

**TESTIMONY OF COALITION FOR THE HOMELESS
BEFORE THE NEW YORK STATE SENATE**

**Committee on Social Services
Committee on Housing, Construction and Community Development**

**Public Hearing
“Ending the Perfect Storm: Finding Solutions and Identifying Alternatives for
New York’s Section 8 Problem”**

April 15, 2010

**Submitted by Patrick Markee, Senior Policy Analyst,
Coalition for the Homeless**

I present this testimony on behalf of Coalition for the Homeless, a not-for-profit organization that assists more than 3,500 homeless New Yorkers each day. Since its founding in 1981, the Coalition has advocated for proven, cost-effective solutions to the crisis of modern homelessness, which now continues into its third decade. The Coalition has also struggled for more than 25 years to protect the rights of homeless people through litigation around the right to emergency shelter, the right to vote, and appropriate housing and services for homeless people living with mental illness and HIV/AIDS.

The Coalition operates several direct-services programs that both offer vital services to homeless, at-risk, and low-income New Yorkers, and demonstrate effective, long-term solutions. These programs include supportive housing for families and individuals living with AIDS, a job-training program for homeless and formerly-homeless women, a Rental Assistance Program which provides rent subsidies and support services to help working homeless individuals rent private-market apartments, and two buildings in Manhattan which provide permanent housing for formerly-homeless families and individuals. Our summer sleep-away camp and after-school program help hundreds of homeless children each year. The Coalition’s mobile soup kitchen distributes more than 900 nutritious meals to street homeless and hungry New Yorkers each night. Finally, our Crisis Intervention Department assists more than 1,000 homeless and at-risk households each month with eviction prevention assistance, client advocacy, referrals for shelter and emergency food programs, and assistance with public benefits.

The Coalition also represents homeless men and women as plaintiffs in Callahan v. Carey and Eldredge v. Koch. In 1981 the City and State entered into a consent decree in Callahan in which it was agreed that, “The City defendants shall provide shelter and board to each homeless man who applies for it provided that (a) the man meets the need standard to qualify for the home relief program established in New York State; or (b) the man by reason to physical, mental or social dysfunction is in need of temporary shelter.” The Callahan consent decree and Eldredge case also guarantee basic standards for shelters for homeless men and women. Pursuant to the decree, the Coalition serves as court-appointed monitor of municipal shelters for homeless adults.

New York City’s Historic Homelessness Crisis

New York City is in the throes of a historic homelessness crisis. Currently, more than 39,000 homeless men, women, and children bed down in municipal shelters each night, the highest number since

modern homelessness began three decades ago. In addition, more than 10,000 homeless families are sleeping in the municipal shelter system on any given night, including 16,000 children – an all-time record high.

By any measure, the Bloomberg administration's approach to the problem of homelessness has failed. This is especially true of the Mayor's decision to cut off homeless families and individuals from a longstanding priority for Federal housing programs like the Section 8 voucher program – which are proven to reduce homelessness – and his administration's creation of deeply flawed and unrealistic local rent subsidy programs to replace those successful Federal programs.

State policies and the actions of State agencies have contributed greatly to the present crisis. State officials in the Pataki administration have imposed harmful, misguided rules – like the counterproductive plan to charge homeless families "rent" to stay in a municipal shelter. Most troubling, State officials have collaborated with the City on the deeply flawed local rent subsidy programs, like Advantage New York, that create a revolving door back to shelter and that have led to all-time record family homelessness.

Now, in the midst of record New York City homelessness, comes word that, the New York City Housing Authority has rescinded thousands of Federal Section 8 vouchers issued to low-income families – and is poised to eliminate thousands more. Moreover, instead of learning from the mistakes of the past, Mayor Bloomberg and State officials are in effect doubling down on the failed policies of the past eight years. The Mayor's continuing policy denying homeless people Federal housing assistance; his plan to force homeless families to pay for the cost of emergency shelter; and the proposed changes to the Advantage programs will only fuel further increases in homelessness in New York City.¹

The Importance of Federal Housing Assistance in Reducing Homelessness

I offer this testimony today primarily to emphasize the crucial role Federal housing assistance – like the Section 8 program – plays in reducing homelessness.

Over the past decade, a growing body of academic research has shown that Federal housing programs and similar, long-term housing assistance are remarkably effective in reducing family homelessness – both in helping homeless families move from shelters to permanent housing, and in ensuring that these families remain stably housed.

Nevertheless, since 2005, the Bloomberg administration has broken with longstanding and successful New York City policy which targeted scarce Federal housing resources to help homeless children and families move from municipal shelters to their own homes. Reversing the Bloomberg administration's failed policy will reduce New York City family homelessness and save City taxpayer dollars currently spent on expensive emergency shelter.

Background: Federal Housing Assistance for Homeless Families

- For two decades, New York City mayoral administrations have targeted scarce Federal housing resources to homeless families residing in the municipal shelter system. The reasons for this are threefold:
 1. Scarcity: The Federal government does not provide sufficient Federal housing assistance to help all those eligible to receive it. Indeed, nationally only one in four eligible households receives Federal housing assistance, and currently more than 135,000 New York City families are on waiting lists for Federal housing programs.

2. Efficacy: Federal housing programs are enormously successful in reducing family homelessness and helping formerly-homeless families remain stably housed.
 3. Fiscal Policy: Finally, emergency shelter for homeless families – which currently costs nearly \$36,000 per year – is both expensive and largely paid for by the City and State. Federal housing programs are less expensive and do not use City and State tax dollars.
- Thus, since 1990, tens of thousands of homeless New York City families have successfully moved from shelters to their own homes with the help of Federal housing programs.

The Failed Bloomberg Administration Policy

- Unfortunately, since 2005 the Bloomberg administration has actually eliminated homeless families' longstanding priority for scarce Federal housing assistance.²
- Currently homeless families in New York City have virtually no access to the two major Federal housing programs available to low-income households: Section 8 vouchers, and public housing. In 2009 the City will assist more than 12,000 low-income families with Section 8 vouchers and more than 5,000 new families with public housing – almost none of them homeless families.
- The Bloomberg administration's current approach echoes "Alternative Pathways," a flawed policy implemented by the Dinkins administration in the early 1990s that re-directed Section 8 vouchers away from homeless families in shelter and that ultimately triggered a rise in the family shelter population. The Dinkins administration ultimately abandoned the flawed "Alternative Pathways" policy after family homelessness soared in the early 1990s.
- Similarly, since the Bloomberg administration adopted its policy cutting off Federal housing aid to homeless households, the number of new homeless families entering shelters has increased for three consecutive years and, in recent months, the number of homeless families in municipal shelters reached all-time record levels.
- The Bloomberg administration replaced proven Federal housing programs with untested, controversial, time-limited subsidy programs. The deeply flawed "Housing Stability Plus" program (2005-2007) was abandoned as a failure.
- The current "Work Advantage" program – with time limits of two years – began in 2007. The first group of time-limited families began to run out of assistance this past year, and already more than 1,000 Advantage families have returned to the City's shelter system. Bloomberg administration officials have no plan in place to assist formerly-homeless families who reach time limits and are still in need of housing assistance.

Research Shows that Federal Housing Programs Reduce Family Homelessness

- A wealth of research and experience shows that Federal housing programs – Section 8 vouchers and public housing – successfully reduce family homelessness.³ (Please see briefing paper attached.)
- Studies by researchers from New York University, Columbia University, the University of Pennsylvania, the Vera Institute, and the U.S. Department of Housing and Urban Development show that housing vouchers successfully help move homeless families from shelters and help them retain housing.

