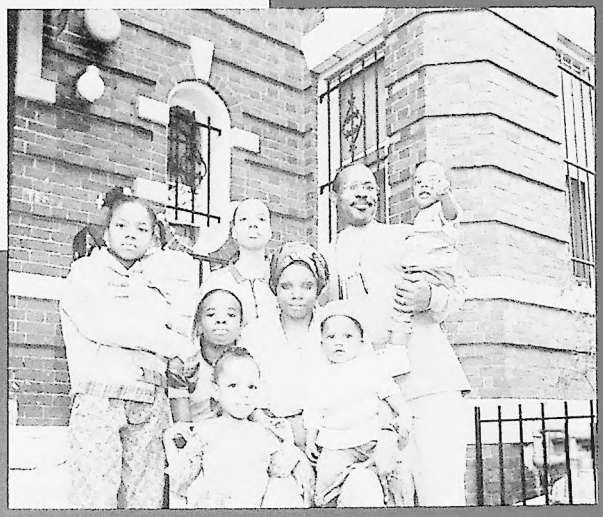
Priority: Home!

The Federal Plan to Break the Cycle of Homelessness



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

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

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Executive Order Mandate to the Council

Executive Order 12848 of May 19, 1993

Federal Plan to Break the Cycle of Homelessness

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

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

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

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

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

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

William J. Clinton
The White House

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Department of Housing and Urban Development

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

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Acknowledgments

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

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

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

Executive Summary

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

—HUD Secretary Henry Cisneros

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Introduction

Introduction

Homelessness can be viewed as an extreme form of poverty....
—Speaker's Task Force on Homelessness
Congressman Bruce Vento, Chair

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

Plan Development and Consultation Activities

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

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

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

Interactive Forums and Mailings

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

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

Consultation with Homeless People

> *They think we don't care, but we really do.*
>
> *—Shelter resident of the Pine Street Inn, Boston, Massachusetts*

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

Outline of the Plan

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

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

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

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

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

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

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

(a) the need for prevention;

(b) the successes of outreach to the street population;

(c) the considerable and enduring successes of supportive housing as an alternative to institutionalization and the inefficiencies of having a separate system just to serve homeless individuals and families;

(d) the need to address the special problems of minorities;

(e) the need to address the special problems of children and their families;

(f) the need for improved coordination and reduced fragmentation of programs;

(g) the need for a continuum of care; and

(h) the positive strengths of the not-for-profit providers in delivering services to homeless individuals and families.

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

Homelessness Revisited

Part I: Homelessness Revisited

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

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

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

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

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

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

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

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

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

2. The Scale of Contemporary Homelessness

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

Point-in-time Estimates

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

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

Estimates Over Time

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

- A recent study of shelter systems in New York City and Philadelphia documents the large turnover of persons using shelters (Culhane et al., 1993). For example, in New York, a single shelter bed accommodates four different persons each year. The one-day and one-, three- and five-year counts of persons in shelters were 23,000; 86,000; 162,000; and 240,000 persons, respectively.

- The turnover in the Philadelphia shelters is even more dramatic, with each bed accommodating six persons per year. The one-day, one- and three-year counts were 2,500, 15,000 and 43,000 persons, respectively (Culhane et al., 1993).

- Analysis of annual counts in other cities such as Columbus, OH, and St. Paul, MN, and in the State of Rhode Island reveal similar patterns of turnover (Burt, 1993).

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

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

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

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

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

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

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

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

The Impact of Time Frames and Turnover on Assessing Characteristics

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

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

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

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

3. "Homeless" Defined

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

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

(1) An individual who lacks a fixed, regular, and adequate night-time residence; and;

(2) An individual who has a primary night-time residency that is:

(i) A supervised publicly or privately operated shelter designed to provide temporary living accommodations (including welfare hotels, congregate shelters, and transitional housing for the mentally ill);

(ii) An institution that provides a temporary residence for individuals intended to be institutionalized; or

(iii) A public or private place not designed for, or ordinarily used as, a regular sleeping accommodation for human beings.

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

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

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

4. Characteristics of the Homeless Population

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

Family Status

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

Age

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

Race and Ethnicity

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

Institutional History

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

Health Status

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

Income and Employment

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

Foster Care

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

Homeless Children

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

Homeless Veterans

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

—VA Secretary Jesse Brown

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

5. Causes of Homelessness

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

—Zenobia Embry-Nimmer
Emergency Services Network, San Francisco, CA

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

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

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

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

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

Structural Causes

> *The problems I have are no adequate accessibility to job training or job skills—and no funds to obtain this training to get into the workforce.*
>
> *—Resident, K.C. Rescue Mission, Kansas City, MO*

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

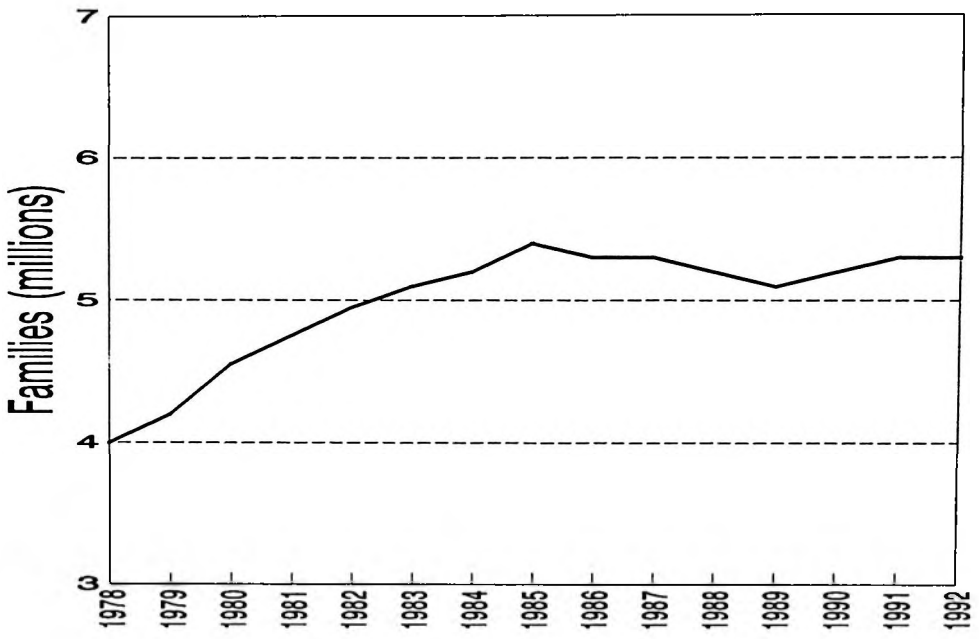
Rural poverty and housing affordability are also a problem. Nearly half of rural minority poor live in substandard housing. In 1990, there were 1.4 million rural occupied substandard housing units. Of the rural residents earning from $5,000 to $9,999 who are able to afford rent, 34 percent (770,000)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

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

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

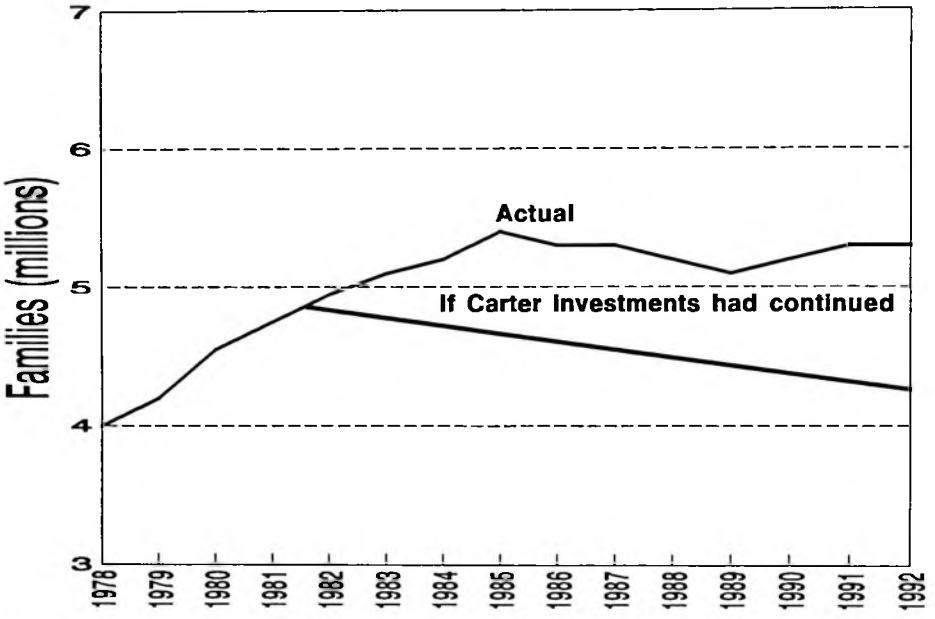
Two charts follow that contrast the severe drop in incremental assistance during the previous decade against the growth in worst-case needs.

SEVERE HOUSING NEEDS REMAIN AT HIGH LEVELS



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

NEEDS WOULD HAVE DECLINED IF EXPENDITURES HAD KEPT PACE



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

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

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

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

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

6. Why These Factors Translate into Homelessness

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

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

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

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

7. Building on What We Have Learned

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

—HUD Secretary Henry Cisneros

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

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

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

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

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

Recent Efforts to Address Homelessness

Part II: Recent Efforts to Address Homelessness

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

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

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

1. Local Initiatives

> *The McKinney Act provides primarily emergency relief, addressing the immediate survival needs of homeless persons; it does not provide, and was not intended to provide, long-term solutions to homelessness; and unless comprehensive long-term relief is quickly provided, the homeless population will continue to grow.*
>
> *—Maria Foscarinis, Beyond McKinney*
> *National Law Center on Homelessness and Poverty*

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

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

Because independent not-for-profits and the faith community took the lead in the provision of emergency services, mechanisms for coordination were initially in emergency mode and thus, community partnerships and integrated planning were not well developed. Coalitions of service providers came together essentially to discuss advocacy efforts, not coordinated program development or funding at the local level. Providers began to recognize the need for such coordination and strategic community planning; they simply could no longer do it alone. While community partnerships were encouraged by some programs, such as FEMA's EFS[6] program, such long-term planning was difficult for the not-for-profit providers and local government members to achieve on their own, without broader community-wide efforts, as well as real access to additional resources.

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

2. State Efforts

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

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

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

3. The Evolution of the Federal Role

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

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

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

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

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

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

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

MCKINNEY ACT PROGRAMS

HOUSING AND URBAN DEVELOPMENT:

Supportive Housing Program

Innovative Homeless Initiatives

Shelter Plus Care Program

Section 8 Mod-Rehab for Single-Room Occupancy

Emergency Shelter Grants Program

Rural Homelessness Assistance/ Safe Havens

HEALTH AND HUMAN SERVICES:

Health Care for the Homeless Program

Projects for Assistance in Transition from Homelessness

Substance Abuse/Mental Illness Demonstration

Family Support Centers Program

Emergency Community Services Homeless Grant Program

FEDERAL EMERGENCY MANAGEMENT AGENCY:

Emergency Food and Shelter Program

LABOR:

Job Training for the Homeless Demonstration Program

Homeless Veterans Reintegration Project

EDUCATION:

Education for Homeless Children and Youth Grant Program

Adult Education for the Homeless Program

VETERANS AFFAIRS:

Health Care for Homeless Veterans Program

Domiciliary Care for Homeless Veterans Program

GSA, HHS, HUD, DOD:

Title V Surplus Property Program

TARGETED HOMELESS ASSISTANCE PROGRAMS[1]

(Budget Authority in Millions of Dollars)

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

1 Table includes budget authority specifically to homeless persons. It does not include an estimate of the portion of mainstream Federal assistance provided to the homeless (e.g., through programs such as Food Stamps or AFDC) or the value of surplus Federal equipment, food, and real property provided to homeless individuals and families.

