Ending Homelessness: What the Research Says It Will Take

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Why Should States Care about Homelessness?

- Homelessness is costly
  - For families and individuals affected
    - Child well-being
    - Homeless children more likely to become homeless adults
  - For states and communities
    - Expensive shelter costs
    - Medical costs
    - Criminal justice intervention
History

- Has always been “some” homelessness
- But not since the Great Depression have we seen the trends of the last 35 years
- 1981-82 recession marks beginning of today’s homelessness
Causes

• Structural—affects everyone in society
  - Cost of housing
  - Job market and earnings potential

• Personal—individual characteristics

• Chance—illness, car breakdown, etc.

• Mitigating = public policies
  - Today’s focus: strong research to address structural factors
Household Income

Household resources:
- # potential workers
- Education, skills, work experience
- Social support networks
- Owner/renter
- Savings, financial resources
- Disabilities, vulnerabilities

Factors Affecting Homelessness

Government policy specifically affecting housing affordability:
- Construction and rent subsidies
- Zoning policy and practice
- Codes and regulations
- Laws and ordinances
- Statewide and regional planning
- Enforcement

Quality of public education

Household Income

Social policy
- benefits
- people with disabilities
- criminal justice

Nature of national and local job opportunities for low-skilled workers; unemployment and unemployment policies

Interest rates

Behavior of lending institutions

Tax policy

Housing market

Fiscal and monetary policy

Factors Affecting Homelessness
Cost of Housing vs. Incomes

1960-2014:
- 64% -- increase in inflation-adjusted rents
- 18% -- increase in inflation-adjusted household incomes
- Number of cost-burdened renters (paying more than 30% of income for rent) went from 24% in 1960 to 49% in 2014

Relevance to Homelessness

- More households likely to lose housing
- Fewer households likely to get back into housing
- Fewer households able to assist family and friends in times of crisis
New Research Supports Changes to Existing Homeless System

• Existing homeless services focus on people who have already lost housing—shutting the barn door when it is too late

• Most existing homeless services do not provide permanent housing, but instead:
  – Emergency shelter
  – Transitional housing
  – Rapid re-housing
Effective Evidence-Based Approaches

- When programs within the homeless services system DO offer permanent housing, with the supports to keep people housed, they DO end homelessness for good
  - Permanent supportive housing (PSH)
  - Veterans Affairs Affairs Supportive Housing (HUD-VASH)
Youth

• Two broad categories:
  – Have a home (most of those who use youth shelters)
  – Don’t have a home, or not one it is safe to go back to

• Many of the latter already meet the definition of *chronic* homelessness—more than 1 year on the streets.
  – What works for other chronically homeless people works for them – permanent supportive housing
To Really End Homelessness...

• Evidence-based strategies for increasing ability of people to afford housing

• Some ways to do that include:
  – Rent subsidies
  – Improving human capital—job skills, education
  – Economic development, creating new jobs

• But ultimately, research suggests need to address a structural problem
  – How to create more affordable housing?
Challenges to Creating More Affordable Housing...

- Early 1900s—the last time it was profitable for private developers to build housing for low-income people

- These days, other strategies:
  - Subsidize development, including land acquisition and construction costs
  - Also subsidize renter households, because poor people can’t afford rents pegged to 80% or even 60% of Area Median Income (AMI)
Where It Is Needed

How can a state move toward stimulating enough housing that is:
- Targeted to where it is needed—near jobs, transportation, populations
- Affordable to people earning below 50% of AMI, including those earning less than 30% of AMI
- Has predictable and reasonable production trajectory—i.e., doesn’t take decades to produce, isn’t entangled in countless agencies and regulations
Principles That Seem to Work Best

• Statewide or regional
• “Fair share” for every locality
• Enforceable
• Collaborative planning and collaboration in production
• Reduced regulatory barriers—zoning, construction codes (e.g., for revitalization of deteriorating neighborhoods and communities)
• Work on multiple goals simultaneously (e.g., economic development and housing)
Examples

- **New Jersey**—best state example
  - Statewide, all jurisdictions, fair share established, enforceable, it works

- **Many jurisdictions**—inclusionary zoning (IZ)
  - Whether it works depends on specifications, location, and enforcement

- **Subsidies are still needed, probably both production and rents**
Examples

- Expedited permitting with increasing proportion of affordable units
- Specialized building codes for redevelopment areas (cut costs by 10 to 40 percent in New Jersey). Other states include ME, MD, MI, NY, and RI)
- Incentivizing housing development that follows transportation lines, jobs creation
- Partnering with overlapping interests—special needs, elderly, rural, child welfare
Potential Funding Sources

• Mostly, states have looked to federal sources
• But there are many state-funded programs, even local-funded programs, and these are what we’re talking about here
• Some parallel federal mechanisms, some do not
Potential State Funding Mechanisms

- Trust Funds, general affordable housing and special needs housing
- Deep Subsidy Program
- Land Acquisition Program
- Tax credit programs—Low-Income Housing Tax Credit (LIHTC) and state tax credits
- Small rental project (5-25 units) loan program
- Housing preservation program
- Loan program for housing for youth aging out of foster care
How to Address Individual Factors?

• Evidence-based, cost-effective approaches
  – Scattered-site approaches
  – Supportive services
  – Skills improvement—e.g., financial management, parenting
  – Credit repair
  – Support network development
How to Address Individual Factors?

- Evidence-based approaches for improving the “sending” systems:
  - Foster care
  - Jails and prisons
  - Mental health treatment
  - Substance abuse treatment
  - Health care, including hospitals
Significant Progress, But Research Points to Options for Doing More

• Preventing homelessness is most cost-effective
  – To do that, improve the equation between housing costs and household incomes

• Major focus of this presentation is on evidence addressing housing cost side of the equation
  – Increase housing supply and housing subsidies

• Evidence-based approaches to addressing income side also available
  – Workforce development, education