- The failed Bloomberg policy was based on unsubstantiated claims that the availability of Section 8 vouchers was “inducing” families to enter the homeless shelter system. However, City officials then and now have never presented empirical evidence for these claims.
- Research studies by three respected economists refute the Bloomberg administration’s claim that Federal housing programs produce a significant “inducement” effect. Instead, the studies show that eliminating priority for Federal housing programs leads to an increase in the family homeless population.
- Following are highlights of research studies from the past decade:
 - ◆ “An extensive body of careful research has demonstrated that housing vouchers are critically important both for preventing families with children from becoming homeless and for helping those who do enter the shelter system to leave it for permanent housing and not become homeless again....For families who do become homeless, housing vouchers are an extensively tested and demonstrably effective tool for moving to permanent housing and remaining stably housed.” (Jill Khadduri, researcher at Abt Associates and former senior official at the U.S. Department of Housing and Urban Development)
 - ◆ “Formerly homeless families are generally quite similar to other low-income families. Homelessness for most is not a protracted experience, and housing subsidies alone are sufficient to allow the vast majority to leave shelter and maintain stable housing in the community.” (Marybeth Shinn, Vanderbilt University)
 - ◆ “Shelter population rose during the boom because the city slowed the rate at which it moved families into subsidized housing and it continued to rise after the boom because there was a recession. The population fell when the city stepped up placements into subsidized housing and the recession ended.” (Brendan O’Flaherty and Ting Wu, Columbia University, study of rise and fall in NYC family homelessness from 1997 to 2004)
 - ◆ “We found that subsidized housing succeeds in curing homelessness among families, regardless of behavioral disorders or other conditions. Whatever their problems – substance abuse, mental illness, physical illness or a history of incarceration – nearly all of the families in our study became stably housed when they received subsidized housing.” (Marybeth Shinn and Beth Weitzman, New York University, five-year study of 564 homeless and low-income families)
 - ◆ “Across all cohorts and follow-up periods, those families exiting to subsidized housing exhibited the lowest rates of reentry. Subsidized housing appears to be associated with better protection against shelter return than exiting to one’s own housing, other destinations, or unknown arrangements.” (Vera Institute, study commissioned by NYC Department of Homeless Services analyzing rates of return to shelter for formerly-homeless families)

Moving Forward: How the City of New York Can Successfully Reduce Family Homelessness

The implications of these research studies for City policy are very clear: Federal housing assistance reduces family homelessness and reduces return rates for formerly-homeless families. Coalition for the Homeless urges City officials to repeal current policies that restrict Federal housing assistance to homeless families: The City should once again provide priority status to homeless families and individuals seeking Federal housing aid.

To address the current Section 8 funding crisis, the City can tap into several resources:

- Utilize existing public housing apartments for families who have lost Section 8 vouchers.
- Utilize Federal stimulus funds through the Homelessness Prevention and Rapid Re-Housing program, which provide up to 18 months of rental assistance.
- Finally, the City and State can utilize their won funds to extend rental assistance at least until the Federal funding problems are addressed.

Thank you for the opportunity to present this testimony.

¹ Attached please find New York City Council testimony addressing the flaws in the proposed Advantage program changes.

² The Bloomberg administration policy was implemented in two stages: (1) in October 2004 the New York City Department of Homeless Services halted referrals of homeless families to the top priority category for waiting lists administered by the New York City Housing Authority for the Section 8 voucher program and public housing; and (2) in 2005 the New York City Housing Authority reduced the priority classification for homeless people who submitted applications for both Federal housing programs – effectively removing homeless New Yorkers from the so-called “emergency category.” In 2004, the Bloomberg administration also introduced a replacement rent subsidy program targeted to homeless families, the time-limited “Housing Stability Plus” program. This program was abandoned in 2007 and replaced with new subsidy programs, including another time-limited (to a maximum of two years) program called “Work Advantage.”

³ Following are the research studies referenced in this briefing paper:

Cragg, Michael and Brendan O’Flaherty, “Does Subsidized Housing Increase Homelessness? Testing the Dinkins Deluge Hypothesis,” Milken Institute (June 1997)

Khadduri, Jill, “Housing Vouchers Are Critical for Ending Family Homelessness” (January 2008), Homelessness Research Institute of the National Alliance to End Homelessness, available at <http://www.endhomelessness.org/content/article/detail/1875>.

O’Flaherty, Brendan and Ting Wu, “Fewer Subsidized Exits and a Recession: How New York City’s Family Homeless Shelter Population Became Immense,” *Journal of Housing Economics* (April 2006).

Shinn, Marybeth, “Ending Homelessness for Families: The Evidence for Affordable Housing,” Enterprise Foundation and National Alliance to End Homelessness (pre-publication release, 2009).

Shinn, Marybeth, Beth C. Weitzman, et al, “Predictors of Homelessness Among Families in New York City: From Shelter Request to Housing Stability,” *American Journal of Public Health*, Volume 88, Number 11 (November 1998), pp. 1651-1657.

Vera Institute, “Understanding Family Homelessness in New York City” (September 2005), available at http://www.vera.org/publication_pdf/315_584.pdf.

Wong, Yin-Ling Irene, Dennis Culhane and Randall Kuhn, “Predictors of Exit and Reentry Among Family Shelter users in New York City,” *Social Science Review* 71, Number 3 (1997), pp. 441-462.



coalition
for the
homeless

**TESTIMONY OF COALITION FOR THE HOMELESS
BEFORE THE NEW YORK CITY COUNCIL**

**General Welfare Committee Hearing
April 15, 2010**

**Submitted by Patrick Markee, Senior Policy Analyst, and Giselle Routhier, Policy Analyst
Coalition for the Homeless**

We present this testimony on behalf of Coalition for the Homeless, a not-for-profit organization that assists more than 3,500 homeless New Yorkers each day. Since its founding in 1981, the Coalition has advocated for proven, cost-effective solutions to the crisis of modern homelessness, which now continues into its third decade. The Coalition has also struggled for more than 25 years to protect the rights of homeless people through litigation around the right to emergency shelter, the right to vote, and appropriate housing and services for homeless people living with mental illness and HIV/AIDS.

The Coalition operates several direct-services programs that both offer vital services to homeless, at-risk, and formerly-homeless New Yorkers, and demonstrate effective long-term solutions. These programs include supportive housing for families and individuals living with AIDS, a job-training program for homeless and formerly-homeless women, a Rental Assistance Program which provides rent subsidies and support services to help working homeless individuals rent private-market apartments, and two buildings in Manhattan which provide permanent housing for formerly-homeless families and individuals. Our summer sleep-away camp and after-school program help hundreds of homeless children each year. The Coalition's mobile soup kitchen distributes 1,000 nutritious meals to street homeless and hungry New Yorkers each night. Finally, our Crisis Intervention Department assists more than 1,000 homeless and at-risk households each month with eviction prevention assistance, client advocacy, referrals for shelter and emergency food programs, and assistance with public benefits.

The Bloomberg Administration's Flawed Approach to Family Homelessness

New York City is in the throes of a historic homelessness crisis. Currently, more than 39,000 homeless men, women, and children bed down in municipal shelters each night, the highest number since modern homelessness began three decades ago. In addition, more than 10,000 homeless families are sleeping in the municipal shelter system on any given night, including 16,000 children—an all-time record high.

By any measure, the Bloomberg administration's approach to homelessness – including the Mayor's 2004 five-year plan to reduce homelessness – has failed. This is especially true of the Mayor's decision to cut off homeless families and individuals from a longstanding priority for Federal housing programs – which are proven to reduce homelessness – and his administration's creation of deeply flawed and unrealistic local rent subsidy programs to replace those successful Federal programs.

Now, in the midst of record New York City homelessness, comes word that, instead of learning from the mistakes of the past eight years, Mayor Bloomberg is in effect doubling down on the failed policies of his first two terms. The Mayor's plan to force homeless families to pay for the cost of emergency shelter and

the proposed changes to the Advantage programs will only fuel further increases in homelessness in New York City.

We offer this testimony to express our concern regarding:

- Families currently on the City-administered Advantage program and reaching the end of their time limit.
- The forthcoming changes to the Advantage program proposed by the Bloomberg administration which we believe make a bad program even worse.
- The City's plan to implement "rent" requirements for homelessness families in municipal shelters.

Advantage New York: No Advantage for Homeless Families

Since its inception in 2007, the City of New York has moved over 15,000 families from shelters to permanent housing using the three Advantage programs (Work, Fixed Income, or Children's). Unfortunately, with the Work Advantage program limited to only one or two years of assistance and given the recent funding problems with the Federal voucher program, this means thousands of formerly homeless families are currently, or will soon be, left with no assistance and put at extreme risk of returning to shelter.

According to DHS's own data, between September 2007 and October 2009, **nearly 1,000 re-applications for shelter have been filed from families that have timed-off of the Advantage programs.**¹ The applications, predictably, started to spike in mid-2009—at the Work Advantage program's two-year mark. This rate of return is especially troubling considering the thousands more families that are expected to time-off the program this coming year.