2 FY 95 President's budget proposes a reorganization of the HUD McKinney programs under a single account.

3 FY 95 President's budget proposes a new "Consolidated Mental Health Demos" account (non-McKinney). The new account would include funds previously provided under the Substance Abuse/Mental Illness Demo and the Community Support program. Homeless demonstration projects would be continued as a high priority.

4 Included as a consolidated request for Family Support Discretionary Activities.

5 FY 95 President's budget proposes consolidating this program into Community Service Block Grant in FY 95. States would be required to make a plan for and give priority to the most vulnerable populations, including homeless people.

6 FY 95 President's budget proposes administration of this program within HUD instead of FEMA. The Program would be funded under the "Homeless Assistance Grants" account.

7 FY 95 President's budget requests resources for the Veterans Reintegration Project within the job training demo program. In addition, the mainstream JTPA program has been modified to focus more on disadvantaged groups, including the homeless population.

8 FY 94 VA/HUD appropriations bill provided no separate appropriation for the Council. FY 94 Council activities will be staffed and funded by HUD, and the Council will continue as a working group of the Domestic Policy Council.

9 HUD funding level represents estimated cost of 750 Section 8 rental vouchers set aside by HUD for the Department of Veterans Affairs to use in providing supported housing to homeless veterans with mental illness or substance abuse problems. VA funding level provides clinical support and case management in the permanent housing.

10 Funding is from Section 8 vouchers set aside in 1992 for homeless persons with disabilities. The vouchers are to be used to provide rental assistance to 4,750 disabled homeless households annually for five years.

11 Funding is from Section 8 rental vouchers to be set aside in FY 1995–99 for homeless persons. The vouchers are to be used to provide rental assistance to 15,000 homeless households annually for five years.

12 FY 95 President's budget proposes consolidating the three runaway and homeless youth programs into a single authority.

4. Evaluation of the McKinney Programs

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

—Andrew Cuomo, Assistant Secretary, HUD

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

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

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

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

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

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

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

5. Stocktaking: Unfinished Work

> *It is clear that we, in the government, must re-evaluate our response to homelessness. We must initiate and institute programs and policies aimed at prevention, while at the same time, reducing the number of homeless individuals and families.*
>
> *—Congressman Lucien Blackwell (D-PA)*

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

6. Summing Up: What We Know

> *The Federal government must insure that when housing is provided to the homeless there is an accompanying array of supportive services. There needs to be a coordination of housing with job training, health care, child care, mental health care, substance abuse treatment, and other services necessary to assist homeless persons.*
>
> *—Congressman Henry Gonzalez (D-TX)*

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

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

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

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

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

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

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

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

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

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

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

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

> *Each community has to ask itself: Who are the homeless? Why are they homeless? What are the solutions for our community?*
>
> *—Thomas Kenyon, National Alliance to End Homelessness*

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

7. Policy Implications

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

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

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

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

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

Results of Federal Plan Questionnaire and Outreach Efforts

Part III: Results of Federal Plan Questionnaire and Outreach Efforts

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

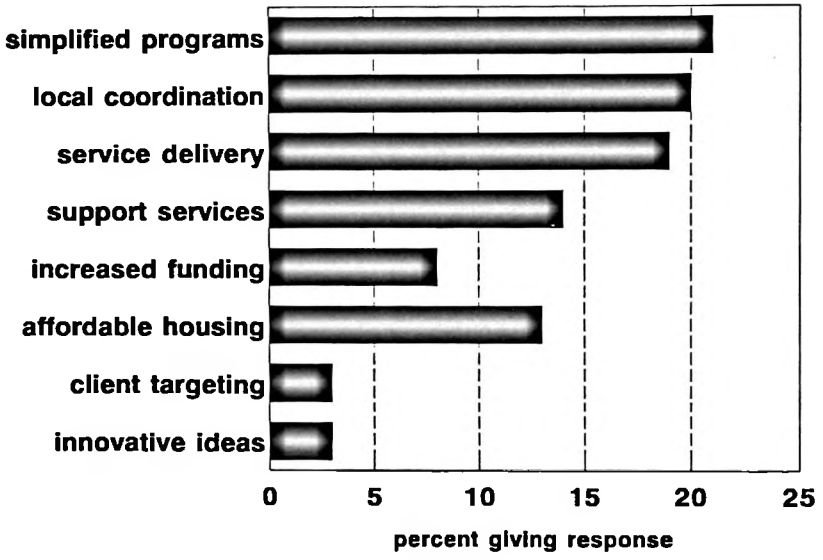
An extensive process was used to consult with the people who understand homelessness best: providers of homeless assistance, local officials, and homeless and formerly homeless people themselves. Respondents were asked to address questions developed from the Executive Order and centered around the five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

Respondents were asked to make recommendations for:

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

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

RECOMMENDATIONS FOR ADDRESSING HOMELESSNESS
Local suggestion from survey



SOURCE: Sample from HUD 1993 survey

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

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

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

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

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

FEDERAL PLAN QUESTIONNAIRE RESULTS

Summary Table of High-Priority Issues

(Only issues rated as 1 or 2 were included in the counts)

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

Issue	Total	% *	GEOGRAPHICAL CATEGORY: Large Metro Area	%	Medium Metro Area	%	Rural Area	%	Other	%
	2004		688		656		434		119	
AFFORDABLE HOUSING	1438	72%	512	74%	479	73%	292	67%	82	69%
WORKING POOR NEEDS	1410	70%	491	71%	473	72%	293	68%	82	69%
PREVENT HOMELESSNESS	1210	60%	434	63%	405	62%	234	54%	75	63%
MENTAL HEALTH NEEDS	999	50%	376	55%	343	52%	162	37%	70	59%
CHILD CARE NEEDS	983	49%	364	53%	333	51%	178	41%	56	47%
SERVING FAMILIES	968	48%	359	52%	306	47%	182	42%	64	54%
SUBSTANCE ABUSE NEEDS	1091	54%	431	63%	360	55%	176	41%	71	60%
POOR STATE SUPPORT	879	44%	338	49%	279	43%	161	37%	50	42%
DOMESTIC VIOLENCE	846	42%	318	46%	275	42%	165	38%	44	37%
CHILDREN AND YOUTH	845	42%	315	46%	283	43%	143	33%	59	50%
LESS PUBLIC SUPPORT	811	40%	325	47%	255	39%	142	33%	44	37%

The Top Five Priorities have been denoted in BOLD

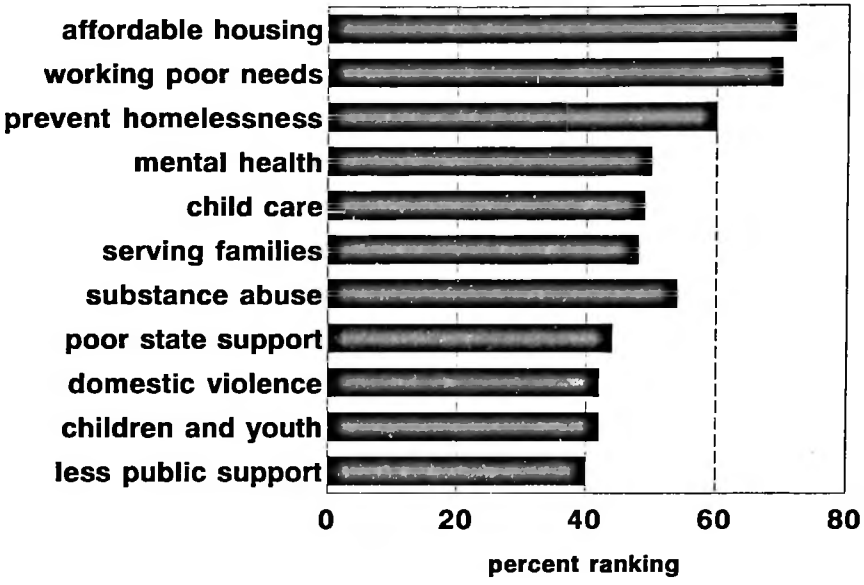
It is important to note that VA's ongoing monitoring and evaluation of its homeless assistance programs, including interviews with tens of thousands of homeless veterans, have shown a similar and persistent need for: 1) supported housing, 2) employment and income assistance, 3) prevention efforts, 4)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

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

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

PRIORITY HOMELESSNESS ISSUES FROM SURVEY

Top issues ranked lst or 2nd priority



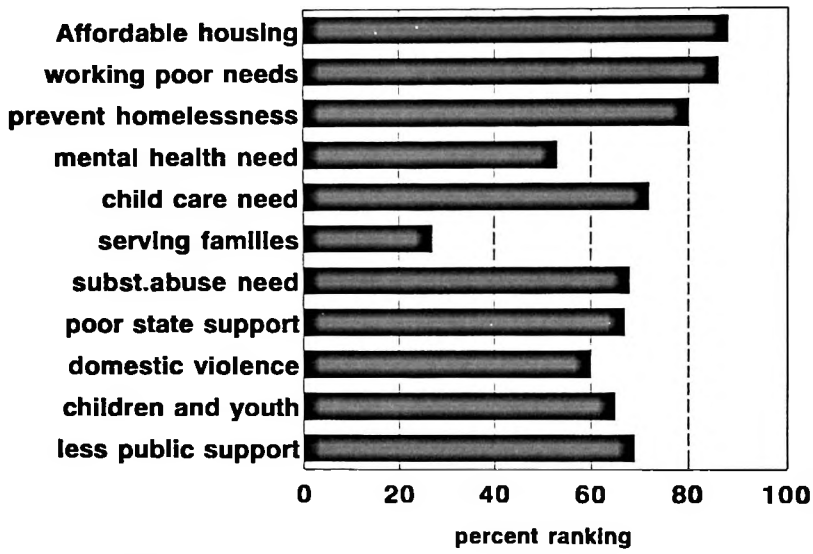
SOURCE: 1993 HUD national survey (N=2004)

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

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

PRIORITY HOMELESSNESS ISSUES FROM SURVEY OF HOMELESS PEOPLE

Top issues ranked 1st or 2nd priority



SOURCE: 1993 HUD national survey

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

Recommendations for New Policy Initiatives and Agency Action Steps

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

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

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

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

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

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

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

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

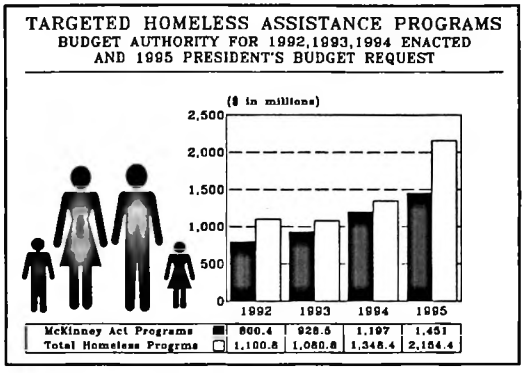
> *We will work together to develop and implement a new strategy to break the cycle of homelessness, ease the plight of those who are homeless and prevent others from facing this human tragedy.*
>
> *—HHS Secretary Donna Shalala*

