

Flonilss
- CW

2-3 mill ago.

600,000 - where 1st
may next.

Process: Inlaying
Hacking

Marty Byd -
- sept
August

Callhane - PN

→ \$823 mill
→ regular hunt send
→ Vorkers →

Trans. time of funds

Medicaid - HHS

→ 34,000 new workers

permanent - corporate
temporary - human

→ 415 single adult

Long

Beginning to mid May

Mainstem

V.A.

H.V.D.

Erz

Arnold Home - 919 821 4560

GW
April 23, 1998

TO: TOM & MARY

FR: TROOPER

RE: HOMELESSNESS POLICY BACKGROUND

Please find some general background on the Interagency Council's move into the DPC, the minutes from the Interagency Council/homeless advocate group meeting and the executive summary of a report released by the National Coalition for the Homeless late last year.

One piece of the NPR link with the council I may not have mentioned yesterday is that I think NPR should work with the Council to review the agencies for policy, programs or practices that may encourage or exacerbate homelessness. For example, I understand that some people with chronic mental illness receiving social security are reluctant to take full time employment when they are well out of fear that if they have a relapse and must leave the labor force, there is a significant lag time between re-applying for benefits and receiving them. This discourages people with mental illness from seeking jobs and puts those who do have jobs but may have to leave the workforce at some point at risk of becoming homeless. Could the Social Security Administration develop procedures reducing the time between application and disbursement? Could SSA develop a flexible system recognizes the special needs of people with mental illness and, to serve these customers well, develop a system that is flexible and responsive to their needs? These are questions that the Interagency Council should be in a position to grapple with. ✓

Finally, as I mentioned yesterday, I think homeless veterans is probably the issue that can capture public attention (and it probably needs to most work and presidential/White House steering). I wonder if we could get the President to issue a directive/challenge on Memorial Day to the Secretary of Veterans Affairs, Labor, HHS, and HUD to develop an interagency plan to reduce/eliminate homeless veterans? Release the findings/action plan on Veterans Day in November? ✓



Washington, D.C. 20410

News Release

HUD No. 93-123
Jack Flynn (202) 708-0685 x113
Bob Nipp (202) 708-0685 x115

FOR RELEASE:
Tuesday,
November 16, 1993

INTERAGENCY COUNCIL ON THE HOMELESS TO BECOME DOMESTIC POLICY COUNCIL WORKING GROUP

The federal Interagency Council on the Homeless will be continued and heightened as a working group under the White House Domestic Policy Council, it was announced today by Housing and Urban Development Secretary Henry G. Cisneros and Carol H. Rasco, Assistant to the President for Domestic Policy.

"President Clinton is committed to helping homeless families and individuals, and reducing the numbers of homeless in this country is my number one priority at HUD," Secretary Cisneros said.

"Elevating the Interagency Council to White House status honors and helps fulfill the initial vision of Congress in establishing the ICH," Cisneros said.

The ICH is the 17 member federal body charged with coordinating policy and programs regarding homelessness. The body elected Henry Cisneros Chairman, and Donna Shalala, HHS Secretary and Jesse Brown, Veterans Secretary, as Co-Vice Chairs on May 19, 1993.

-more-

While the Interagency Council was formerly an independent body, it received no funding in a recent appropriations bill. Because of the importance of coordination, the group will continue in its current leadership form as a Domestic Policy Council working Group. Secretary Cisneros has committed to this work being staffed and funded by the Department of Housing and Urban Development.

Andrew Cuomo, Assistant Secretary for Community Planning and Development and Secretary Cisneros' representative for homeless policy and this new interagency effort, added: "This change is important from a policy perspective, because the White House Domestic Policy Council speaks with great authority. We will use this new-found authority to pursue real solutions to homelessness in America."

#



HUD Secretary Henry Cisneros, left, will continue to chair homelessness council. HUD will pay its costs in White House policy operation, assistant secretary Andrew M. Cuomo said.

Resurrected Homeless Council Gains a Patron at White House

By Guy Gugliotta
Washington Post Staff Writer

The Interagency Council on the Homeless, left for dead when Congress cut off its funding in October, has reemerged, perhaps stronger than ever, as a working group under the stewardship of the White House.

In memos distributed over the last week, Housing and Urban Development Secretary Henry Cisneros and Carol Rasco, assistant to the president for domestic policy, informed participating agencies and interested advocacy groups that the council would become part of the Domestic Policy Council, which Rasco heads.

"President Clinton is committed to addressing the diverse needs of the homeless population," one memo said. The council "provides a forum for all the departments that deal with homelessness policy or homeless persons to discuss and coordinate activities."

The White House move marked the latest twist in a checkered and sometimes puzzling history. Established in 1987 and composed of 16 agency chiefs, the council was designed to disseminate information and coordinate homeless policy across bureaucratic boundaries.

In its early years it was criticized for infrequent meetings and lack of initiative, but its profile heightened during the Bush administration. Hopes rose further when President Clinton issued an executive order May 19 calling on the council to "develop a single coordinated federal plan" on homelessness.

Instead, on Oct. 4 House and Senate conferees eliminated \$910,000 to operate the council, effectively killing the panel. The

conferees suggested folding its activities directly into the Housing and Urban Development Department.

Then the White House stepped in. Under the terms described by Cisneros and Rasco, the council's offices will remain at HUD, and Cisneros will continue as council chairman, with Health and Human Services Secretary Donna E. Shalala and Veterans Affairs Secretary Jesse Brown as co-chairs.

HUD Assistant Secretary for Community Planning and Development Andrew M. Cuomo, architect of HUD's homeless policy, said council funding would come from HUD's internal budget, and its current staff, including Executive Director Marsha A. Martin, would remain "essentially unchanged."

Cuomo said bringing the council under presidential purview would "put White House clout and authority behind the [homeless] issue" for the first time. "The administration is saying they're serious, they're committed," Cuomo said. "There is no question the council is strengthened."

Having presidential clout also appeared to give the council the ability to overrule agency chiefs in potential turf wars, enabling the council to develop what Cisneros has described as a "continuum of care" policy in which the needs of the homeless will be dealt with in a comprehensive manner among many agencies.

Advocates for the homeless were generally positive about the change, albeit somewhat mystified about the rapid twists of fortune. "I'm hopeful it will be an important step," said Maria Foscarinis, director of the National Law Center on Homelessness and Poverty. "From our point of view the important thing is that the work be done."

SUMMARY

JOINT POLICY GROUP MEETING WITH THE NATIONAL ALLIANCE TO END HOMELESSNESS ROUNDTABLE

Tuesday, February 3, 1998
Stonehenge Room
Department of Health and Human Services

Greetings and welcoming remarks were offered by Fred Karnas, Acting Director, Interagency Council on the Homeless; Marsha Martin, Special Assistant to the Secretary of Health and Human Services; and Paula Van Ness, President, National Alliance to End Homelessness. Approximately 85 persons attended (copies of the sign-in sheets are available from ICH on request.) A copy of the agenda is attached.

Following introductions, each presenter was asked to discuss three trends and present recommendations in one of five subject areas:

I. EMERGENCY SHELTER

Br. Joseph Berg, Senior Program Director for Leadership and Mission, Catholic Charities, U.S.A.

Trends:

--In 1996 7.9 million people came to Catholic Charities for emergency services, an unexpected increase of 11 percent over the previous year. Most of these people were seeking food assistance.

--There is increased demand at food banks by working poor families and others. The situation worsened after legal immigrants were cut off from food stamp eligibility.

Recommendation:



--Restore food stamp eligibility to legal immigrants.

Trend:

--Many adult shelter residents, especially middle-aged women, are unable to leave the shelter system because they have insufficient job skills.

Recommendation:

--Increase funding for job readiness. Establish public-private partnerships to provide the individual care needed to help chronically homeless people become self-sufficient.

Trend:

--Many homeless people remain excluded from needed services during the daytime hours when most shelters are closed.

Recommendation:

*--Agencies such as DOL, HUD, and HHS should improve coordination of their programs to provide innovative services in day shelters to move the homeless out of poverty.

--Additional audience discussion:

--The impact of welfare reform on homelessness needs to be tracked carefully through intake surveys, program monitoring, etc. In this regard, HHS should work with other agencies to develop a model intake form to promote consistent collection of data on client needs and characteristics.

--Funding cutbacks have led to more instances of inappropriate discharges from hospitals, prisons, and other institutions.

II. EMPLOYMENT AND EDUCATION

Laurel Weir, Policy Director, National Law Center on Homelessness and Poverty (Laurel Weir spoke on behalf of Maria Foscarnis, who was unable to attend because of illness.)

Trend:

*--The number of "shelter schools" (where children are being educated at shelters rather than at public schools) are increasing due to the failure by local school districts to remove barriers to the enrollment of homeless children.

Recommendation:

--The Department of Education should provide greater oversight and technical assistance to states and local governments about what constitutes compliance with the McKinney Act. DoE should also educate the other Federal agencies, who may be funding such schools, that these "separate but equal" schools are not in compliance with the law.

Trend:

--The lack of transportation for homeless adults and

children creates barriers to employment, education and training opportunities. New sources of potential funding include ISTEA and welfare reform funds.

Recommendation:

--The Federal government should require or provide incentives to states and localities to encourage them to target a portion of their welfare reform block grant funds to increase transportation available to homeless individuals and families. The Federal government should identify models and disseminate information about those models. To the extent allowed by law, the Federal government should also provide information to advocacy organizations to educate them about the new structure of the decision-making process for these Federal funds. HHS and DoE should encourage state human services, welfare and transportation agencies to include state coordinators for the education of homeless children and youth in any statewide discussions about transportation priorities.

Trend:

--As a result of welfare reform, there is an opportunity to increase the level of services available to help move homeless families out of homelessness.

Recommendation:

*--The Federal government should encourage states and local governments to identify ways in which welfare requirements conflict with shelter system requirements and the realities of homelessness to prevent homeless families from moving out of homelessness. HHS should fund demonstration projects that focus on moving homeless families off welfare and out of homelessness and provide technical assistance to advocacy groups on how to get involved in the local design of welfare reform initiatives. HHS and HUD should fund demonstrations and disseminate information about models in which persons on welfare receive job training while constructing or rehabilitating affordable housing.

--Additional audience discussion:

↓ --DOT needs to get more involved on the Interagency Council to address transportation issues.

--Recent DOL changes concerning PICs have reduced accessibility by homeless people to job training programs and community involvement in setting priorities.

--The findings from DOL's recent evaluation of the Job

Training for the Homeless Program should be implemented in the mainstream DOL job training programs.

III. HOUSING

Nan Roman, Vice President of Policy and Programs, National Alliance to End Homelessness

Trends:

--There is an increasing gap between the supply of low-income housing and need because there is no long-term funding stream for housing finance and development.

--HOME and the Low Income Housing Tax Credit do not reach homeless people because they apply to persons whose income is 30 percent of area median income or above. Although the proposed 34,000 HUD vouchers to be targeted to homeless people will help, there needs to be less of a focus on transitional housing and more on permanent housing solutions.

--SRO providers are reporting that the recent change in SSI disability eligibility requirements adversely affects their tenants' ability to pay rent and their own ability to obtain long-term financing.

Recommendations:

--Shift permanent housing renewals under the Shelter Plus Care and Supportive Housing Programs into the Section 8 account.]

--Housing assistance for homeless people should be layered into the traditional programs with appropriate targeting.

--Homeless advocates should work more closely with low-income housing advocates.

Additional audience discussion:

--There is a need for longer term funding and financing. A simple program is needed that would allow local housing developers to build housing for homeless people.

--Continuing subsidies work well when they are properly administered.

IV. HEALTH AND TREATMENT

Mary Ann Gleason, Executive Director, National Coalition for the Homeless

Trends:

--There is an increased need for health care services for homeless people and other uninsured populations. The mainstream programs and community health centers are not working well for the homeless population. Although programs such as PATH and ACCESS have helped, PTSD and personality disorders are more prevalent. Drugs are more frequently a problem for people under 35 than alcohol.

--HHS/HRSA managed care programs and Medicare lack focus for populations like the homeless who have special needs.

Recommendations:

* HHS should redefine "primary care" to include mental health and substance abuse treatment services.

* --HHS should establish a five-year plan for outreach from its mainstream programs. HHS should consider a small pilot program that combines mental health and substance abuse treatment with primary health care funding.

Trend:

* * --HUD's programs are funding more and more supportive services, to the detriment of housing assistance.

Recommendations:

--HHS/SAMSHA should fund HUD SuperNOFA renewals beginning in FY 1998. SROs should be funded out of the mainstream Section 8 program, rather than from the homeless assistance budget. HHS should support an increase in PATH program funding for FY 1999.

--Under the auspices of the Interagency Council, Federal agencies should jointly issue RFPs for the targeted homeless assistance programs to promote coordination of housing and services funding.

Additional audience discussion:

--"Cost shifting" is becoming a major problem as mental health institutions and the criminal justice system discharge clients inappropriately to homeless shelters.

--There will need to be special outreach to the homeless population if the President's proposed children's health initiatives are enacted.

V. RURAL ISSUES

Mary Stover, CHDO Project Manager, Housing Assistance Council

Trend:

There are important differences between homeless people in urban and rural areas. The rural homeless are more likely to be younger, female, married, in families with children, and employed. Family conflict and/or domestic violence are the most frequent causes of homelessness in rural areas.

Recommendations:

--Each community's housing and job opportunities need to match in order for welfare-to-work to be successful. State Consolidated Plans should be broken down into county-level housing markets and include both housing and employment needs. USDA's state rural development resource plans need to incorporate rural housing and homeless assistance needs.

✓ --HUD, USDA, HHS, DOL AND DOT need to collaborate on an interagency basis to ensure that job training, transportation and child care assistance program planning and implementation funds are available in rural areas.

--Funding and targeting of USDA's Section 515 rural housing program and the Section 502 homeownership program, both of which serve formerly homeless people, should be increased. Direct subsidies reach lower income people than the loan guarantee programs.

--Increase the capacity of rural housing and homeless service providers to access HOME and Continuum of Care funds from HUD. Increased operating funds and capacity building for providers in rural areas and continued "fair share" allocation of SuperNOFA funding and/or rural set-asides are necessary. In the Consolidated Plan process, HUD should require states to be proactive in addressing the housing and homeless assistance needs of rural areas. Housing need, not the provider's capacity to apply to existing programs, should determine HOME program design.

Additional audience discussion on other issues:

--The Title V program is still useful, but the available properties are usually in undesirable or declining areas and

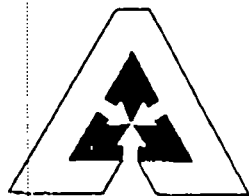
there are delays in transferring property because of environmental screening requirements. /

--Property seized by DOJ could be offered to homeless assistance providers.

--The suspension of HUD's property disposition program has hurt because it was useful for transitional housing and homeownership programs.

--Consider cashing out Federal surplus property and donating the proceeds to homeless assistance programs by formula.

The participants agreed that there should be meetings of this sort on a regular basis. It was suggested that the next meeting might be designed to allow Federal agency representatives to discuss their current policy and program initiatives.



THE NATIONAL ALLIANCE TO END HOMELESSNESS, INC.

AGENDA

- | | | |
|--------------------|-------------------------------|--|
| 12:00-12:30 | Lunch | |
| 12:30-12:45 | Welcome | Fred Karnas
Acting Executive Director, Interagency Council for the Homeless |
| | | Marsha Martin
Special Assistant to the Secretary |
| | | Paula Van Ness
President, The National Alliance to End Homelessness |
| 12:45-1:05 | Emergency Shelter | Br. Joseph Berg
Senior Program Director for Leadership and Mission
Catholic Charities USA |
| 1:05-1:25 | Employment / Education | Maria Foscarinis
Executive Director
National Law Center on Homelessness & Poverty |
| 1:25-1:45 | Housing | Nan Roman
Vice President of Policy and Programs
The National Alliance to End Homelessness |
| 1:45-2:05 | Health / Treatment | Mary Ann Gleason
Executive Director
National Coalition for the Homeless |
| 2:05-2:25 | Rural | Mary Stover
CHDO Project Manager
Housing Assistance Council |
| 2:30 | Adjourn | |

FAX COVER SHEET

DATE 4-23-98

NUMBER OF PAGES (INCLUDING COVER) 9

MATERIAL SENT TO: Trooper Sanders

FAX NUMBER: 456-6298

RECEIVER'S TELEPHONE NUMBER: _____

SENDER: George Ferguson
TEL: (202) 708-1480, ext. 4517
FAX: (202) 708-3672

Full, as requested.

EXECUTIVE SUMMARY

This year marks the 10th anniversary of the signing of the McKinney Act. It is an occasion worthy of our reflection. This paper examines how we have fared in our efforts to address homelessness, what we have learned, and where we need to go to close this grim and shameful chapter of this nation's history and to ensure that homelessness is not part of America's future. The paper was written to jog the memory of those who have forgotten and to educate those who never knew, to combat the short-sightedness of current policy-making, and to renew the call for a national response to end homelessness. The massive increase in homelessness that this report documents is a stinging indictment of a failed approach. The research and interviews presented here remind us that homelessness is neither inevitable nor acceptable.

Finding #1:

Homelessness has increased dramatically over the past ten to fifteen years. Many communities have doubled or tripled their shelter capacity in order to respond to increasing homelessness.

- In Boston, shelter capacity increased by 246% between 1983 and 1995, increasing from 972 to 3,362 beds. The number of persons counted in the city's annual one-night homeless census increased 40% between 1988 and 1996.
- In Los Angeles, shelter capacity more than tripled between 1986 and 1996, increasing from 3,495 to 10,800 beds.
- In the state of Minnesota, the number of persons in homeless shelters on one night more than quadrupled between 1985 and 1997. The increase in the number of persons receiving shelter in rural areas of the state (387%) was greater than in urban areas of the state (364%).
- In the state of Wisconsin, the number of persons receiving shelter in state-subsidized programs more than doubled between 1987 and 1997, increasing from 11,000 to 24,600 people.

Conclusion: The causes of homelessness have not been adequately addressed. Passage of federal homeless assistance legislation in 1987 did not stem the tide of homelessness. The continued expansion of the shelter system will not end homelessness.

Finding #2:

Despite the tremendous expansion of the shelter system, demand for emergency shelter far exceeds supply. Many persons have no choice but to live on the streets, in cars, doubled or tripled-up in unstable living arrangements, or in abusive situations.

- In Los Angeles, according to the city's own estimates, there are 5-8 homeless persons for every available shelter bed. The lack of shelter availability in Los Angeles is exacerbated by the high percentage of shelters who charge fees: in 1996, 46% of homeless programs in Los Angeles County charged for shelter beds.
- In the state of Virginia, 94,027 persons requested shelter in 1994, while 40,413 persons were turned away.

- In Seattle, there are 1.5 -2 homeless person for every available shelter bed. On the 1996 one-night shelter survey, 919 persons were turned away from shelter.

Conclusion: Shelters do not have the resources to meet current demand. Therefore, efforts to criminalize those who cannot find shelter or housing, such as sweeps of parks and streets and bans on sleeping or sitting in public, are both futile and unjust.

Finding #: 3

The gap between the cost of housing and what people with low incomes can afford to pay for it -- long recognized as the principal underlying cause of homelessness -- has not improved over the past ten years. For growing numbers of persons, work provides little, if any, protection against homelessness.

- In 1986, 11-15% of the shelter population in Atlanta was working. In 1997, 23-37% of people calling the emergency shelter hotline are working, but cannot afford the housing they are losing or have lost.
- In 1989, only 3% of sheltered homeless persons in Jeffersonville, Indiana were employed; in 1997, 50% of the households who received shelter were working. Of those, 54% earned less than \$6.00 per hour. In 1997, an hourly wage of \$7.92 was needed to afford a one-bedroom apartment in Indiana at Fair Market Rent; an hourly wage of \$9.84 was needed to afford a two-bedroom apartment at Fair Market Rent.
- In 1994, 48% of persons entering homeless shelters in Virginia were working; 35% were employed full-time. As of September 1997, family heads of households moving from welfare to work earned \$5.69 per hour for full-time employment; an hourly wage of \$12.16 needed to afford a two-bedroom apartment at Fair Market Rent.

Conclusion: Low national un-employment rates do not mean that all working people are well-off. Without serious investment in permanent affordable housing, jobs which pay a living wage, and adequate income assistance for those who cannot work, homelessness will continue unabated into the next decade.

Finding #: 4

A growing portion of persons experiencing homelessness are children.

- Between 1985 and 1997, the number of children in homeless shelters in the state of Minnesota increased over 733%, from 322 to 2,683.
- Over the past decade, the number of children sheltered in the state of Virginia increased over 258%, from 3,912 in 1985 to 14,000 in 1996.
- In New York state, half of the 140,000 people who experienced homelessness during 1997 were children and runaway youth.

