



# National Alliance to END HOMELESSNESS

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## **Nan Roman, Keynote Address**

Thank you all for being here today. I am certainly excited to be in a room filled with people who are committed to ending family homelessness. Today, I want to discuss three things: First, a status report on the goal of ending family homelessness; second, what we are learning that will let us do a better job of helping families that are homeless; and, third, what the future might hold in terms of policy on family homelessness, nationally.

I will start with the status report. Last year, for those of you who were here, I talked about progress in ending homelessness among families. While the challenges that face very poor families are always daunting, some places seemed to be overcoming them.

This year, the undermining of basic housing, income, and service systems continues to stymie communities trying to make progress. The number of families that are abjectly poor and at risk of homelessness is growing. Sadly, we are expanding, not shrinking, the number of families that live in horrible and unstable housing, in communities that have few assets and offer them little support or opportunity. And these communities and their residents are increasingly separate -- cut off from thriving middle and upper class neighborhoods whose residents may never see a poor person or be confronted with their problems.

The affordable housing crisis has intensified.

In the last two years, due to the actions of the Congress and Administration on Section 8, we lost 150,000 vouchers. That's 150,000 families that could have exited homelessness, or we could have saved from becoming homeless in the first place.

Last year, Congress and the Administration once again desperately underfunded public housing, whose budget has gone down 11% in the past two years. And

they failed to even adequately fund the program they designed to replace public housing – HOPE VI – with all its flaws.

Last year, Congress and the Administration failed to adequately fund CDBG and HOME, which many communities use to assist homeless people and provide housing. Since 2004 CDBG has declined by 20% and HOME by 16%. Overall, adjusted for inflation, HUD funding has decreased by \$3.3 billion over the past two years.

At the same time that the federal investment in affordable housing is decreasing, we are losing affordable units in the private market. Between 1993 and 2003 the inventory of rental units affordable to people at 30% of AMI or below plunged by 1.2 million units due to upgrading, abandonment or demolition.<sup>1</sup> The shortage of units affordable and available to this income group was 5.4 million. The result was that in the three years from 2001 – 2004, the number of households with severe cost burdens (paying more than half of their income for housing) increased by nearly 2 million to a record 15.8 million. The total number of households with at least moderate cost burdens (paying more than 30% of income on housing) also rose from 31.3 million to 35 million. Although higher among renters, affordability problems afflict a large proportion of low income homeowners as well.

The outlook is one of increasing demand for affordable rental housing. Given the demographic trends, there should be at least 1.8 million new renter households by 2015. Interestingly, minorities will be responsible for the entire gain, eventually accounting for the majority of renter households.

This is the story on the affordable housing side – more demand for low cost units, fewer units available, and decreasing federal resources to address the problem.

There is also an income side. There are 37 million people in the United States living in poverty. An increasing number of poor households are working nonstandard jobs for low wages and no benefits. Income mobility is slowing – those who are poor are more likely to remain poor. The federal government will increase the minimum wage, which is good, but it is unlikely to have much of an impact on the ability of households to pay for housing.

And of course, the education, employment, day care, mental health, substance abuse, counseling and other service supports that families need to make progress are also in short supply. While I do not think it is necessary to solve every social problem in order to end homelessness – because I can testify personally to an era in which we had plenty of social problems, but widespread homelessness was not one of them – there is a limit. Undoubtedly, the gains that some communities have been making on family homelessness are at the moment challenged by these increasing social problems.

However, the situation is far from hopeless. The new Congress has shown every indication of being more interested in domestic programs than its predecessor, and improvements are happening as we speak, with more on the horizon.

Yes, things are tight, and one thing I often hear is that there is nothing to do because there's no housing. But, of course, when things are bad we have to be that much more strategic and targeted when it comes to the resources we have to assist homeless people. We have to be even more certain that every precious dollar we get is used to its maximum efficiency and effectiveness.

We are learning things that can help us be more effective in assisting people who are homeless, many of which center on much better targeting – in prevention, in transitional housing, in permanent housing – and looking beyond our traditional partners to get better connected to mainstream resources.