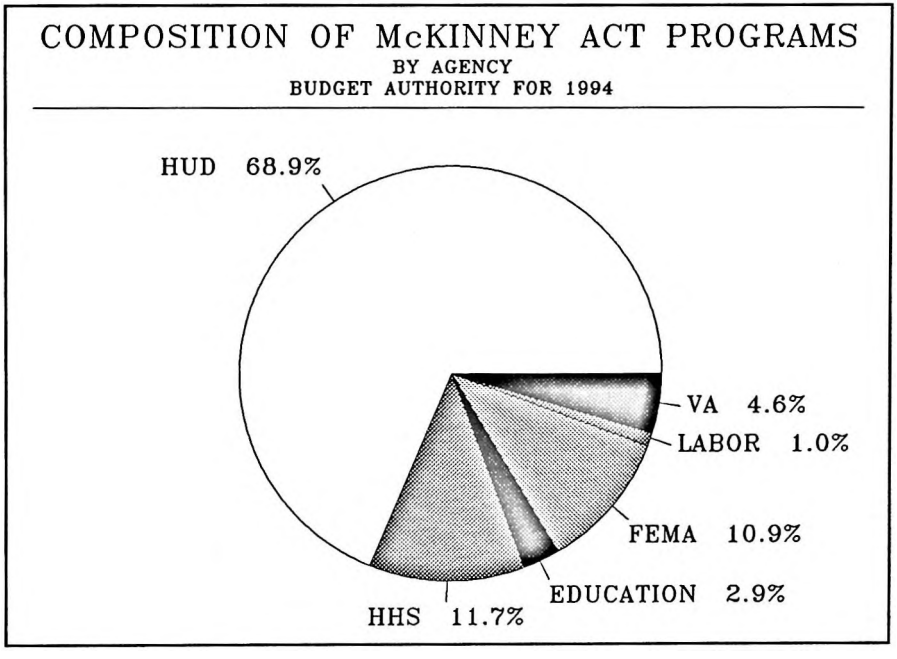
1. Assisting Those Now Homeless

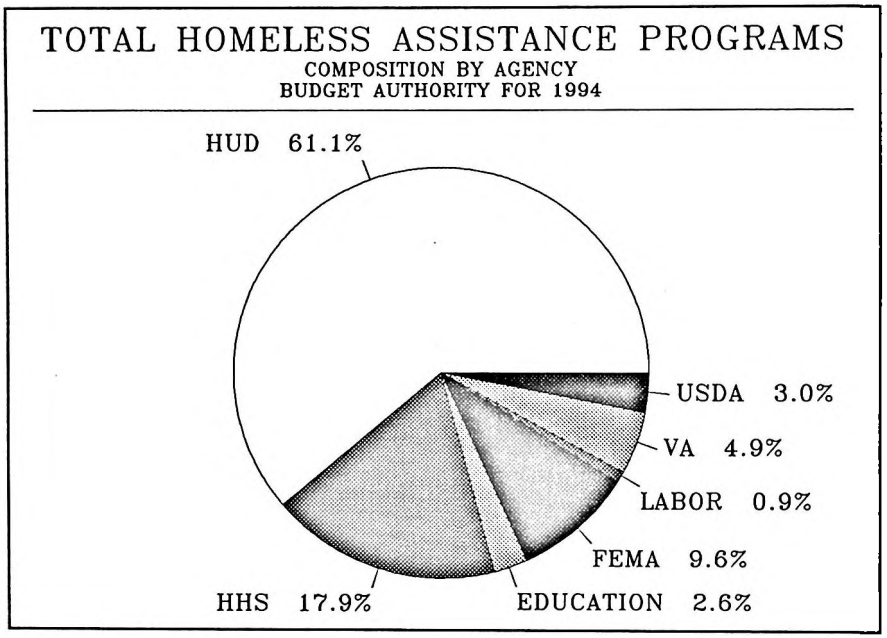
Our major recommendations for immediate measures to serve those currently homeless or in danger of becoming homeless include: a) reorganize the McKinney assistance programs to ensure provision of all necessary housing and service assistance, relying upon a new relationship between the Federal, state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

A. Reorganize McKinney

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


TARGETED HOMELESS ASSISTANCE PROGRAMS
BUDGET AUTHORITY FOR 1992,1993,1994 ENACTED
AND 1995 PRESIDENT'S BUDGET REQUEST
($ in millions)
2,500
2,000
1,500
1,000
500
0
1992
1993
1994
1995
McKinney Act Programs 600.4 928.6 1,197 1,451
Total Homeless Programs 1,100.8 1,080.8 1,348.4 2,154.4


COMPOSITION OF McKINNEY ACT PROGRAMS
BY AGENCY
BUDGET AUTHORITY FOR 1994
HUD 68.9%
VA 4.6%
LABOR 1.0%
FEMA 10.9%
EDUCATION 2.9%
HHS 11.7%


TOTAL HOMELESS ASSISTANCE PROGRAMS
COMPOSITION BY AGENCY
BUDGET AUTHORITY FOR 1994
HUD 61.1%
USDA 3.0%
VA 4.9%
LABOR 0.9%
FEMA 9.6%
EDUCATION 2.6%
HHS 17.9%

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

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

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

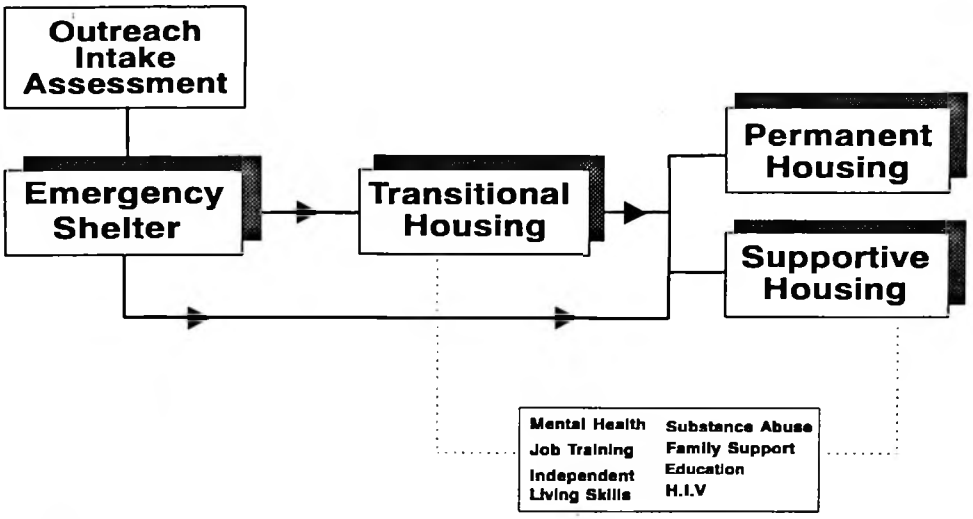
The Federal McKinney programs currently contribute to the scattered approach by offering twenty categorical programs administered by six agencies and accessed by different parties. We recommend a consolidation of some McKinney homeless assistance programs under one administrative structure with a single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

where necessary, with the result being to target the added resources of the mainstream programs to the most needy.

This comprehensive approach to homelessness should be instituted and coordinated by localities. They are best suited to assess community needs and coordinate funding so that each stage of the continuum of care (emergency, transitional, or permanent, with services as required) can be linked with other points along the continuum. Unlike not-for-profit providers, the locality can view the entire system in the jurisdiction to ensure that transitions from each stage can be smooth. Unlike the Federal government, the locality is intimately familiar with the needs of its neighborhoods. In non-metropolitan areas, because of the unique configuration of resources and service delivery as well as the nature of homelessness itself, it is expected that state and county governments will be primarily responsible for the development of the continuum of care. The strategy designed on the local level should provide the basis for Federal participation.

Under this rationalized system, not-for-profits would be able to devote time to what they do best: providing and delivering services. The experience of the past decade has shown that not-for-profits are generally more effective than local government at quickly and efficiently siting, constructing, and operating housing and supportive facilities for homeless people. With the government providing resources, not-for-profits could provide the services.

Continuum of Care



As illustrated in the flow chart above, a continuum of care begins with a point of entry in which the needs of a homeless individual or family are assessed. In most communities, the intake and assessment component is performed by an emergency shelter or through a separate assessment center. To reach and engage homeless persons living on the street, the homeless service system should include a strong outreach component.

Once a needs assessment is completed, the person/family may be referred to permanent housing or to transitional housing where supportive services are provided to prepare them for independent living. For example, a homeless person with a substance abuse problem may be referred to a transitional rehabilitation program before being assisted with permanent housing. Some individuals, particularly persons with chronic disabilities, may require ongoing supportive services once they move into permanent housing. The goal of the comprehensive homeless service system is to ensure that homeless individuals and families move from homelessness to self-sufficiency, housing, and independent living.

To begin moving toward the recommended streamlining of the McKinney grant programs, HUD is currently working toward a restructuring of its McKinney programs. This proposal would rely on a single plan to establish and implement a continuum of care presented by the community to HUD for a single source of funding. The plan process would include participation by not-for-profits, homeless and formerly homeless people, and other interested community members. The program would be structured in such a way that if a comprehensive and acceptable plan is not submitted to HUD, service providers could then appeal to a HUD competitive process for assistance. During the past year, HUD has worked with localities in developing the continuum of care strategy through the Innovative Homeless Initiative Program. In early 1993, Secretary Cisneros

and District of Columbia Mayor Sharon Pratt Kelly formed one such partnership called the D.C. Initiative. The D.C. Initiative partnership has included participation by many Federal members agencies of the ICH, local government agencies, not-for-profits, homeless persons, and others in developing a homeless service system in the District of Columbia.

Implementation of this continuum-of-care model with HUD McKinney funds reorganized into the proposed HUD program as a "one-stop shop" would help move the existing panoply of homeless assistance programs with diverse rules and requirements toward a single coordinated approach to dealing with homelessness. It would focus the efforts of the Federal government, states, localities and not-for-profits on the tasks at which each excels. We should also immediately explore further consolidation and reorganization across Federal departments, including consolidation with mainstream programs, where appropriate.

VA's recent restructuring of its direct-care homeless assistance programs provides an effective complement to this proposed restructuring of the McKinney grant programs. By developing and supporting expanded partnerships with local public and nonprofit providers, including veterans service organizations, VA is already working nationwide to create comprehensive continuums of care tailored to complement local efforts to meet the most pressing needs of homeless veterans. Communities applying for McKinney Act grant funding should include coordination with VA's homelessness activities in the development of their overall continuum of care plans. By working with VA, local providers can make the best use of all available community resources to develop a comprehensive system of effective care and rehabilitation for both homeless veterans and non-veterans, alike.

However, a reorganization of current programs would still represent an emergency measure, intended to deal with the current crisis of homelessness. Eventually, these emergency measures need to be replaced by mainstream programs that deal with long-term community development. Localities would be expected to anticipate in the development of their continuum-of-care strategies the gradual phasing-out of all McKinney programs and their replacement by mainstream social service, human, and community development programs that deal with the underlying issues of economic opportunity and affordable housing.

Performance-based contracting. In accordance with the principles of "reinventing government," we must move beyond process to product by rewarding results rather than process. Through the new partnerships with governments and not-for-profits, Federal assistance will provide incentives for innovation and initiative among providers. The goal is not to fund bureaucracies but to help people move into permanent living arrangements. While much of the provider's work cannot be measured strictly by the number of people

placed, it should be one of the indices of success. Further, it will be expected that results are evidenced as the continuum of care and other necessary systems are put into place.

