless people consist of families with children, often single mothers with young children, including domestic violence survivors. In times of economic downturn, the population of homeless families, particularly two-parent families, generally increases. Three-quarters of homeless families comprise individuals of color, versus about half of homeless single adults. Youth are another important but often more invisible homeless population; definitive counts are not available, but advocates estimate that 50,000 youth are homeless on a given night. Homeless youth have often been abused or neglected, and youth aging out of the foster care system are an important subgroup at high risk of homelessness.
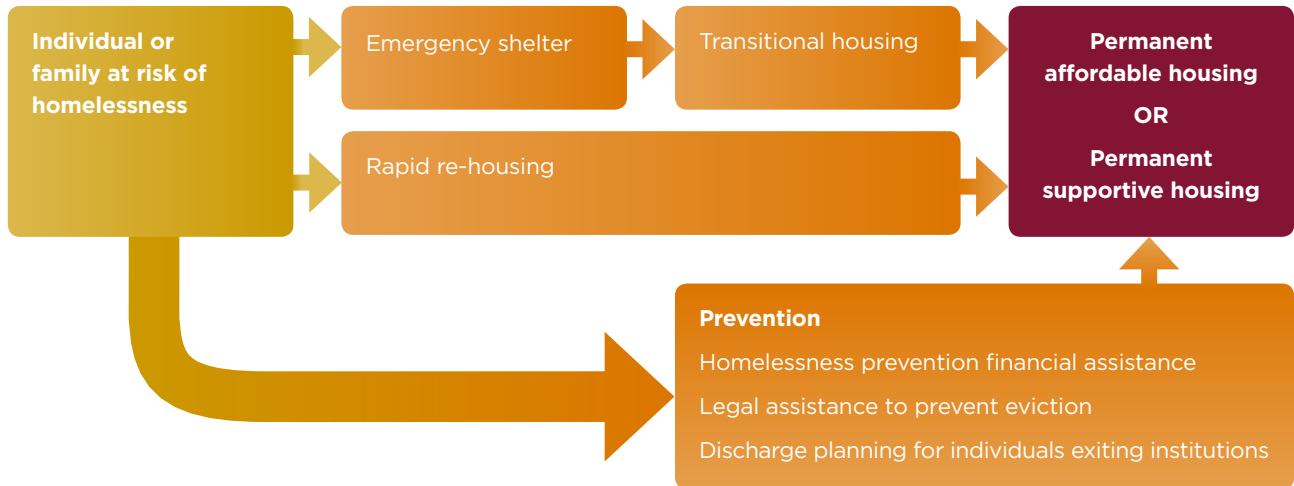
The initial service response was "a hot and a cot," or overnight emergency shelters with hot meals operated out of churches, armories, and community-based organizations, often run by volunteers. The 1990s saw a shift toward more professionalized service-enriched shelters and longer-term transitional housing programs, where homeless individuals were provided with a wide range of counseling, employment, substance abuse, and case management services along with time-limited housing. This housing and support service model lasted for 3 to 24 months and was designed to help individuals address the issues that were seen as preventing them from maintaining permanent housing.

In the 2000s, this approach of providing months-long shelter stays with intensive services to help homeless individuals become "housing ready" came into question. Leaders in the field began to emphasize a new philosophy of "housing first," or moving homeless individuals into permanent housing as quickly as possible, then providing supportive services as needed once individuals were re-housed. Aligned with this change was an increased emphasis on "closing the front door" into homelessness — i.e. homelessness prevention — and "opening the back door" out of homelessness — i.e. development of affordable housing. During the 2000s, the homeless services field also began to work more strategically to target different types of services to different segments of the homeless population. In particular, policies and programs began to differentiate between individuals experiencing short-term homelessness versus those experiencing longer-term or chronic homelessness. To address chronic homelessness, permanent housing coupled with comprehensive supportive services was increasingly recognized as a much more effective service approach than shelters.

These programmatic shifts have been incorporated into the development of community-wide "10 Year Plans to End Homelessness," an initiative begun by the National Alliance to End Homelessness and then adopted by the federal government. Key elements of a 10 Year Plan include data-informed program design for specific segments of the homeless population, strategies to prevent homelessness, and strategies to develop affordable and supportive permanent housing. Over 200 local communities, including all nine counties in the Bay Area, have adopted 10 Year Plans as well as 49 states — all except for California.