Families with disabilities or other barriers to work who were previously guaranteed a Federal Section 8 voucher after participating in Children's or Fixed Income Advantage are now, as a result of the Section 8 crisis, left with no assistance once they reach the limit of their City subsidy. By the end of 2010, this will amount to a total of **3,551 families**. These are families that have a significant barrier to work, as was established in their qualification for the program. However, even before the recent Section 8 funding problems, City records show that many families promised Section 8 vouchers through these two programs never received them and many of them have returned to shelter.

Nevertheless, even before the Section 8 crisis, the Work Advantage program was always fundamentally flawed, and was designed simply as a revolving door back to shelter. By the end of 2010, **3,543 families** will have timed off of the Work Advantage program. At the end of just two years of assistance, many of these families will still be unable to afford their rent in full. According to DHS's own report to the New York State Office of Temporary and Disability Assistance, **families on Work Advantage are working a median of 32 hours per week at \$9.50 an hour.**² This amounts to \$304 per week and roughly \$1,216 per month *before taxes*.

The math tells it all. With most Work Advantage families placed in apartments with rents at about \$1,100 a month or more, these families will not be able to afford their apartments after being cut off from Advantage assistance. Adding Work Advantage families to the families whose Fixed Income and Children's Advantage subsidies will be expiring this year, we can estimate that **more than 7,000 families are at risk of returning to shelter in 2010.**

¹ From DHS data entitled, "Reapplications of Families with Prior Advantage Exits," obtained via FOIL

² DHS March 2009 report to NYS OTDA, obtained via FOIL.

To make matters even worse, the City has now proposed changes to the Advantage program that, instead of improving upon the existing flaws, would actually exacerbate many of the problems with the program. Indeed, the City's proposed changes actually combine the worst features of the Work Advantage program and the even-more-deeply flawed Housing Stability Plus program, which was abandoned by the Bloomberg administration as a failure in 2007.

The City's new proposal would eliminate Children's and Fixed Income Advantage. The remaining program would still be time limited to only one or two years and it will not transition families onto Section 8 vouchers. Families will be required to work at least 35 hours a week – a requirement for receiving a second year of assistance, and something many families will not be able to achieve. (Note that currently most Work Advantage families are approved for a second year. Note also that, as described above, the City's own data show that the average Work Advantage family works fewer than 35 hours a week.)

During the first year, each family would be required to pay 30 percent of its income towards the rent. During the second year, the family would be required to pay 50 percent of the rent or 30 percent of its income, whichever is greater resulting in a very sharp increase in their contribution. After the second year, families would be cut off from assistance.

Again, consider the math. The typical Advantage family will have pre-tax income of around 1,200 per month, and will have apartment rents of around \$1,100 or more. By the second year the family will be forced to pay nearly half of its pre-tax income in rent, and after that the family will have no way to afford the rent. Even the examples cited by City officials in their February 10, 2010, letter to the State (attached), which outlines the proposed changes, show that the typical Advantage family will become homeless after one or two years.

Again, with families making an average of only \$9.50 an hour, the expectation that they would be able to contribute more during the program and then pay over \$1,000 in rent at the end of the program is incredibly unrealistic. Furthermore, the work requirement completely ignores that we are in the middle of the worst recession since the Great Depression and the City's unemployment rate is still at a whopping 10 percent.

The Bloomberg administration's proposed changes to the Work Advantage program represent a classic case of ideology ignoring basic reality. Moreover, the administration's policies on homelessness continue to ignore the research that consistently shows that long-term, flexible housing assistance is the best way to reduce homelessness and prevent families from ever returning to shelter.³ The City's short-term assistance will continue to act as a revolving door right back into the shelter system if serious are not made.

Charging Homeless Families "Rent" for Shelter—the Worst Possible Idea

As if the problems with Advantage weren't numerous enough, the City is also planning on re-implementing a disastrous policy from 2009—charging homeless families "rent" for shelter. According to the City's calculations, a family of three making \$25,000 a year would be forced to pay \$926 a month to stay in a municipal homeless shelter!

The City's ideology in promoting this policy is completely misguided and unrealistic. Families entering shelter will need to use every available resource to help them get out of shelter and into permanent

³ Vera Institute for Justice, 2005, "Understanding Family Homelessness"

housing, including saving as much money as possible. Imposing “rent” would keep families in shelter longer and prevent them from saving any money towards independent living.

The City of New York’s imminent plan to charge homeless New Yorkers rent for shelter stays stems from a state regulation (18 NYCRR 352.35), issued in 1995 by the Pataki administration at the strong urging of then-New York City Mayor Giuliani.

On May 1, 2009, the City of New York first piloted their shelter rent program by implementing a new “Income Contribution Requirement,” requiring working homeless families to pay for the cost of shelter. The City’s misguided policy was immediately criticized by community leaders, shelter providers, elected officials, and homeless families, who said it effectively blocks homeless New Yorkers from saving their small incomes in order to move from shelters to permanent housing. Not-for-profit shelter providers opposed the new rules because it forced them essentially to become “bill collectors.”

In addition, the new policy was implemented in a haphazard and unlawful way, with many families ordered to pay “rent” before receiving legal notices, some families threatened with ejection from shelter, and many other problems.

A May 8, 2009 *New York Times* article (attached) highlighted the plight of two homeless women with children, both of whom were being asked to pay large portions of their meager incomes in order to stay in shelters.

- Vanessa Dacosta, who earns \$8.40 an hour as a cashier at Sbarro, was informed that she had to give \$336 each month out of her roughly \$800 in monthly wages to her Manhattan homeless shelter.
- Martha Gonzalez, who is 49 and lives with her 19-year-old son in a rundown City-operated shelter in Brooklyn, said she was informed last week that she owes \$1,099 in monthly rent on a \$1,700 monthly income as a security guard in Manhattan.

While New York City was directed to temporarily suspend the policy by the state last summer, the Bloomberg administration made it clear at a City Council hearing last year that the policy would be re-introduced. In its latest iteration the NYC Human Resources Administration apparently plans to “garnish wages” to enforce the shelter rent requirement.

Although Bloomberg administration officials have repeatedly told the news media that they are compelled to implement the shelter rent requirement by the State, it is clear that administration officials strongly support the shelter rent rules. Indeed, last year the Bloomberg administration opposed State legislation that would have ended the shelter rent requirement (see the Mayor’s memo in opposition, attached), and this year top Bloomberg administration officials have continued to lobby State Legislators opposing similar efforts to ban shelter rent.

Charging homeless families “rent” for shelter will lead to longer stays in shelter as families have less money to save for security deposits and rent in a permanent apartment. These longer shelter stays will also end up costing the State and City more money. The annual cost to shelter a homeless family is \$38,000, the majority of which is paid by City and State tax dollars.

This new policy also puts families at risk of being ejected from shelter. According to DHS’s new Client Responsibility Procedure, if families do not pay their shelter “rent,” they could be put out on the streets for a minimum of 30 days. Children would then be at risk of being put in foster care, at greater cost to their emotional development as well as New York City taxpayers.

There is no upside to the implementation of shelter rent. It will not save the City or State money and at the same time it will keep families in shelter longer and put families and children at serious risk of being ejected from shelter if they do not comply with these new rules.

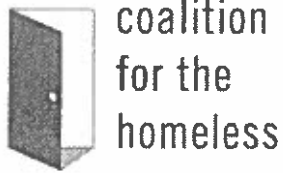
We strongly support efforts by New York State Assemblymember Keith Wright, New York State Senator Daniel Squadron, and others to include language in the State budget that will prohibit the City of New York from charging “rent” in homeless shelters, and we urge the administration and the City Council to join in those efforts.

A New Wave of Homeless Families?

Ultimately, Mayor Bloomberg’s strategy fails to address the reality that family homelessness is, at its root, a housing affordability problem. The Mayor’s current strategy ignores the factors that are driving families into homelessness in the first place—high unemployment, low wages, and lack of affordable housing.

The Mayor’s proposed changes make a bad situation even worse. Many formerly-homeless families timing off of Advantage assistance already end up back in shelter. Furthermore, the new changes to the program do nothing to improve the situation of families, but only make it more difficult for them to reach self sufficiency. Add to these the burden of shelter “rent” and how it will force many families to stay in shelter longer and longer.