One thing we are learning from data in several cities and states is that there are, indeed, families that have higher needs and are more vulnerable to repeated incidents of homelessness or much longer spells of homelessness – what are often called chronically homeless families. In many ways they mirror the chronically homeless individuals, because they have similar public cost profiles and are a small part of the population.

The data indicate that a small percentage of families – less than 10% and probably closer to 5% -- is the outlier group. These are families with an adult who has chronic untreated mental health or behavioral health problems that require intensive service interventions, without which they cannot stay housed. This is not a big surprise to most of us, although probably it is a surprise that the size of this group is so small.

We have an opportunity to help these families, yet one problem is that homeless programs often screen them out. The reasons they do so may be understandable; again, it is not dissimilar to what happens in the single adults system. Sometimes the programs have stringent behavioral regulations for residents, which the families cannot meet. Sometimes programs establish up-front admissions requirements like sobriety or stabilization, or even employment, requirements that screen out the people with more serious needs. Sometimes programs feel that they do not have the facilities or staff to address more serious needs such as substance abuse or mental illness – or they are not licensed to do so. They are more prepared to address employment, parenting, and budgeting, so they select clients who could benefit from these services.

Also, programs are increasingly pressured to achieve good outcomes, to show that families that exit the program have increased incomes, exit to housing, and other achievements. They feel forced to accept only those clients that they think will be able to achieve these outcomes. All of this is understandable from a program point of view. Programs are making rational choices.

But there are two problems. One, there is some evidence that the assistance provided to families with less intense needs, while certainly useful, does not appreciably effect their ability to attain and retain housing. That is, families with fewer needs that receive more services or stay longer do not have appreciably better rates of exit into housing, appreciably better incomes, or appreciably fewer returns to homelessness. Second, while it may be a good strategy at the program level, it is not a good strategy at the community level if

every program is making the same decision and neglecting to serve the neediest families. And, of course, it is also not a good strategy for the high need families that do not get served.

If we had unlimited resources, we would not have these concerns. If one group got more resources than they needed, strictly speaking, and another got none, we could simply add resources until all were helped. But as we have very limited resources, we need to ensure that we are being efficient in addressing the needs, and targeting our resources appropriately.

One way that communities have successfully matched resources to need is through up-front assessment – referring families initially to the right programs or types of assistance to meet their needs. Many communities have no centralized intake or assessment. Programs simply take the next family that comes in the door and gives them what they have to offer. If there is, however, an assessment function up front, the person can be better fitted to the program. Those families that would benefit from a transitional stay – because they have some temporary situation that requires a temporary housing solution, such as recovery from substance abuse or flight from a batterer – can be referred to transitional programs. Those who need money to get back into an apartment can get that and receive help finding a place to live. Those who are chronically disabled can be referred to permanent housing programs like Section 8 or supportive housing.

The ability to sort through who needs what is extremely helpful. There are different models for this up front assessment – some are shelter based, some are public offices. But at their best, they all serve the good function of improving the coordination between need and resources. They also have the very positive attribute of improving the services and assistance to the families. Families spend less time in the homelessness system and get housed faster. The outcomes are better for the families.

We have been very encouraged to hear good results from communities implementing Housing First or rapid re-housing strategies for families. Such strategies have positive outcomes. Through reducing shelter or transitional stays they have the added benefit of freeing up beds in the emergency system. Communities such as many here in the Bay area and others in places like Washington DC, Miami, and Boston are having success with rapid re-housing strategies.

It is important to recognize that these strategies involve both services and housing. On the services side, candidates for rapid re-housing first need case management to get them stabilized and to solve immediate problems related to the housing crisis, often including the need to quickly get a job. And to get into housing families need services. They need help addressing tenant history issues and credit issues, among other issues. They need help locating apartments and likely negotiating with landlords, and they need on-going case management services until they are well stabilized. They need to be connected to any available community resources - schools, transportation, and other resources so that their chances of staying in housing are maximized.

Also, Housing First and rapid re-housing require financial assistance. Communities are experimenting with a variety of ways to provide this assistance – short term subsidies, shallow subsidies, first and last month’s rent – and all are effective for most, but not all, families. We have found that some communities, like Columbus and New York City, that have employed Housing First or rapid re-housing for families have seen rapid decreases in homelessness followed by slight increases. Why is this?