The Homelessness Safety Net

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Individual or          Emergency shelter      Transitional housing      Permanent
family at risk of                                                        affordable housing
homelessness                                                             OR
                       Rapid re-housing                                  Permanent
                                                                         supportive housing

                                              Prevention
                                              Homelessness prevention financial assistance
                                              Legal assistance to prevent eviction
                                              Discharge planning for individuals exiting institutions
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Funding for homeless service programs, particularly in California, comes predominantly from the federal government. The McKinney-Vento Homeless Assistance Grants are the largest source of multi-year federal funding, and are awarded through a Continuum of Care planning process developed at the local level. Smaller levels of funding are awarded through the Federal Emergency Management Agency (FEMA) and the state-administered Federal Emergency Shelter Grants (FESG), as well as through the Department of Health and Human Services Substance Abuse and Mental Health Services Administration (SAMHSA). The McKinney-Vento funds were reauthorized in 2009 as the HEARTH Act, which mandates increased emphases on homeless families, prevention, and permanent supportive housing. Programs for homeless youth receive federal funds through the Runaway and Homeless Youth Act (RHYA), and the Veterans Administration funds some services and housing for homeless veterans. During the recent recession, substantial stimulus funding for homelessness prevention and rapid re-housing was also made available through the American Recovery and Reinvestment Act. Private foundation and individual donor funding is another important source of revenue for many homeless service programs.

Direct Services: Emerging Needs & Promising Practices

"Housing first" as an effective program model: In the past, homeless service providers required that clients be "housing ready" — clean and sober, mental health issues stabilized, have a secure source of income, etc. — before helping them transition into permanent housing. However, the emerging best practice now is to provide "housing first" — placing homeless clients into permanent housing as quickly as possible and then making services available as needed. The housing first approach is more cost-efficient, consistent with what most homeless individuals actually want, and more effective in stabilizing housing, health, mental health, and other issues, as the stability of permanent housing makes it easier to address the other challenges.

Addressing transient homelessness through rapid re-housing with limited services: Many homeless individuals and a majority of homeless families become homeless due to straightforward economic shocks, such as job loss, unexpected medical expenses, or family break-up. Intensive and lengthy services are usually not necessary for these individuals to re-establish and maintain stable housing. The best practice for addressing this is rapid re-housing through provision of rent assistance, followed by limited housing stabilization services, such as employment assistance, connection with mainstream resources like TANF and SSI/SSDI, and budget counseling.

Addressing chronic homelessness through permanent supportive housing: A smaller proportion of the homeless population consists of individuals with serious mental health, substance abuse, and/or physical health problems that consequently experience chronic homelessness. Because of their greater challenges in maintaining housing and more intensive service needs, these individuals consume a disproportionate share of services, such as shelter beds and emergency room care. A best practice for assisting them is permanent supportive housing, or affordable housing that is not time-limited and places minimal requirements on residents, while offering comprehensive support services to help individuals retain housing and stabilize other life issues.

Engaging mainstream service systems in ongoing support: In the past, the homeless service system created a parallel system of services to meet the supportive service needs of the homeless population. More recently, though, the field has shifted to engaging mainstream service systems in meeting the needs of homeless individuals as a more sustainable and cost-effective strategy. Thus homeless service providers have focused on connecting homeless clients with ongoing benefits such as Medicaid, TANF, SSI/SSDI, and SNAP (Food Stamps).

Effectively supporting and targeting homelessness prevention services: One-time rent, utility assistance or short-term rent subsidies, coupled with limited case management services, can help at-risk individuals and families avoid losing their housing. Benefits advocacy and financial management planning for individuals on fixed incomes are also effective prevention tools. Case managers serve a critical function in prevention programs by screening clients for eligibility and identifying the most effective support to help clients retain housing. However, limited funding is available for staff, as most homelessness prevention funds are limited to client financial assistance. Furthermore, many of these funds are restricted to the individuals most likely to retain their housing through short-term financial support, so they are not as effective a tool for serving those with severe financial crises.

Eviction defense services as a cost-effective homelessness prevention strategy: Legal services are a cost-effective approach, helping tenants respond to an eviction summons within the required five-day timeframe, thus pausing the eviction process and opening the door to negotiation with the landlord. Legal representation in settlement negotiations with the landlord, particularly when coupled with financial assistance to cover back-rent and/or short-term rent subsidies, can enable tenants to establish viable move-out plans that allow time to find new housing.

Funding emergency shelters *and* prevention and rapid re-housing: The shift in the homeless services field away from emergency shelters and transitional housing and toward prevention and rapid re-housing is more cost-effective and minimizes the duration and negative impact of homelessness. However, this transformation is expected to require at least a decade before full results are seen; consequently, there is a need to continue funding shelter operations, while the system transitions to a structure focused on prevention and re-housing.