B. Double the HUD McKinney Homeless Assistance Budget

There is a widely recognized need for increased funding. With the new, more effective organization of programs and restructured relationships, substantial new resources are a worthwhile investment. HUD's McKinney budget for FY 1994 totaled $823 million, 61 percent of the entire Federal McKinney homeless assistance funding. This amount represents a 42 percent increase from the 1993 funding level for HUD McKinney programs. We have recommended a doubling of the HUD homeless assistance budget to $1.7 billion and an increase of the overall targeted Federal homeless assistance budget to $2.15 billion. While the economic pressures are severe, this Federal commitment would signal a new priority and direction. The funds, while assisting more individuals directly, could catalyze a geometric increase by prompting better coordination and efficiencies on the local level. This large appropriation request includes 15,000 additional Section 8 vouchers to provide rental assistance to homeless households annually for five years. The funds would be used to help and enable communities to serve persons who are homeless through a continuum-of-care system with placement into permanent housing as the goal for all served. These recommendations have been accepted by President Clinton and are included in the FY 1995 budget proposal.

HUD is also exploring innovative financing techniques in partnership with the Federal National Mortgage Association (Fannie Mae). These initiatives would enhance HUD's ability to leverage Federal resources for McKinney homeless assistance projects. For example, Fannie Mae could purchase mortgages or bonds backed by McKinney funds, Section 8, or other Federally granted obligations and thereby make available additional capital for project development. Such initiatives will increase the development capacity at the local level for transitional and permanent housing. Fannie Mae is exploring financing techniques to help spur development of low and moderate income housing in areas that would need it to provide the continuum of care.

C. Make Mental Health Services Work for the Poor

The most visible and needy of the homeless population are the men and women with serious, persistent mental illnesses. They are among the most vulnerable and poorly served groups in our nation. Provision of adequate mental health treatment services ranked as a high priority need in the Federal Plan survey. In addition to their mental illness, many face problems of substance abuse, physical illness and the adverse consequences of poverty. They often have lost contact with their families, friends, or

other forms of support that might guide them through difficult times. This group suffers most on the street and contributes to the public's sense of "compassion frustration." The solution does not want for experience or knowledge, but for funding. In truth, there is no consistent mental health system for the very poor.

As reviewed earlier, a decade of hard-won experience has taught us how to reach even the most disaffiliated living on the street, and we have learned a great deal about working with homeless persons with mental illness. Outreach, combined with the availability of drop-in centers, safe havens (low-demand, non-threatening housing alternatives), and other transitional facilities have helped persuade some to leave the streets and begin the difficult return to a stable life in their communities. Recent innovations have made significant progress toward effective community-based treatment. Permanent, affordable housing with support services and supervision also is a proven and economical element critical to successful rehabilitation. Various demonstration programs have shown that supportive housing is not only a feasible alternative to more restrictive settings but an effective homelessness prevention measure as well. Linking housing with mental health treatment and other services is necessary to provide persons with mental illnesses with the support needed to maintain housing, as well as ensure that homeless persons moving back to permanent housing are able to adjust to new demands.

Clearly, more can—and must—be done to move beyond demonstration projects and isolated instances of effective community systems to a national solution. We must expand access to an integrated continuum of care much further.

Primary responsibility for the operation and financing of mental health services has been and will continue to be with the states.[8] A few states and communities have made significant progress, and others can learn from them. The Federal government can and will help, but only states, and the cities and communities within them, can establish the necessary integrated systems of care and housing.

To direct resources to this difficult-to-serve population, states and communities must be convinced that the cost of providing mental health and housing services is minimal compared to the cost of not serving this population. *This is the true cost.* Studies in Minnesota and Washington State found that the hidden annual financial burdens ($19,000 and $22,000 per capita respectively) that acutely and chronically ill homeless people place on mainstream public support systems exceeds the cost of treating them outright for their illnesses (Nuener and Schultz, 1985; Troyer-Merkel, 1986). Preliminary results from an HHS/NIAAA-funded longitudinal study currently underway in Washington State suggest the costs may be even higher. The costs associated with the cycle of homeless individuals

[8]VA also provides mental health care to eligible veterans at over 150 VA medical centers nationwide.

going from the street to shelters to jail or hospitals and back to the street must be recognized.

We will focus our efforts on working with states and communities to develop integrated systems of support services and housing. We will accomplish this by developing incentives, requirements, and ways to assist them to address effectively the needs of mentally ill persons who are homeless are at risk for becoming homeless.

In this effort, we will explore ways to link currently required state mental health plans (which must include a component for outreach and services for homeless people with serious mental illness), health plans under the proposed Health Security Act, the plan required under the PATH program, the plan for the substance abuse block grant, and the comprehensive plan that will be required by HUD. The continuum-of-care plan should require the coordination of these programs for receipt of McKinney and other HUD funds. These plans and programs they relate to must be coordinated and address treatment, support services, and housing for persons with mental illness, especially those who are homeless and those who suffer from both mental illness and substance abuse disorders. We will also explore various alternative ways to help focus state mental health efforts on the most needy, including more targeting of Federal funds, tighter planning requirements, technical assistance, etc.

In this effort to develop more integrated systems of housing and services:

- For a more widespread effort, we will use as building blocks HHS's ACCESS Initiative, which made grants in 1993 to help selected communities in nine states move to integrated systems of care and housing, along with elements of VA's several programs that assist homeless veterans with mental illness.

- HHS, VA, and HUD will work with state and local governmental health, mental health, and housing agencies to coordinate Federal assistance and to undertake actions to enhance state and community support through the development of a continuum of care that integrates housing and services. In doing so, states and communities will be encouraged to do the following:

  - Effectively target mental health and housing resources to the most needy, such as homeless persons with mental illnesses or dual diagnoses.

  - Work closely with other key providers of services, including substance abuse treatment providers and providers in VA's mental health-care system.

  - Utilize the experience of the few states and communities that have developed integrated systems and of some Federal programs, including

HHS demonstration programs and VA's Health Care for Homeless Veterans (HCHV) program.

- Link mental health and substance abuse treatment activities.

- Collaborate with local public and private housing providers and developers to establish joint initiatives and to encourage the development of affordable Single Room Occupancy housing, in particular.

- Consider the unique and severe needs of homeless children with developmental disabilities and serious emotional disturbances.

- States and localities must review and strengthen discharge and aftercare planning strategies to ensure appropriate linkages with housing and community-based care in order to ensure that supports necessary to avoid subsequent homelessness are in place. The Federal agencies will work with them on this.

- HUD, HHS, VA, and DOJ will establish a discharge planning working group to identify effective discharge-planning strategies for hospitals and community-based treatment facilities as well as ensure continuity of care and explore options for Federal, state, and local incentives to encourage Federally funded hospitals, prisons, nursing homes, community-based housing providers, and other institutions to develop necessary linkages to avoid discharging people who do not have a place to live.

- Although a recent GAO report found that VA discharge planning staff are doing a good job given existing resource levels, VA recognizes the need to expand their efforts in this area. VA will work with the discharge planning group and others to develop new strategies to address these problems—including the development of new partnerships with other public and private agencies and organizations.

- HUD will analyze the successes of some communities at developing SRO housing and will also identify ways to create incentives for private developers to reinvest in this type of housing and to develop linkages with support services.

- Relevant Federal agencies will assess how their mainstream programs are serving this population and identify ways to improve access and linkages, similar to the outreach efforts underway for the SSI program.

Health-care reform also will play a significant role in this effort. The President's Health Security Act will finance a benefits package that must be provided without exclusions for prior existing condition exclusions or life-time limits. It is also the only

major health-care reform proposal that explicitly continues VA's mental health care efforts. The availability under the Act of less restrictive, nonresidential treatment services such as partial hospitalization will encourage and support more community-based treatment, a weak link in the current treatment system.

In addition, the Act requires that states develop comprehensive health plans, including a mental health component. It provides funding for development of community-based care systems. The provision of a comprehensive benefits package will allow states, as they develop their plans, to accelerate the development of comprehensive community-based mental health (and substance abuse) services linked with housing. The availability of loans and grants for community-based ambulatory clinics and residential treatment centers will help reach the goal of community-based care. Further, the Act makes available resources to fund services that will ensure that such actions as outreach and/or transportation are integrated into communities' plans.

D. Make Substance Abuse Services Work for the Poor

Addressing the needs of homeless persons with substance abuse problems is at least as important and challenging a task as addressing the needs of homeless mentally ill persons. Recent estimates suggest that as many as 2.5 million drug users could benefit from treatment. Most are addicted to cocaine, especially crack cocaine, often in combination with other illegal drugs and alcohol. We do not know the number of homeless that are drug- or alcohol-addicted, but studies suggest that 40 percent of the homeless have alcohol problems. An additional 15 to 20 percent have problems with drugs (HHS, 1992).

Although there have been demonstration projects and VA programs focusing on this population, more can and should be done, as documented by the large number of respondents to our survey who have identified this as a priority issue.

Little has been done to address the needs of the significant number—sometimes estimated at half of the substance-abusing homeless population—with co-occurring mental health and substance abuse disorders. This population is often shuttled ineffectively between the mental health and substance abuse treatment systems.

The following ongoing or planned actions should be implemented to address some of these problems, at least in part:

- The Health Security Act includes some coverage for inpatient treatment, intensive treatment in nonresidential community settings, and outpatient treatment for substance abuse. This important coverage will provide needed financing for

treatment, and also free up resources from existing treatment programs to refocus on providing services for hard-to-reach populations, including the homeless.

- Along with passage of the Administration's Crime Bill in 1994, we recommend approval of the President's FY 1995 budget proposal to appropriate $355 million for an initiative to reduce hard-core substance abuse. This funding, coupled with anticipated resources from the Crime Bill, will allow an additional 140,000 hard-core users to receive treatment. Currently, the nation's drug treatment system has the capacity to treat roughly 1.4 million drug users, about 1.1 million fewer than the total in need of treatment. Due to the severity of need, this funding is part of a long-term strategy to help the treatment system expand the delivery of services and reduce the gap between need and demand for treatment.

We need to build on these actions to ensure that the treatment system, related support services, and housing are linked and focused on the problems outlined above:

- It must be ensured that the approximately $5.4 billion the Federal government provides to states and communities for drug abuse prevention and treatment is coordinated and targeted effectively to serve hard-core users and difficult-to-reach populations such as the homeless.

- Agencies will work with states and communities to develop effective treatment systems linked with housing and other community-based rehabilitative services and assistance. Special attention will be focused on innovative approaches to help people stay in treatment, as well as on education, training, and employment programs that support transition to community living. As part of this systems development, the Federal government will work creatively to accomplish the following:

  - Ensure that providers of treatment and care address the needs of homeless people with co-occurring disorders regardless of their point of entry: substance abuse or mental health.

  - Integrate treatment for persons with severe addictions into primary and managed health-care systems.

- Finally, the Federal government should work with providers of service and treatment to increase knowledge of the substance abusing population—those who abuse alcohol, drugs, or both—and effective treatment intervention strategies. Because of the diversity within this population, a variety of approaches are necessary. VA should continue to inform homeless service organizations that VA can provide substance abuse treatment to eligible veterans.