If the Bloomberg administration is successful in imposing these misguided, punitive policies, it is likely that New York City will face a new wave of family homelessness—one to break even the current record numbers.



coalition
for the
homeless

BRIEFING PAPER

**Research Proves that Federal Housing Programs Work to
Reduce Family Homelessness**

By Patrick Markee, Coalition for the Homeless

February 12, 2009

A growing body of academic research has shown that Federal housing programs and similar, long-term housing assistance are remarkably effective in reducing family homelessness – both in helping homeless families move from shelters to permanent housing, and in ensuring that these families remain stably housed. This policy brief summarizes research over the past decade and discusses its implications for policy in New York City.

Background: New York City's Shifting Policies on Housing Assistance for Homeless Families

Since modern homelessness began more than 25 years ago, New York City mayoral administrations have targeted scarce Federal housing resources to homeless families residing in the municipal shelter system. The reasons for this are threefold:

1. **Scarcity:** The Federal government does not provide sufficient Federal housing assistance to help all those eligible to receive it. Indeed, nationally only one in four eligible households receives Federal housing assistance, and currently more than 135,000 New York City families are on waiting lists for Federal housing programs.
2. **Efficacy:** Given the mismatch between need and the availability of Federal housing aid, New York City mayors and policymakers have recognized that these scarce resources must be effectively targeted to the neediest households – i.e., homeless families who need help moving from shelters to permanent housing because private-market housing is out of reach.
3. **Fiscal Policy:** Finally, emergency shelter for homeless families – which currently costs nearly \$36,000 per year – is both expensive and largely paid for by the City and State governments, while Federal housing programs are not.

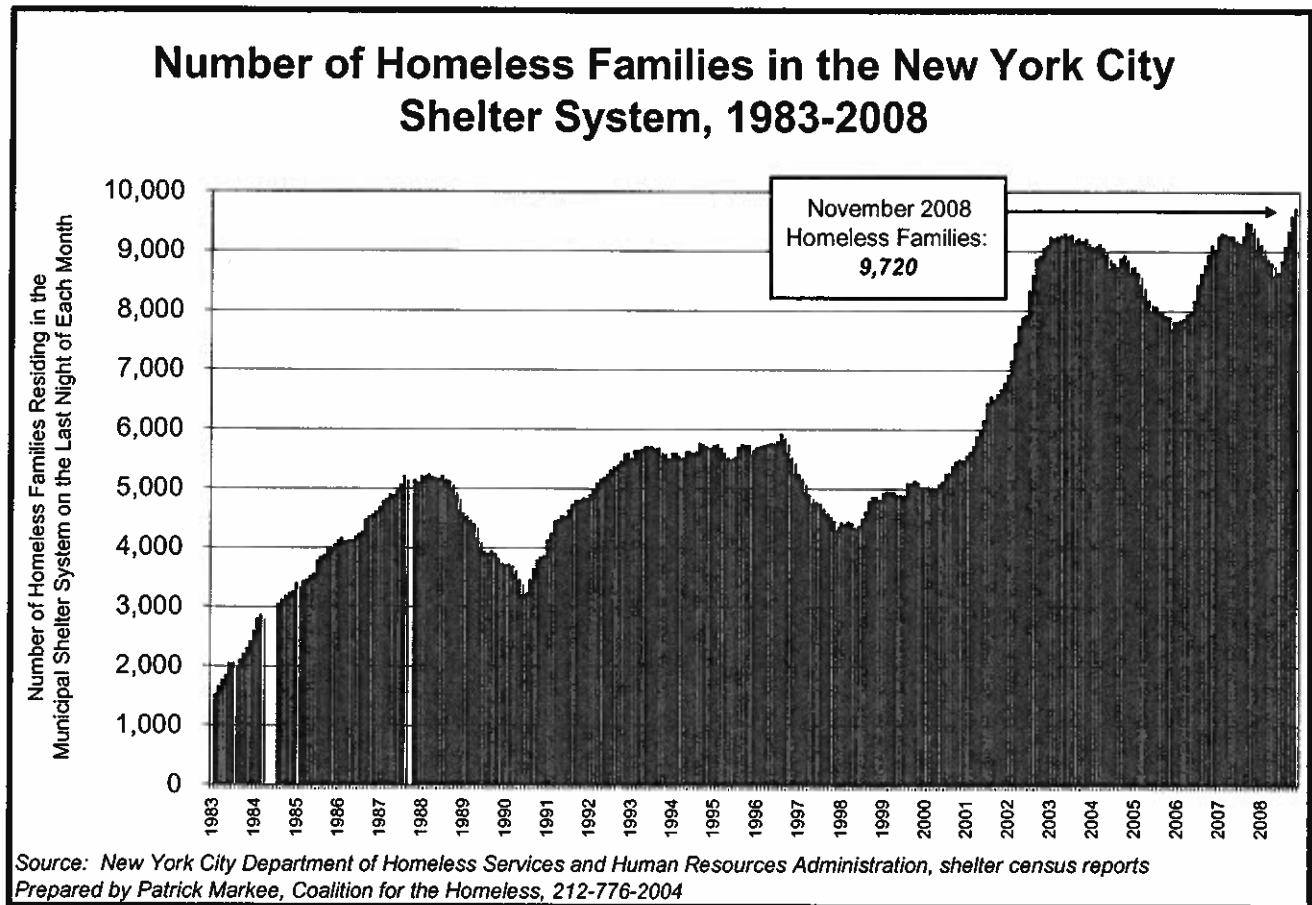
Thus, since the 1980s, tens of thousands of homeless New York City families have successfully moved from shelters to their own homes with the help of Federal housing programs.

Unfortunately, since 2004 the Bloomberg administration has actually eliminated homeless families' longstanding priority for scarce Federal housing assistance.¹ Currently homeless families in New York City have virtually no access to the two major Federal housing programs available to low-income households: the Housing Choice Voucher program (also known as Section 8 vouchers), and public housing (administered by the New York City Housing Authority). Instead, the Bloomberg administration has directed Federal housing assistance to other low-income and working families and individuals. In FY 2008, for instance, 11,847 low-income households were placed into housing with Section 8 vouchers, while 5,220 low-income households were placed into public housing apartments² – almost none of them homeless families.

The Bloomberg administration's current approach echoes "Alternative Pathways," a flawed policy implemented by the Dinkins administration in the early 1990s that re-directed Section 8 vouchers away

from homeless families in shelter and that ultimately triggered a rise in the family shelter population. The Dinkins policy was based, like the Bloomberg policy, on unsubstantiated claims that the availability of Section 8 vouchers was attracting families to the homeless shelter system and driving up the shelter census. However, City officials then and now have never presented empirical evidence for these claims.

The Dinkins administration ultimately abandoned the flawed "Alternative Pathways" policy after family homelessness soared in the early 1990s. Similarly, since the Bloomberg administration adopted its policy cutting off Federal housing aid to homeless households, the number of new homeless families entering shelters has increased each year for three consecutive years and, in November 2008, the number of homeless families in municipal shelters reached all-time record levels.