Conclusion: These alarming statistics challenge the persistent stereotypes of homeless people. Despite ubiquitous rhetoric about family values and investing in children, America's most vulnerable children and their families have been abandoned. Unless action is taken to secure adequate housing and incomes for their parents, the futures of hundreds of thousands of children will be jeopardized.

Finding #: 5

State and local policies have a significant impact on who receives shelter, thereby determining who and how many people are on the streets or in other places unfit for human habitation.

- As a result of state income eligibility guidelines, many families in Boston cannot afford decent housing and yet make too much money to be eligible for temporary shelter. These families must live on the streets or in their cars, return to abusive situations, live in overcrowded conditions, or split up in order to find shelter.
- In 1996, New York City declared all families who were doubled up automatically ineligible for shelter. Families found ineligible under this policy are sent to Assessment Centers, where they are housed for a few nights and then found ineligible again -- even when they and their hosts insist they cannot return to the doubled-up situation. Because these families have nowhere to go, they re-apply for shelter repeatedly. After months of applying and being found ineligible, many are eventually found eligible for shelter. This process has been shown to inflict serious physical and mental harm to the thousands of men, women, and children who seek shelter. Half of all applications for emergency shelter by families in New York are denied.

Conclusion: Difficulties caused by lack of affordable housing and lack of shelter space are exacerbated by restrictions on who is deemed eligible for shelter. By enforcing restrictive eligibility criteria, communities may reduce spending on homelessness and minimize the size of their sheltered homeless populations, but they also inflict physical and emotional harm to vulnerable men, women, and children. These policies do not reduce homelessness - they increase suffering.

The explosion of homelessness in communities across the country more than a decade ago gave rise to demands for a strong federal role in addressing what, as evidenced by myriad research documents and task force reports, was clearly a national problem. Today, the similarities between communities across the nation documented by this report point once again to the need for a concerted federal effort to combat homelessness. Yet President Clinton has reversed his earlier efforts to address homelessness and has initiated and supported measures that threaten to create a new, unprecedented wave of homelessness.

In 1993, just five months after taking office, President Clinton issued an Executive Order to the Interagency Council on the Homeless to develop a single coordinated Federal plan for "breaking the cycle of homelessness and preventing future homelessness." This plan, entitled Priority: Home! was developed and published in 1994 and called for a "full scale attack on homelessness." To this end, it recommended immediate action. Four years later, the President's "attack on homelessness" has ground to a halt. Worse still, the President has championed measures that exacerbate the very causes of homelessness identified by his own plan.

The most glaring example of the President's retreat on homelessness is in the housing arena -- the issue which defines homelessness itself. In 1994, the stated goal of the Interagency Council on the Homeless was "to achieve the goal of 'a decent home and a suitable living environment' for every American." Toward this goal, the President called for increasing housing subsidies and repairing the "damage caused by the misguided and harmful housing budget cuts of the 1980s." Yet the President's FY96, FY97, and FY98 budgets maintained the severe cuts to housing programs made by the 104th Congress, including the elimination of funding for new Section 8 certificates. It also left intact several other measures enacted by the 104th Congress which reduce poor people's access to housing, such as repeal of federal preferences and delay in the re-issuance of Section 8 certificates. As egregious as the President's abandonment of housing for

low-income Americans is, it is only one part of the battle against homelessness from which he has retreated.

The Administration's 1994 federal plan specifically acknowledged the central role of poverty as a cause of homelessness, and identified the erosion of welfare benefits in the 1970s and 80s as a key factor underlying the growth of poverty. Yet the President ignored research that found that the Congressional welfare reform proposal of 1996 would push over one million children into poverty and signed the proposal into law. Today, welfare reform is judged a success because caseloads have declined. Whether people who exit or are terminated from welfare have jobs, whether those jobs enable them to afford housing, whether they have quality child care, whether they are homeless or hungry -- these factors do not appear to be important measures to the Administration or Congress alike. The early indicators, as evidenced by the increase in demand for emergency food assistance and shelter documented by the U.S. Conference of Mayors this year, do not bode well.

The shift away from addressing the systemic causes of homelessness to focusing on individual "responsibility" for homelessness and poverty only serves to legitimize and perpetuate homelessness and the industry it has created. This shift, as well as the abdication of responsibility for social welfare programs to state and local government, ignores the ample research and data collection on homelessness over the past decade, and bodes poorly for current efforts to address homelessness. President Clinton may well succeed President Reagan as the President during whose tenure homelessness increased most dramatically and broadly -- particularly among children and the employed.

Conclusion

It does not surprise any of us that homelessness has grown over the last ten years. We daily see those without homes in cities, suburbs and rural areas across our nation. What still confounds many Americans, however, is why homelessness appears to have become an immutable socio-economic condition in this nation, such that our children may not know an America without it. We have a strong economy, jobs are available - why doesn't the American dream work for everybody?

Frustrated that it does not, our political leaders in both the White House and Congress have shifted away from the need to address the systemic causes of homelessness and focused myopically and simplistically on the individual responsibility of those who become homeless for the misfortune deemed to be of their own making. It is this naivety and wrong-headedness that has served to perpetuate the growth of homelessness and will continue to do so if we do not finally reckon with poverty in this nation.

To reckon with poverty in this nation, long-term, we must (a) insure the availability of permanent housing in healthy environments that is affordable for those with the lowest incomes, (b) provide for employment at wages deemed livable because they allow for the affordability of housing paying no more than 30% of income, (c) create a universal system of health care that is relevant to the needs and life circumstances of the poorest Americans.

Interim steps that must be taken by this Administration and this Congress include the following:

1. Commit to a \$50 billion investment in capital costs for permanent housing for those whose incomes are \$8 - 10,000 annually, and who are disabled, elderly poor or have severe employment barriers.

2. Fund education and job training programs whose target populations are those who are/have been homeless, those with employment histories of less than six months, and those with limited job skills.

3. Require the Interagency Council on the Homeless to develop a plan with a one year time frame that will insure that appropriate federal agencies fund programs and services relevant to their areas of responsibility, so that HUD can attend to developing and sustaining permanent housing affordable to the lowest income Americans.

4. Develop a strategic plan for addressing protracted poverty in this nation that will be committed to by members of whatever administration or congress is in office, so that the eradication of poverty in a country capable of doing so is not subject to the whim of politics.

5. Insure that all families moving from welfare to work, whose wages are too low to afford decent housing in a healthy environment, receive a housing voucher to supplement their earnings in order to achieve the housing stability that is fundamental to the success of welfare reform.

6. Prohibit legislation, regulation, or use of federal funds to reduce the stock or the access to subsidized housing by the lowest income Americans, without providing one for one replacement.

7. Revise the housing affordability standard to make it proportional to income, as we do in the tax system.

8. Stimulate and fund the spread of housing models/funding arrangements/ownership relationships that have worked effectively to insure housing stability for low income populations (i.e., cooperatives, co-housing, shared living, social ownership).

9. Appropriate funds defined in the SAMHSA reauthorization that target the treatment needs of persons who are homeless and challenged by addictions disorders.

10. Insure federal oversight and accountability for current block grant/formula programs (CDBG, mental health, substance abuse, etc.) funded to serve those with low-incomes that are not responding to the needs and life circumstances of those without homes.

Homeless *EW*

THE WHITE HOUSE
WASHINGTON

October 21, 1993

Handwritten:
A. Roulton,
C. Edley,
N. Martin, I. Sanhill,
T. J. Ganthier,
G. Adams.

MEMORANDUM FOR MEMBERS OF THE INTERAGENCY COUNCIL ON THE HOMELESS

FROM: Carol Rasco, *CJR*
Assistant to the President for Domestic Policy

SUBJECT: Continuing the Work of the Interagency Council

As you know, the Congress chose not to fund the staff and operations of the Interagency Council on the Homeless (ICH) in FY 1994. The Council was created by the McKinney Act in 1987 to coordinate Federal policies and provide leadership for activities to assist homeless individuals and families.

Ordinarily, I would bring the issue of how to continue the work of the Council to the DPC for discussion. However, because there is to be a Congressional hearing on this next week, and given the importance of providing for continuous policy coordination on homeless issues, I would like to propose to you a way of proceeding and get your reactions as soon as possible.

It is important that we signal to the public, the Congress, and all of the agencies with programs and policy interests involving homelessness that, despite the unfortunate loss of funding for ICH, its valuable work will be carried on.

To that end, I suggest that the Council's role as a neutral policy forum be continued by asking its current members to serve as a new working group of the DPC. Its executive director, Marsha Martin, could function in an adjunct capacity as liaison to the DPC. Secretary Cisneros has indicated that HUD will shoulder the cost of continuing the operations and administrative coordination functions of the Council.

It seems to me that this arrangement offers strengthened White House involvement on issues related to homelessness as well as a neutral forum for the discussion and resolution of interagency issues.

Please share any feedback with me as soon as possible and certainly no later than NOON MONDAY, OCTOBER 25.

Thank you.

cc: Domestic Policy Council members outside the ICH

NCA

Mellum

Flowerless

① Cool climate

② VA - 113

- Common

- black gmt

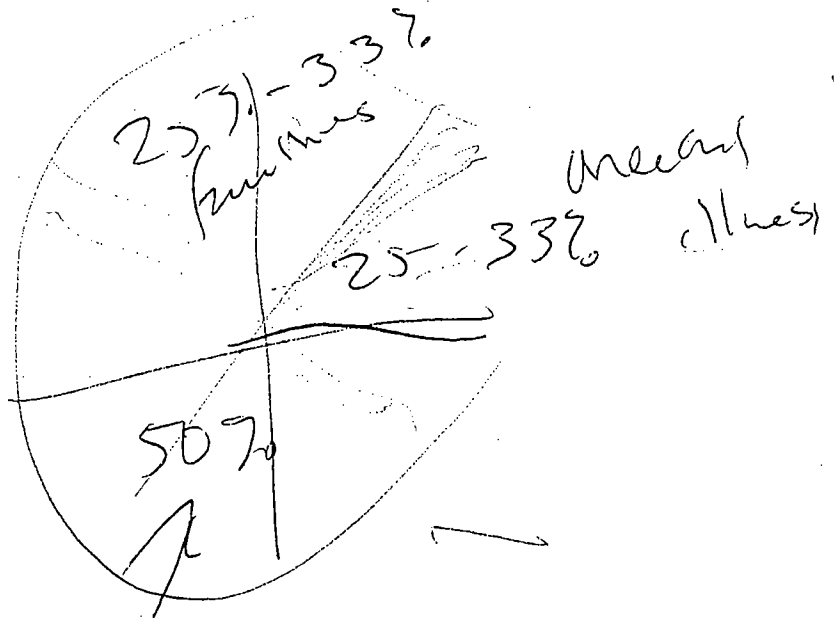
Mark health stock gmt
VA Prgm
educ.
ACC'S

③ Market Price

50% cycle through
frankers

10% longer cycling

10% substance abuse



Substance

long term abuse

✓ model curriculum
fund practices

Best practices

- Paul Leonard

- Apkar

~~at~~

Mark Wapner

Harsh Golder

Mainstream program

LPR

Public Private Coalition

4,000

120

100,000,000

Steve Pauling

Nat'l

Coalition for homeless vets

5/3/98

Thanna

275,000 - homeless
vets.

#'s

~~Rate of homelessness~~

Scope

271,000 - by vet

Advises VA's

429,000 - women
1070 - women

higher educ.
want to work

more 50% work

— Employment
get it back jobs

— Community based
- 250 centers for vets
→ 800 number
→ 30,000 homeless vets

with localities
in previous 151

A - d. box

- homeless - VA 562.

Joe

→ 5 days

Safe class

Bob Rosinchen

→ V. silby

X's

quality of cas.

Pete Dougherty

VA.

Joe Trump

Americorps.

Endorse / hrs

one stop
56

Paul Wellstone
have hours

Villain

front load

neuropsychiatric / bi-polar - PTSD / drugs

Tracking →

Access →

- 24% ♀ from Person Gulf
- how many are vets

Quality Control

① Should consider, board.
Silly - Safety

② Safety rule

③ Study organics

④ process → to raise

- Gluckman / EB / Parker

- NAC

- DPC

⇒ paper, here's the issue.

→ Schedule entry

⑤

Jan 2 Brown

Lochman
6/1/73

Reproposal

- Centre.



NATIONAL COALITION *for* HOMELESS VETERANS

333 1/2 Pennsylvania Avenue, S.E., Washington, D.C. 20003-1148 ♦ (202) 546-1969 ♦ FAX (202) 546-2063
Toll-Free: Voice 800/VET-HELP ♦ FAX 888/233-8582 ♦ Email: nchv@nchv.org ♦ Website: <http://www.nchv.org>

105th Congress Priorities

Legislation

H.R.3039, Veterans Transitional Housing Opportunities Act of 1997, introduced by Rep. Stump (R-AZ), 11/13/97. A bill, to amend title 38, US Code, to authorize the Secretary of Veterans Affairs to guaranty loans to provide multifamily housing for homeless veterans. This bill would create a guaranteed pool of funds, administered by the Secretary of Veterans Affairs and is roughly analogous to the VA Loan Guarantee which has facilitated the sale of millions of dollars of single-family homes to veterans. The legislation authorizes the Secretary to use the guaranteed pool to guarantee repayment of up to \$100 million in loans for qualified transitional housing facilities for homeless veterans in a demonstration projects across the country.

H.R.2820, Helping America's Disabled Veterans' Act of 1997, introduced by Rep. Jay Johnson (D-WI), 11/13/97. A bill to exempt veterans disability payments from consideration when applying for the public housing benefits provided by HUD. NCHV is currently gathering data on number of veterans this law would assist. In two major cities the estimate is about one veteran a month is denied access to housing and must remain homeless.

FY99 Budget

Department of Labor

Homeless Veterans Reintegration Programs (HVRP) Administration budget is requesting \$2.5m, (\$500,000 less than FY97 appropriations) authorization level is \$10m. *We are requesting the full authorization level of \$10m.* Of importance to note, only 7.2% of all participants who completed a program under Title IIA of the Job Training Partnership Act, designed to assist economically disadvantaged adults were reported to be veterans in Program Year 1995 (the most recent reports available). The number of these who received services directed to meeting their "special needs" as veterans, and building on their special strengths as veterans, were virtually negligible. Even more telling, only 1,353 homeless veterans were served by Title IIA in PY 1995, and only 699 homeless veterans were served under Title III in that same period according to the SPIR data base maintained by the United States Department of Labor. The conditions outlined by default make HVRP virtually the only source possible for many service providers that focuses on employment, which the central event in helping veterans return to full autonomy.

NCHV would also note that the request for FY 1999 for all of the programs operated under the *Veterans Employment & Training Service* at the United States Department of Labor (USDOL) is "flat-lined" for the third year in a row, while USDOL overall is seeking an increase of \$426 million. Almost one half billion more for other programs, and not even \$7.5 million more for a program that is proven to be effective and efficient to assist homeless veterans does not at first blush seem to NCHV to be a fair or even handed budget request.

Department of Veterans Affairs

The VA estimates there are at least 275,000 veterans who are homeless on any given night of the year, with more than double that number homeless at some point during the year (i.e., more than 500,000 veterans homeless at some point during the year). The *highest estimate* is that VA has some contact with about 30,000 homeless veterans during the course of the year (excluding the prodigious activity of the VET CENTERS). Establishing outcome measures and indices, while useful, cannot really be considered to be strategic goals to address a problem that is of the documented magnitude as is the number of homeless veterans. It may in fact be a useful tool, but it is *not* a goal.

(over)

The United States Department of Veterans Affairs needs a *Strategic Plan* that contains goals and objectives which can (and will) serve as a blueprint for each of the twenty two *Veterans' Integrated Service Networks* (VISNs) to prepare operational plans and objectives that will begin to meet the pressing vital needs of this most vulnerable group of our Nation's veterans. To accomplish this purpose, the goals need to be realistic but "large enough" to be worthy of our Nation and the men and women who served in military service to country. As one example, NCHV would suggest that every VA effort and program to assist homeless veterans be evaluated to ensure that the explicit goal of assisting the veteran to reach the point of being able to "obtain and sustain employment at a reasonable living wage" is central to each and every effort and program.

NCHV is concerned that the current "performance goals" are so very minimal. The first goal of trying to increase the percentage of VA facilities that perform outreach to homeless veterans *should not even be an issue*. A simple direct order from the Secretary of Veterans' Affairs should be all that is needed to ensure that all VA facilities are doing their job in this regard, without spending any more of the limited time of VA Central Office staff in trying to cajole facilities into doing what they should have been doing assiduously all along. The second goal of creating 500 new community based beds by the end of FY2000 might in fact be a reasonable and possibly adequate figure for beds in safe, clean, sober environments if we were discussing the need for such beds for veterans in outpatient treatment in Arizona and Illinois *only*. However, the VA is here speaking of the *Nation*. This figure is startlingly inadequate in the face of the need being created by VHA's elimination of inpatient treatment capacity and very heavy reliance on outpatient and "partial hospitalization" modes of treatment service delivery for neuropsychiatric care. Similarly, NCHV strongly believes that the goal of providing per-diem payments to offset operating costs for up to 3,500 such beds by the end of 2003, if the funds are available, is simply inadequate in the face of the very significant need which is largely created by VA's own actions.

VA Grants and Per Diem Program for Homeless Veterans needs to be put on a "line item" basis, with funding by the Congress at least at the level of \$80 Million per year, on a par with the construction funds currently allocated for building and/or remodeling state veterans' homes, as well as providing for the ongoing operation of the state veterans' homes. The availability of per diem funds at the rate of \$16 for each veteran for each day of care and services for facilities operated under the *VA Grant & Per Diem* program would continue to be the same as for the state homes, but must be more assured than it is today. Indications under the current legal and administrative arrangements are such that there will be little in the way of new funds available for new construction or renovation in FY 1998. There is even some question as to whether there will be enough per diem funds allocated by the VA internally to fully fund the per diem for activities taking place in transitional facilities already created pursuant to this program.

Homelessness
- SW

- whose on this panel

p. 31 -
new \$

Priority: Home!

**The Federal Plan to Break the
Cycle of Homelessness**

I never knew of anyone being homeless around here, now I am.
—Single mother of two, Washington, Iowa

I do not believe we can repair the basic fabric of society until people who are willing to work have work. Work organizes life. It gives structure and discipline to life. It gives a role model to children. We cannot repair the American community and restore the American family until we provide the structure, the value, the discipline and reward that work gives.

—President Bill Clinton

Tom Flavin
press - NPR

694-0032

Chris Latta
224-4931
- Biden's office

EW

MEMORANDUM

TO: BRUCE REED, ELENA KAGAN

FROM: TOM FREEDMAN, MARY L. SMITH

RE: HOMELESSNESS

DATE: MAY 5, 1998

I. BACKGROUND

- Fred Karnas is the head of the Interagency Council (708-1506).
- George Ferguson (708-1418 or 708-0614 x4517) to get draft of surveys.

II. STATISTICS

- There are about 250,000 to 350,000 homeless persons on a given night. (OMB).
- The Federal Plan states that on any given night there are as many as 600,000 homeless persons. (Burt and Cohen, 1989).
- OMB states that 4 out of 5 single homeless men are veterans. The Federal Plan states that approximately 30 to 45 percent of the entire adult male homeless population are veterans. Fred Karnas estimates that one-third of all homeless persons are veterans.
- The National Coalition of Homeless Veterans estimates that there are 275,000 homeless veterans on any given night. They estimate that there would be double that number over the course of a year.
- The National Coalition of Homeless Veterans estimates that the VA served 30,000 homeless veterans in 1997. VA says they serve 40,000 per year.
- 50 percent of the homeless population have substance abuse problems (Fred Karnas).
- One-fourth to one-third have a mental health problem (Fred Karnas).
- Dennis Culhane has the best studies.
 - 80% cycle through pretty quickly
 - 10% have a longer cycling
 - 10% substance abuse and are chronically on the street

- The LA Vets program (which is a community-based organization) saved the local VA \$12- \$14 million.
- The Maryland Homeless Veterans program in Baltimore is also a good program.