E. Provide Assistance for Persons with TB and AIDS

Housing is critical for people infected with tuberculosis (TB), HIV/AIDS, or both. The TB and HIV/AIDS epidemics have produced a special need for housing for people with these diseases. In large metropolitan areas, it is estimated that 25 to 40 percent of the persons with active TB are homeless or are in imminent danger of homelessness due to their illness, lack of income or other resources, and weak support systems (NYC Office on AIDS Policy, 1994). In addition, some persons infected with HIV may face an increased and unnecessary risk of TB infection as a result of unsafe living conditions. Moreover, up to 50 percent of new TB patients are also HIV infected.

We believe that the only successful approach to controlling the TB epidemic is to assure that proper curative and preventive therapy is provided to all those with active TB disease and TB infection. High priority must be given to the prevention and control of TB among homeless people by detection, evaluation, and follow-up services to those homeless people with current symptoms of active TB. Those diagnosed with TB should complete an appropriate course of treatment. The provision of housing and a wide range of services to homeless patients is key to ensuring the completion of TB treatment for disease and infection.

We recommend that programs for people with TB and/or HIV/AIDS be established and existing programs changed to provide the following:

- Community-based client assessment to ensure early identification of patients infected with these diseases.

- A range of permanent housing options for homeless patients, including respite-care scattered-site housing.

- Intensive supportive services to this population, including Directly Observed Therapy (DOT) when needed, case management, access to primary health care, substance abuse treatment, mental health services, social services, TB support services, and crisis intervention.

We recommend that funding for the identification and detection of TB and the treatment of AIDS be expanded, consistent with the levels in the President's FY 1995 budget, and that states and communities give some priority in existing and new funding to homeless persons with TB and AIDS. President Clinton's FY 1995 budget includes an increase of $34 million in funding for TB and an additional $388 million government-wide for AIDS treatment, including an increase of $93 million for the Ryan White Comprehensive AIDS Resource Emergency (CARE) Act which would provide health care

services for persons infected with HIV. These increases should receive the support of Congress. In addition, states should utilize a newly authorized optional Medicaid benefit for certain low-income people with TB that includes basic primary care services, prescription drugs, and DOT.

Housing has become a fundamental component in providing a continuum of care for this population. This continuum is founded on two principles: if at all possible, maintain individuals and families within their own homes, and secure housing for those who need it. People with HIV/AIDS at nearly all socioeconomic levels may face special housing problems related to the following:

- Discrimination on the basis of their serostatus.
- Progressive illness requiring improved or different living facilities.
- The severe strain that HIV/AIDS places on employment abilities and financial resources.

Additionally, histories of chronic substance abuse, homelessness, and increased risk of illnesses such as tuberculosis challenge standard responses to the housing shortage. The need is not just for bricks and mortar anymore, especially for special needs populations, such as those with TB and HIV/AIDS, who require health care and supportive services.

We recommend the following strategies to increase housing placement:

- Use of short-term rental payments, in emergency situations for persons with HIV/AIDS and/or TB to prevent homelessness and to reduce the risks of exposure to opportunistic diseases by minimizing the use of emergency congregate facilities.
- Expansion of subsidized rent programs, such as Section 8, with an emphasis on tenant-based vouchers.
- Broadened availability of supportive services (this should be included in a community's HUD continuum-of-care plan) that focus on preventing homelessness and maintaining permanent housing.
- Maintenance of categorical funding streams for special needs populations, such as Housing Opportunities for Persons with AIDS (HOPWA).

F. Continue Earned Income Tax Credit and Remove Barriers To Its Use

Currently, low-income workers can claim the EITC when filing their tax returns at the end of the year. In addition, workers with children have their choice of obtaining a portion of the credit in advance upon filing their income tax returns. Certain barriers to claiming the EITC in advance should be removed. In recent years, fewer than one percent of EITC claimants have received the credit through advance payments in their paychecks. The reasons for the low utilization rate are not fully known. A recent GAO study found that many low-income taxpayers were unaware that they could claim the credit in advance. To remedy this problem, the IRS has begun an intensive effort to educate and encourage employers to help deliver advanced EITC payments in workers' paychecks.

While many EITC recipients may prefer to receive the credit as a lump-sum payment, others could benefit from receiving the credit in more regular intervals throughout they year. By receiving the credit as they earn wages, workers would realize the direct link between work efforts and the EITC. To improve assistance to the working poor and provide an additional vehicle to prevent homelessness, *many workers may find it difficult to meet their monthly rent payments with only the promise of a credit at the end of the year.*

The Administration should consider allowing states to propose to the Secretary of the Treasury a demonstration project which would make advance payments of the EITC to eligible residents through a State agency. Approval by the Secretary of the Treasury of states' proposals would be required in all cases.

Allowing states the option to provide advance payments of the EITC through other agencies (e.g., the offices that also provide housing assistance or food stamp benefits) may resolve many of the problems with the current system. A state could choose to target information about the EITC to the working poor or to the homeless. Individuals could have a choice of receiving the credit from a neutral third-party, without fear of the consequences of notifying their employers of their eligibility for the EITC. Moreover, they could receive assistance in determining the appropriate amount of the EITC to claim in advance. The amount of the credit available in advance could also be increased in state programs.

These overarching recommendations will enable us to address the crisis of current homelessness. If accepted, these actions would serve as short-term and intermediate steps to the larger issue of homelessness prevention. Once mainstream programs perform their logical role of homeless prevention through program effectiveness and efficiencies, the targeted McKinney homeless assistance program could be phased out.

2. Long-term Structural Measures

The reasons for the persistence of poverty in America are no secret. They have been documented in report after report over the past 25 years. Poverty grinds on because decent jobs remain scarce, housing costs have soared, income maintenance programs have contracted, family structure has changed, drug use has increased, widespread alienation at the margins continues, and because racism persists, in often unobtrusive forms. If anything, the effects of poverty have become even more pernicious as the distance between the poor and those better off has grown. What little progress had been made was checked in recent times by twelve years of neglect. Sometimes the facts speak for themselves. Disinvestment, reduced funding, loud ideological attacks and quiet inaction have all taken their toll. While homeless people are perhaps the most visible of this population, they are unfortunately not alone, as millions more hang precariously close to a similar fate, but for a meager wage and the help of friends and families.

The necessary long-term response to homelessness and poverty is both apparent and complex. We need to provide more decent opportunities for work, job training that leads somewhere, necessary social services, better education, and affordable housing—and do all of this as components of comprehensive community planning and economic development. Admittedly, achieving this will not be easy, nor will it be done painlessly or in short order. While we may lack all the resources to *solve* the problem right away, we know to build upon what has been learned.

The Clinton Administration has already made significant strides in these directions. It has moved to integrate economic, physical, and human development through creation of the empowerment zone/enterprise community program to build partnerships for economic opportunity and sustainable community. Other steps include: reforming the Community Reinvestment Act; enacting legislation to establish community development financial institutions to insure investments in needy areas; significantly strengthening the Earned Income Tax Credit to make work pay; expanding funding and enhancing quality of Head Start to provide a helping hand early in life; enhancing technical assistance and access to employment and training services through the Job Training Partnership Act service delivery system; and initiating comprehensive welfare and health-care reform. Still other steps are underway to develop enhanced tools for economic development in communities and to move localities toward a comprehensive planning and application process for receipt of their HUD-administered community development, affordable housing, and homeless assistance funds.

While the Administration has taken some bold steps on this long-term agenda, we can do more to provide an equitable housing system that assists the very poor and those at risk of becoming homeless, and to provide an economic and human development system that effectively addresses those in need. Specific recommendations are:

A. Increase Housing Subsidies and Fight Discrimination

Housing affordability. During the 1980s, households with worst-case needs for assistance increased much more quickly than did assistance slots. By 1991, only 25 percent of eligible very low-income renters received rental assistance, whereas 40 percent—plus those literally homeless—had problems that conferred priority for admission to assistance. Unmet priority needs for assistance were more frequent and had grown most rapidly among eligible single individuals and families with children (HUD 1991). As this Plan has emphasized, the number of homeless persons on the streets and in the shelters is fed by a stream of poor persons who are precariously housed, particularly single adults and female-headed households. Long-term efforts to reduce and prevent homelessness cannot succeed unless measures to provide housing assistance to those who are literally homeless are complemented by structural changes that effectively reduce the probability of becoming homeless in the first place.

To increase the availability of affordable housing—the issue ranked number one in the Federal Plan survey—we have recommended increasing HUD's housing assistance budget to begin to make up for past budget cuts and to enable homeless people and those precariously housed to access permanent housing. HUD's budget is noticeable in the spectrum of Federal departments for its rate of decline during the 1980s. Although the numbers of households assisted continued to increase in the 1980s largely as a result of the Carter Administration investments, the rate of increase dropped from more than 250,000 households annually in the Carter years to less than 100,000 annually in the 1980s. Amazingly, if the HUD budget had increased at the rate of inflation since its 1980 level, budget authority in 1994 would have been $65 billion; HUD's 1994 appropriation was $26 billion. There can be no doubt that the HUD budget reductions of the 1980s contributed to the current homelessness problem. We should begin on the long road to providing affordable housing by increasing the HUD overall budget by nearly two billion dollars in 1995. This includes a doubling of the HUD assistance programs for the homeless. We recommend enactment of President Clinton's 1995 budget proposal, which includes the increased budget recommendations for HUD and FmHA mentioned here.

Recognizing the needs of rural communities, the President's budget request increases FmHA's Section 521 rental assistance budget by more than $77 million to alleviate rent burden in FmHA-subsidized rental housing in rural areas. Rental assistance enables tenants to hold their rent to 30 percent or less of their income. FmHA's budget for rental assistance has not kept pace as the need for it has increased. At present, in FmHA subsidized rental housing, there are more than 80,000 families paying more than 30 percent of their income for rent. In addition, there are more than 22,000 vacant units that could house more than 60,000 people, if they were made affordable with rental assistance.

But housing alone is not enough. If we are to improve the self-sufficiency of residents of public and assisted housing, we must improve the services available to them. To do so, we must improve the nexus between the programs of the Departments of Labor, Education, Health and Human Services, and the Veterans Administration and public and assisted housing. Currently, there are useful programs, such as Family Self-Sufficiency, that could do more if better coordinated with state and local providers. Most residents of public housing do not receive adequate services to address their problems. If we improve the self-sufficiency of residents of public and assisted housing, we will increase turnover in those units and, in effect, increase the supply of affordable housing and reduce the number of persons forced to move into the streets.

Fighting discrimination. To ensure that permanent housing—both housing providing supportive services and traditional low-income housing—can be freely sited, we must aggressively enforce Federal fair housing laws. The Federal Fair Housing Act, which is enforced by HUD and the Department of Justice, prohibits discrimination in access to housing on the basis of race, color, religion, sex, familial status, national origin and handicap. The Department of Justice (DOJ) also enforces the Americans with Disabilities Act and the Rehabilitation Act of 1973, which prohibit discrimination in public accommodations and other services that may affect homeless persons. These statutes, for example, protect homeless persons from discrimination based on real or perceived disabilities. The statutes define mental impairment, such as mental illness and mental retardation, as disabilities. The statutes also protect persons who have a history of alcohol and drug abuse from discrimination as long as they do not currently use illegal substances.