Research Shows that Federal Housing Programs Reduce Family Homelessness

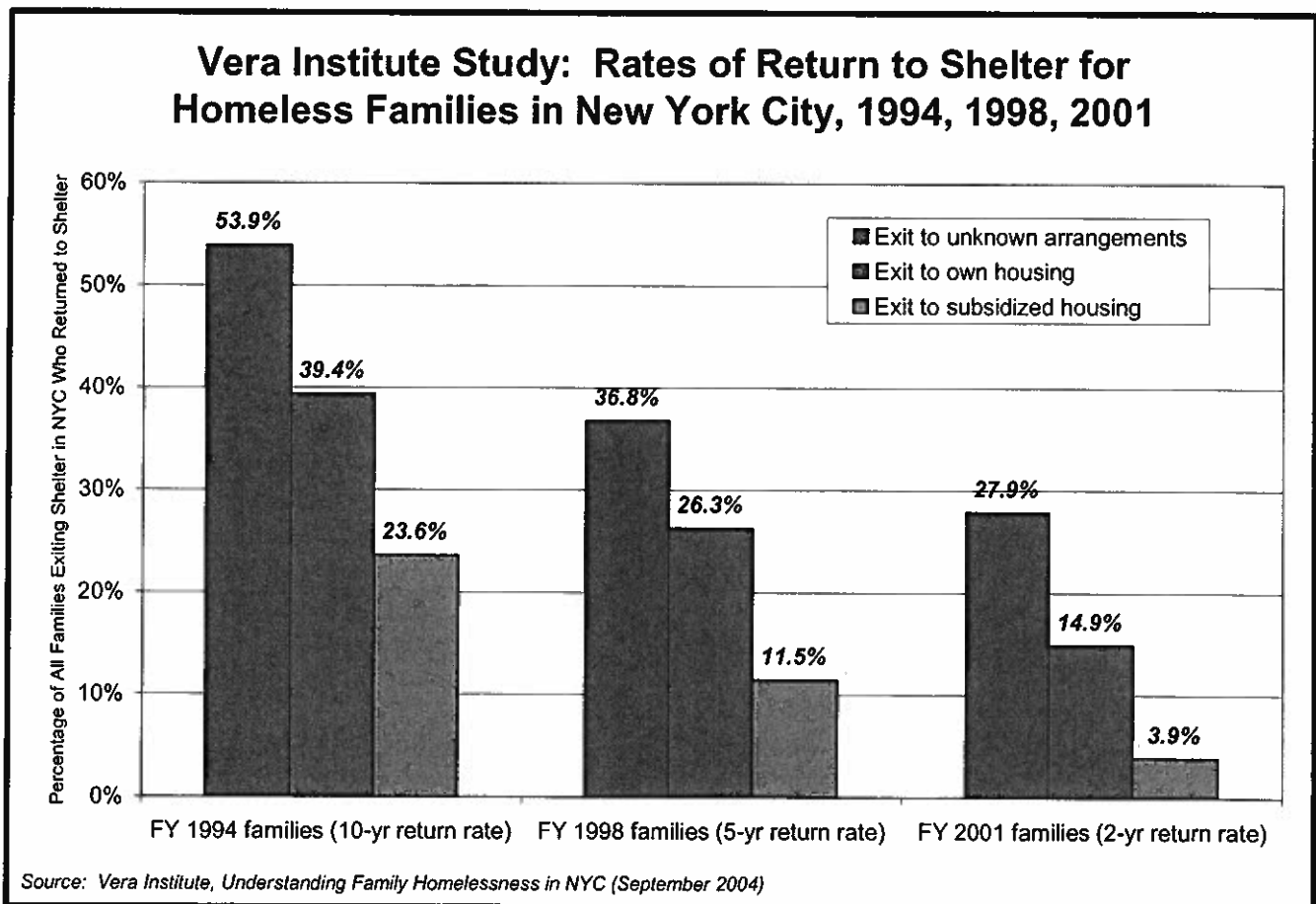
The following is a summary of several research studies that analyze the extensive evidence that Federal housing programs help homeless families leave homelessness and remain stably housed, including one study that debunks many of the myths behind the Bloomberg administration’s current policies.

Vera Institute study, September 2005:

The Vera Institute study, "Understanding Family Homelessness in New York City," which was commissioned by the New York City Department of Homeless Services (and can be found on the agency website), is the most recent comprehensive study of shelter re-entry among homeless families.³

The study analyzed return rates for all homeless families who exited the New York City shelter system in City fiscal years 1994, 1998, and 2001 over two-, five, and ten-year follow-up periods. It also broke out the families based on those leaving to unknown arrangements, those leaving to their own housing, and those leaving to subsidized housing. (The report further analyzed return rates for various types of housing subsidies.)

The study concluded that, "Across all cohorts and follow-up periods, those families exiting to subsidized housing exhibited the lowest rates of reentry. Subsidized housing appears to be associated with better protection against shelter return than exiting to one's own housing, other destinations, or unknown arrangements.... NYCHA public housing placement seemed to offer the best protection against shelter reentry, at least in the short term. Not counting Mitchell-Lama placements, families placed with NYCHA public housing demonstrated the lowest two- and five-year return rates in this study. However, families placed in Section 8 Non-EARP housing in 1994 showed the lowest ten-year rate of reentry."



Cragg and O'Flaherty study, June 1997:

This study, entitled "Does Subsidized Housing Increase Homelessness?: Testing the Dinkins Deluge Hypothesis," was co-authored by two economists, Brendan O'Flaherty of Columbia University and Michael Cragg of the Milken Institute.⁴ They analyzed the Dinkins administration's early 1990s "Alternative Pathways" program, which re-directed Section 8 vouchers away from homeless families and which ultimately resulted in a surge in the number of homeless families in municipal shelters.

Cragg and O'Flaherty closely examine the claim that the availability of Federal housing assistance – in particular, Section 8 vouchers – for families in shelter had increased the family shelter population. Their analysis found that, while the availability of housing subsidies does have some minor impact on

attracting families to the shelter system, this effect is far outweighed by the large and positive impact of moving families from shelters to permanent housing.

They summarize their findings in this way: “We test the conventional wisdom and reject it. Better prospects of subsidized housing increase flows into the shelter system, but this incentive effect is not nearly large enough to offset the first order accounting effect – taking families out of the shelters reduces the number of families in them.”

Khadduri research brief, January 2008:

Jill Khadduri, a researcher at Abt Associates and former senior official at the United States Department of Housing and Urban Development, prepared a survey of recent academic and government research entitled “Housing Vouchers Are Critical for Ending Family Homelessness.”⁵ The research survey emphasizes the findings common to many of the growing number of studies: that Federal housing vouchers help to mitigate many of the risk factors associated with episodes of family homelessness.

Khadduri concludes her research survey as follows: “An extensive body of careful research has demonstrated that housing vouchers are critically important both for preventing families with children from becoming homeless and for helping those who do enter the shelter system to leave it for permanent housing and not become homeless again....For families who do become homeless, housing vouchers are an extensively tested and demonstrably effective tool for moving to permanent housing and remaining stably housed.”

Shinn and Weitzman study, November 1998:

An early landmark research study by Marybeth Shinn and Beth C. Weitzman, professors at New York University, was one of the first to confirm that Federal housing subsidies curtail return episodes of homelessness.⁶ Shinn and Weitzman followed two cohorts of families – 266 homeless families seeking shelter, and 298 welfare-recipient families – over five years, and found that at the end of that period 80 percent of families with long-term housing subsidies remained stably housed, while only 18 percent of families with no housing subsidy were stable.

Shinn and Weitzman concluded, “For the last six years, government and private foundations have worked under the assumption that behavioral disorders are the root cause of homelessness and that an individual cannot be stably housed until these disorders have been addressed. Our research refutes that assumption. We found that subsidized housing succeeds in curing homelessness among families, regardless of behavioral disorders or other conditions. Whatever their problems – substance abuse, mental illness, physical illness or a history of incarceration – nearly all of the families in our study became stably housed when they received subsidized housing.”

Wong, Culhane, and Kuhn study, Autumn 1997:

This study, conducted by Yin-Ling Irene Wong, Dennis Culhane, and Randall Kuhn of the University of Pennsylvania, was the first major research study to analyze homeless client database information to measure rates of shelter re-entry among homeless families.⁷ The findings of this study are echoed in the later studies. The University of Pennsylvania researchers found that “hazard rates” of returning to shelter were much higher among families who left to unknown destinations or to their own housing, compared to those who left to subsidized housing. They also looked at two-year rates of re-entry among families exiting shelter and found the following: “The rate of re-entry is highest among families who were discharged to their own housing (37%) and lowest among those who were discharged to subsidized housing (7.6%).”

Moving Forward: How the City of New York Can Successfully Reduce Family Homelessness

The implications of these research studies for City policy are very clear: Stable, long-term housing assistance reduces family homelessness and reduces return rates for formerly-homeless families. Coalition for the Homeless urges City officials to adopt the following policies:

- Repeal current City policies that restrict Federal housing assistance to homeless families: The City should once again target a significant portion of scarce Federal housing subsidies (including both Section 8 vouchers and public housing apartments) to those families most in need – homeless families residing in shelters – by once again providing priority status to homeless families and individuals seeking Federal housing aid.
- Reform local rental assistance programs to make them work like Federal housing vouchers: Rental assistance for homeless families must be stable and long-term – that is, it should not include arbitrary, one-size-fits-all time limit. The value of the subsidy must not arbitrarily decline, but, rather, should be adequate to bridge the gap between income and the real cost of rental housing. The Bloomberg administration should reform its homeless rent subsidy programs to eliminate arbitrary, one-size-fits-all time limits.

For more information, please visit our website www.coalitionforthehomeless.org.