Special populations — youth, veterans, and ex-offenders: *Youth* are of special interest as many do not access homeless or mainstream services and because they are at high risk of abuse, sexual exploitation, and engaging in risky behaviors while living on the street. Many homeless youth are former foster youth, so improved support for the transition from foster care to independent adulthood is an important homeless prevention strategy. *Veterans* are also a population at special risk, particularly those with mental health, physical health, and substance abuse issues related to their military service. *Ex-offenders* often face adjustment and self-sufficiency challenges when exiting jail or prison, and are at high risk of homelessness.

Importance of core operating support: Unrestricted support for core operations of homeless service providers continues to be vital, especially those offering prevention, shelter, and rapid re-housing services.

Policy and Systems Change: Issues & Opportunities

Sustaining increased federal funding for homelessness prevention and rapid re-housing: The American Recovery and Re-investment Act included substantial economic stimulus funding for homelessness prevention and rapid re-housing, more than doubling the funds available for these activities in many communities. This provided an opportunity for some communities to make major improvements to their homelessness prevention systems; however, the funds were a one-time, short-term federal investment. Longer-term major federal funding for homelessness prevention and rapid re-housing is needed to sustain community-level system improvements and permanently shift the overall homeless services system toward prevention and re-housing.

Increasing federal funding for services linked to housing: Supportive services are necessary to enable some individuals to maintain stable permanent housing, particularly for chronically homeless individuals Providing such services linked to housing is cost-effective, decreasing overall system costs by reducing emergency room, shelter, and public safety expenses. Thus, advocates seek increased federal funding for housing-linked services, particularly in the form of funding for permanent supportive housing.

Building state-level funding and political leadership: California currently provides no General Fund dollars for any type of homeless services or for permanent affordable housing. California is also the only state in the country that does not have an official "plan to end homelessness"; though a plan has been drafted, it has never been approved by the Department of Housing and Community Development. Thus, California's current approach to homelessness has been summarized as "no dollars, no leadership, no plan." There is a strong need to develop coherent and committed state-level institutional leadership on homelessness and housing issues.

Reforming California's administration of Federal Emergency Shelter Grants: FESG funds are federal funds administered by states to support homeless service programs. California's current process for distributing FESG funds results in very uneven and unpredictable funding for homeless service providers. Advocates have proposed changing the way FESG grants are administered to distributing the funds as block grants to counties for homelessness prevention and rapid re-housing. Block grants will allow counties and providers to have a more consistent dollar amount to work with each year and then to develop funding criteria that is more responsive to local needs.

Improving institutional discharge planning to prevent homelessness: Vulnerable individuals exiting hospitals, jails and prisons, the military, and the foster care system are often at increased risk of homelessness. Unfortunately, many of these institutions discharge individuals without housing plans, essentially sending them to the streets or emergency shelters. System improvements in discharge planning and transitional financial support from these institutions are needed to ensure that individuals exit into stable housing.

Increasing the supply of permanent affordable housing: The lack of permanent housing affordable to households with very low incomes is a key structural factor that directly contributes to homelessness, particularly in California where housing costs are high. National and local affordable housing trust funds have been created to address this, but many lack the permanent funding streams necessary to implement their goals. The National Housing Trust Fund has a goal of preserving, rehabilitating, and creating 1.5 million units of affordable housing within the next 10 years if a viable funding stream can be secured.

Information Resources

National Alliance to End Homelessness (NAEH): National advocacy organization dedicated to preventing and ending homelessness. **http://www.endhomelessness.org/**

Corporation for Supportive Housing (CSH): National technical assistance and financial intermediary dedicated to increasing the supply of permanent supportive housing. **http://www.csh.org/**

Housing California: State advocacy organization, focused on affordable housing and homelessness including establishment of a permanent funding source for California's housing trust fund. **http://www.housingca.org/**

The Safety Net Funders Network was launched in September 2009 in response to the "Great Recession" and its impact on the San Francisco Bay Area's social safety net. The Network aims to inform current safety net grantmaking priorities, identify longer-term systems change goals, and share knowledge gained about needs and emerging best practices in safety net grantmaking. This series of issue briefs describes specific opportunities and strategies for philanthropic investment in targeted safety net areas, and follows a report on the scope of safety net grantmaking in the Bay Area. **http://www.sff.org/about/whats-new/report-reveals-bay-area-funders-response-in-economic-downturn/**

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