HUD and DOJ must vigorously enforce the housing rights of all persons, including the homeless and those who seek to provide housing and other services for the homeless. An example of the effectiveness of this action is the Clinton Administration's pursuit of a lawsuit brought by the United States against the City of Philadelphia when the City refused to grant the zoning accommodation necessary to allow the construction of a SRO designed for homeless persons with disabilities. The District Court ruled in the United States' favor and against the City's efforts to block the project; the case is currently on appeal. In addition, the work that DOJ and HUD have done in Vidor, Texas is a positive example of what can and should be done. Specifically, the Departments will do the following:

- Continue to adopt proactive measures to increase the investigation and litigation of fair housing violations. DOJ's Fair Housing Testing Program will be expanded to uncover and document discriminatory housing practices by conducting systematic testing investigations in the rental markets of more than a dozen metropolitan areas. DOJ has authorized the hiring of more staff to augment its fair housing enforcement activities.

- Build upon current enforcement of the Americans with Disabilities Act to prohibit discrimination in public accommodations and other places and services that may affect homeless persons.

- Continue to challenge cities that refuse to permit group homes for persons who are mentally ill, mentally retarded, or former substance abusers. Some cities selectively enforce zoning restrictions to appease neighborhood efforts to exclude residences for such persons—the so called Not-In-My-Backyard (NIMBY) syndrome.

B. Low-Income Housing Tax Incentives

This report has pointed out that the number of homeless persons on the street and in the shelters is constantly being fed by a stream of poor persons who are precariously housed. Until this problem is adequately addressed, we will not solve the problem of homelessness (see "Structural Remedies" herein). In 1989, more than five million renter households had worst-case needs—38 percent of eligible very low-income renters. In that year, 72 percent of rental households with worst case needs lived in adequate, uncrowded housing, with rent burdens exceeding 50 percent of their income as their only housing problem (HUD, 1992). Thus, severe rent burdens were by far the dominant problem, with substandard housing much less common. Unmet priority needs for assistance were more frequent among eligible single individuals and families with children than among elderly households. Of the very poor facing extreme housing burdens, it is the single adults and female-headed households that most often end up on the street. Often they have other compounding problems contributing to their homelessness state, but lack of means to pay for shelter dominates other causes for most homeless persons.

There are several ways of addressing this huge pool of persons who are entering the stream of homelessness. One way is to increase the housing subsidies: an increased HUD budget as recommended above. A second way is to use the tax system. The mortgage interest deduction has long provided housing subsidies, as have the low-income housing tax credit and mortgage revenue bonds.

Our long-term efforts should examine ways that these benefits could be extended to lower income people through rental and home ownership incentives. Special attention should be taken to explore the development of programs that could be coordinated with existing tax incentives.

C. Strengthen Integrated Economic and Human Development

An essential element of any long-term strategy to reduce poverty and homelessness is the creation of jobs, particularly those that are accessible to poor residents of center-city areas where most of the homeless are concentrated. Job creation should be part of a broader community development strategy tied into development of human capital and improved delivery of services.

The Administration has already taken a number of initiatives to create jobs and integrate economic, physical, and human development through the creation of empowerment zones and enterprise communities. Related efforts include the Community Reinvestment Act reform,
legislation to establish community development financial institutions to ensure investments in distressed areas, and significantly strengthening the earned income tax credit to make work pay.

Further, steps have been taken to streamline and coordinate existing economic and community development programs to better integrate economic and human development efforts. To effect real meaningful change through holistic strategies, HUD has begun to consolidate the planning, application, and reporting requirements of its housing and community development formula programs. This consolidation allows communities to identify their housing and community development needs, develop priorities and appropriately allocate scarce resources in a comprehensive and more intelligent framework.

Reform is needed in America's elementary and secondary schools in order to meet the demands of our future high skills-high wage economy. The Goals 2000: Educate America Act will stimulate school-based reforms aimed at providing all students the chance to reach challenging academic and occupational skills standards. Furthermore, the School to Work Opportunities Act will improve the linkage between school and work for the those U.S. students who do complete college.

Finally we must embrace lifelong learning opportunities, including strengthening JOBS, programs for dislocated workers, and other employment and training programs. All are closely linked to job creation. We accomplish little to reduce poverty and homelessness if (a) we create jobs in distressed areas and those for whom the jobs are intended are not adequately prepared to take advantage of these resources, or (b) we provide education and training and there is no employment available. Job creation is closely liked with welfare reform. One cannot succeed without the other.

Social contract. At the same time, we must learn the lessons of failed policies of the past: rights must be balanced with responsibilities. Our goal is to help individuals and

families to help themselves and provide them with the opportunity to better themselves. Government is not and cannot be a substitute for the family or individual will. This new social contract is mutual.

3. Cross-cutting Agency Action Steps

A. Implement Proposed Reforms in the Nation's Health Care System

We recommend that Congress enact the Administration's proposed Health Security Act, which would significantly contribute to reducing homelessness and preventing future homelessness:

- First, the Health Security Act would provide a comprehensive standardized benefits package. This guarantee of health-care services will apply to all persons, including the homeless and those most at-risk of future homelessness. The lack of access to adequate health care or the failure to obtain it are themselves proximate causes of homelessness. Reform of the health-care system and the increased access to health care that will follow from it will help stabilize the lives of homeless people and those most at risk of becoming homeless. Important aspects of the new system will be new protection against the financial consequences of catastrophic illnesses that can lead to homelessness.

- Beyond that, the Health Security Act would expand the capacity and assist in development of qualified community health plans and community health networks that would improve access to health services for medically underserved populations, including large numbers of homeless persons and those at risk of homelessness.

- HHS would also make funds available for services to help hard-to-reach populations, such as homeless persons, access health care. Such services would include transportation, community and patient outreach, patient education, and translation.

- The proposed Health Security Act includes such mental health benefits as inpatient care in a psychiatric or general hospital or residential treatment program; intensive nonresidential care in facilities, such as partial hospitalization, day treatment, or psychiatric rehabilitation programs; and outpatient care that includes medication management, treatment, and prescription drugs.

- The Health Security Act also contains significant substance abuse treatment benefits, including residential care, intensive day treatment in nonresidential settings, and outpatient care.

- Under the Health Security Act, the VA will remain an independent health care provider and will offer low-income veterans (which would include the homeless) and those with service-connected health problems the same broad range of mental health-care services that they receive today, which are more generous than those offered in the comprehensive benefits packages.

- As a general matter, by simplifying responsibility for the financing of care, the proposed reforms in the financing of health care will free up the existing network of service providers to focus their resources on getting hard-to-reach populations such as the homeless into needed medical care, helping them manage that care, and providing essential auxiliary services to increase the chances of moving them to more stable lives.

- Finally, with all Americans insured for a comprehensive package of basic health-care benefits, states will be better able to develop integrated systems of care for those persons who need help in accessing health care, many of whom are homeless or at risk of becoming so.

B. Reform the Welfare System to Reward Work

We are excited by the possibilities of the Administration's plan for welfare reform. Such reform could have a dramatic affect on the lives of homeless families and could provide the supports necessary to avert homelessness for other low-income families.

AFDC is a primary source of income for the majority of homeless families. A 1992 HHS Office of Inspector General study reported that almost 70 percent of all families interviewed in family shelters were receiving AFDC benefits. In some cities the percentages are even higher. For example, the New York City Human Resources Administration reported that 95 percent of homeless families were receiving AFDC at the time of shelter intake (Culhane, 1993).

Reform of the welfare system could build on the Family Support Act and the recent expansion of the Earned Income Tax Credit and incorporate the following four aspects:

- Promote parental responsibility to ensure that both parents are held responsible for the support of their children by strengthening child support enforcement so that

noncustodial parents provide support to their children and by taking steps to help reduce the rate of out-of-wedlock births.

- Reward people who go to work by making work pay—that is, by ensuring that people who move from welfare to work have the tax credits, health care, and child care they need to support their families adequately through work;

- Promote work and self-support by providing access to education and training for parents, making cash assistance a transitional, time-limited program and expecting adults to work once the time limit is reached.

- Reinvent government assistance to reduce administrative bureaucracy, combat fraud and abuse, and give greater state flexibility within a system that has a clear focus on work.

This focus on work, with the availability of an improved support system that includes universal health care, could help prevent families on AFDC from becoming homeless and could help homeless families, the vast majority of whom receive AFDC, to move from poverty toward self-sufficiency.

C. Improve Access to Mainstream Programs

The Federal government will spend slightly over $200 billion in FY 1995 through programs in just five departments (HHS, HUD, Labor, USDA and Education) to address the needs of low-income individuals and families. Clearly we must make these mainstream programs more accessible to homeless individuals and families and more effective in preventing homelessness among those who are at risk of becoming homeless. Rather than institutionalizing a separate support system for the homeless population, we should ensure that the existing service system is able to address the needs of homeless individuals and families.

Therefore, we recommend that the Interagency Council on the Homeless and its member agencies do the following:

- Identify the principal mainstream programs in the areas of health, mental health, substance abuse treatment, income assistance, social services, housing, and education and employment training that are critical to preventing homelessness and helping homeless individuals and families make the transition from homelessness.

- Conduct a systematic assessment of how effectively sets of these programs serve the homeless population and persons at risk of homelessness, identify how to make

the programs more accessible to the homeless population, and determine how to improve these programs so that they better prevent homelessness.

- Monitor ongoing programs and conduct impact evaluations to identify outcomes and ways to forge more effective linkages between targeted and mainstream programs, including consolidations.

This effort should build on planned reforms, such as health-care and welfare reform, and reforms that have already been undertaken by Federal agencies to help make mainstream programs more accessible:

- A joint VA and HHS Social Security Administration (SSA) pilot outreach initiative has succeeded in increasing the number of seriously mentally ill homeless veterans who apply for and receive regular VA and SSA benefits. SSA and VA personnel are working in several communities to improve claims processing for this hard-to-reach population. In other cities, SSA and VA's Health Care for the Homeless Veterans grantees are working together to increase referrals, recruit representative payees, and provide follow-up case management to ensure that veterans complete the SSI application process. In addition, SSA is providing information to VA teams serving VA's seriously mentally ill homeless population about the ways workers can facilitate applications for SSI.

- The Administration proposes to increase access to mainstream employment services for homeless persons and enhance services delivered by job training programs administered the Department of Labor (DOL). Many of the activities currently funded under the Job Training for the Homeless Demonstration Program, which was created by the McKinney Act in 1987, will be supported by a revamped JTPA. JTPA now encourages local programs to target services to the extremely disadvantaged, including the homeless. In FY 1994, DOL will provide technical assistance and enhanced service delivery to select JTPA Service Delivery Areas (SDAs) that will serve a greater number of homeless persons and offer them a wider range of services. These SDAs may use service providers as sub-grantees, including grantees currently funded by the Job Training for the Homeless Demonstration Program, to provide homeless persons with employment and training services, supportive services and housing through partnerships with housing agencies.

- The Administration's efforts to expand and improve the Head Start program will allow the program to reach more low-income families and provide valuable early childhood development and other services to support these families before homelessness occurs. In addition, HHS is working to improve the accessibility of homeless families to Head Start programs.

- As part of the expansion of Head Start, in FY 1994, the Department is requiring Head Start grantees to base expansion on careful assessments of community needs and explore the possibility of coordination with other community programs, including shelters for homeless families.

- The recently authorized Family Support and Preservation Program will provide funding to states to expand services to families in crisis or at risk of crisis due to abuse or other problems, providing another type of early intervention services that will help to avert the downward spiral that often leads to homelessness.