¹ The Bloomberg administration policy was implemented in two stages: (1) in October 2004 the New York City Department of Homeless Services halted referrals of homeless families to the top priority category for waiting lists administered by the New York City Housing Authority for the Section 8 voucher program and public housing; and (2) the following year the New York City Housing Authority reduced the priority classification for homeless people who submitted applications for both Federal housing programs – effectively removing homeless New Yorkers from the so-called “emergency category.” In 2004, the Bloomberg administration also introduced a replacement rent subsidy program targeted to homeless families, the time-limited “Housing Stability Plus” program. This program was abandoned in 2007 and replaced with new subsidy programs, including another time-limited (to a maximum of two years) program called “Work Advantage.”

² City of New York, Office of the Mayor, “Mayor’s Management Report FY 2008.”

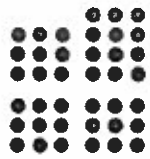
³ Vera Institute, “Understanding Family Homelessness in New York City” (September 2005), available at http://www.vera.org/project/project1_3.asp?section_id=6&project_id=68&sub_section_id=38.

⁴ Cragg, Michael and Brendan O’Flaherty, “Does Subsidized Housing Increase Homelessness? Testing the Dinkins Deluge Hypothesis,” Milken Institute (June 1997)

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⁶ Shinn, Marybeth, Beth C. Weitzman, et al, “Predictors of Homelessness Among Families in New York City: From Shelter Request to Housing Stability,” *American Journal of Public Health*, Volume 88, Number 11 (November 1998), pp. 1651-1657.

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Building and Disseminating Knowledge

Housing Vouchers Are Critical for Ending Family Homelessness

Jill Khadduri, Abt Associates, Inc.

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Housing vouchers are successful in helping families exit homelessness and can protect poor families from becoming homeless. The idea that adequate amounts of affordable rental housing would prevent and end family homelessness is intuitive. It is also firmly grounded in the research literature on the causes of homelessness and on the efficacy of programs that seek to end homelessness for individual families. This paper summarizes those research findings and draws out their implications for housing policymakers on all levels of government—in the first instance, for the federal government, which carries the responsibility for adequately funding the Housing Choice Voucher Program and for setting the parameters for the use of those housing subsidies.

For Entire Communities, Shortages of Affordable Housing Lead to Increases in Homelessness

When homelessness became a visible phenomenon in the 1980s, the high rates of mental illness and substance abuse among people who slept on the streets or came into emergency shelters led analysts to focus on the “deinstitutionalization” of people with mental illness and on new forms of addiction as the primary causes of homelessness for individuals and to de-emphasize the role of housing markets. By the last years of the 20th century, homeless families with children had become almost as visible as adults who became homeless by themselves. Based on the most thorough survey to date of homeless people, in a typical week in the late 1990s, 98,000 children were in families using the services system that had been developed to deal with homelessness.¹ At the same time, economists had begun to use data to demonstrate that homelessness was, in fact, linked to shortages of affordable housing.

Researchers at the University of California, Berkeley, analyzed how varying levels of homelessness are linked to housing market phenomena, first in California and then in the United States as a whole. They took the most recent counts of homeless people in different U.S. cities and metropolitan areas and in California counties and demonstrated that the rate of homelessness is greater in places that have low vacancy rates and high rents.² They found that a high incidence of housing cost burdens—high ratios of rental payments to household incomes—also is associated with a relatively high incidence of homelessness in a particular geographic area. They concluded that: “a simple economic model of the tough choices faced by households and individuals at the extreme lower tail of the income distribution goes a long way towards explaining the problem. Most importantly, our findings suggest that homelessness may be combated by modest supply policies combined with housing assistance directed to those for whom housing costs consume a large share of their low incomes.”³

Other research demonstrated the link between housing prices and the rate of homelessness among the poverty population and also showed that the rate of homelessness was lower in geographic areas in which a larger fraction of subsidized rental housing was targeted to very poor households.⁴

The problem of housing affordability for the poorest households is documented periodically by the U.S. Department of Housing and Urban Development’s (HUD’s) Office of Policy Development and Research. HUD’s most recent “worst case needs” report, based on American Housing Survey data collected by the Census Bureau in 2005, shows that 2.3 million families with children are renters without housing assistance, with incomes below 50 percent of the area median, and paying more than *half* their income for rent or (less fre-

In most respects, families who become homeless are similar to other families with poverty-level incomes and experience the same types of problems associated with living with insufficient resources.

quently) living in severely substandard housing. And the problem has been getting worse. The number of worst case needs households rose from 4.76 percent of all households in 2001 to 5.5 percent in 2005.⁵

Housing Vouchers Can Overcome the Shortages of Affordable Housing That Lead to Homelessness

Housing vouchers—rental housing assistance that subsidizes the difference between 30 percent of a family or individual's income and the amount needed to rent in the private market—are an effective way of overcoming shortages of affordable housing. This approach to providing affordable housing does not depend on the existence of private market units with extremely low rents, so it is workable despite declines in the numbers of low-rent units.⁶ A voucher provides a subsidy that makes it possible for a household to afford a housing unit with a rent in about the middle of the local housing market. The family's income is assessed each year, and the subsidy is recalculated as needed. As rent levels in the local housing market change, the middle point in the rental market is also recalculated.

The current federal program based on this model is called the Housing Choice Voucher Program. It is by far the largest federal housing program that helps poor households, assisting about 2 million households at any one time. Particularly for families, housing vouchers have become the preferred form of housing assistance because of their flexibility. Additional vouchers can come on line relatively quickly, compared with building or rehabilitating additional housing units. Vouchers do not have fixed unit sizes and can be matched to the size of the family chosen for assistance. Because they have no fixed location, they are less vulnerable to the risk of creating concentrations of the poor than property-based approaches to providing affordable housing for families with extremely low incomes.⁷ Vouchers also are the least expensive way of assisting equally poor households, most of the time and for most types of households.⁸

However, vouchers are not available to all families that need the assistance. Together with the other two programs that provide housing at 30 percent of any household's income, however low, they provide only about 4.5 million subsidy slots, leaving another 6 million renter households with severe housing needs that put them at risk of homelessness.⁹

For Individual Families, Proximate Causes of Homelessness Are Insufficient Income to Pay Rent and Lack of Experience as a Leaseholder

Families who become homeless are extremely poor, with incomes at around half the federal definition of

poverty and too low to be able to rent their own housing without a subsidy. When asked about the immediate cause of their homelessness, the most common answer given by families interviewed for the National Survey of Homeless Assistance Providers and Clients (NSHAPC) was "couldn't pay the rent."¹⁰ Factors that put families with children at risk of becoming homeless include having newborns or very young children, living in crowded housing conditions, and moving frequently.¹¹ Parents who become homeless with their children often have never been leaseholders or had "a place of their own," but instead have lived with relatives or friends since becoming adults.¹² Summarizing the literature on causes of homelessness for families with children, Debra Rog and John Bruckner conclude: "Family homelessness is perhaps most aptly described as a pattern of residential instability. Homeless episodes are typically part of a longer period of residential instability marked by frequent moves, short stays in one's own housing, and doubling up with relatives and friends."¹³

In most respects, families who become homeless are similar to other families with poverty-level incomes and experience the same types of problems associated with living with insufficient resources. Like other poor family heads, parents who become homeless have minimal work histories, lack employment skills, and have low levels of educational attainment. They often suffer from depression, but do not have higher rates of mental illness than other poor families. They are no more likely to experience conflict, trauma, and violence. They are somewhat more likely to have problems with substance abuse. Parents who become homeless with their children, typically by going to emergency shelters rather than attempting to live on "the street" (abandoned buildings or other places not fit for human habitation),¹⁴ are somewhat less likely to identify themselves as white and not Hispanic and more likely to be members of the minority group most prevalent in their local area.¹⁵

The Same Families at Risk of Becoming Homeless Can Avoid Homelessness by Using Housing Vouchers

Just as families at risk of becoming homeless are very similar to other poor families, they are very similar to families who use housing vouchers successfully. The latest research on "success rates" for households attempting to use vouchers confirms that those with the lowest incomes are just as likely to find a willing landlord and move into rental housing subsidized by the voucher as households with relatively higher incomes. Unemployed households are just as likely to succeed as those with jobs. Despite the persistence of discrimination against minorities in U.S. housing markets, members of minority groups succeed in using vouchers to the

same extent as other households.¹⁶ Earlier research on voucher success rates showed that minorities find it particularly easy to use vouchers in cities with substantial populations of the same minority group,¹⁷ so minority families at risk of homelessness should not have problems using vouchers when they are available.