III. GOVERNMENT

- The McKinney Act is the major legislation addressing homelessness. There is \$700 million for competitions. *spell out*
- HUD spends \$1 billion on homelessness per year (OMB).
- Total VA budget for Homeless is \$90 million per year (Peter Dougherty).
- There are three major VA programs that work with homeless.
Grant per diem. This program gives grants to community-based organizations to acquire transitional beds. In FY 94 through FY 97, 101 grants were awarded to 84 non-profit or state or local government agencies in 36 states. There is \$5 million per year for new grants. Pays up to \$16/day for ongoing operational costs.
Homeless Chronically Mentally Ill Veterans Program. The HCMI program places homeless veterans needing more intensive treatment into one of its roughly 125 contracted community-based facilities. The program serves over 19,000 homeless veterans per year, with over 3,000 receiving residential treatment. The average cost per day is \$38.
Domiciliary Care. Treatment takes place in approximately 1500 dedicated beds at VA medical center domiciliaries.
- Homeless Veteran Reintegration Program at the Department of Labor. \$10 million per year. This program gives money for employment programs.
- There are 56 VA facilities that serve homeless veterans (National Coalition).
- VA says there are 172 VA Medical Centers, and that 71 sites provide health care for homeless. At least 70 sites don't have domiciliary program (geographical that would be one-half of the country). Peter Dougherty estimates that they would need about \$45 million to cover most of country.
- Rep. Lazio's bill, which passed in the House, would revamp the McKinney Act. HUD has dropped support for this bill (OMB). *why*
- Rep. Marcia Kaptur (D-OH) is looking at the mental health aspects of homelessness (Fred Karnas).

- H.R. 3039. Sponsored by Stump and Lane Evans. This bill is a \$100 million loan guarantee program. It would only fund 15 sites. See Bruce Long at OMB.

what
do
they
think

IV. UPCOMING DATES

- May 1998. Draft of the national survey of clients. Marty Burke at Urban Institute will write it.
- Fall 1998. Provider survey, to be released later in summer.
- Fall 1998. The Interagency Council is going to lay out research and prepare a best practices report.
- November 1998. The Interagency Council is planning on putting on a conference (Fred Karnas).

now

V. RECOMMENDATIONS

- **Tracking:** we need to track the homeless population. There is an ANCHOR database system being developed by University of Pennsylvania's Dennis Culhane (sp). Recommended by OMB. The National Coalition suggests that providers ask whether someone is a veteran on their intake forms.
- **Better coordination -- make mainstream programs more available.**
- **Link housing vouchers to case management.** Recommended by OMB.
- **The VA is not held accountable on outcome.** The National Coalition believes that the VA only counts numbers served, not the number who no longer are homeless. Peter Dougherty from the VA disputes this -- he says they have great tracking statistics.
- **Put more money in VA programs.** In this order (1) grants per diem (because it is only a subsidy so you get more bang for your buck (2) health care and (3) domiciliaries.
- **HUD grants should put veterans as a consideration in issuing grant.** (Peter Dougherty from VA).

Table of Contents

Executive Order Mandate to the Council	vii
Interagency Council Membership	ix
Acknowledgments	xi
Executive Summary	1
Introduction	9
Plan Development and Consultation Activities	11
Outline of the Plan	13
Part I: Homelessness Revisited	15
The Face of Homelessness: No Longer a Poor Apart	17
The Scale of Contemporary Homelessness	19
"Homeless" Defined	22
Characteristics of the Homeless Population	23
Causes of Homelessness	25
Why These Factors Translate into Homelessness	34
Building on What We Have Learned	35
Part II: Recent Efforts to Address Homelessness	37
State Efforts	40
The Evolution of the Federal Role	41
Evaluation of the McKinney Programs	46
Stocktaking: Unfinished Work	47
Summing Up: What We Know	51
Policy Implications	54
Part III: Results of Federal Plan Questionnaire and Outreach Efforts	57
Part IV: Recommendations for New Policy	67
Assisting Those Now Homeless	70
Long-term Structural Measures	86
Cross-cutting Agency Action Steps	91
Appendix A	101
Appendix B	103
Appendix C	111
Appendix D	119
References	123

Executive Order Mandate to the Council

Executive Order 12848 of May 19, 1993

Federal Plan to Break the Cycle of Homelessness

By the authority vested in me as President by the Constitution and the laws of the United States of America, including title II of the Stewart B. McKinney Homeless Assistance Act, as amended (42 U.S.C. 11311-11320), and section 301 of title III, United States Code, and in order to provide for the streamlining and strengthening of the Nation's efforts to break the cycle of homelessness, it is hereby ordered as followed:

Section 1. Federal member agencies acting through the Interagency Council on the Homeless, established under title II of the Stewart B. McKinney Homeless Assistance Act, shall develop a single coordinated Federal plan for breaking the cycle of existing homelessness and for preventing future homelessness.

Section 2. The plan shall recommend Federal administrative and legislative initiatives necessary to carry out the plan and shall include a proposed schedule for implementing administrative initiatives and transmitting any necessary legislative proposals to the Congress. These initiatives and legislative proposals shall identify ways to streamline and consolidate, when appropriate, existing programs designed to assist homeless individuals and families.

Section 3. The plan shall make recommendations on how current funding programs can be redirected, if necessary, to provide links between housing, support, and education services and to promote coordination and cooperation among grantees, local housing and support service providers, school districts, and advocates for homeless individuals and families. The plan shall also provide recommendations on ways to encourage and support creative approaches and cost-effective local efforts to break the cycle of existing homelessness and prevent future homelessness, including tying current homelessness assistance programs to permanent housing assistance, local housing affordability strategies, or employment opportunities.

Section 4. To the extent practicable, the Council shall consult with representatives of state and local governments (including education agencies), nonprofit providers of services and housing for homeless individuals and families, advocates for homeless individuals and families, currently and formerly homeless individuals and families, and other interested parties.

Section 5. The Council shall submit this plan to the President no later than 9 months after the date of this order.

William J. Clinton
The White House

Interagency Council Membership

Henry G. Cisneros, Chairperson
Secretary
Department of Housing and Urban
Development

Donna E. Shalala, Vice Chairperson
Secretary
Department of Health and Human Services

Jesse Brown, Vice Chairperson
Secretary
Department of Veterans Affairs

Carol H. Rasco
Assistant to the President for
Domestic Policy
White House

Mike Espy, Secretary
Department of Agriculture

Ronald H. Brown, Secretary
Department of Commerce

William J. Perry, Secretary
Department of Defense

Richard W. Riley, Secretary
Department of Education

Hazel R. O'Leary, Secretary
Department of Energy

Bruce Babbitt, Secretary
Department of Interior

Janet Reno, Attorney General
Department of Justice

Robert B. Reich, Secretary
Department of Labor

Federico Peña, Secretary
Department of Transportation

Eli Segal, President
Corporation for National and
Community Service

James Lee Witt, Director
Federal Emergency Management Agency

Roger W. Johnson, Administrator
General Services Administration

Leon E. Panetta, Director
Office of Management and Budget

Marvin Runyon, Postmaster General
U.S. Postal Service

Leadership Designees

Andrew M. Cuomo, Assistant Secretary
Community Planning and Development
Department of Housing and Urban
Development

David T. Ellwood, Assistant Secretary
Planning and Evaluation
Department of Health and Human Services

Dale Renaud, Deputy Assistant Secretary
Intergovernmental Affairs
Department of Veterans Affairs

Suzan Johnson-Cook, White House
Fellow
Domestic Policy Council

Acknowledgments

The development of *Priority: Home! The Federal Plan to Break the Cycle of Homelessness* reflects unprecedented collaboration between the Federal government and the community at large. To make this Federal Plan a reality, considerable time, knowledge, expertise, and hard work were contributed by many representatives from the Federal, state, and local governments; the private sector and not-for-profit provider community; currently and formerly homeless persons and families; and those at risk of homelessness.

In particular, we would like to express special thanks to Dr. Marsha Martin, Kim Hopper, Jacquie Lawing, Mark Gordon, Jack Underhill, and Eric Lindblom for their participation in the development of the Plan.

Thanks are also extended to the staff of the Interagency Council on the Homeless (ICH) and the ICH member agency representatives who participated in the Interagency Working Groups.

Executive Summary

We must address the problems that render people homeless in the first place rather than focusing simply on getting them off the streets for the night. That is why I have designated addressing homelessness my number one priority.

—HUD Secretary Henry Cisneros

As this Plan is being prepared, national attention is still focused on the massive earthquake that shook Los Angeles a few short weeks ago. Within seconds, lives were lost, buildings were destroyed, freeways crumbled, and thousands were made homeless. The entire nation watched in horror as scenes of devastation made their way across the airwaves onto our television screens and into our hearts. Government at all levels responded with speed and effect. Literally within hours, the Administration had responded: the Department of Housing and Urban Development (HUD), the Federal Emergency Management Agency (FEMA), and a number of other Federal agencies were on the ground providing aid. In a matter of weeks, housing assistance for more than ten thousand people had been made available by the Clinton Administration. In less than a month, Congress had enacted a sweeping aid package to provide in excess of \$ 8.6 billion for immediate recovery and rebuilding needs.

This Plan considers the cause and effect of a different destruction—a devastation less sudden and obvious than that recently suffered by Los Angeles, yet even more insidious in its nature. Urban areas throughout the nation have been consistently deteriorating with only periodic notice and episodic attention. Aging infrastructure, loss of businesses, failing school systems, increasing violence, dilapidated housing, lack of employment, and pervasive drug use define too many communities.

Unlike the situation in Los Angeles, the Federal government cannot claim credit for repair, but instead bears joint liability for the decay. Failed attempts, scarce resources, and inaction have all contributed to the "silent earthquakes" that have slowly, yet forcefully, shaken the foundations of our communities.

This Plan is about the most visible victims of those silent earthquakes: the homeless. As with natural disasters, those resting on the weakest foundations with the frailest support structures have suffered most noticeably. Once reserved for areas predictable by the extent of their urban ills, large-scale homelessness, the most manifest and obvious symptom of urban decay, is now spreading to rural and suburban areas previously believed to be immune.

This Plan seeks to raise public consciousness regarding the true damage of this silent earthquake and recommends both immediate action to deal with the current crisis and more far-reaching action to address the underlying roots of the problem. It does so knowing that it bears a special burden, made heavier by the failures of the past. While the public believes that government action can rebuild businesses, highways and homes destroyed by natural disasters, it shares no such confidence in our ability to repair the broken families, schools, neighborhoods, and lives devastated by years of decay and neglect. The public does not suffer from "compassion fatigue"; it is willing to support efforts that will truly solve these problems. Rather, the public suffers, rightly, from "compassion frustration"; it has been promised too much for too long with too little result.

This Plan is different. Because we realize that we will never solve a problem we refuse to acknowledge, we offer an honest assessment of the situation. This Plan does not seek to minimize the problem nor to romanticize the conditions. At the same time, it does not offer an endless wish list of new programs or initiatives. Rather, it identifies several key steps for the Federal government to take now to change dramatically the face of our system for coping with homelessness. It offers emergency approaches to address the immediate crisis we face on our streets. But it also has the courage to speak about the more far-reaching steps that must be taken if we are truly to attack the roots of homelessness: poverty, lack of affordable housing, systems that sometimes lock out the very people who most need them, and the continuing burdens of urban decay.

Estimates vary widely depending on the definition and methodologies used in counting or estimating the numbers of people who are currently or formerly homeless. Researchers have found that about seven million Americans have experienced homelessness—some for brief periods and some for years—at some point in the latter half of the 1980s and that as many as 600,000 people are homeless on any given night. How have we allowed this to happen in one of the wealthiest nations in the world? Why hasn't the increase in Federal, state, and local funding resulted in more progress in reducing the numbers of homeless persons? What can we realistically do to keep men, women and children off the streets and out of shelters, while helping them to become self-sufficient members of society? This Plan recommends some answers to these questions.

The crisis of homelessness is the culmination of policies that have either ignored or misdiagnosed the adverse impact of economic shifts, the lack of affordable housing, increased drug abuse, and other physical health and mental health problems of those who are the most vulnerable in American society. Adding to the impact of these causes were changing family structures and a breakdown in social institutions.

Two broad classes of problems are identified: the first, "crisis poverty," refers to homelessness that can be traced chiefly to the stubborn demands of ongoing poverty, made untenable by some unforeseen development; the second, "chronic disability," refers to homelessness accompanied by one or more chronic, disabling conditions, and presents a more complicated picture.

The picture assembled suggests that a prudent policy must be two-fold. Government must address the needs of homeless and at-risk individuals and families, including the specific needs of children, vulnerable to crisis poverty, many of whom move in and out of an assortment of makeshift housing. At the same time, it must attend to the more complex situation of those who also suffer from disabling conditions, the chronically disabled, for whom stable living will be an artful marriage of rehousing and rehabilitation.

The ultimate objective of this report is to achieve the goal of "a decent home and a suitable living environment" for every American. It cannot escape notice that this was also the as-yet-unmet aim of the Housing Act of 1949. Just as we continue to hold this aspiration dear, so too must we learn from the unsuccessful attempts to achieve it. We must remember that government's role is to help people help themselves; that government is most effective when it does not rely solely either on the invisible hand of the marketplace or on the heavy hand of policies that reward inertia and punish initiative; that government is at its best when it offers instead a helping hand to those willing to climb onto the first rungs of the ladder of economic opportunity; and that, ultimately, government action cannot substitute for the individual's will or responsibility. The Clinton Administration has already recognized this by pursuing comprehensive health-care and welfare reform. We too must have the courage and candor to recognize both our past successes and failures and to look both compassionately and candidly at the situation that confronts us.

The new policy initiatives recommended in the Plan grow out of a detailed analysis of the risk factors and structural causes of homelessness, as well as the most widespread survey ever of homeless providers, advocates, and homeless individuals across the nation. They reflect the views from numerous agencies in the Federal government, as well as actors throughout the system. They also have been shaped by the lessons we have learned over the past decades, which have witnessed substantial initiatives and efforts at the state and local levels and a Federal response that has evolved over time into a patchwork quilt of overlapping programs. They grow out of the recognition that if we are to address effectively both the emergency homeless situation and its underlying causes, we must first be honest about who the homeless are and why they are homeless. This recognition must be reflected in policies so that we can address the needs of both categories of homelessness: those experiencing crisis poverty and those with long-term chronic disabilities.

The recommendations propose a two-pronged strategy: 1) implement and expand emergency measures to bring those who are currently homeless back into our communities, workforce, and families; and 2) address structural needs to provide the necessary housing and social infrastructure for the very poor in our society to prevent the occurrence of homelessness.

We recommend a full-scale attack on homelessness, focusing public and private sector energies to make a real difference during this Administration. Immediate steps with a potential for dramatic effect are recommended. These include:

"Reinvent" the approach: The current approach is plainly not working and must be changed. We recommend an overhaul of government programs and policies designed to address homelessness and a restructuring of the relationship between the Federal, state, and local governments and the not-for-profit provider community. The Federal Government should get out of the business of contracting for homeless services on the local level. Local government should be responsible for marshalling resources and assessing needs. Government at all levels should move towards an approach whereby not-for-profit organizations actually deliver services. To accomplish this reinvention, we recommend that the majority of McKinney Act programs to aid the homeless be reorganized and consolidated to provide a streamlined application process, enabling localities and providers to focus their energies on helping homeless people rather than filling out forms and grant applications. We also recommend that mainstream programs be more responsive to homeless persons and those most at risk of becoming homeless, with some McKinney programs linking more closely with their mainstream counterparts. The systems put in place should provide and coordinate emergency, transitional, and permanent housing in a continuum of care.

A continuum-of-care system provides necessary emergency housing and a continuum of housing and supportive services for homeless individuals and families to gain independent living or supportive living. This system recognizes that some homeless people need supportive services and permanent housing and that others are just in need of safe, decent, and affordable permanent housing.

Increase homeless assistance: With the reorganized, more effective approach outlined above, an increase in funding is a worthwhile investment. *We have recommended an immediate doubling of the HUD homeless budget from \$823 million to \$1.7 billion dollars and an increase in overall homeless assistance funding to \$2.1 billion.* This recommendation has been accepted and is included in President Clinton's FY 1995 budget proposal. While this is a significant increase in expenditures, we believe it is justified and necessary to address the needs of the current emergency as well as the immediate implementation of preventive programs.

Make mental health, physical health, and substance abuse health services work for the poor: We must address through health care reform and enhanced coordination between services and housing the specific needs of those who comprise the second category of homeless people in this country—homeless men and women with chronic disabilities. The most visible portion of the homeless population, and the most needy, are men and women with severe and persistent mental illnesses, substance dependency or chronic health problems (i.e., tuberculosis, AIDS). These problems can be exacerbated by a lack of decent and affordable housing. When left untreated, conditions such as diabetes, hypertension and chronic respiratory problems render this population especially vulnerable. Although people with chronic disabilities comprise a minority of the homeless and at-risk population, they are often the most visible because they tend to congregate in parks, transportation thoroughfares and other public spaces.

This proposal anticipates: 1) the use of established public and private mental health, medical, and substance abuse providers to initiate street outreach efforts, 2) the utilization of safe havens (low-demand, non-threatening housing alternatives), and 3) the implementation of a continuum of care for homeless persons to help them move from transitional housing, with supportive services when needed, to stable housing and adequate aftercare and continuing services for those who require them while in permanent housing.

Long-term comprehensive human and community development, combined with the necessary funding and integrated service delivery systems, is the ultimate solution. We recognize the full solution will require a multi-year, resource-intensive effort, which is made difficult by the incredible economic constraints. However, the Clinton Administration has taken significant steps toward achieving the goal of comprehensive long-term community and economic development. Among the important components of the Administration's Community Investment Strategy are the following: Empowerment Zones, Goals 2000: Educate America Act, the Administration's job training agenda that mainstreams services to homeless people as part of the Job Training Partnership Act, significant expansion and improvement of Head Start, proposed legislation to establish Community Development Financial Institutions, more effective enforcement of the Community Reinvestment Act, and comprehensive welfare and health care reform. This report recommends further steps to increase the supply of affordable housing and improve linkages between economic and human development:

Increase housing subsidies and fight discrimination: We must begin to repair the damage caused by the misguided and harmful housing budget cuts of the 1980s. To start down this long road, we have recommended an increase in the overall HUD budget of nearly \$2 billion. The ultimate goal of these increases is to provide those who are homeless or precariously housed with the necessary resources to obtain

housing. Because of the shortages of affordable housing and rent burden in rural areas, we recommend an increase of more than \$70 million in the FmHA Section 521 rental assistance program in 1995. These recommendations have been accepted and are included in President Clinton's FY 1995 budget proposal. It is imperative that Congress enact these requests.

To ensure that permanent housing—both housing that provides supportive services and traditional low-income housing—can be openly sited, we must aggressively enforce Federal fair housing laws.

Low-income housing tax incentives: We must act to take pressure off the homeless emergency system by undertaking efforts to stem the flow of families experiencing crisis poverty. Lower income households pay disproportionately higher shares of income for the cost of housing. We should explore use of tax incentives to assist lower income households with rental and housing costs. Special attention should be given to initiatives that would work together with existing tax incentives to insure that those who work are not left on the streets because of the discrepancy between their income and affordable rents.

Economic and human development/social contract: We must place increased emphasis on the linkages between job training, employment, education, and economic development and implementation of a new social contract that recognizes both individual and family rights and responsibilities. While government should help people help themselves, it is not a substitute for individual will. It makes little sense to create jobs for people who have not received the training needed to fill them. At the same time, the public has the right to expect needy individuals to take advantage of the training and other services available to them. Similarly, as individuals with chronic disabilities receive access to necessary services, they should be encouraged to move from the streets to appropriate facilities. The goal is to help individuals and families help themselves and provide them with the opportunity to better themselves. This new social contract is mutual.

Vice President Gore's National Performance Review has initiated reforms across Federal agencies and provides a framework for numerous specific actions that must be undertaken to coordinate the maze of programs and bureaucracies. We look forward to implementing this Plan with the Members of Congress, particularly the leadership provided by the Speaker's Task Force on Homelessness, and with Members of the Senate who have long represented those who are homeless.

What was first stated in the Douglas Commission Report, *Building the American City*, in 1968 remains true today:

"Because of the documented desperate housing needs of the poor, which are generally underestimated; as a consequence of the large subsidies [such as] income tax deductions for interest and property taxes, and grants for suburban development available to the middle and upper income groups; as a moral responsibility arising from the fact that public action has destroyed more housing for low-income Americans than it has built; as [a] result of the unwillingness of the country in the past to meet even the minimum goals for public housing authorized in the 1949 Act; this Nation now has an overwhelming moral responsibility to achieve within the reasonably near future a decent home and a suitable living environment for every American family which it pledged itself to achieve 20 years ago. We believe this can be done through increased effort and activity at every level of government, and by the private sector."

While the road to a total solution for homelessness is a long one, the direction is clear. These recommendations, if enacted, represent a positive step forward.

Introduction

Introduction

Homelessness can be viewed as an extreme form of poverty....