- HUD will make additional Section 8 housing vouchers available to homeless individuals and families. For FY 1995, HUD is proposing to award more than $514 million in Section 8 vouchers to provide rental assistance to 15,000 homeless households annually for five years.

- Recent changes to the Food Stamp Program authorized by the Mickey Leland Childhood Hunger Relief Act of 1993 will play a role in preventing homelessness. Low-income individuals and families will no longer have to choose between paying rent and buying food. The 1993 legislation changes the treatment of housing costs in the Food Stamp program by eliminating the cap on shelter costs. As a result, additional food assistance will be provided to households facing very high shelter costs relative to their income. This act also simplified the definition of a household, thus enabling adult siblings or children living with parents, under some circumstances, to be counted as separate households and receive food stamps.

- FmHA is undertaking a number of actions to make its programs more accessible to currently and formerly homeless individuals, as well as to nonprofit organizations that provide housing and other services to homeless individuals. This includes such as offering special sale items and long-term leases to nonprofit organizations and public bodies to provide transitional housing for the homeless from FmHA's single family inventory property and setting aside funds to support the use of FmHA-financed Domestic Farm Labor Housing during the off-season to serve the homeless .

- To design and administer effective programs, we need accurate information on the causes of homelessness and characteristics of the homeless and at-risk populations. While there is research on the population with chronic disabilities, there is less information on the number and characteristics of those experiencing crisis poverty. The research that has been reviewed in preparation of this report is most revealing. The Federal government through its member agencies should review and explore the most recent data and its findings.

- We must continue special efforts to educate and encourage states, cities and not-for-profit organizations about the potential use of CDBG, HOME, HOPWA (Housing for Persons with AIDS), acquired properties and other mainstream HUD program resources to assist homeless people.

- We also should improve the Title V Surplus Federal Property Program. As many military bases will be closing in the coming years, the National Law Center on Homelessness and Poverty, *Beyond McKinney*, and the US Conference of Mayors have recommended that the HUD strengthen implementation of the program to encourage non-profit organizations and cities to use the program. In addition, the development of housing for homeless individuals and families will be easier if vacant land is included in the program.

- We must continue to support family intervention and prevention models that support the development of family and life skills such as Head Start, Even Start, Healthy Start, Operation Fatherhood, Family Support and Preservation and the Family Self-Sufficiency program. Also we should work with states to remove obstacles for participation for homeless families.

D. Strengthen Mechanisms for Interagency Coordination at the Federal and Local Levels

All Federal efforts proposed in the Plan require the cooperation within and among the Federal agencies working on homelessness as well as between the Federal government and state, local, private, and voluntary efforts to assist homeless individuals and families. Such coordination is a major component of this Plan and is essential to the success of Federally sponsored efforts.

- Through the Interagency Council on the Homeless and agencies' technical assistance contracts, disseminate information about successful programs, including how communities have developed their continuum of care. Provide technical assistance on program and system developments.

- To improve coordination and reduce fragmentation of programs, evaluate the "value-added" by targeted programs. HHS is pursuing the consolidation of three runaway and homeless youth programs, multiple mental health research demonstration authorities, including one targeted to homeless persons, and the consolidation of the Emergency Community Services program with Community Service Block Grant program.

- Through the Interagency Council on the Homeless, sponsor two meetings a year with Governor-appointed State Homeless Contacts and McKinney and non-

McKinney Homeless Assistance Program Managers to encourage state and local coordination and the development of integrated approaches to addressing homelessness.

- Through the Interagency Council on the Homeless, develop an advisory committee of homeless persons.

- Update and develop new handbooks for McKinney Act Programs to provide comprehensive guidance to states, localities, and not-for-profits on eligible activities, grant management strategies, fiscal and accounting requirements, and outcome measurements.

- Through the Interagency Council on the Homeless, develop and disseminate a publication that describes all Federal homeless assistance programs and exemplary program models nationwide.

- Through the Corporation for National Service, develop AmeriCorps programs and other volunteer efforts to augment government and non-profit efforts to respond to homelessness.

- As the states have done, encourage local governments to establish both a single point of contact regarding their homelessness programs and an interagency or interdepartmental council to promote coordination among their homelessness programs.

- Continue to hold local, regional, and national conferences and other events—such as the HUD/ICH Interactive Forums and the VA National summit on Homelessness Among Veterans and the HHS/HUD national conference on integrating housing and services for the mentally ill—to share information, increase coordination of efforts, and develop new partnerships.

- Increase Federal support to locally based Stand Downs for Homeless Veterans in order to increase community awareness of homelessness among veterans and to bring together new resources from local governments, providers, businesses, and others both to support the Stand Downs and for future collaborative efforts.

- Increase outreach to veterans service organizations and other nontraditional homeless providers to encourage and support their participation in the national effort to break the cycle of homelessness.

Closing

This Plan has provided a straightforward assessment of homelessness, its present context, and recent efforts to ameliorate it. Clearly, long-term solutions will require us to grapple with social and economic issues that have persisted for decades. The Clinton Administration has already embarked on a road towards that goal. Recommendations made here to study amending the tax code to address the problem of excessive rent burdens for the poor, a significant increase in housing subsidies, and a more comprehensive mental health system for the indigent will further our progress. Additional measures include an overhaul of the Federal program response, restructuring of Federal, state and not-for-profit roles, and a major commitment of resources to McKinney Act funding. None of this will be easy. But given the alternative—a deepening morass of half-measures and hesitancy—it is both possible and necessary.

The Plan also appreciates that the ultimate factor is the existence of the political will to end homelessness. Recent press reports suggest "compassion fatigue." We disagree. A deep public concern exists for those less fortunate, however, failed government attempts of the past have raised public hopes, only to be dashed. Government must demonstrate not only a commitment to make a difference but the ability to succeed. That is the present challenge. Met successfully, public confidence can be restored, and the political will can develop to address the long-term conditions.

Appendix A

List of Interactive Forum Cities

San Francisco
Baltimore
Chicago
Seattle
Miami
Denver
Memphis
St. Paul
Phoenix
Boston
Atlanta
New Orleans
Columbus
Los Angeles
Dallas
St. Louis
New York

Appendix B

Sample Questionnaire

FEDERAL PLAN QUESTIONNAIRE

Name/Organization/Address (optional)

_____

_____

_____

Describe the geographical category and type of organization you represent.

Geographical Category

__ Large metropolitan area

__ Moderate to medium area

__ Rural area

__ Other

Type of Organization

__ Service provider

__ Advocacy organization

__ City/county government

__ State government

__ Federal government

__ Other

Part I: Recommendations to Break the Existing Cycle of Homelessness and Prevent Future Homelessness

(1) My recommendations for improving, streamlining and/or consolidating existing programs designed to assist homeless individuals and/or families are as follows:

(2) My recommendations for redirecting existing funding streams in order to strengthen linkages between housing, support, and education services are as follows:

(3) My recommendations for promoting coordination and cooperation among grantees, local housing and support service providers, school districts and advocates for homeless individulas are as follows:

(4) My recommendations for encouraging and supporting creative approaches and cost-effective local efforts to break the cycle of existing homelessness and prevent future homelessness, including tying current homeless assistance programs to permanent housing assistance, local housing affordability strategies, or employment opportunities are as follows:

Part II: Ranking of Issues to be Addressed in the Federal Plan

In FY90 and FY91, staff of the Interagency Council on the Homeless conducted monitoring and evaluation meetings with focus groups in 47 States. Listed below are the issues most commonly raised during those meetings. Please review, list issues that you think should be addressed in addition to those listed and indicate, on a scale of 1 to 5, with 1 being highest priority and 5 being lowest priority, your preference for addressing in the Federal Plan.

___ Shortage of affordable housing options (accessibility, availability, suitability, problems posed by NIMBY).

___ Needs of working poor (jobs, sufficient income, health care, child care, transportation).

___ Need for adequate mental health treatment programs and more effective discharge policies by hospitals, prisons, the military, and mental institutions.

___ Lack of adequate, appropriate treatment/aftercare programs for persons suffering from substance abuse, including single parents with minor children.

___ Concern over increasing numbers of homeless families.

___ Need for increased emphasis on preventing homelessness.

___ Lack of attention to issues related to rural homelessness, particularly transportation needs.

___ Need for increased emphasis on meeting the needs of homeless children and youth, particularly young males who cannot access traditional family shelters, adult shelters, or foster care.

___ Insufficient health care services coupled with increase of seriousness of health problems such as AIDS.

___ Inadequacy of State support, lack of overall anti-poverty policies.

___ Concerns over increasing homelessness among migrant workers/illegal aliens.

___ Need for transitional housing or supportive services for ex-offenders, parolees.

___ Inadequacy of services for victims of domestic violence and concern over increased incidence of domestic violence.

___ Declining public support for homeless programs.

___ Need for affordable child care for single-parent families.

__ Need for prevention/early diagnosis/outreach to veterans suffering from post-traumatic stress disorder (PTSD).

Please list and rank any additional concerns, issues you wish to see addressed:

__ _____
_____

__ _____
_____

If you have any other recommendations, please attach additional sheets.

Thank you for your participation. By December 20, 1993, please return your completed form to:

Federal Plan
U.S. Department of Housing and Urban Development
451 7th Street, S.W., Suite 7274
Washington, D.C., 22410

If your mailing label is incorrect, please include changes or corrections with your completed form.

HOMELESS PROVIDERS SURVEY

1) SIMPLIFIED/IMPROVED GRANT PROCESS

- 1A One funding source, one application, single stream funding for shelter and services
- 1B One grant to each locality for all homeless shelter and/or homeless services
- 1C Decrease regulations and paperwork on all levels so more funds go to service delivery
- 1D Long-range national housing policy
- 1E Provide for more flexible, realistic and innovative programs
- 1F Evaluate like communities for competitive programs
- 1G Bypass city government; fund service providers directly
- 1H Require collaboration among providers
- 1I Critique program results, reward cooperation and coordination, make recipients accountable
- 1J Provide technical assistance on grant application

2) LOCAL COORDINATION

- 2A Coordinated, multi-agency, community plan for each locality
- 2B One provider center for all homeless shelter and/or services
- 2C Citizen review boards including homeless
- 2D State Office for the Homeless with regional offices
- 2E Set standards and accountability levels for providers
- 2F Mechanism for coordination and communication among providers
- 2G States and cities work in conjunction with non-profits

3) IMPROVED DELIVERY OF SERVICES

- 3A Case management
- 3B Social services should be provided at shelters
- 3C Provide transportation to easily accessible services
- 3D Services open on weekends and after 5:00 pm
- 3E Locate services near housing
- 3F Use schools and other mainstream programs to teach life-skills
- 3G Require client commitment
- 3H Long term programs rather than temporary shelters
- 3I Focus on prevention, i.e., intervention with landlords, provide emergency rental assistance
- 3J Information systems and dissemination of information on housing stock, innovative programs
- 3K Staff development for service providers

4) SOCIAL SERVICES SUPPORT

- 4A Substance abuse
- 4B Battered women and children
- 4C Child care

4D Transportation
4E Mental health
4F Health
4G Education
4H Life skills counseling
4I Job training and job placement
4J More jobs

5) INCREASED FUNDING TO PROGRAMS AND/OR DIRECTLY TO HOMELESS

5A Welfare reform
5B Federal tax credits
5C Additional funding to rural areas
5D Redirection not issue, just more funds
5E Increase funding for services to the mentally ill
5F Increase minimum wage