A recently completed study of the use of housing vouchers by families eligible for welfare (the Voucher Family Study) shows that many of those applying for vouchers have the same inexperience as leaseholders that is common among families that become homeless. At the start of the study, families often were living, together with their children, in someone else's household. About 25 percent did not have their own apartment or house but instead were living with relatives or friends. Another 2 percent were homeless. Each family who applied for a voucher and was found to be eligible for the program was placed, at random, into a "treatment group," which was offered a voucher, or a "control group," which was not offered a voucher. Both groups were followed by the study over the next five years. When interviewed four to five years after random assignment, 45 percent of families in the control group reported that, at some point during the year before they were interviewed, they had been living with friends or relatives or otherwise without a "place of their own."¹⁸

The Voucher Family Study confirmed what the literature on homelessness had already demonstrated—that receipt of housing assistance prevents homelessness for individual families. For example, a study conducted in New York City found that a strong predictor of whether a welfare family with no prior experience of homelessness *would not* go to a homeless shelter was whether the family had its "own apartment with a rent subsidy."¹⁹ An analysis of a Fragile Families database of mothers who had recently given birth and had incomes at less than half of the poverty line found that "homelessness is related to having no housing assistance or having lost that assistance...."²⁰

The findings of the Voucher Family Study are even more powerful than those of earlier studies because of the random assignment of families to a control group, so that reductions in homelessness cannot have been caused by differences in the characteristics of families who get vouchers compared with those who do not.²¹ The Voucher Family Study found that voucher assistance resulted in a *74 percent reduction in the incidence of homelessness*. Five years into the study period, 12.5 percent of families in the control group told interviewers that they had been on the streets or in a shelter at some point during the previous year, compared with 3.3 percent of those who used the housing voucher provided at the time of random assignment.

The Voucher Family Study team conducted unstructured, in-home interviews with 141 families

who used vouchers to augment the "quantitative" findings based on identically worded questions asked of the larger sample of treatment and control group families. "The in-depth interviews with voucher users suggest that the fear of homelessness is pervasive among families on TANF [Temporary Assistance for Needy Families] or with incomes low enough to be eligible for TANF. Many of the women interviewed said that receiving a voucher substantially reduced their anxiety about keeping a roof over their children's heads. They expressed a strong sense of relief at not having to worry about how to pay the rent or whether their family would end up homeless or living with friends or relatives."²²

Vouchers give young mothers the opportunity to be on their own and to establish their responsibility as renters. Four to five years into the study period, almost a quarter of the families in the control group of the Voucher Family Study (22 percent) were living in multigenerational or extended-family households, while almost all of the families who used vouchers were in their own housing units.

Using a voucher also alleviates other conditions found to put families at risk of homelessness: crowded housing conditions and frequent moves. The Voucher Family Study found that, after four to five years, 46 percent of families without vouchers were living in housing with less than one room per person, while only half as many voucher users were similarly crowded. While voucher users often used the voucher to move into a housing unit located outside their original census tract, they then moved less frequently than members of the control group over the study period.²³

For Families Who Become Homeless, Vouchers Are an Effective Way of Leaving Homelessness

The control group for the study of voucher use by welfare families (12.5 percent of whom were homeless at some point during the year before they were interviewed) is emblematic of the millions of families who cannot obtain affordable housing, hundreds of thousands of whom become homeless. HUD's first *Annual Homeless Assessment Report to Congress* estimated that close to 250,000 persons in households with children were using shelters or transitional housing at some point during just three months in early 2005.²⁴

A constant theme in evaluations of programs that help people leave homelessness is that homeless families, including families with severe challenges, can become stably housed by using housing vouchers.²⁵ Many of the families studied in this research moved directly from homelessness to permanent housing supported by a voucher or another form of housing assistance.

The Voucher Family Study confirmed what the literature on homelessness had already demonstrated—that receipt of housing assistance prevents homelessness for individual families.

Those who leave homelessness with a rental subsidy are much less likely to become homeless again than those who have no subsidy.

The Homeless Families Program, implemented at nine sites and targeted to families who were both homeless and high risk (e.g., mother less than 21 years of age, history of homelessness, no experience renting or owning, chronic physical or mental illnesses, one or more children living apart), demonstrated that, despite uneven implementation of the case management that was part of the program, these high-needs families used housing vouchers successfully. "Despite years of instability, ... at 18 months after entering the program, more than 85 percent of the families were still stably housed in the six sites that provided data."²⁶

Another demonstration, the Family Reunification Program, provided housing vouchers to homeless families and others for whom lack of adequate housing was a primary factor in out-of-home placement of children. In addition to the voucher, families received such services as housing search assistance, adult and family counseling, and mental health services. Eighty-eight percent of the families who were literally homeless (on the street or in shelters) when they received a voucher remained stably housed after a year.²⁷

Those who leave homelessness with a rental subsidy are much less likely to become homeless again than those who have no subsidy. For example, the rate of readmission to shelters for those who left shelters in New York City was much lower for those who obtained subsidized housing than for those who did not. Only 7.6 percent of those who went to subsidized housing came back to shelters within two years, compared with 13 percent of those who went back to their prior residence and 37 percent who went elsewhere.²⁸

Another study conducted in New York City showed that, when interviewed at least three years after shelter admission, families were 20.6 times more likely to be stably housed (in their own apartment for at least a year) if they had received housing vouchers or other subsidized housing during the intervening period than if they had not. "Subsidized housing was virtually the only predictor of residential stability after shelter. ... Substance abuse, like domestic violence, may disrupt families' lives. We make no claim that housing solved any of these problems among poor families, but the problems contributed little to residential instability." The researchers tested whether the dramatic effect of housing assistance reflected the assignment of subsidized housing to families with less severe challenges and concluded that "the strong relationship between receipt of subsidized housing and stability was essentially unconfounded with individual characteristics."²⁹

Most families with children do not need permanent supportive housing—that is, housing that offers intensive services on a long-term basis of indefinite duration. However, even those families that do need long-term support to enable them to

care for their children and maintain stable housing can use vouchers effectively. Many permanent supportive housing programs for both families and individuals place people who need intensive services in scattered-site housing subsidized by tenant-based vouchers or by the McKinney-Vento Shelter Plus Care Program, which has essentially the same subsidy structure as a voucher.

The use of vouchers for permanent supportive housing has been studied for individuals with disabilities. The findings are relevant to families as well. For example, a majority of homeless individuals selected for a demonstration program because they had severe and persistent mental illness were able to use housing vouchers successfully and to achieve stable independent living. As part of the demonstration, participants received help getting through the voucher application process and finding a suitable housing unit.³⁰

In addition to placing families directly into permanent housing, vouchers have also been used for programs that provide an explicit transitional period during which services are intense and families are expected to make progress toward addressing their problems and attaining independence. For example, the Sound Families Program in three counties in Washington State makes extensive use of vouchers, often with a "transition in place" option that permits families to stay in the same housing after graduating from the program. Among families completing the program and interviewed after one year, nearly all had maintained permanent housing.³¹

A recent survey of transitional housing programs for homeless families in five geographic areas with large numbers of slots in such programs found that 23 percent follow a transition-in-place model. For programs that require a move, many families use housing vouchers as the next step after transitional housing, and the number doing so appears to be limited more by the availability of vouchers than by the feasibility of using a voucher when one is available.³²

Whether a transitional period is needed to help families who face considerable challenges achieve stability in mainstream subsidized housing is open to question.³³ Many families with mental health problems and histories of substance abuse who are placed in facility-based settings intended to provide a stabilization period leave to use a tenant-based housing voucher as soon as one becomes available, preferring the greater independence and, possibly, safer neighborhoods made possible by voucher assistance.³⁴

A case sometimes made for transitional housing is that it can help families with less severe challenges become sufficiently self-supporting so that they will be able to rent housing on their own without a long-term rental subsidy. This hypothesis has not been tested. Furthermore, families with children

typically use a housing voucher only for a few years,³⁵ so a period in a heavily-funded program for homeless families followed by self-paid housing may not be more cost-effective than immediate use of a voucher by a homeless family. Researchers who study the patterns and costs of the use of homeless services have concluded that: "The current system of providing temporary shelter [emergency shelters and transitional housing] in lieu of rental assistance would appear to be relatively inefficient, since it is a less direct method of addressing the affordability gap and since, compared with independent housing, it carries such significant administrative and facility costs in addition to the social costs of disruptive shelter stays on families and children."³⁶