*—Speaker's Task Force on Homelessness
Congressman Bruce Vento, Chair*

In May 1993 President Clinton signed an Executive Order directing the 17 agencies that comprise the Interagency Council on the Homeless (ICH) to prepare "a single coordinated Federal plan for breaking the cycle of existing homelessness and for preventing future homelessness." This action, coming from a new President during his first months in office, sent a clear message to his Administration and the nation that homelessness would not be a back-burner issue during his tenure. This message was reinforced in October 1993 when Carol H. Rasco, Assistant to the President for Domestic Policy, invited the member agencies of the Interagency Council on the Homeless to become a Working Group of the White House Domestic Policy Council.

Plan Development and Consultation Activities

Immediately following issuance of the Executive Order, the ICH Chairman, Housing and Urban Development (HUD) Secretary Henry G. Cisneros, and Co-Vice Chairs, Health and Human Services (HHS) Secretary Donna E. Shalala and Veterans Affairs (VA) Secretary Jesse Brown, initiated an unprecedented process of consultation and review. An eight-month, nationwide effort was launched and input was received from more than 14,000 representatives of state and local governments, not-for-profit providers of services and housing, advocates for homeless people, economic and community development leaders, educators and social service professionals, and currently and formerly homeless individuals and families. At the same time, a careful review was undertaken of current policies and programs within the Federal government, accompanied by an analysis of the history of their development. VA's review of its interviews with the thousands of homeless veterans annually served by its own homeless assistance programs provided additional information to develop this Plan.

Shortly after issuance of the Executive Order, agency representatives from these 17 agencies began meeting to coordinate development of the Plan. A Plan Working Group was established, and member agencies began the process of reviewing existing programs and identifying opportunities for improvements.

The Executive Order also required consultation with state and local governments, not-for-profit providers of services to homeless people, advocates, and currently or formerly homeless individuals and families. In a sustained effort to formulate a truly representative policy on homelessness, an unprecedented outreach and consultation process was employed. It was designed to encourage the greatest possible participation and involvement by those who are in the best position to recommend solutions: homeless individuals and families and those who assist them.

Interactive Forums and Mailings

Between June 1993 and February 1994, the HUD Office of Community Planning and Development (CPD), along with the Interagency Council on the Homeless, sponsored 17 interactive forums throughout the country. (See Appendix A for a list of the cities in which the forums were held.) In addition to providing an opportunity to discuss community development programs and initiatives, a primary objective of these forums was to solicit input on the Federal Plan during breakout sessions dedicated exclusively to this purpose. More than 10,000 individuals representing a broad variety of state and local governments, not-for-profit organizations, advocates, and homeless people attended the forums. Their contributions proved to be extremely valuable in developing the Plan.

To supplement the input from the interactive forums, Secretary Henry G. Cisneros sent a letter and a questionnaire asking for recommendations for the Federal Plan to more than 12,000 organizations and individuals. The responses received from this mailing were added to the forum input. An analysis was conducted using a sample of the responses to assess the general direction of response.

Consultation with Homeless People

They think we don't care, but we really do.

—Shelter resident of the Pine Street Inn, Boston, Massachusetts

In addition to the participation in the forums by homeless people, 400 individuals residing in shelters and transitional housing in ten cities were interviewed and asked to complete the same questionnaire that was mailed to those on the Interagency Council's mailing list. This unprecedented consultation follows years of concern that no constituency has been more isolated from government processes than homeless Americans.

Outline of the Plan

This document describes the changing nature of homelessness in America, briefly reviews the characteristics of the homeless population, and goes on to sketch the causes and limit the scale of the problem. It then turns to a concise history of programs mounted to assist homeless individuals and families in the 1980s. It attempts to take the measure of those efforts as a way of discerning what still needs to be done—or what is to be done differently altogether.

Part I, "Homelessness Revisited," draws a profile of contemporary homelessness. Two broad classes of problems are identified: the first, referred to as "crisis poverty," is homelessness that can be traced to the stubborn demands of ongoing poverty, made untenable by some unforeseen development; the second, "chronic disability", refers to homelessness accompanied by one or more chronic, disabling conditions, and presents a more complicated picture.

This section also summarizes the results of cross-sectional studies of homeless populations, recognizing that significant local variations limit its instructive value. Commonly, homeless persons tend to be unattached men and women under 40, often with frayed or badly worn ties with family and friends, who are out of work and living on next to nothing. They show unusually high prevalences of severe mental illness, substance abuse, institutional histories and foster-care placement; minority groups (African Americans and Hispanics especially) and veterans are disproportionately represented.

Turning to structural causes of homelessness, the discussion reviews the contributions of poverty, a changing labor market, cutbacks in income assistance programs, the scarcity of affordable housing, and recent changes in family structure. Such individual risk factors as substance abuse, severe psychiatric disorder, or chronic health problems increase vulnerability to homelessness and darken prospects for leaving it. All of these factors have acquired unusual power to displace people because of changes in the ability of kinship to cushion hardship and the depletion of marginal housing markets.

Part II, "Recent Efforts to Address Homelessness," provides a summary of local, state, and Federal efforts for the past decade or so. It gives a detailed breakdown of the present array of Federal efforts. Evaluations of such programs, while recognizing their accomplishments, have also deplored the fragmented and ill-coordinated nature of the improvised service and emergency housing system that has resulted.

A demanding roster of unfinished business is next examined. The list ranges from street homelessness to the standing failure of community mental health services to reach many of those most disabled by psychiatric afflictions and/or substance abuse, the relatively "invisible" problem of rural homelessness, the huge reservoir of the

precariously housed, and the frustrations of a weary, restive public. The lessons to be drawn include:

- (a) the need for prevention;
- (b) the successes of outreach to the street population;
- (c) the considerable and enduring successes of supportive housing as an alternative to institutionalization and the inefficiencies of having a separate system just to serve homeless individuals and families;
- (d) the need to address the special problems of minorities;
- (e) the need to address the special problems of children and their families;
- (f) the need for improved coordination and reduced fragmentation of programs;
- (g) the need for a continuum of care; and
- (h) the positive strengths of the not-for-profit providers in delivering services to homeless individuals and families.

A lasting solution to the cycle of homelessness is not a mystery. There is no shortage of existing Federal plans to deal with homelessness or of recommendations for action. Many offer the same suggestions, few have been implemented, and most have been ignored. None have yet resulted in actions to stem the dramatic rise in homelessness across our nation. Part III, "Results of Federal Plan and Outreach Efforts", and Part IV, "Recommendations for New Policy," of this Federal Plan build on the often wise analysis and extensive consultation that have come before. It recognizes that the ultimate answer to homelessness is also the answer to poverty. While comprehensive community development to address crisis poverty and to permanently provide services for those who are mentally or physically disabled are, of fiscal necessity, long-term goals, a small number of immediate steps can dramatically move homelessness from a crisis situation to recovery.

Homelessness Revisited

Part I: Homelessness Revisited

1. The Face of Homelessness
2. The Scale of Contemporary Homelessness
3. "Homeless" Defined
4. Characteristics of the Homeless Population
5. Causes of Homelessness
6. Why These Factors Translate into Homelessness
7. Building on What We Have Learned

1. The Face of Homelessness: No Longer a Poor Apart

A simple conviction lies at the heart of this document: it profits us nothing as a nation to wall off homelessness as a novel social problem made up of a distinctly "different" population. Nor is it something that requires separate and distinctive mechanisms of redress, isolated from mainstream programs. In fact, the more we understand about the root causes of homelessness, the greater our sense of having been here before.

To put it plainly, homelessness in the 1990s reveals as much about the unsolved social and economic problems of the 1970s as it does about more recent developments. This Plan reveals and documents that the crisis of homelessness is greater than commonly known or previously acknowledged. Researchers have found that as many as 600,000 people are homeless on any given night (Burt and Cohen, 1989). Recent research reveals the startling finding that about seven million Americans experienced being homeless at least once in the latter half of the 1980s (Link et al., 1993 and Culhane et al., 1993). Hence, its resolution will require tackling the enduring roots of poverty, as well as complications introduced by psychiatric disability, substance abuse, and infectious disease. That task is rendered more difficult by today's economic realities and severe budget constraints.

By the middle of the 1980s, the number of homeless people had surpassed anything seen since the Great Depression. Disability, disease, and even death were becoming regular features of life on the streets and in shelters. For the first time, women and children were occupying quarters formerly "reserved" for skid-row men. Psychiatric hospitals continued to discharge people with little hope of finding, let alone managing, housing of their own. Crack cocaine emerged as a drug of choice for those on the margins of society. A new scourge—HIV/AIDS—joined an old one—tuberculosis—to become major afflictions of the homeless poor.

Yet for all that, there remained something disconcertingly familiar about this new homelessness. What America glimpsed on the streets and in the shelters in the 1980s was the usually hidden face of poverty, dislodged from its customary habitat.

Homelessness can be understood as including two broad, sometimes overlapping, categories of problems. The first category is experienced by people living in crisis poverty. Their homelessness tends to be a transient or episodic disruption in lives that are routinely marked by hardship. For such people, recourse to shelters or other makeshift accommodations is simply another way of bridging a temporary gap in resources. Their housing troubles may be coupled with other problems as well—dismal employment prospects because of poor schooling and obsolete job skills, domestic violence, or poor parenting or household management skills— all of which require attention if rehousing efforts are to be successful. But their persistent poverty is the decisive factor that turns unforeseen crises, or even minor setbacks, into bouts of homelessness.

For those individuals who fall in the second category—homeless men and women with chronic disabilities—homelessness can appear to be a way of life. Although a minority of those who become homeless over the course of a year, it is this group that is most visible and tends to dominate the public's image of homelessness. Alcohol and other drug abuse, severe mental illness, chronic health problems or long-standing family difficulties may compound whatever employment and housing problems they have. Lacking financial resources and having exhausted whatever family support they may have had, they resort to the street. Their homelessness is more likely to persist. Disability coupled with the toll of street-living make their situation more complex than that of those who are homeless because of crisis poverty. Those with chronic disabilities require not only economic assistance, but rehabilitation and ongoing support as well.

For the most part, homelessness relief efforts remain locked in an "emergency" register. Many existing outreach, drop-in, and shelter programs address the symptoms of homelessness and little else. Although of proven promise in dealing with the disabled homeless poor, supportive housing options remain in scarce supply. Increasingly, it has become clear that efforts to remedy homelessness cannot be fully effective if they are isolated from a broader community-based strategy designed to address the problems of extreme poverty and the inadequate supply of housing affordable by the very poor. Lasting solutions to homelessness will be found only if the issue is productively addressed in ongoing debates concerning welfare reform, health-care reform, housing, community and economic development, education, and employment policy.

2. The Scale of Contemporary Homelessness

Accurately measuring the scope and magnitude of "residential instability" (Sosin et al., 1990)—with homelessness as its most extreme manifestation—has proven controversial. The debate has ranged from which definition of homelessness is most appropriate to the limitations of or biases in various research methods used to estimate the size of the homeless population. Our understanding has evolved as data collection techniques have advanced from single-day or one-week counts to computerized annual (or longer time frame) unduplicated counts. Strikingly, when researchers turn to charting the use of shelters over time, a picture of widespread vulnerability to homelessness emerges. The changes discussed in this Plan have had profound impact on the ability of people, especially poor people, to maintain stable housing.

Point-in-time Estimates

Early methodologies for taking the measure of homelessness depended upon one-time counts in shelters, soup kitchens, other service sites, and street settings. Such counts are referred to as "point prevalence" counts, since they capture only those people homeless at a specific point in time. One such widely cited figure for a national point-in-time estimate was generated by an Urban Institute study. Researchers found that as many as 600,000 people were homeless during a seven-day period in March 1987 (Burt and Cohen, 1989).

These narrow frame pictures were, until recently, the most comprehensive we had. However, such "snapshot" counts and the descriptions of homeless people based upon them can be highly misleading if they are taken to imply that the homeless population is a static one. In fact, as recent analyses have shown, large numbers of people flow through shelters over time.

Estimates Over Time

Studies completed only in the last year have used sophisticated local administrative recordkeeping systems to yield new insights into the dynamics of homelessness by measuring turnover in shelters. These new studies suggest that the number of individuals and families who experience at least one episode of homelessness during longer intervals (typically one to five years) may exceed the best estimates of single-shot street and shelter counts by a factor of ten or more.

- A recent study of shelter systems in New York City and Philadelphia documents the large turnover of persons using shelters (Culhane et al., 1993). For example, in New York, a single shelter bed accommodates four different persons each year. The one-day and one-, three- and five-year counts of persons in shelters were 23,000; 86,000; 162,000; and 240,000 persons, respectively.
- The turnover in the Philadelphia shelters is even more dramatic, with each bed accommodating six persons per year. The one-day, one- and three-year counts were 2,500, 15,000 and 43,000 persons, respectively (Culhane et al., 1993).
- Analysis of annual counts in other cities such as Columbus, OH, and St. Paul, MN, and in the State of Rhode Island reveal similar patterns of turnover (Burt, 1993).

The New York City analysis found that the number of homeless persons using public shelters over periods of three and five years amounted to 2.2 and 3.3 percent of the city's population, respectively.¹ For Philadelphia the percentage of persons using shelters over three years was three percent of that city's population.

The results of local studies of shelter turnover converge with those of a recent national study. A nationwide telephone survey of more than 1,500 (currently housed) adult Americans found that over three percent of those interviewed had been homeless at some point between 1985 and 1990 (Link et al., 1993). In this sample, the confidence interval of the estimate ranged from 2.3 percent to 4.4 percent of the adult population.

Thus, based on these samples, the number of *adults* experiencing homelessness was between four and eight million at some point in the latter half of the 1980s.² When the

¹Further confirmation of the magnitude of recent homelessness in New York is provided by the 1991 Housing and Vacancy Report for that city. Among housed residents in New York in early 1991, 176,000—or three percent of the total—had experienced at least one bout of homelessness in the previous five years. (For purposes of the study, persons were considered to have experienced homelessness if they came to that dwelling unit during the last five years "from a temporary residence such as a friend's or relative's home, shelter, transitional center, or hotel" [p.45]). At the time of the study, 14 percent of those who reported prior homelessness were living in doubled-up situations (Stegman, 1993).

²As the Link study was performed by a telephone survey, it did not reach or include people currently homeless and households without telephones. If these adjustments were made the estimate would likely be higher. The study did not report in any way the cause or reason for the person's homelessness.

number of *children* is added, the range for the *total* population is 4.95 million to 9.32 million, with a mid-point of approximately *seven million*.³

But even these estimates of the number of persons experiencing homelessness do not take into account the large number of extremely vulnerable persons who are on the edge of homelessness. *There are approximately 1.2 million families on public housing waiting lists and an additional one million awaiting Section 8 vouchers.* There are also those who are involuntarily doubled up with friends and relatives, and those who are paying more than 50 percent of their income for rent.

The clear point is that recent studies confirm that the number of persons who have experienced homelessness is very large and greater than previously known or acknowledged. This supports several basic thrusts of this report. To make real inroads into reducing homelessness we need to make real progress in reducing poverty and providing adequate affordable housing for those who are on the edge of homelessness. And we need to step up our efforts to prevent homelessness by those who are living on the edge.

The Impact of Time Frames and Turnover on Assessing Characteristics

The distinction between point-in-time estimates and estimates over time is important when analyzing the characteristics of homeless populations and designing policy responses. People suffering from any of a number of disabling conditions are less likely to exit from homelessness, and thus are more likely to appear in studies conducted over brief time frames. As a result, most "snapshot" accounts of those in shelters and on the streets include disproportionate numbers of people with chronic disabilities or other problems that make it difficult for them to live independently. Although the severely mentally ill, for example, make up between a quarter and one-half of the literally homeless single population on any given day, they comprise a much smaller percentage—between 5 and 25 percent—of those in the course of a year (Burt, 1994). The more dynamic view, exemplified by the studies reviewed above, suggests that many people are at risk of being homeless for short periods, often simply because their incomes are very low and their family savings and other sources of support in hard times are insufficient.

A better understanding of the dynamics of residential instability over time would reveal more about the relationship between short- and longer-term homelessness, including how frequently and under what conditions one leads to the other. The analysis thus far in this

³The number of children is estimated at 15 percent of the total homeless population (Burt and Cohen, 1989) and applied to the adult population estimates (Link et al, 1993).

Plan has profound implications for rethinking both remedial and preventive measures to end homelessness. One conclusion is inescapable: for many Americans crossing the line between extreme crisis poverty and homelessness has become largely a matter of timing—not when, but how often. We must serve at-risk families and individuals in crisis poverty, including the large groups of very poor families and individuals who move in and out of precarious housing. For those individuals with long-term chronic disabilities such as severe and persistent mental illnesses and substance abuse problems, we will need to provide treatment, support services, and housing.⁴

3. "Homeless" Defined

Advocates cultivated the use of the word "homeless" in the late 1970s, intending it as a nonstigmatizing way of referring to the street-dwelling poor and their counterparts in shelters. Faintly archaic itself, the term seemed well-suited to a kind of poverty that had virtually vanished from the American landscape nearly four decades earlier. As the full dimensions of the problem have come into sharper focus, however, it is becoming clear that the term is showing signs of strain.

In the Stewart B. McKinney Homeless Assistance Act of 1987, the legislation which created a series of targeted homeless assistance programs, the Federal government defined "homeless" to mean:

- (1) An individual who lacks a fixed, regular, and adequate night-time residence; and;
- (2) An individual who has a primary night-time residency that is:
 - (i) A supervised publicly or privately operated shelter designed to provide temporary living accommodations (including welfare hotels, congregate shelters, and transitional housing for the mentally ill);
 - (ii) An institution that provides a temporary residence for individuals intended to be institutionalized; or
 - (iii) A public or private place not designed for, or ordinarily used as, a regular sleeping accommodation for human beings.

⁴Throughout this document there are references made to homeless populations. Citations are provided, which can be used to verify, where not stated, if reference is derived from a point-in-time study or a longitudinal study.

- (3) This term does not include any individual imprisoned or otherwise detained under an Act of Congress or a state law.

People who are at imminent risk of losing their housing, because they are being evicted from private dwelling units or are being discharged from institutions and have nowhere else to go, are usually considered to be homeless for program eligibility purposes.

4. Characteristics of the Homeless Population

Findings from cross-sectional studies conducted during the past decade have added much to our understanding of characteristics of homeless populations (Rossi, 1989). Although significant regional differences exist, it may be useful to offer a summary statistical sketch compiled from the studies that have been done.

Family Status

Single, unattached adults, unaccompanied by children, make up about three quarters of homeless persons. Men outnumber women by a factor of five. Families with children, more than 80 percent of whom are headed by a single mother, make up another fifth. The remainder are adults in couples or other groupings (Burt, 1992). In some communities, a substantial population of homeless young adults and adolescents may be discerned, though they are rarely included in standard studies. National estimates of this group range from 1.3 to 1.6 million homeless youth annually (HHS, 1993).

Age

The average age of unattached homeless adults is in the late 30s; that of mothers with children is in the early 30s (Burt, 1992).

Race and Ethnicity

Studies have repeatedly shown that minorities are disproportionately represented among the homeless population, especially among homeless families (Burt, 1992; Rossi and Schlay, 1992). African Americans, for example, form a larger fraction of both poor people (28%) and homeless persons (40%)—and have done so consistently throughout the 1980s—than their proportions of the general population (Burt & Cohen, 1989).

Institutional History

Only one in four homeless men has no history of any institutional stay, whether hospitalization, jail or prison, or inpatient chemical dependency treatment (Burt, 1992).

Health Status

At least half of the adult homeless population has a current or past alcohol or drug use problem. Up to one-third of the adult homeless population have severe mental illness (HHS, 1992). Other health problems occur with uncommon frequency; most lethal among them are HIV/AIDS and resurgent tuberculosis (National Health Care for the Homeless, 1993).

Income and Employment

Homeless persons tend to be very poor. Average monthly household income among homeless people in Chicago was less than \$174 (Rossi, 1989). In a national sample, average monthly household income among homeless persons was less than \$200, regardless of household composition (Burt, 1992). The Urban Institute reported that over a third of the homeless persons enumerated in shelters in the 1990 Census had worked within the previous week (Burt et al., 1993). Only half of homeless men have completed high school (Burt, 1992).

Foster Care

For reasons still poorly understood, a disproportionate number of adult homeless persons—ranging from 9 to 39 percent, depending upon the study—spent some time in foster care as children (Blau, 1992). A New York study found that this was even more striking for unattached homeless women, who were twice as likely as their male counterparts to have had an institutional or foster-care placement as their principal living arrangement while growing up (Crystal, 1984).

Homeless Children

Homeless children face significant barriers to receiving the same public education as their non-homeless peers. As many as one third of homeless children may not be attending school on a regular basis (US Department of Education, 1992). Children who are homeless with their family members often suffer not only disruption in their education, but serious emotional and developmental problems that can persist long after their families find permanent housing. African-American children use shelters at the highest rate of any group (Culhane et al., 1993).