6) HOUSING

6A Build more affordable housing, low-income housing
6B Use closed military bases, plants, and public facilities
6C Use vacant HUD project units
6D Site managers at public housing projects
6E Transitional housing
6F Provide counseling so formerly homeless do not return to streets
6G SRO preservation and production
6H Get foreclosed and abandoned homes to low-income people through public/private partnerships and non-profits

7) DEFINING THE CLIENT

7A Families
7B Children
7C Youth
7D Single adult males
7E Single adult females
7F Those at risk of becoming homeless
7G Formerly homeless

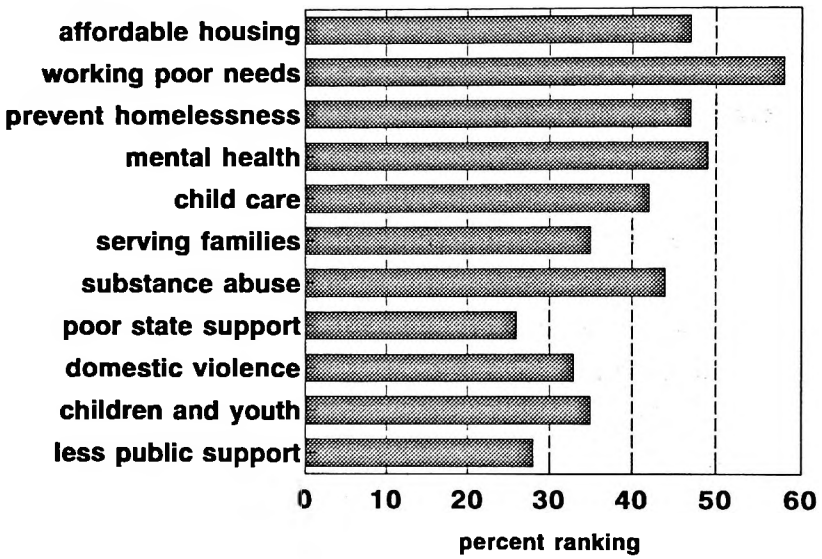
8) INNOVATIVE PROGRAMS/IDEAS/INSIGHTS

Appendix C

Additional Bar Graphs

PRIORITY HOMELESS ISSUES FROM FEDERAL GOVERNMENT

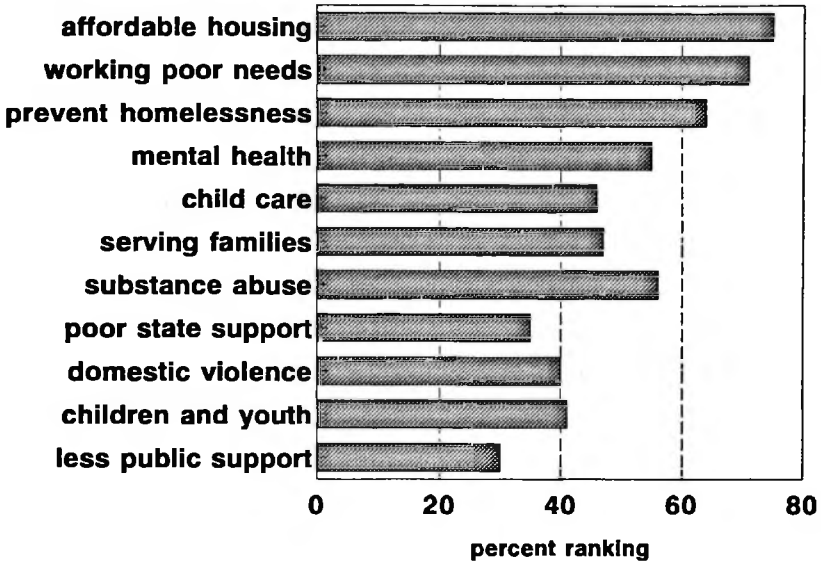
Top issues ranked 1st or 2nd priority



SOURCE: 1993 HUD national survey (N=43)

PRIORITY HOMELESS ISSUES FROM CITY/COUNTY GOVERNMENT

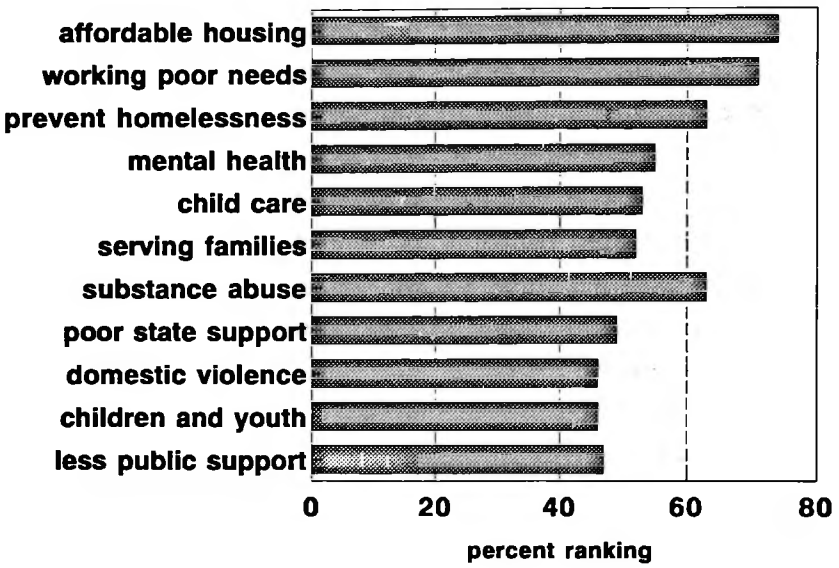
Top issues ranked lst or 2nd priority



SOURCE: 1993 HUD national survey (N=241)

PRIORITY HOMELESS ISSUES FROM LARGE METRO AREAS

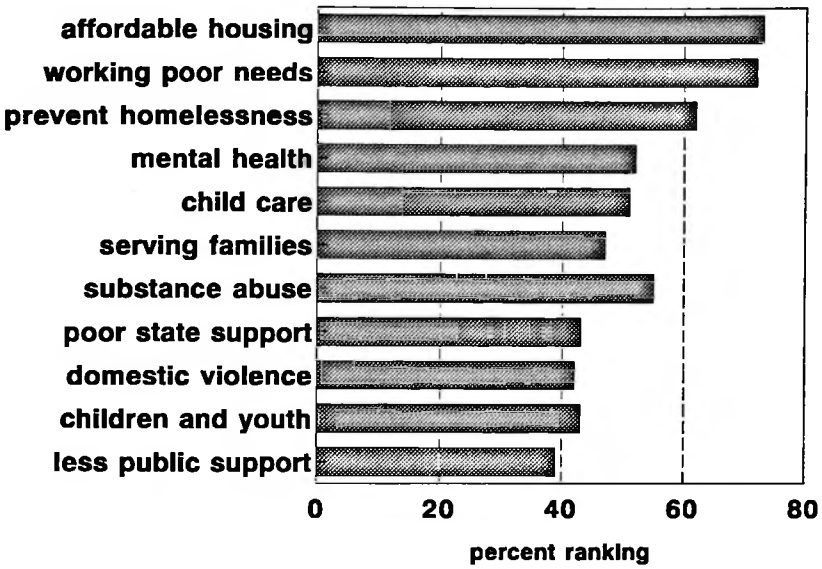
Top issues ranked Ist or 2nd priority



SOURCE: 1993 HUD national survey (N=688)

PRIORITY HOMELESS ISSUES FROM MODERATELY SIZED AREAS

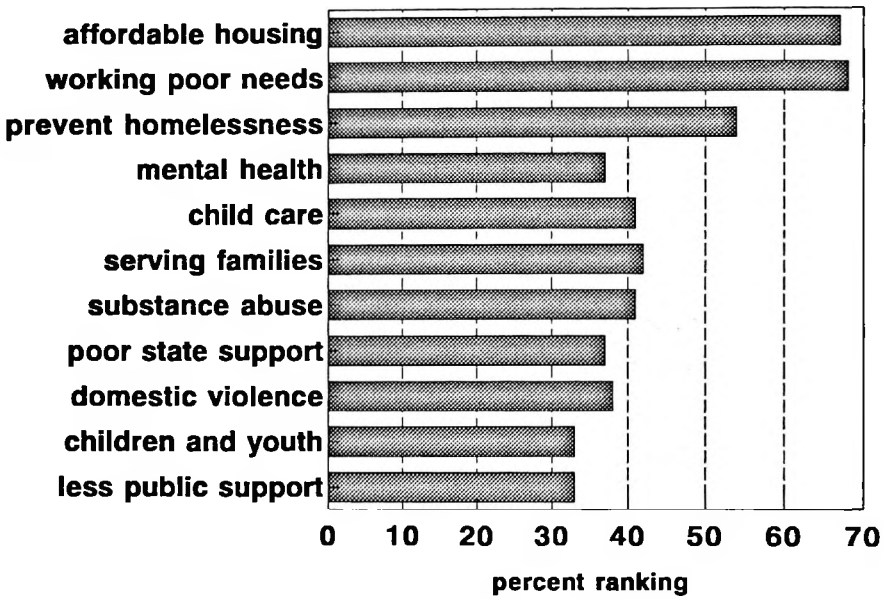
Top issues ranked 1st or 2nd priority



SOURCE: 1993 HUD national survey (N=656)

PRIORITY HOMELESS ISSUES FROM RURAL AREAS

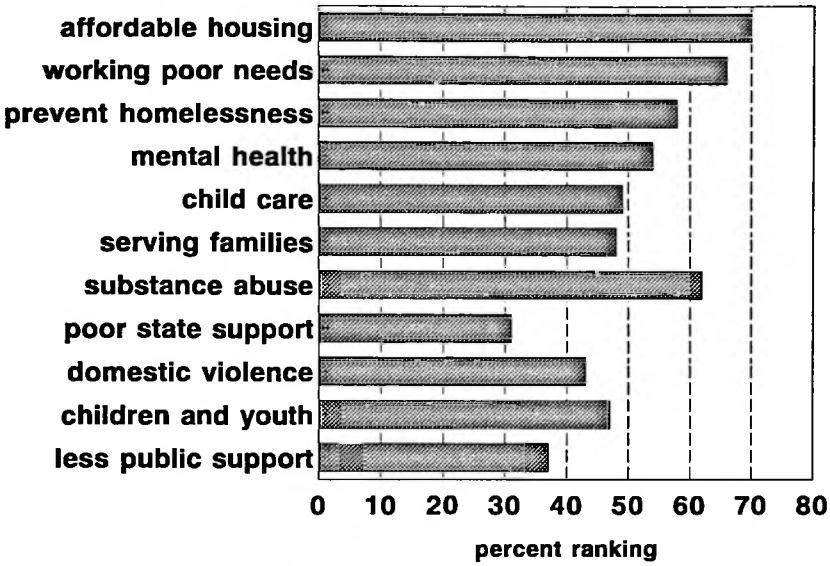
Top Issues ranked Ist or 2nd priority



SOURCE: 1993 HUD national survey (N=434)

PRIORITY HOMELESS ISSUES FROM STATE GOVERNMENTS

Top issues ranked 1st or 2nd priority



SOURCE: 1993 HUD national survey (N=102)

Appendix D

Consultants and Advocacy Organizations

Consultants and Advocacy Organizations

The Interagency Council on the Homeless would like to thank the following individuals for their contributions to the development of this Plan. Acknowledgment in the list below does not imply endorsement of this Plan.

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