Policy Implications Are Clear: Fund More Vouchers

At one point the voucher program grew by 100,000 units per year. Appropriators of funds for the Housing Choice Voucher Program should return immediately to the earlier policy of steady and meaningful incremental growth of the voucher program. The system for allocating voucher funds to Public Housing Agencies (PHAs) should permit PHAs to fund all of the vouchers authorized and should reward them for using the full amount of voucher funding allocated rather than creating funding rules that, as in recent years, have created downward pressures on the size of local voucher programs.³⁷

A growing program and adequate funding for the slots authorized will reverse the situation in recent years, in which vouchers stopped being available in many communities for outplacement of families from shelters and transitional housing programs and lengths of stay within the residential system for homeless families increased.³⁸

Vouchers should be targeted to extremely low income families and individuals. More than three-quarters of the households with "worst case needs" (77 percent) have extremely low incomes below 30 percent of the area median, which varies from place to place but on average is about the poverty line.³⁹ In the current voucher program, each PHA must provide at least 75 percent of vouchers for newly assisted households to extremely low income households, and many PHAs exceed that level. However, there are countervailing pressures to make the voucher program more "flexible" in ways that could put families with incomes below the poverty level at a disadvantage. Congress should think very carefully before expanding the number of PHAs given broad authority to change the rules of the voucher program. If enacted, such demonstration authority should include preventing homelessness among its objectives and ensure that it is so used and evaluated.

More explicit targeting of vouchers to the families most at risk of becoming homeless is attractive

in concept, but difficult to achieve without perverse consequences. Although risk factors for homelessness are understood, it is not possible to determine which among the many poverty-level families with those characteristics will become homeless. A priority for receiving vouchers for families that have already become homeless can encourage families to enter shelters, because that becomes an effective way of queuing up for the limited, available voucher slots.⁴⁰

Congress could also consider an open enrollment or entitlement voucher program for the very poor most likely to become homeless—for example, those with incomes below 15 percent of area median income. This would avoid the perverse incentives that would be associated with targeting a program based on a waiting list to those who have become homeless.

Some families who become homeless may have a difficult time using vouchers because they have been evicted from rental housing units or expelled by PHAs from the voucher or public housing programs. A particularly difficult-to-serve group consists of those with criminal records, who are screened out of housing assistance programs under normal rules. Some parents who become homeless may not be chronic substance abusers but nonetheless have arrests related to drugs or to domestic violence. A policy based on using housing vouchers to prevent and end homelessness should include experimenting with, and evaluating, voucher-based transition-in-place programs for homeless families that cannot become leaseholders in the private market immediately.

At the Same Time, Experiment with Shallow or Time-Limited Subsidies

An alternative to housing vouchers for preventing or ending homelessness is to provide "shallow" subsidies (i.e., subsidies that cover a smaller portion of the rent) or subsidies that, unlike vouchers, last for a limited period of time. Some communities are already experimenting with temporary assistance for families deemed to be at imminent risk of going to shelters because the leaseholder with whom they currently are "couch-surfing" or the landlord of the unit in which they have been unable to pay the rent has served notice that they cannot stay. A shallow subsidy has been shown to be effective for maintaining housing stability for people with HIV or AIDS.⁴¹ The effectiveness of such programs for families experiencing a housing crisis has not yet been evaluated.⁴²

A voucher program growing by 100,000 units a year still will not provide enough affordable housing to prevent all of the families that are experiencing housing crises from going to a shelter or sleeping in a place not fit for human habitation. Some of those housing crises may be prevented

Vouchers should be targeted to extremely low income families and individuals.

Housing vouchers are an effective way of addressing the shortage of affordable housing that is the fundamental cause of the family homelessness that appeared in the mid- to late 1980s and has persisted since then.

Congress should return immediately to a policy of steady growth in the Housing Choice Voucher Program at about 100,000 units per year and should also test—and evaluate—the potential for preventing family homelessness through shallower subsidies that would have a lower budgetary cost per unit.

from turning into homelessness by using rent subsidies that cost less to fund than the \$6,000 per year average subsidy for a two-bedroom voucher. The time has come for formal demonstrations and evaluations of the effectiveness of such programs in preventing homelessness. Without a reasonable prospect of a voucher program three times its current size,⁴³ it is essential to know which families can use short-term rental assistance while they gain sufficient employment income to take over the full rent payments and which families will need the deeper and more permanent rent subsidy provided by a voucher. For example, a parent may need a longer-term housing subsidy because she has a disability that limits her ability to work. The cash income she receives from Supplemental Security Income (SSI) or from a low wage, part-time job will not enable her to rent even the most modest of housing units.

**Conclusion:
Housing Vouchers Are Critical for
Ending Family Homelessness**

An extensive body of careful research has demonstrated that housing vouchers are critically important both for preventing families with children from becoming homeless and for helping those who do enter the shelter system to leave it for permanent housing and not become homeless again. Housing vouchers are an effective way of addressing the shortage of affordable housing that is the fundamental cause of the family homelessness that appeared in the mid- to late 1980s and has persisted since then. For particular families, having a voucher serves as protection against the pattern of housing instability that can lead to homelessness; having a voucher virtually eliminates the risk that the family will enter a shelter or sleep in a place not fit for human habitation.

For families who do become homeless, housing vouchers are an extensively tested and demonstrably effective tool for moving to permanent housing and remaining stably housed. Most families who become homeless are very similar to poor families that do not become homeless. As is the case for other poor families, they face such challenges as depression, poor physical health, and spotty educational and employment histories. However, also as is the case for other poor families, families that become homeless can use vouchers to move into independent housing units in the private rental market.

Congress should return immediately to a policy of steady growth in the Housing Choice Voucher Program at about 100,000 units per year and should also test—and evaluate—the potential for preventing family homelessness through shallower subsidies that would have a lower budgetary cost per unit.

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 33. For the debate on whether transitional housing for families is needed, see Dennis P. Culhane, Stephen Mettraux, Jung Min Park, Maryanne Schretzman, and Jesse Valente, "Testing a Typology of Family Homelessness Based on Patterns of Public Shelter Utilization in Four U.S. Jurisdictions: Implications for Policy and Program Planning," *Housing Policy Debate* 18(1), 2007, 1-28, and the comments on that article in the same issue by Ellen L. Bassuk, Martha R. Burt, and Fred Karnas.
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 37. Such negative incentives include inflexible caps on the amount of subsidy funds that can be in use at any one time and recapture of voucher funds that were intended to preserve the total number of slots of deeply targeted assisted housing units in a community where public housing units are to be demolished or Section 8 projects converted to other use. These replacement vouchers are also used for relocating the particular households displaced by the withdrawal of "hard" units of assisted housing, so PHAs tend to stockpile them waiting for the relocations to take place. In recent years, HUD has often taken back these "underutilized" funds, leaving the community with a net loss of assisted housing.
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THE NATIONAL ALLIANCE TO END HOMELESSNESS is a nonpartisan, mission-driven organization committed to preventing and ending homelessness in the United States. The Alliance works collaboratively with the public, private, and non-profit sectors to build state and local capacity, leading to stronger programs and policies that help communities achieve their goal of ending homelessness. Guiding our work is *A Plan, Not a Dream: How to End Homelessness in Ten Years*. This plan identifies our nation's challenges in addressing the problem and lays out practical steps our nation can take to change its present course and truly end homelessness within 10 years.

THE HOMELESSNESS RESEARCH INSTITUTE, the research and education arm of the National Alliance to End Homelessness, works to end homelessness by building and disseminating knowledge that drives policy change. The goals of the Institute are to build the intellectual capital around solutions to homelessness; to advance data and research to ensure that policymakers, practitioners, and the caring public have the best information about trends in homelessness and emerging solutions; and to engage the media to ensure intelligent reporting on the issue of homelessness.

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About the Author

Jill Khadduri joined Abt Associates in 2000, following 17 years as director of the Policy Development Division at the U.S. Department of Housing and Urban Development. Her recent work on homelessness has focused on evaluating program costs and benefits and understanding the characteristics and dynamics of homelessness, including the intersection of homelessness and low-income housing assistance.