Homeless Veterans

It is a national disgrace when men and women who have risked their lives for this country are reduced to sleeping on heating grates or in shelters.

—VA Secretary Jesse Brown

Approximately 30 to 45 percent of the entire adult male homeless population have served their country in the armed services. About 98 percent of homeless veterans are male, but the population of homeless female veterans is growing. In addition, approximately 40 percent of all homeless veterans are African American or Hispanic. Homeless veterans tend to be older and better educated than nonveteran homeless adults, but otherwise share the same characteristics as homeless nonveterans. One notable exception is that about 10 percent of homeless veterans also suffer from post-traumatic stress disorder (PTSD).

5. Causes of Homelessness

Homelessness does not happen in a vacuum. There is no one thing that causes homelessness and there will be no one thing that solves it.

—Zenobia Embry-Nimmer

Emergency Services Network, San Francisco, CA

A decade of research and practical experience has confirmed that there are many varieties of contemporary homelessness. Manifold in its causes, duration, consequences, and co-existing disabilities, its steady growth in the early 1980s reflected the confluence of a number of factors.

In accounting for homelessness, it is useful to distinguish among a number of levels of causation. Understanding the structural causes of homelessness is especially important when considering preventive strategies. When fashioning measures to reach those who are currently on the street, personal problems that contribute to the prolongation of homelessness must be addressed.

If stable residence is the goal of policy, appreciating the role of risk factors is essential. Psychiatric disability, substance abuse, domestic violence and chronic illness not only add to the likelihood that someone will become homeless, but complicate the task of rehousing someone already on the street. Among generic risk factors, poverty is the common denominator, but other circumstances have also been identified that increase the likelihood of homelessness: prior episodes of homelessness; divorce or separation among men, and single parenthood among women; leaving home or "aging out" of foster care among unattached youth; a history of institutional confinement in jails, prisons, or

psychiatric hospitals; and weak or overdrawn support networks of family and friends (Lindblom, 1991).

We must focus more attention on individual risk factors and the underlying structural causes potentiating these factors if the cycle of homelessness is to be broken.

Structural Causes

The problems I have are no adequate accessibility to job training or job skills—and no funds to obtain this training to get into the workforce.

—Resident, K.C. Rescue Mission, Kansas City, MO

Poverty. In 1992, nearly 37 million Americans were officially classified as poor; this figure represented 14.5 percent of the population, up from 12.8 percent in 1989 (US Census Bureau, 1993). Rates of poverty among African Americans are consistently three times higher than among whites (33 percent v. 11.6 percent in 1992); for Hispanic Americans, they are two and a half times higher. Female-headed households with children are particularly vulnerable to poverty; 48.3 percent of those living in these households were poor in 1992, a figure that rose to about 60 percent for African American and Hispanic Americans. Twenty-two percent of all children and 47 percent of African-American children lived below the poverty line in 1992. (US Census Bureau, 1993). The percentage increase noted above translates into an increase of five million poor people between 1989 and 1992. During this period, the very poor (those whose incomes were less than 50 percent of the poverty threshold) increased by 3.0 million, adding greatly to the population highly vulnerable to homelessness.

Recent studies suggest that over the past twenty years, poverty has become both more concentrated and more segregated (Kasarda, 1993; Massey and Denton, 1993). From 1970 to 1990, the number of census tracts with 20 percent or more poverty in the 100 largest cities increased from 3,430 to 5,596 (Kasarda, 1993). Overall, the percent of poor living in central cities increased dramatically, with African Americans having the highest concentration of poor in these areas.

Over the past quarter century, government assistance successfully reduced poverty among the elderly because public demands dictated that our elderly not be neglected. Government policies are likely to follow public dictates—and public opinion is often shaped by the perception of what is possible. Programs and policies such as Aid for Families with Dependent Children (AFDC) have not succeeded. By contrast, government efforts to improve the standard of living for elderly members of our society have succeeded.

Changes in Labor Market. The shift of the American economy from goods production to services over the past quarter century has substantially altered labor markets and the demand for workers, especially in cities of the Midwest and Northeast. Wage-based incomes have become more polarized; income differentials have widened. A host of developments have jeopardized the employment prospects of those who lack appropriate skills or adequate schooling. These include: plant relocations and closures, persistent racial discrimination, changes in industry that have increased demand for highly educated people, the decline in the real value of the minimum wage, and the globalization of the economy. This pernicious combination of factors that devastated America's cities and urban economies did not spare America's rural heartland. Rural communities, particularly those host to the farming sector, experienced severe economic shocks, losing jobs, homes, and indeed a way of life.

Young African-American men have been especially hard hit. This is reflected in both unemployment data and in changes in work force participation, which reflects the fact that there are many discouraged workers who have dropped out of the work force and are no longer counted in unemployment statistics. Work force participation (percent of those employed) was over 70 percent both for African-American and white men aged 16 to 24 in the early 1950s. By 1985, there was a large disparity between the two groups: less than 45 percent of African Americans were working in this age group compared to about 65 percent for whites (Jaynes and Williams, 1989). The relative odds ratio of being employed between the two groups increased from zero to over 2.4.

Prolonged periods of enforced idleness are hardly conducive to work habits, promotion of responsibility, or attachments to family or the labor force. In a culture that places a high premium on work, damage to self-esteem and the diminished respect of others surely follow. Not surprisingly, the lure of the "underground" economy as a source of income has grown.

The changing labor market also resulted in an increase in the number of workers who were working full time and still poor—particularly those whose schooling stopped with high school or earlier.

Income Assistance. Families on AFDC have seen the real value of their cash benefits steadily decline for the past twenty years. From 1970 to 1992, the median inflation-adjusted monthly State AFDC benefit in July for a family unit of four with no income dropped from \$799 to \$435 in 1992 dollars (US House of Representatives, *1993 Green Book*). In 1992, the combined value of AFDC and food stamp benefits for a family of four, on average, amounted to around two-thirds of the official poverty threshold of \$14,335.

Changes in poverty have been influenced by government philosophy and priorities more than budgetary constraints. Over the past quarter century government assistance successfully reduced poverty among the elderly because public demands dictated that our elderly not be neglected. The percent of elderly that have been removed from poverty by cash transfer alone increased from 50 percent in 1967 to nearly 80 percent by 1985. By contrast, the percentage of female-headed families with children that have been removed from poverty dropped during this same period from around 17 percent to around 11 percent. (Cottingham and Ellwood, 1989) Among the reasons is that cash benefits have been declining for this group in real dollars and non-cash benefits, such as food stamps, Medicaid, and housing assistance are not counted as income.

For single people, the picture was grimmer still: at the end of 1990, time-limited unemployment benefits reached a smaller proportion of the jobless than at any time in the previous twenty years. Never generous to begin with, state-administered "General Assistance" programs were severely cut and badly eroded by inflation during the 1980s. In 1991, reductions in benefits and culling of rolls affected over a third of General Assistance caseloads nationwide; similar cuts followed the next year, and more are contemplated.

Lack of Affordable Housing. Growing numbers of poor households find themselves competing for shrinking supplies of affordable housing. A comparison of the number of lowest-income renters to the units affordable at that income level illustrates the extent of this problem. In 1991, the poorest one-fourth of renters totaled nearly eight million households. But nationally, fewer than three million units were affordable to this group, i.e., rented for less than 30 percent of the highest income of those renters (Dolbeare, 1991). (HUD's programs often require 30 percent of a household's adjusted income). This "affordability gap" of five million in 1991 had widened by almost four million since 1970.

High real interest rates and increasing energy costs have contributed to the decline in the availability of housing affordable to very low income individuals by requiring landlords to charge higher rents to cover their capital and utility costs. Thus the cost of rental housing that meets minimal standards has risen out of the reach of many.

Losses of units with very low rents were particularly high among the marginal housing that once sheltered poor single adults, including old rooming houses and single room occupancy (SRO) hotels. Urban renewal and stronger housing code enforcement contributed to demolition or upgrading of this stock. Data on such units are imperfect, but huge numbers of inexpensive, unsubsidized units were lost. The number of people living in hotels and rooming houses with no other permanent address dropped from 640,000 in 1960 to 204,000 in 1980 and some 137,000 in 1990 (Jencks, 1994). Because most of these losses occurred during the 1960s and early 1970s, some analysts conclude

that shortages in the 1980s were "created largely by rising demand and only secondarily by falling supply".⁵ It seems likely that many of those now homeless or in emergency shelters have incomes and needs similar to the former occupants of this vanished stock.

Shortages of housing were greatest for the very lowest income: special tabulations of 1990 census data for every state and locality show that on average the ratio of affordable rental housing to every renter household with incomes below 30 percent of median is only .79. While the overall national supply of housing appears adequate for very low income renters with incomes less than 50 percent of median, there were great regional disparities. Disparities by location were greatest for renters with incomes below 30 percent of median: in Western cities there were only .43 affordable units for each of these very poor households, while there were surpluses in non-metropolitan areas in all four census regions and in twenty states including North Dakota (Bogdon et al., 1993).

Widening gaps between numbers of very poor renters and of units they could afford translate into higher rent burdens. Between 1974 and 1989, the number of unassisted very low-income renter households paying more than one-half of their income for rent or living in substandard housing, or both, rose from 3.6 to 5.1 million, with all of the increase attributable to severe rent burdens (HUD, 1991).

Growth in these severe worst-case needs for housing assistance far outpaced increases in rental assistance during the 1980s, particularly among families with children. In 1990, nearly one-fifth (17.8 percent) of American renter households devoted more than half their income to meeting housing costs. Yet from 1981 to 1991, virtually alone among means-tested programs for the poor, budget authority for housing assistance actually declined.

As funding appropriated during the late 1970s produced housing during the 1977-1984 period, the number of additional households receiving assistance rose by an average of 219,000 each year. From 1985 to 1991, however, the average annual increase was only 61,285 (US House of Representatives, *1991 Green Book*). Not surprisingly, then, in 1991 only 25 percent of eligible very low-income renters received rental assistance.

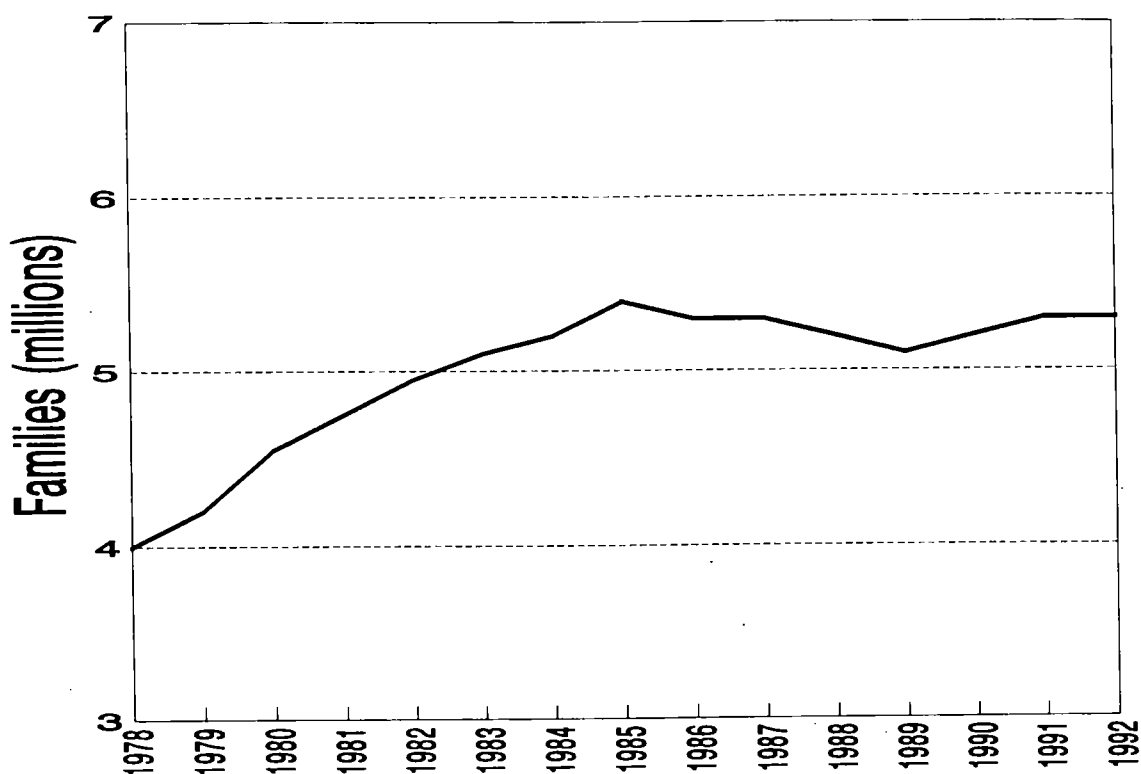
Rural poverty and housing affordability are also a problem. Nearly half of rural minority poor live in substandard housing. In 1990, there were 1.4 million rural occupied substandard housing units. Of the rural residents earning from \$5,000 to \$9,999 who are able to afford rent, 34 percent (770,000) must pay more than 30 percent of their

⁵Because housing markets tend to "clear" locally, national trends in aggregate supply and demand can mask important regional and local variation. In places such as New York, for example, significant losses to the stock of low-cost single-room-occupancy units continued throughout the 1970s: over 60 percent of the 50,454 units enumerated in January 1975 had disappeared by April 1981 (Kansinitz, 1984).

income on rent. For those earning less than \$5,000 who are able to afford rent, 28 percent (625,000) must pay 30 percent or more of their income on rent. In FY 1994, the FmHA section 515 rural rental housing program had \$1.4 billion in applications and preapplication proposals, far exceeding the amount of funds available for assistance.

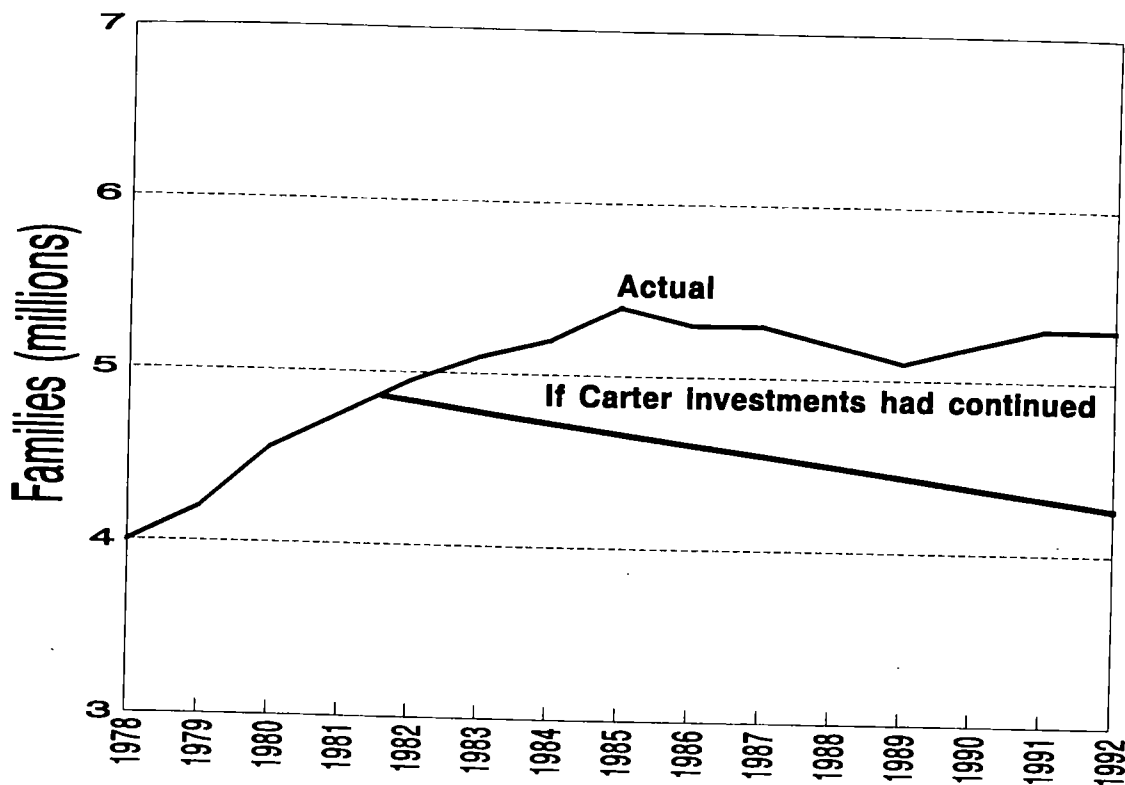
Two charts follow that contrast the severe drop in incremental assistance during the previous decade against the growth in worst-case needs.

SEVERE HOUSING NEEDS REMAIN AT HIGH LEVELS



Source: American Housing Survey, various years, and HUD's model of worst-case rental assistance needs. Worst case needs defined as families paying more than half of income for rent, displaced, or living in substandard housing.

NEEDS WOULD HAVE DECLINED IF EXPENDITURES HAD KEPT PACE



Source: American Housing Survey, various years, and HUD's model of worst-case rental assistance needs. Worst case needs defined as families paying more than half of income for rent, displaced, or living in substandard housing.

Changes in Family Structure. The rise in single-parent families is one of the most significant demographic shifts of the last quarter century. In 1970, single-parent families accounted for 14 percent of all families; by 1992, that figure had grown to 22 percent. (Among African Americans, the figure grew from 36 percent to 53 percent during the same period; for Hispanics, the figure grew from 22 percent to 32 percent from 1973 to 1992.) Female-headed households accounted for 39 percent of the officially poor population in 1991. Nearly half of all African-American children and over two-fifths of Hispanic-American children live in such households.

Single mothers with children constitute the largest percentage of AFDC recipients and make up 80 percent of homeless families as well (Lindblom, 1991). Chronically strapped for resources, such households are held hostage to the slightest change in fortune. Inexperienced in managing households of their own, many of these young single mothers are at a heightened risk of homelessness. These difficulties for families also profoundly affect their children, who frequently experience disruptions in their schooling. If members of minority groups, they often face the added burden of discrimination.

Families try to cope with poverty the way they always have, by resorting to traditional means of resource-pooling. In fact, during the 1970s, the prevalence of doubled-up households among poor people in cities increased substantially, especially among African Americans. However, the contributions of additional household members were less successful in raising these families above the poverty level than they had been a decade earlier (Stern, 1993).

Drugs, Disabilities, and Chronic Health Problems. The failure to address the treatment and rehabilitation needs of people with disabilities, chronic health problems, and mental health problems has contributed to a substantial increase in the number of people who are especially vulnerable to displacement and homelessness. Research studies throughout the 1980s consistently found that about half of the single homeless adult population suffers from substance abuse problems (Baumohl and Huebner, 1990). Habitual heavy drinking and drug use also figure prominently among the precipitating causes of homelessness. Substance abuse eats away material resources (such as money otherwise available for rent) and can sorely test the supportive social relations that customarily allow people to ride out spells of hard times without resort to emergency shelters. The evidence is strong, in short, that substance abuse is an important factor in the "selection" of homeless people from among others who are also poor. At the same time, the experience of homelessness itself may trigger heavy drinking and drug use by people who have not had such problems in the past and may prompt renewed substance abuse by people whose earlier problems had been under control. Other chronic health problems, such as diabetes and HIV/AIDS, pose unmet treatment needs for some homeless people.

6. Why These Factors Translate into Homelessness

A number of analysts (Sclar, 1990; McChesney, 1990; Shinn and Gillespie, 1994) have suggested that the situation of households at risk of homelessness may be likened to a game of musical chairs. Too many people are competing for too few affordable housing units. In such a game, those troubled by severe mental illness, addiction, or potentially lethal infections, as well as those simply inexperienced in the delicate balancing act that running a household in hard times requires, are at a serious disadvantage.

Under such circumstances, the changes sketched above—in kinship, government support and work—greatly complicate the task of relocating people who have been displaced from their homes. Traditionally, as noted earlier, extended households were on hand as the recourse of last resort in difficult times. Those among the poor who were without family could make do in sections of central business districts where rooms were cheap and food could be had through the efforts of local charities. Even difficult behavioral problems could be accommodated: such people simply moved frequently, in effect spreading the burden throughout the marginal housing sector. For those still able, spot work opportunities provided a source of income.

But extended families are finding it difficult to make ends meet. The slack in cheap housing is gone. And studies suggest that what is left of the casual labor market prefers more compliant recruits.

Faced with these changes, Federal homelessness policy must be both preventive and remedial in scope. It must do more than merely relocate those who are currently homeless. It must also stabilize such housing placements once made, while securing the residences of those who are precariously housed. Government must seek, in effect, to do with deliberation and planning what the private market once accomplished: make housing work again. In today's environment, to make housing work will frequently require an infusion of fiscal resources and support services. Such services should be viewed, not as "add-on" frills, but as essential enabling ingredients—on a par with debt service, insurance or fire control measures—that are needed for some housing to be feasible at all.