Our friends in these places tell us that progress is not a steady upward vector. There are setbacks and changes in the environment that necessitate re-tooling. There is no silver bullet solution, and leaders in the field are constantly re-assessing their approach. They are testing new ideas, figuring out if they work, taking them to scale, and then starting all over if another new idea comes along. If the numbers go down and then go up, they are looking at their data and their programs to figure out why – not just assuming that it is because there is no affordable housing or people are poor. In short, and no surprise to anyone here, the answers are complex and changing.

This brings up another important point – the role of the public sector. Local and state policy has a key role to play in ending homelessness. There is much that the public sector can contribute that programs simply do not have the capacity to do. The public sector can look at the problem community wide, can deal with regional and fair share issues, can assess outcomes, and can also be expected to look at non-homeless targeted resources that might be applied to the problem – resources such as TANF, HOME, CDBG, service dollars, and Section 8.

There are different ways that the public sector gets involved, and they are not one size fits all. Sometimes the city government is the major driver and has staff that makes grants, monitors performance, measures outcomes, and even delivers services, as in New York City. Other times the city government is in more of a supportive role, supporting a city-wide administrative organization that fulfills many of these functions, as in Columbus and Washington, DC. The important thing is that these functions are fulfilled.

The role of the public sector becomes even more critical as we have discovered that cities that are making progress are not doing so only with McKinney money. McKinney money is certainly crucial, but these cities are utilizing other funding to help with re-housing. This can be CDBG or HOME money in a rent subsidy pool as in Columbus, or Housing Trust Fund money in a local rent subsidy program as in DC. It can be TANF money, or other funds. It can be Section 8 vouchers such as in places like Los Angeles, DC and Minneapolis.

As critical as the public sector is, there are also challenges. Public dollars are often inflexible, laden with rules and restrictions that can impede progress, and city, state and even national administrations change, requiring a constant process of education and relationship building.

These are some of the things we are learning from communities that are making progress on family homelessness. Focusing on key strategies like targeting and

rapid rehousing; pulling in new resources from the public sector; constantly adapting and improving – this is how communities are making a difference for homeless families.

What does the future hold for us in the struggle to end family homelessness? On the big picture, of course in the short run we cannot fill the housing and services hole that exists. However, we do have a Congress that is more interested in housing and domestic issues generally. Despite the tight budgets, some good things may happen on housing this year.

Congress is fixing the Section 8 funding formula so that many communities can fund more units and leave less money sitting in the bank. Congress will introduce the National Housing Trust Fund and there is a good chance it will pass. Either related to the Trust Fund or separately, they will look at funding an affordable housing fund through the profits of the Government Sponsored Enterprises. They are poised to give homelessness a boost and are looking for new ideas. There may be progress in other areas as well, such as in health care and TANF.

Nevertheless, we cannot fool ourselves that a new Congress means all our problems will be solved. Challenges will remain. In the coming year, I believe that there are some key federal issues that can be addressed to help us intervene to help homeless families. Clearly, driven by the housing and income situation I discussed above, there are many families that are at risk of homelessness and whom we should be helping. Some of these families are literally homeless already – whether or not they meet the HUD definition. They are moving from house to house, unstably doubled up with friends and family. They should, without a doubt, be included in the HUD definition. There are several million other poor households that are doubled up that may be stable at the moment, but that are nevertheless at increased risk of homelessness (I am not talking about the many very poor households that are doubled up but that are stable). We must also do something to help these families.

The Alliance recently released a compilation of the 2005 homeless point in time counts (not a census), which said that 44% of homeless people were not sheltered at the time of the count. This means that tonight, at least 325,000 people who are already defined as homeless are not being even sheltered. Clearly, if we are going to help doubled up families, the real issue is that we need additional resources to help them. Work has already begun with the Congress on a new initiative to house doubled up households that are at risk of homelessness. I believe this is an initiative that can move forward.

I also think we can make improvements in making federal homeless programs work better in rural areas. There are a number of features in the federal programs that don't work so well for rural areas. The continuum of care, itself, does not make much sense for several reasons: shelter, transitional, and permanent housing are not possible in every community; planning functions are difficult to achieve; coordination among agencies is challenging, especially if they are in different counties; and, even if there is a continuum created on

paper, it often will not meet the true test, which is being a continuum for the people who are homeless.