7. Building on What We Have Learned

We must address the problems that render people homeless in the first place rather than focusing simply on getting them off the streets for the night. That is why I have designated addressing homelessness my number one priority.

—HUD Secretary Henry Cisneros

Over a decade has passed since homelessness began its unprecedented postwar growth. During that time, social service agencies, advocates, and researchers acquired a wealth of experience in dealing with homelessness. This collective experience has taught us that homelessness is more complex and deeply rooted than some had originally forecast. Responsible policy must seek to address both the fundamental structures of poverty and the complicating risk factors specific to homelessness.

Solving homelessness will thus mean confronting the traditional sources of impoverishment: declining wages, lost jobs, poor schooling and persistent illiteracy, racial discrimination, public entitlements outpaced by inflation, chronically disabling health and mental health problems, the scarcity of affordable housing, and the increasingly concentrated nature of poverty. It will also mean confronting relatively new social phenomena that are adding to the costs of poverty: changes in family and household structures, the decline in traditional kin-based sources of support, and the proliferation of new drugs (such as crack cocaine) and socially-stigmatized infections, i.e., HIV and tuberculosis.

Accordingly, a comprehensive approach will have to mount initiatives on a number of fronts simultaneously. Homelessness will not be solved by simply outlawing the most visible evidence of its presence on the streets. Solving homelessness will require durable means of arresting the sources of residential instability—both structural and personal—that lie at its root. For virtually every homeless person, this will mean dealing with the affordability and availability of housing. For some, restoration of family ties and attention to the skills and resources needed to manage a household may be indicated. For others, appropriate treatment of mental illnesses and/or substance abuse problems will be essential if they are to be stably housed. Accommodating the diversity and range of assistance needs among homeless persons will require the development of comprehensive, yet flexible, community-based continuums of care, much like those VA is working to develop through its Comprehensive Homeless Centers.

If we look further ahead, an even more ambitious agenda can be seen. This agenda will encompass long-term community and economic development, education, training and job opportunities, the reinstatement of support services as part of the "welfare" apparatus, and attention to such neighborhood facilities as health clinics and day care centers. But budgetary constraints require a transition to this larger agenda that fully addresses poverty and its accompanying ills. Welfare and health care reform should begin to address many

of these ills. In the short run, we will need to direct resources to ensure that those who are currently homeless receive the appropriate range of services and housing as needed and that those poised on the brink of homelessness can be brought back from the edge.

Recent Efforts to Address Homelessness

Part II: Recent Efforts to Address Homelessness

1. Local Initiatives
2. State Efforts
3. The Evolution of the Federal Role
4. Evaluation of the McKinney Programs
5. Stocktaking: Unfinished Work
6. Summing Up What We Know
7. Policy Implications

The past decade was characterized both by an increased awareness of the problem of homelessness and by new responses on the part of advocates, service providers and governments. As homelessness became a highly visible problem in many cities and towns early in the 1980s, churches, synagogues, and other local not-for-profit organizations initially led the way in the development of an emergency system to address unmet needs. Despite these pioneering efforts at the local level, it soon became apparent that those efforts would be inadequate to address the steadily growing demands for shelter and emergency services.

In 1983, emergency funds were made available through the Emergency Food and Shelter (EFS) Program of the Federal Emergency Management Agency (FEMA) to augment these local efforts. By the mid-1980s, however, it was clear that short-term relief alone would not suffice. With the addition of more funds from the Federal government through the Emergency Shelter Grants Program at HUD, Emergency Assistance funds from HHS, and ultimately a broader array of targeted programs delivered by leaders in Congress through the Stewart B. McKinney Homeless Assistance Act, homelessness assistance grew from a patchwork quilt of local relief efforts to include a significant commitment of Federal resources.

1. Local Initiatives

The McKinney Act provides primarily emergency relief, addressing the immediate survival needs of homeless persons; it does not provide, and was not intended to provide, long-term solutions to homelessness; and unless comprehensive long-term relief is quickly provided, the homeless population will continue to grow.

—Maria Foscarinis, *Beyond McKinney*
National Law Center on Homelessness and Poverty

The 1980s were remarkable for the tenacity, ingenuity, and sheer willpower of grassroots organizations nationwide to stem the tide of homelessness. These groups and

the homeless people involved deserve principal credit for increasing public sensitivity and awareness of homelessness. The number of shelters serving homeless individuals and families increased from an estimated 1,900 in 1984, with a bed capacity of 100,000, to 5,400 shelters in 1988 with total bed capacity of 275,000. In 1990, the Census Bureau identified over 6,664 emergency shelters, 1,009 shelters for abused women and 788 shelters for runaway or neglected children. Similar increases were reported in the emergency food network: soup kitchens, food pantries, food banks, and commodity distribution sites.

Because independent not-for-profits and the faith community took the lead in the provision of emergency services, mechanisms for coordination were initially in emergency mode and thus, community partnerships and integrated planning were not well developed. Coalitions of service providers came together essentially to discuss advocacy efforts, not coordinated program development or funding at the local level. Providers began to recognize the need for such coordination and strategic community planning; they simply could no longer do it alone. While community partnerships were encouraged by some programs, such as FEMA's EFS⁶ program, such long-term planning was difficult for the not-for-profit providers and local government members to achieve on their own, without broader community-wide efforts, as well as real access to additional resources.

By the end of the decade, nearly everyone agreed that lasting solutions to homelessness lay not in expanding the supply of emergency shelters but in long-term programs and social structures that work to reduce poverty.

2. State Efforts

Although a number of states developed and administered programs specifically targeted to meet the needs of homeless people (especially families), most states relied on funding from mainstream programs to address the problem. A number of states developed homelessness prevention programs that included funds to prevent evictions or foreclosures and to meet other expenses that would otherwise threaten housing security. Some states focused on coordination and integration of homelessness-related programs and established state-level interagency councils to ensure effective and integrated service delivery. But without new resources, most had no alternative but to rely heavily on such charitable organizations as churches, synagogues, missions, and a host of not-for-profit groups for assistance.

⁶ EFS Local Boards are required to have local government officials serve on Local Boards along with private not-for-profits.

State funding increased from 1987 to 1991, and a few states made large contributions to local efforts. But funding within most states for homeless-targeted assistance remains quite modest. In 1991, 27 states reported appropriations of less than \$5 million each specifically targeted to assist homeless people in the entire state.

3. The Evolution of the Federal Role

The first direct aid for crisis homelessness from the Federal government was created in 1983 in response to problems caused by high unemployment due to the recession of the early 1980s. Administered by the Federal Emergency Management Agency, \$100 million was appropriated for the Emergency Food and Shelter Program (EFS). The EFS program is a unique, public-private partnership. It combines Federal resources with national and local not-for-profit organizations. From 1984 to 1987, an additional \$325 million was appropriated for the same purpose. In 1983, the United States Department of Agriculture's Temporary Emergency Food Assistance Program (TEFAP) was first funded. Other assistance for crisis homelessness in the early 1980s came from the HHS Emergency Assistance Program and the HUD Community Development Block Grant (CDBG) Program. Although such programs were not specifically directed toward relief of homelessness, emergency services and shelters were eligible activities.

It was not until the historic passage of the Stewart B. McKinney Homeless Assistance Act in 1987 that Congress and the Federal government formally assumed a role in addressing homelessness. The McKinney Act represents the successful persistence, despite a reluctant Administration, of both dedicated members of Congress including, but not limited to, Congressmen Henry Gonzalez, Bruce Vento, Stewart B. McKinney, Mike Lowry and Senators Alan Cranston and Edward Kennedy, and of homeless and housing advocates and advocacy organizations to provide policy direction and direct resources to respond to the needs of those most desperate in society. Since that time, and as more was learned about the root causes of homelessness, additional McKinney programs have been created, and McKinney funding for targeted homeless assistance has increased dramatically, from \$490 million in FY 1987 to nearly \$1.2 billion in FY 1994.

Combined, the more than twenty McKinney Act grant assistance programs can fund activities that provide homeless men, women, and children with emergency food and shelter, surplus goods and property, transitional housing, some supportive housing, primary health-care services, mental health care, alcohol and drug abuse treatment, education, and job training. These various McKinney grant programs and authorities are administered by five different departments—HUD, Health and Human Services, Veterans Affairs, Labor, and Education—and one agency, FEMA. HUD currently administers nearly 70 percent of the McKinney Act funds.

Most McKinney grant programs provide funds through competitive and formula grants for a variety of research and demonstration projects as well as basic support for ongoing emergency and transitional assistance. However, the McKinney Act does provide some variation on distribution of assistance. For example, FEMA's assistance is available only through local boards that administer FEMA funds. In VA's McKinney Act programs, VA personnel provide hands-on outreach and rehabilitation to homeless veterans.

In addition to the McKinney Act funding programs, assistance to homeless individuals and families is available through numerous non-McKinney programs and the McKinney Title V Surplus Property Program. Nearly a dozen of these programs are specifically targeted to homeless persons. In addition, there are programs that, while not specifically targeted to address the needs of homeless people, can be used in developing comprehensive assistance programs to serve homeless people. For example, the Farmer's Home Administration (FmHA) operates mainstream housing programs that provide vital homelessness prevention assistance to rural areas.⁷ Other Federal programs, such as Title I of the Elementary and Secondary Education Act, include provisions to facilitate the delivery of educational services to homeless children. The Administration's proposal for the reauthorization of Title I in fiscal year 1995, currently being considered by Congress, would provide \$7 billion in education and support services for disadvantaged children, many of whom are homeless or at-risk for becoming homeless. The Administration's reauthorization proposal includes specific language stating that activities funded from Title I must also serve homeless children. The decisions on how to spend the nontargeted funds are often the responsibility of the recipient states and localities. Individual service providers must apply directly to the appropriate state or local government agency, not the Federal government, for the funds.

The following two charts list the McKinney programs and summarize their recent funding history.

⁷FmHA programs provide both single- and multi-family housing for low- and very low-income households and, through an agreement with the Federal Emergency Management Agency, make available single-family inventory property to shelter residents in major disaster areas. Under the Clinton Administration, FmHA has also begun to lease single-family properties to not-for-profits and public bodies for transitional housing for homeless individuals and families.

MCKINNEY ACT PROGRAMS

HOUSING AND URBAN DEVELOPMENT:

- Supportive Housing Program
- Innovative Homeless Initiatives
- Shelter Plus Care Program
- Section 8 Mod-Rehab for Single-Room Occupancy
- Emergency Shelter Grants Program
- Rural Homelessness Assistance/ Safe Havens

HEALTH AND HUMAN SERVICES:

- Health Care for the Homeless Program
- Projects for Assistance in Transition from Homelessness
- Substance Abuse/Mental Illness Demonstration
- Family Support Centers Program
- Emergency Community Services Homeless Grant Program

FEDERAL EMERGENCY MANAGEMENT AGENCY:

- Emergency Food and Shelter Program

LABOR:

- Job Training for the Homeless Demonstration Program
- Homeless Veterans Reintegration Project

EDUCATION:

- Education for Homeless Children and Youth Grant Program
- Adult Education for the Homeless Program

VETERANS AFFAIRS:

- Health Care for Homeless Veterans Program
- Domiciliary Care for Homeless Veterans Program

GSA, HHS, HUD, DOD:

- Title V Surplus Property Program

TARGETED HOMELESS ASSISTANCE PROGRAMS₁

(Budget Authority in Millions of Dollars)

	<u>FY 1993</u>	<u>Pres. Bud.</u>	<u>FY 1994</u> <u>Enacted</u>	<u>FY 1995</u> <u>Pres. Bu.</u>
McKinney Act Programs				
HUD:				
Supportive Housing	150.0	320.0	334.0	1120.0
Shelter Plus Care	266.6	273.7	123.7	130.0
Section 8 SRO	105.0	107.8	150.0	
Emergency Shelter Grants	50.0	51.4	115.0	
Supplemental Assistance (SAFAH)				
Innovative Homeless Initiatives		200.0	100.0	
Homeless Assistance Grants ₂				
Emergency Food and Shelters				
Subtotal HUD	<u>571.6</u>	<u>952.9</u>	<u>822.7</u>	<u>1250.0</u>
HHS:				
Health Care for the Homeless	58.0	58.0	63.0	63.0
PATH	29.5	29.5	29.5	29.5
Substance Abuse/Mental Illness Demos ₃	21.4	21.4	21.4	
Family Support Centers ₄	6.9	6.9	7.4	7.4
Emergency Community Services ₅	19.8	19.8	19.0	
Subtotal HHS	<u>135.6</u>	<u>135.6</u>	<u>140.3</u>	<u>99.9</u>
FEMA:				
Emergency Food and Shelters	129.0	123.0	130.0	
Labor:				
Job Training ₇	12.5	12.5	12.5	5.1
Veterans Reintegration Project (non-add)	(5.1)	(5.1)	(5.1)	(5.1)
Education:				
Homeless Children Education Grants	24.8	25.5	25.5	30.0
Adult Literacy	9.6	10.0	9.6	9.6
Subtotal Education	<u>34.4</u>	<u>35.5</u>	<u>35.1</u>	<u>39.6</u>
Veterans Affairs:				
Homeless Chronically Mentally Ill Veterans	22.2	28.3	28.8	28.8
Domiciliary Care for Homeless Veterans	22.3	23.4	27.6	27.6
Subtotal VA	<u>44.5</u>	<u>51.7</u>	<u>56.4</u>	<u>56.4</u>
Interagency Council on the Homeless₈	<u>0.9</u>	<u>0.9</u>	<u>0.0</u>	<u>0.0</u>
Subtotal McKinney Act Programs	928.5	1312.1	1197.0	1451.0
Non-McKinney Act Programs				
HUD: HUD-VA Supported Housing ₉	19.1			
HUD: Sec. 8 Voucher Setaside ₁₀				
HUD: New Sec. 8 Voucher Setaside ₁₁				514.2
HHS: Consolidated Mental Health Demos ₃				45.8
HHS: Community Support	24.4	24.4	24.4	
HHS: Runaway & Homeless Youth ₁₂	35.1	35.1	36.1	68.6
HHS: Runaway Youth (Drugs)	14.6	14.6	14.5	
HHS: Run. Youth/Transitional Living	11.8	11.8	12.2	
HHS: NIH Research on Homeless	12.9	12.8	13.7	14.3
USDA/F&CS: Soup Kitchens	32.0	32.0	40.0	50.0
VA: Comp. Work Therapy/TR	0.4	0.4	0.4	0.4
VA: HUD-VA Support Housing ₉	2.0	2.1	2.1	2.1
VA: Comprehensive Services			8.0	8.0
Subtotal Non-McKinney Act Programs	152.3	133.2	151.4	703.4
Targeted Homeless Total	1080.8	1445.3	1348.4	2154.44

- 1 Table includes budget authority specifically to homeless persons. It does not include an estimate of the portion of mainstream Federal assistance provided to the homeless (e.g., through programs such as Food Stamps or AFDC) or the value of surplus Federal equipment, food, and real property provided to homeless individuals and families.
- 2 FY 95 President's budget proposes a reorganization of the HUD McKinney programs under a single account.
- 3 FY 95 President's budget proposes a new "Consolidated Mental Health Demos" account (non-McKinney). The new account would include funds previously provided under the Substance Abuse/Mental Illness Demo and the Community Support program. Homeless demonstration projects would be continued as a high priority.
- 4 Included as a consolidated request for Family Support Discretionary Activities.
- 5 FY 95 President's budget proposes consolidating this program into Community Service Block Grant in FY 95. States would be required to make a plan for and give priority to the most vulnerable populations, including homeless people.
- 6 FY 95 President's budget proposes administration of this program within HUD instead of FEMA. The Program would be funded under the "Homeless Assistance Grants" account.
- 7 FY 95 President's budget requests resources for the Veterans Reintegration Project within the job training demo program. In addition, the mainstream JTPA program has been modified to focus more on disadvantaged groups, including the homeless population.
- 8 FY 94 VA/HUD appropriations bill provided no separate appropriation for the Council. FY 94 Council activities will be staffed and funded by HUD, and the Council will continue as a working group of the Domestic Policy Council.
- 9 HUD funding level represents estimated cost of 750 Section 8 rental vouchers set aside by HUD for the Department of Veterans Affairs to use in providing supported housing to homeless veterans with mental illness or substance abuse problems. VA funding level provides clinical support and case management in the permanent housing.
- 10 Funding is from Section 8 vouchers set aside in 1992 for homeless persons with disabilities. The vouchers are to be used to provide rental assistance to 4,750 disabled homeless households annually for five years.
- 11 Funding is from Section 8 rental vouchers to be set aside in FY 1995-99 for homeless persons. The vouchers are to be used to provide rental assistance to 15,000 homeless households annually for five years.
- 12 FY 95 President's budget proposes consolidating the three runaway and homeless youth programs into a single authority.

4. Evaluation of the McKinney Programs

The challenge ahead of us is putting all the pieces together to create a comprehensive system of housing, services and care.

—Andrew Cuomo, Assistant Secretary, HUD

The Stewart B. McKinney Homeless Assistance Act of 1987 has been the major Federal vehicle specifically targeted to help homeless individuals and families. The McKinney Act programs have provided assistance in the following areas: emergency food and shelter, transitional and permanent housing, primary health-care services, mental health, alcohol and drug abuse treatment, education and job training. These programs, which previously provided the foundation for all Federal assistance, were structured to begin to build partnerships with states, localities, and not-for-profit organizations.

The majority of funding has been directed toward housing, often with supportive services, followed by food and nutrition assistance and emergency shelter aid. Funds were also available for health care, mental health and supportive services for homeless individuals and families, often through demonstration projects. In the area of housing assistance, HUD, in cooperation with HHS and VA, has successfully developed supportive housing programs with local governments and not-for-profit organizations. Through its research and services demonstrations, HHS has helped to expand knowledge of innovative approaches (e.g., outreach and case management services) in working with the most severely disabled among the homeless—those with mental health and alcohol and other drug abuse problems. The Department of Veterans Affairs has successfully developed outreach, health and domiciliary care programs for homeless veterans which have increased our understanding of the unique needs of homeless veterans. In fiscal year 1994, over 84 percent of McKinney funds were distributed to and through these three agencies.

Similarly, we have learned from programs administered by the Departments of Education and Labor that are designed to meet the educational and training needs of homeless children and adults. Through the education programs, access to education has increased for homeless children; literacy instruction and basic and life skills remediation have become more readily available for homeless adults. Job training and outreach programs sponsored by the Department of Labor have helped to demonstrate a variety of successful entrepreneurial and traditional approaches to train, retrain, and better prepare adults—veterans and nonveterans alike—for the workplace.

The McKinney programs were a very important first step because they provided urgently needed "assistance to protect and improve the lives and the safety of the homeless." Much has been learned, and the time has come to go beyond these initial efforts.

Many evaluations and audits of the individual and collective impact of various McKinney Act programs have been conducted by the General Accounting Office (GAO) and Federal agencies. The evaluations generally have been positive, suggesting that the McKinney and non-McKinney assistance programs have had a positive local impact. For example, a recent HHS Inspector General report indicated that local providers who had benefited from the available funding felt that McKinney Act programs had contributed greatly to the expansion of local services for homeless people.

Nevertheless, providers have also voiced serious concern about the fragmented nature of the McKinney assistance programs. One of the leading recommendations from the HUD/ICH Interactive Forums was to consolidate homeless assistance grant programs in order to decrease regulations and paperwork on all levels, provide for increased flexibility and innovation and to reward coordination. While critical in establishing local emergency services networks, the programs have not supported the development of coordinated or long-term solutions to homelessness and could be better used to improve access by homeless people to mainstream programs that primarily serve non-homeless individuals and families. To address the problem in-depth, providers also stated that better access to mainstream programs to assist low-income people is needed, such as affordable housing and improved services for persons with severe and persistent mental illnesses and/or substance abuse disorders.

Similarly, VA's ongoing monitoring and evaluation of its specialized programs for homeless veterans found that the health care and transitional assistance the programs initially provided could not keep many homeless veterans from falling back into homelessness after leaving veterans' programs. VA determined that successful rehabilitation required new linkages with supplementary employment, income, and housing assistance.

5. Stocktaking: Unfinished Work

It is clear that we, in the government, must re-evaluate our response to homelessness. We must initiate and institute programs and policies aimed at prevention, while at the same time, reducing the number of homeless individuals and families.

—Congressman Lucien Blackwell (D-PA)

As the national homelessness relief effort enters its second decade, soup kitchens, outreach teams, and shelters remain its signature institutions. Few significant changes have occurred in the mainstream institutional apparatus; instead, a parallel system of services and targeted housing has been brought into existence. It is important to understand why this has happened.

In the 1980s homelessness took shape as a continuing "emergency." The short-term benefits of that designation were considerable. Public resources, even those in chronically short supply, were redirected to meet the needs of a newly "privileged" class. We rediscovered that certain operational liabilities of government—in particular, the slow pace and cumbersome machinery of its bureaucracies—could be gotten around by relying upon community-based, not-for-profit providers as distribution vehicles. Some were established agencies; others were newly created in response to local scarcity. Flexibility and a quick response took precedence over the standard determination of competence and eligibility. In some places, even practices that had traditionally been part of the hard work of coping with poverty, such as doubling up, were reinterpreted as deserving homeless assistance.

Emergency assistance measures may have proliferated but the ledger of unfinished work remains daunting:

1. Street Homelessness. Despite more than \$4.2 billion in homeless program appropriations between 1987 and 1993, the problem of homelessness persists. In many American cities and towns, large numbers of men and women still bed down in the streets each night. In some areas their makeshift dwellings have achieved a size and complexity not seen since the "Hoovervilles" of the 1930s (Balmori and Morton, 1993). Municipal coroners continue to log street deaths due to exposure. Street begging has proliferated, with some communities retaliating with a strong police presence and anti-panhandling laws. Park benches have been "homeless proofed"; public libraries have found ways to exclude homeless people from use of their facilities. Although the general public sometimes construes the actions of street homeless people as a threat, with rare exceptions, their concerns seem to relate more to a sense of decline in quality of life, rather than any actual danger posed.

2. The Role of Deinstitutionalization. The increase in homelessness among people with mental illnesses is often mistakenly attributed solely to deinstitutionalization. Although the bulk of deinstitutionalization occurred prior to 1980, most individuals currently homeless have experienced homelessness much more recently. A recent survey by the HHS Center for Mental Health Services indicates that the majority of homeless people with mental illness participating in this study had spent little time in state psychiatric hospitals and that the majority have been homeless for less than three years.

Deinstitutionalization was the result of a mental health policy that emphasized community-based care and living situations. It was accompanied by a diversion policy that continues today, which discouraged unduly restrictive admissions to state mental hospitals. However, adequate community-based mental health care and affordable

housing are not available in many communities. As a result, individuals with mental illnesses are often at risk of becoming homeless.

It is generally agreed that a return to institutional care in mental hospitals is not the solution to this disjuncture between the needs of persons with mental illnesses and the availability of community-based care. For example, Breakey et al., (1989) found that clinicians recommended psychiatric inpatient care for 17 percent of the homeless sample evaluated, but long-term hospitalization for only one percent of the sample. In fact, these researchers concluded that "improving the accessibility and availability of community mental health services is more appropriate than advocating reinstitutionalization."

Homeless persons with mental illnesses are a heterogeneous population, with complex needs and varied services histories. Despite their unique situations and needs, they confront common difficulties in accessing the service delivery and housing systems. System fragmentation impedes access to treatment, entitlement programs, and other resources that could address their complex needs. The growing scarcity of affordable housing, particularly the loss of SROs, exacerbates the ability to successfully treat persons with mental illnesses in the community. Further, such persons are often the least able to compete for limited resources. Developing accessible integrated systems of care that link housing and services is critical to supporting these persons in their communities.

3. Substance Abuse. Available research and anecdotal information indicates a significant prevalence of both chronic alcohol and illicit drug use within this group. Treatment of homeless substance abusers, moreover, remains deficient, suffering from a serious shortage of treatment resources, treatment aftercare, or means to address the root causes of poverty. As a result, many treatment programs commonly discharge clients into circumstances that offer very limited opportunities for preventing relapse.

To serve the poor and the homeless effectively, treatment systems must greatly expand their capacities. The Administration's 1995 National Drug Control Strategy proposes the creation of drug treatment capacity for an additional 140,000 hard-core drug users in FY 1995, a portion of which would be available for homeless hard-core users. While a significant step forward, the proposed increases in FY 1995 drug treatment, however, will not be able to meet the overall need for drug abuse treatment for the homeless. The situation can only be rectified by continuing to seek additional resources to cover the nation's estimated 2.5 million drug users who would benefit from treatment, by supporting programs that motivate users to enter treatment programs, by continuing to improve the quality of treatment programs overall, and by improving options once out of treatment.

4. Rural Homelessness. All but absent in academic and policy debates of the 1980s was any mention of homelessness in rural areas. In part, it reflects the geography of relief: rural people who exhaust all local alternatives are apt to move to urban areas because that is where emergency services are likely to be found. In part, too, it reflects the distinctive character of rural homelessness: efforts to cope with residential instability in rural areas—doubling-up, moving frequently, occupying substandard housing, illegally siting trailers—by their nature mask the severity of hardship. There are few spaces (such as shelters) where literally homeless people congregate. In effect, these makeshift arrangements to solve homelessness in rural areas render it more hidden in the process (Fitchen, 1992).

Real rural development means getting more people here in Washington to understand the rural housing crisis. The evening news shows pictures of dilapidated tenements, packed city shelters, and people sleeping on heating grates. But their cameras don't focus on the 1.4 million substandard housing units in rural America with sheet-metal trailers using plastic wrap for windows or the overcrowded shacks with rotting floorboards.

—USDA Secretary Mike Espy

5. Homeless Veterans. Roughly a third of the entire male adult homeless population are veterans, and as many as half of all homeless adult men have some kind of military service experience. Indeed, the number of homeless Vietnam veterans today is greater than the total number of military personnel who died in Vietnam. For the most part, veterans appear to become homeless for the same reasons nonveteran adults do. But combat-induced post-traumatic stress disorder is an additional risk factor among approximately ten percent of homeless veterans. The highest risk veterans are the members of the group of immediate post-Vietnam military service, whose higher incidence of homelessness seems to correlate with higher levels of mental illness and substance abuse among those in military service at that time.

6. Precariously Housed, At Risk of Homelessness. Recent research suggests that turnover rates in shelters may be much higher than previously understood. This strongly suggests that there exists a large reservoir of unmet needs—for example, the situation of 5.1 million American households that HUD estimates have worst-case housing needs: renters whose incomes are below 50 percent of the area median and who pay more than 50 percent of their income on housing, live in severely substandard dwellings, or both. For that group to avoid homelessness in the future will mean considerably more attention to preventive measures—both formal and informal means of stabilizing otherwise precarious residential arrangements—than has been the case to date.

7. Prevention. Prevention is the most cost-effective way to address homelessness. Intervention methods that prevent foreclosure or eviction, ameliorate domestic conflicts to forestall potentially violent resolutions, provide supportive services for physically

and/or emotionally disabled individuals, and plan for soon-to-be released inmates in prisons and hospital patients are significantly less costly strategies than providing emergency food and shelter for homeless individuals and families.

8. A Weary, Restive Public. Much talk about "compassion fatigue" aside, polls reveal a public that, while demoralized by the continuing spectacle of homelessness and bewildered by the apparent failure of efforts to relieve it, has yet to yield on the conviction that government could and should do more. Many would be willing to participate in the shared sacrifice needed to bring such efforts to fruition (Link, 1992). However, this is a public skeptical about government's ability to address the situation successfully. The public's "compassion frustration" can only be addressed by demonstrable signs of achievement. At the same time, many view the homeless poor as victims of their own drug or alcohol use and as undesirable liabilities in any neighborhood. The picture that emerges is a complex one: a public weary of wasted effort and funds, eager to see effective programs enacted, but unwilling to see their own homefronts despoiled by further experiments in half-measures and failures.

No one suggests that solutions will be easy to come by. Even among advocates for the homeless, a certain tentativeness may be detected. Few of them are keen to defend the right of anyone who wishes, no matter the soundness of that wish, to live on the street under circumstances that would have shamed a turn-of-the-century ragpicker. Our approach must help people help themselves in a relationship of mutual rights and responsibilities.

6. Summing Up: What We Know

The Federal government must insure that when housing is provided to the homeless there is an accompanying array of supportive services. There needs to be a coordination of housing with job training, health care, child care, mental health care, substance abuse treatment, and other services necessary to assist homeless persons.

—Congressman Henry Gonzalez (D-TX)

Thanks to the efforts of service providers, researchers, advocates—and most important, homeless people themselves—the government has learned a great deal about what works, for whom, and under what circumstances. What we know can be summarized as follows:

1. Outreach works, but it isn't easy. In the 1980s, quiet headway was made in engaging and rehousing homeless street people, even those at first considered "unreachable." Outreach is the initial and most critical step in engaging, connecting, or reconnecting a homeless individual to needed health, mental health, social welfare, and housing services. The outreach process is often lengthy and the work arduous. (Outreach providers have reported that the length of time from initial contact to

engagement can range from a few hours to as long as two years.) But given sufficient patience, consistency, and perseverance, almost anyone on the street can eventually be brought inside by skilled outreach workers, including formerly homeless people. The existence of safe havens is useful during the outreach process.

We have also learned what not to do. Among the factors that limit success of outreach are fixing a time limit on the outreach process, placing high demands on the homeless individual during the engagement process, and inconsistency on the part of outreach workers. One additional problem is how to transfer the fund of trust painstakingly built up with homeless persons to often indifferent mainstream service providers.

2. Supportive housing works, but no one model will suffice. Equally impressive have been the achievements of supportive housing—housing linked with supportive services. Rare at the outset of the decade, such projects and their good reputation are now well established. Especially noteworthy are the range of multiple dwellings that have proven successful, their ability to handle even traditionally difficult clientele (those suffering from both mental illness and substance abuse, for example), and their record of accomplishment even when located in undesirable neighborhoods. There are numerous successful models across the nation mostly developed and operated by not-for-profit organizations. One Federal model is the HUD-VA Supported Housing partnership, in which VA staff help to place homeless veterans with mental illness or substance abuse problems into permanent housing through the use of HUD Section 8 rental assistance vouchers and then provide the support the veterans need to stay in that housing. Two innovations merit note here: the development of housing made supportive by the delivery, on-site or off, by contracted visiting clinical personnel of appropriate services, with adjustable levels of intensity, and the development of "mixed" housing, where disability is not a fixed criterion of eligibility, and the fiscal viability of the project as a whole benefits from a diversified rental stream.

The task before us today is both to replicate those models that have been shown to work, and to explore the shortcomings of existing designs. The role of government is to facilitate this replication. The task before the provider community today is to develop and sustain a wide range of residential and housing opportunities for those individuals who may need them.

3. Creating a service system separate from the mainstream programs is inefficient and ineffective. The improvised character of early homeless relief efforts was a product of exigency, not a considered strategic response. In the absence of long-term comprehensive planning for affordable housing and other necessary measures, emergency assistance was the only politically and fiscally feasible source of assistance that localities could provide for homeless individuals and families. However, while some emergency shelter will always be necessary, government must aspire to do more

than simply multiplying stopgap measures. Over the past decade, it has become apparent that upgrading the emergency services system to full institutional status simply dodges the long-term structural issues. Mainstream programs must be adapted to meet the special set of demands created by homelessness. More aggressive effort is needed to remove barriers to homeless people receiving benefits and services from these programs.

4. Prevention is indispensable to reduce the demand for emergency relief. As long as there are constant entries and reentries into homelessness, the size of the problem cannot be significantly reduced. The constant replenishment of the homeless population wipes out any evidence of program success. Better prevention would avert significant costs accrued in treating the consequences of homelessness. But a better understanding is needed of the efficacy of prevention measures, whom they serve, and under what circumstances they operate best. Secondary prevention is also important; for example, we have to ensure that currently homeless children do not become the next generation of the homeless adults.

5. Race matters and can no longer be ignored in efforts to end homelessness. Effective efforts to end homelessness will need to make explicit linkage with measures designed to overcome the effects of racism. Since the 1960s, urban researchers were as consistent in finding that minorities (especially African Americans) were overrepresented among the homeless poor as policy-makers were in ignoring that fact. Studies show, for example, that among adult males with below poverty-line income, African Americans are twice as likely as whites to become homeless (Rosenheck, 1994). Residential segregation remains a stark fact of life in many American communities and is especially severe in the nation's largest cities (Massey and Denton, 1993). Persisting segregation in housing has been joined by an increase in school segregation for both African-American and Latino students (Orfield, 1993). Effective policies addressing homelessness need to make an explicit linkage with measures to combat racism and inequality and their manifestations in housing, education, and employment practices. At the same time, this is not to suggest that race should be the definitive or exclusive lens through which poverty or displacement should be viewed.

6. Improving coordination and eliminating fragmentation in programs should be a top priority. Local service providers have repeatedly identified fragmentation and categorical funding as barriers to successful program integration and promoting access to services. Previous efforts to reduce the fragmentation of efforts to reduce homelessness and address its repercussions have met with limited success. There are, however, many successful models of comprehensive services linked with housing at the community level. What is needed are ways to develop these on a much larger scale. They must be strengthened before a comprehensive continuum of services and housing can be developed.

7. Program services for homeless people must comprise a continuum of care. Through the creation of public/private partnerships, community-based integrated homeless service systems, which include outreach, shelter and other emergency services, transitional and permanent housing, treatment and rehabilitative services and adequate aftercare services must be developed. The development of a seamless system of services and housing must be the goal. The system of services can be either a continuum of housing with various services, when needed, or a continuum of services in permanent housing, when needed.

Each community has to ask itself: Who are the homeless? Why are they homeless? What are the solutions for our community?

—Thomas Kenyon, National Alliance to End Homelessness

8. Not-for-profit organizations have demonstrated the capacity to develop and deliver effective services and innovative approaches in partnership with each other and with other public and private providers. Since the 1980s, nonprofit and other charitable organizations have developed and delivered programs serving homeless people. However, they can only deliver these services when there are adequate monies and sound policies that support a well-coordinated system. In addition to increased funding, flexibility, local coordination, and planning and technical assistance must be available to support these efforts.

7. Policy Implications

The Federal government must address the crisis of homelessness by moving beyond the band-aid response of the 1980s and attacking the root causes of homelessness: the lack of affordable housing, unemployment, and serious deficiencies in our health care system, particularly in the area of mental health and substance abuse treatment.

—Fred Karnas, National Coalition for the Homeless

Government policy must provide more than emergency shelter. It must address both the need for *services and housing* for those with disabling conditions, at the same time as it meets the need for *a temporary way station en route to stable housing* for others.

1. Given limited resources and the daunting scale of existing homelessness, this dual function can be met adequately only if *prevention becomes the equal of remediation in policy planning*. If potential demand for shelter is to be reduced, institutional practices that foster residential instability must be corrected. These practices include the lack of adequate treatment resources, the inadequacy of income maintenance and service programs, lack of education and job training opportunities, and inequities in housing assistance.

2. The objective should be to reduce the use of drop-in centers and emergency shelters to a minimum, *not to institutionalize such makeshift facilities as a parallel service system*. The need for emergency and outreach services cannot be denied. However, the success of such programs should ultimately be determined not by expanding their capacity, but by reducing the demand for them. "Putting ourselves out of business" should become the goal of all specialized programs serving the homeless poor, not just a catchphrase for not-for-profits.

3. *Secure housing is fundamental to repairing and stabilizing broken lives*. It is not something that is earned as a reward for successfully completing treatment or a resource contingent upon remaining in treatment. Access to housing is the indispensable requirement upon which successful rehabilitation and reintegration are conditioned.

Results of Federal Plan Questionnaire and Outreach Efforts

Part III: Results of Federal Plan Questionnaire and Outreach Efforts

Parts I and II of this Plan provide compelling evidence concerning the true nature and extent of homelessness in America. They also bring into focus the need to re-evaluate the role of government at all levels in cooperation with the private and business sectors and with homeless people themselves. To this end, this section of the Federal Plan, Part III, presents recommendations from all of these parties for a renewed commitment by and role for the Federal government in responding to this crisis.

An extensive process was used to consult with the people who understand homelessness best: providers of homeless assistance, local officials, and homeless and formerly homeless people themselves. Respondents were asked to address questions developed from the Executive Order and centered around the five problem areas previously identified by focus groups in 1990 and 1991: the cumbersome grant application process, lack of Federal and local program coordination, fragmentation in the delivery of services, inadequate funding levels for homeless assistance programs, and the severe shortage of affordable housing. The questions invited respondents to make recommendations for actions to be undertaken by the Federal government to break the cycle of homelessness and prevent future homelessness. Nearly 4,000 individual responses were made to four critical questions.

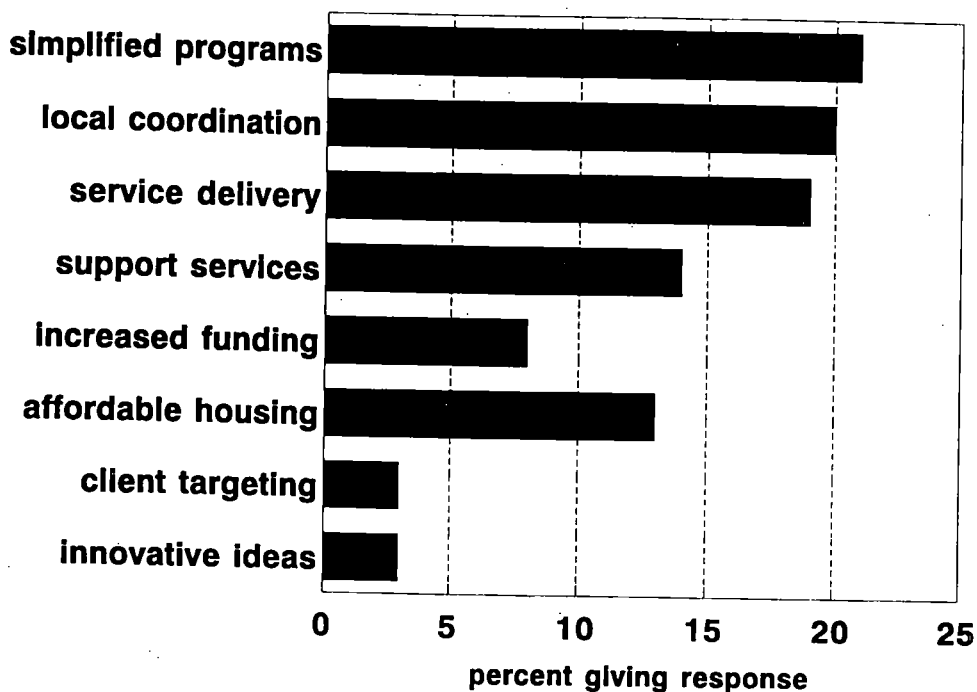
Respondents were asked to make recommendations for:

- Streamlining and consolidating existing programs, when appropriate;
- Redirecting current funding to provide links among housing, support, and education services;
- Promoting coordination and cooperation among grantees, local housing and support services providers, school districts, and advocates for homeless individuals and families; and
- Encouraging and supporting creative approaches and cost-effective local efforts, including tying current homeless assistance programs to permanent housing assistance, local housing affordability strategies, or employment. (See appendix B for sample questionnaire and responses).

More than 80 different responses on how to correct these problem areas were made to four questions outlined herein. The following bar graph shows the frequency of these 80 recommendations divided into clusters by categories.

RECOMMENDATIONS FOR ADDRESSING HOMELESSNESS

Local suggestion from survey



SOURCE: Sample from HUD 1993 survey

The largest cluster (21 percent) consisted of recommendations to simplify and improve the homeless assistance programs. One of the leading recommendations under this category was to consolidate all the homeless assistance grant programs and establish one funding source and one application process for homelessness assistance. Other recommendations within this cluster suggested that program results be evaluated, that recipients be held accountable for results, and that good performance be rewarded.

Secondly, respondents expressed the need for improved local coordination (20 percent). Among the suggestions were: a) to have a coordinated multi-agency community plan for each locality, b) to provide for citizen review boards, and c) to consolidate provider services. A third important suggestion was the improvement of local service delivery (19 percent). Recommendations include providing a continuum of care to homeless persons, improving case management, providing social services and transportation services for

shelters and other facilities, and focusing on prevention. A fourth set of responses related to improved provision of specific types of services (14 percent), including services for battered women and children, better health care, treatment of substance abuse, training and employment programs and child care.

These results suggest a need for a combined Federal, state and local effort that moves from emergency responses toward long-range solutions, including more affordable housing, accessible and flexible funding, and better coordination and improved service delivery through a continuum of care. It also will be particularly important for this agenda to include specific measures for those who are at risk of losing their housing and becoming homeless.

Respondents were also asked to prioritize issues to be addressed in the Plan. Seven priority areas were consistently identified: 1) affordable housing, 2) addressing the needs of the working poor, 3) homelessness prevention, 4) mental health treatment services, 5) substance abuse treatment services 6) child care, and 7) families experiencing homelessness. The table below highlights these priority issues by type of organization and geographic location of respondents. It is clear from the results that a true consensus exists concerning the priorities to be addressed on a national level. It is worth noting that these priorities demonstrate a clear call for addressing prevention, which is listed as number three.