Definitional issues are a problem. Because of lack of shelter, people are doubled up and it may be a challenge to have them meet the definition of homeless. Some data indicate that there is less mental illness and drug abuse in rural areas, and more alcoholism. This also can cause some problems for disability definitions. Program models are not always the same as for urban areas. For instance, outreach and supportive housing models may look different, and income and transportation are more important in rural areas but harder to fund with federal money.

Furthermore, capacity is an issue in rural areas. Often rural areas do not have the resources for sophisticated grant writing and programming. Similarly, administrative fees that may generate a lot of money in cities that receive millions of dollars in Continuum of Care grants, do not generate enough to make a difference in communities whose grants total only in the tens of thousands.

The housing issues in rural communities are also different, and not always so easily addressed with homeless funding. Substandard housing is more prevalent in rural areas than in urban areas. Home ownership rates can be significantly higher in rural areas, and addressing the housing crisis of a home owner is different than it is in higher cost urban areas, and also different than it is to address the crisis of a renter. There are other issues around manufactured housing that are not really amenable to the current programs, such as ownership of land with no housing or substandard housing on it, or ownership of a trailer but not of the land.

On the other hand, rural communities have some advantages. The numbers and the rate of homelessness are lower and more manageable. People know individual clients and their problems, and have more relationships. There is less tolerance for long term temporary approaches. In many counties, unlike cities, mainstream systems really take responsibility for the problem. Finally, there is usually not significant investment in infrastructure, so movement toward a housing-focused model is easier to accomplish.

All of this is to say that we think that homeless funding in rural areas should be changed and this is a discussion that is underway with the Congress. Some possible changes include giving rural areas much more flexibility to do prevention; to serve doubled-up households; and to experiment with rapid re-housing. Such efforts could minimize the need to create infrastructure. Flexibility could also include the ability creatively address different types of tenancy and to address issues of greater concern in rural areas such as transportation. Another change would be to reduce or alter some of the factors that tend to disadvantage rural communities in the Continuum of Care competition. Some of these changes are possible in the next year.

Finally, I think we are getting close to being able to craft a much more effective national agenda around ending family homelessness -- and agenda that has real

numbers attached and can drive policy and resources in a more productive and proactive way. We have some sense of the number of families that become homeless every year – around 600,000. We have an idea that somewhere between 5-10 percent of these families, or about 50,000, have serious disabilities and are repeatedly homeless. Most likely they could be helped by supportive housing, and we can set a goal around that. Of the remaining 550,000 families, we should soon be able to put some numbers around what percentage typically exit the homeless system with little assistance and how many would benefit from transitional housing. That would leave us with some goals around re-housing that we could work for over time. For example, if we need to re-house 300,000 families we could build resources to do that over the next five years. Part of this will involve identifying family characteristics for better targeting.

The other part of the goal would be prevention. A program for at-risk families would contribute to the prevention goal, as will the general work that we all need to do around Section 8, the National Housing Trust Fund, and other low income housing programs. But with some clear goals, and some better cost information, I think we can all work much more effectively with TANF, child welfare and other mainstream programs to encourage – indeed to require – the stabilization of families to prevent their homelessness.

I believe that the Congress is interested in new ways to approach family homelessness, and I think we will have a compelling new agenda to present to them.

To summarize, our efforts to intervene and help homeless families not be homeless any more are made increasingly difficult by the deepening affordability crisis and exasperated by wage and services issues. Still, communities are making progress and there is a lot that we can learn from each other about how to utilize our resources to the maximum efficiency to intervene with the families that are facing these difficult situations, especially with better targeting and broad-based partnerships.

Further, there is hope that the new Congress is willing to take on these issues with much more vigor, energy, and commitment. Even though they face budget restraints, there is much that can be done to free up new resources through administrative and efficiency initiatives.

There is a lot for all of us to do both big picture and small. But I know that we have the energy, the skill, the commitment, and the intelligence to do it. The hope is that we can make progress, that we can do a better job of helping families and ending family homelessness. Thank you for all that you do.

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Some data acquired from the Joint Center for Housing Studies at Harvard University, the Center on Budget and Policy Priorities, and the Brookings Institution.