FEDERAL PLAN QUESTIONNAIRE RESULTS

Summary Table of High-Priority Issues
(Only issues rated as 1 or 2 were included in the counts)

Issue	Total % *		TYPE OF ORGANIZATION											
			Service Provider		Advocacy Org.		City/County Govt		State Govt		Federal Govt		Other	
			%	%	%	%	%	%	%	%	%	%		
	2004		1218		95		241		102		43		209	
AFFORDABLE HOUSING	1438	72%	865	71%	78	82%	180	75%	71	70%	20	47%	157	75%
WORKING POOR NEEDS	1410	70%	862	71%	59	82%	171	71%	67	66%	25	58%	162	78%
PREVENT HOMELESSNESS	1210	60%	723	59%	55	58%	154	64%	59	58%	20	47%	141	67%
MENTAL HEALTH NEEDS	999	50%	610	50%	43	45%	132	55%	55	54%	21	49%	89	47%
CHILD CARE NEEDS	983	49%	612	50%	35	37%	110	46%	50	49%	18	42%	112	54%
SERVING FAMILIES	968	48%	578	47%	42	44%	114	47%	49	48%	15	35%	122	58%
SUBSTANCE ABUSE NEEDS	1091	54%	672	55%	49	52%	134	56%	63	62%	19	44%	111	53%
POOR STATE SUPPORT	879	44%	566	46%	40	42%	85	35%	32	31%	11	26%	101	48%
DOMESTIC VIOLENCE	846	42%	524	43%	35	37%	96	40%	44	43%	14	33%	99	47%
CHILDREN AND YOUTH	845	42%	501	41%	41	43%	100	41%	48	47%	15	35%	104	50%
LESS PUBLIC SUPPORT	811	40%	514	42%	42	44%	72	30%	38	37%	12	28%	91	44%

Issue	Total %		GEOGRAPHICAL CATEGORY					
			Large Metro Area		Medium Metro Area		Rural Area	Other
			%		%		%	%
	2004		688		656		434	119
AFFORDABLE HOUSING	1438	72%	512	74%	479	73%	292	67%
WORKING POOR NEEDS	1410	70%	491	71%	473	72%	283	68%
PREVENT HOMELESSNESS	1210	60%	434	63%	405	62%	234	54%
MENTAL HEALTH NEEDS	999	50%	376	55%	343	52%	162	37%
CHILD CARE NEEDS	983	49%	364	53%	333	51%	178	41%
SERVING FAMILIES	968	48%	359	52%	306	47%	182	42%
SUBSTANCE ABUSE NEEDS	1091	54%	431	63%	360	55%	176	41%
POOR STATE SUPPORT	879	44%	338	49%	279	43%	161	37%
DOMESTIC VIOLENCE	846	42%	318	46%	275	42%	165	38%
CHILDREN AND YOUTH	845	42%	315	46%	283	43%	143	33%
LESS PUBLIC SUPPORT	811	40%	325	47%	255	39%	142	33%

The Top Five Priorities have been denoted in **BOLD**

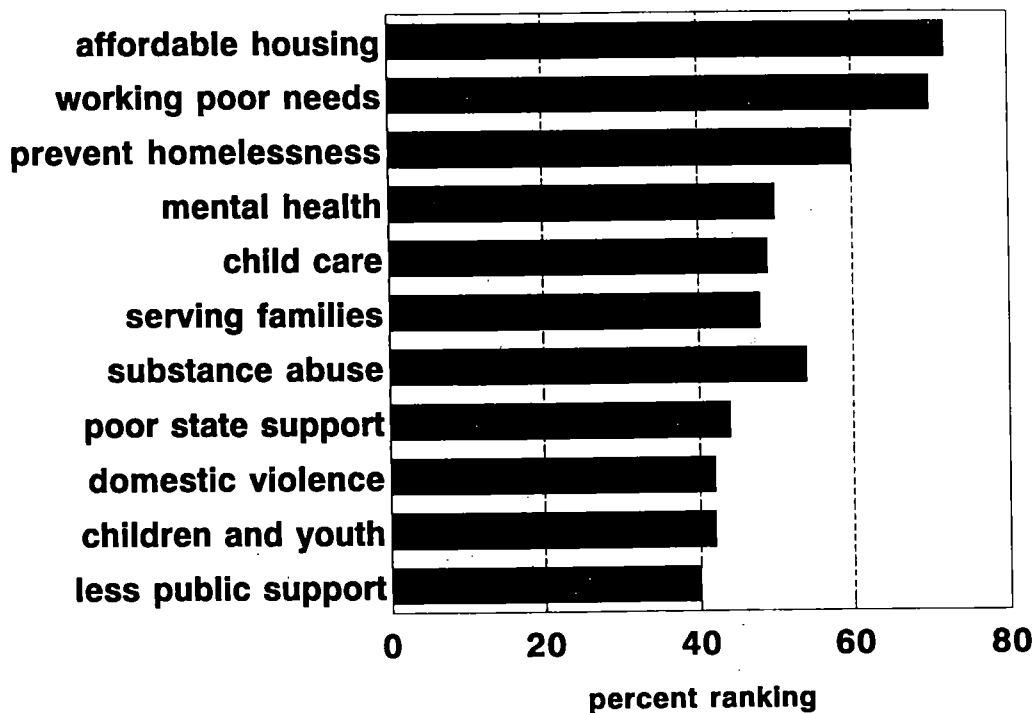
It is important to note that VA's ongoing monitoring and evaluation of its homeless assistance programs, including interviews with tens of thousands of homeless veterans, have shown a similar and persistent need for: 1) supported housing, 2) employment and income assistance, 3) prevention efforts, 4) increased access to substance abuse treatment and mental health care, and 5) assistance to the spouses and children of homeless veterans (which VA by statute cannot provide).

The following two bar graphs provide a closer look at the issues identified as priorities. While there may be some differences by region and occupational status, the overall results reveal a striking consistency of opinion.

The bar graph that follows highlights the priority issues as identified by at least 50 percent of those who responded to the questionnaire. It is also important to note that affordable housing, the needs of the working poor (income, health and child care, employment) and prevention of homelessness were identified as the top three priorities. This result is consistent with anecdotal information shared at the interactive forums that suggests the provision of affordable housing should be the priority of the Federal government, closely followed by prevention and ongoing efforts to meet the needs of the working poor and others at risk of homelessness.

PRIORITY HOMELESSNESS ISSUES FROM SURVEY

Top Issues ranked 1st or 2nd priority

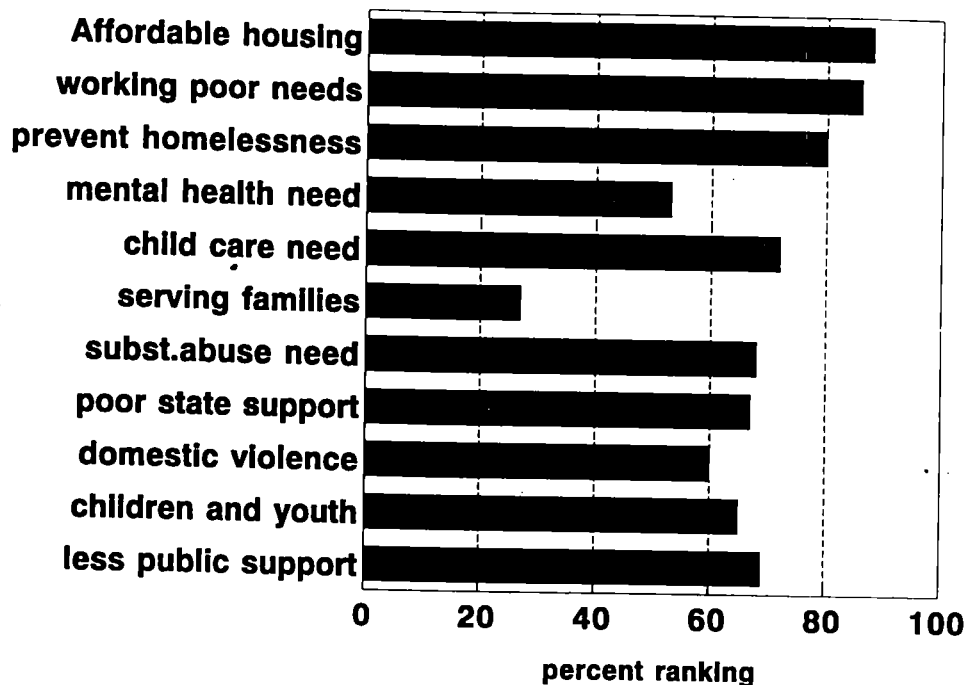


SOURCE: 1993 HUD national survey (N=2004)

Providing substance abuse and mental health treatment, closely followed by child care needs strongly suggests that the Federal government must examine ways to increase community-based treatment and supportive services to address homelessness as well as the needs of those individuals families most at-risk.

The following bar graph highlights the priorities of a sample of homeless people living in emergency shelters and transitional residences who were interviewed during the winter months of 1993/1994. The priorities identified are consistent with those highlighted by the total sample responding to the questionnaire. After affordable housing, meeting the needs of families and prevention emerge as the top priorities from the perspective of those who are currently homeless.

PRIORITY HOMELESSNESS ISSUES FROM SURVEY OF HOMELESS PEOPLE
Top Issues ranked 1st or 2nd priority



SOURCE: 1993 HUD national survey

Additional information can be found in Appendix C. While slight variations exist among the respondents, there is general consensus on the priorities and on which critical issues the Federal government should seek to address immediately and in the near future. The following section contains recommendations that address these priorities and concerns.

Recommendations for New Policy Initiatives and Agency Action Steps

Part IV: Recommendations for New Policy Initiatives and Agency Action Steps

1. Assisting Those Now Homeless
2. Long-term Structural Measures
3. Cross-cutting Agency Action Steps

Parts I and II of this document reviewed the scale, composition, and causes of contemporary homelessness and took stock of what we have learned in the past fourteen years. A synopsis of Federal efforts from the early 1980s was also provided. Part III summarized the results of extensive outreach and consultation with individuals and organizations on effective strategies to eradicate homelessness. Our focus shifts now to specific policy recommendations and action steps.

From the foregoing analysis, it should be clear that national trends in homelessness, rooted as they are in more persistent structures of poverty and lack of basic services, will not yield to a simple expansion of current programs. "More of the same" would serve only to perpetuate the same makeshift assembly of half-measures that hobbled the Federal response in the 1980s. At the same time, it should be equally clear that wholesale reform is at best an orienting ideal. Little sentiment currently exists for a renewed war on poverty.

Our task then is to develop a strategic plan that both properly addresses the problem of homelessness and remains mindful of political, budgetary, and other constraints. Set forth below is an attempt to take the first steps in such an approach. We intend to build upon and coordinate our efforts with policy initiatives newly set forth at the Federal level under President Clinton's leadership. Our aim is to achieve the goal of "a decent home and a suitable living environment" for every American, the goal of the 1949 Federal Housing Act and the heart of the American dream.

This strategy recognizes that if we are truly to eradicate homelessness, we must address the causes of homelessness for both broad and sometimes overlapping groups of homeless people as discussed earlier in this Plan: those in crisis poverty and those suffering from chronic disabilities.

The recommendations offer a two-pronged strategy: 1) take emergency measures to bring those who are currently homeless back into our communities, workforce, and families; and 2) address the structural needs to provide the necessary housing and social infrastructure for the very poor in our society to prevent the occurrence of homelessness. A section entitled "Cross-cutting Recommendations" follows the long-term

recommendations. The cross-cutting items are those recommended actions or policies, such as health care or welfare reform, that apply across various agencies. These items, necessary to the success and enhancement of the major recommendations, are called for in Parts I, II, and III of this Plan. Adoption of all of these policies can enable us to make homelessness a passing phase in our Nation's life rather than a constant companion.

We will work together to develop and implement a new strategy to break the cycle of homelessness, ease the plight of those who are homeless and prevent others from facing this human tragedy.

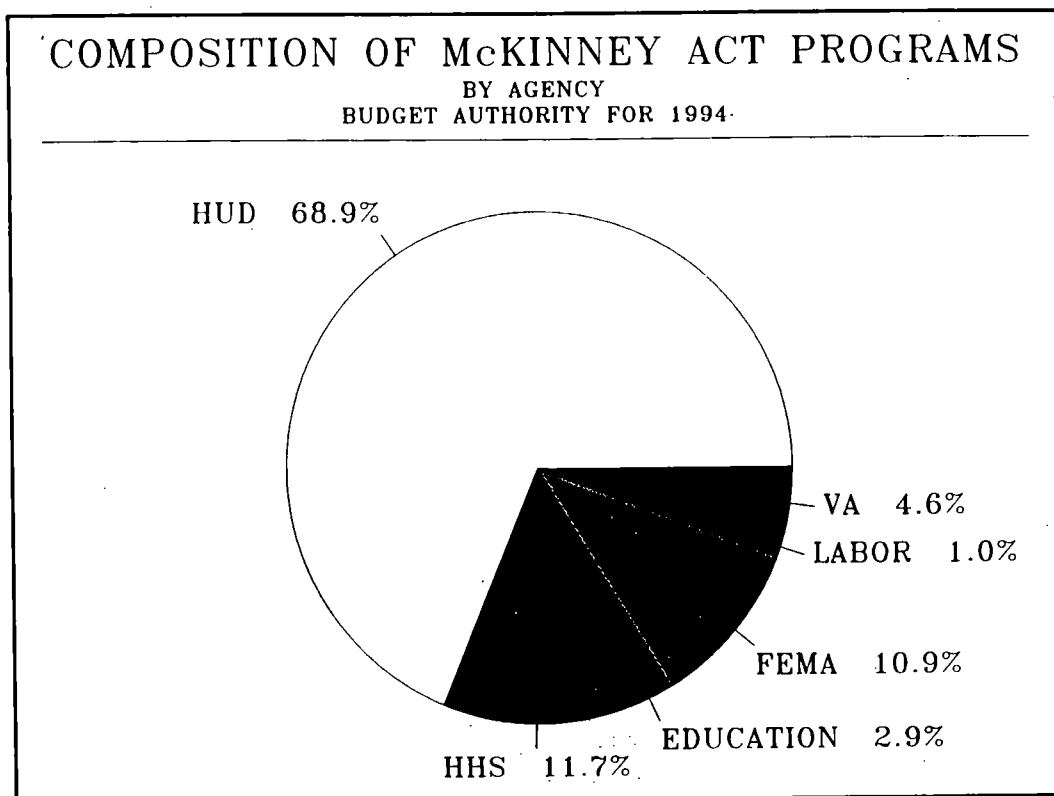
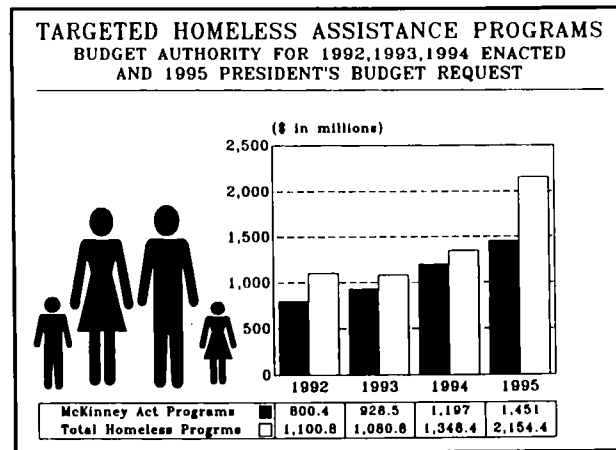
—HHS Secretary Donna Shalala

1. Assisting Those Now Homeless

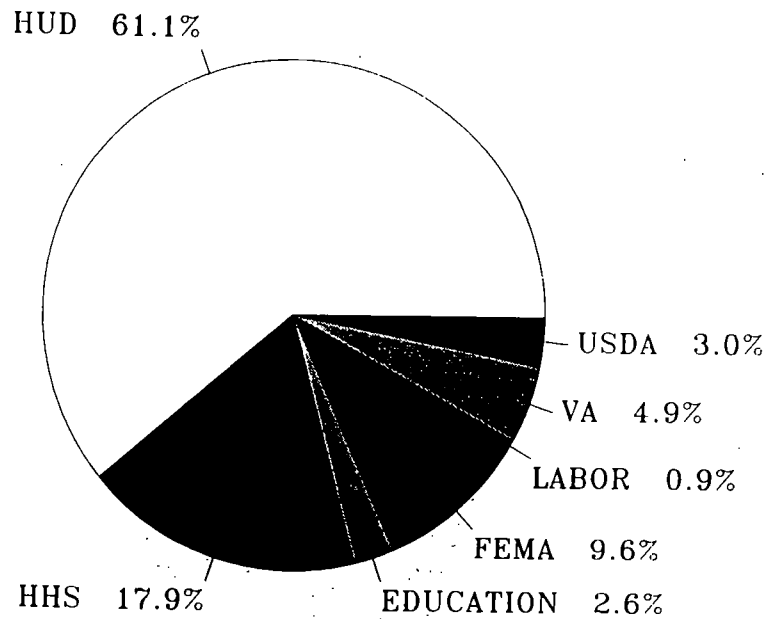
Our major recommendations for immediate measures to serve those currently homeless or in danger of becoming homeless include: a) reorganize the McKinney assistance programs to ensure provision of all necessary housing and service assistance, relying upon a new relationship between the Federal, state and local governments, and not-for-profit providers; b) dramatically increase the McKinney Act budget, including permanent housing assistance; c) develop a system to serve the mentally ill indigent population more effectively; d) make substance abuse services work; e) help persons with TB and AIDS; and f) improve the Earned Income Tax Credit by accelerating payments. Eventually, we should rely on long-term mainstream programs, rather than emergency-based measures, to promote community development.

A. Reorganize McKinney

Since 1987, the programs and benefits authorized by the United States Congress under the Stewart B. McKinney Homeless Assistance Act have served as the foundation for all homeless assistance to states, cities, and not-for-profit providers in their efforts to leverage substantial resources to help people who are homeless. More than twenty McKinney grant programs administered through six agencies were created to address the various symptoms of homelessness. As noted previously, the need to improve and simplify Federal homeless assistance programs was one of the issues cited most frequently by respondents to the Federal Plan survey. The dollar amount administered by agencies is presented on the following three charts.



TOTAL HOMELESS ASSISTANCE PROGRAMS
COMPOSITION BY AGENCY
BUDGET AUTHORITY FOR 1994



The McKinney grant programs, as currently organized, require providers of housing and services to apply to and interact with numerous agencies, and to take account of diverse guidelines, criteria, and reporting requirements to secure funding for a single project. Time that could be more profitably spent on moving people to permanent housing is currently spent on navigating a fragmented patchwork of individual programs that emerged over time as needs were detected. The current homeless service system was not planned but rather evolved as the result of the uncoordinated efforts of different levels of government, not-for-profits and foundations. The outcome is a disjointed approach that provides for some needs while ignoring others. As we have achieved a more accurate understanding of the causes and dynamics of homelessness—crisis poverty and acute/chronic disabilities—it has become clear that community-based efforts are needed to rein in existing homelessness and prevent future homelessness. Significant restructuring of the existing apparatus of assistance is in order.

While the resources, services, and needs vary from state to state, all systems must be based on the same premise. To be effective, a homeless system must provide three distinct components of organization. First, there must be an emergency shelter assessment effort that provides an immediate alternative to the street and can identify an individual's or family's needs. The second component offers transitional or rehabilitative services for those who need them. Such services include substance abuse treatment, short-term mental health services, and independent living skills. Appropriate case management should be accessed to ensure that persons receive necessary services, for example, that children attend school regularly. The third and final component, and the one essential component for every homeless individual and family, is permanent housing or supportive housing arrangements.

While not all homeless individuals and families in a community will need to access all three components, unless all three components are coordinated within a community, none will be successful in combatting homelessness. We refer to this approach as a "continuum of care." A strong homelessness prevention strategy is also key to the success of the continuum of care.

The Federal McKinney programs currently contribute to the scattered approach by offering twenty categorical programs administered by six agencies and accessed by different parties. We recommend a consolidation of some McKinney homeless assistance programs under one administrative structure with a single application process. Where applicable, local governments should be charged with the responsibility of coordinating resources and efforts and given the responsibility of ensuring access to mainstream programs and services. As part of this reorganization and reinventing government effort, the FY 1995 budget proposes to transfer the Emergency Food and Shelter program currently administered by FEMA to HUD. We further recommend that linkages between some McKinney programs and mainstream programs be forged, including consolidations