

*Ending Homelessness: What the  
Research Says It Will Take*

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Presentation for the Wisconsin Family Impact Seminar  
to the Wisconsin State Legislature  
Madison, WI, January 25, 2017

# *Why Should States Care about Homelessness?*

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

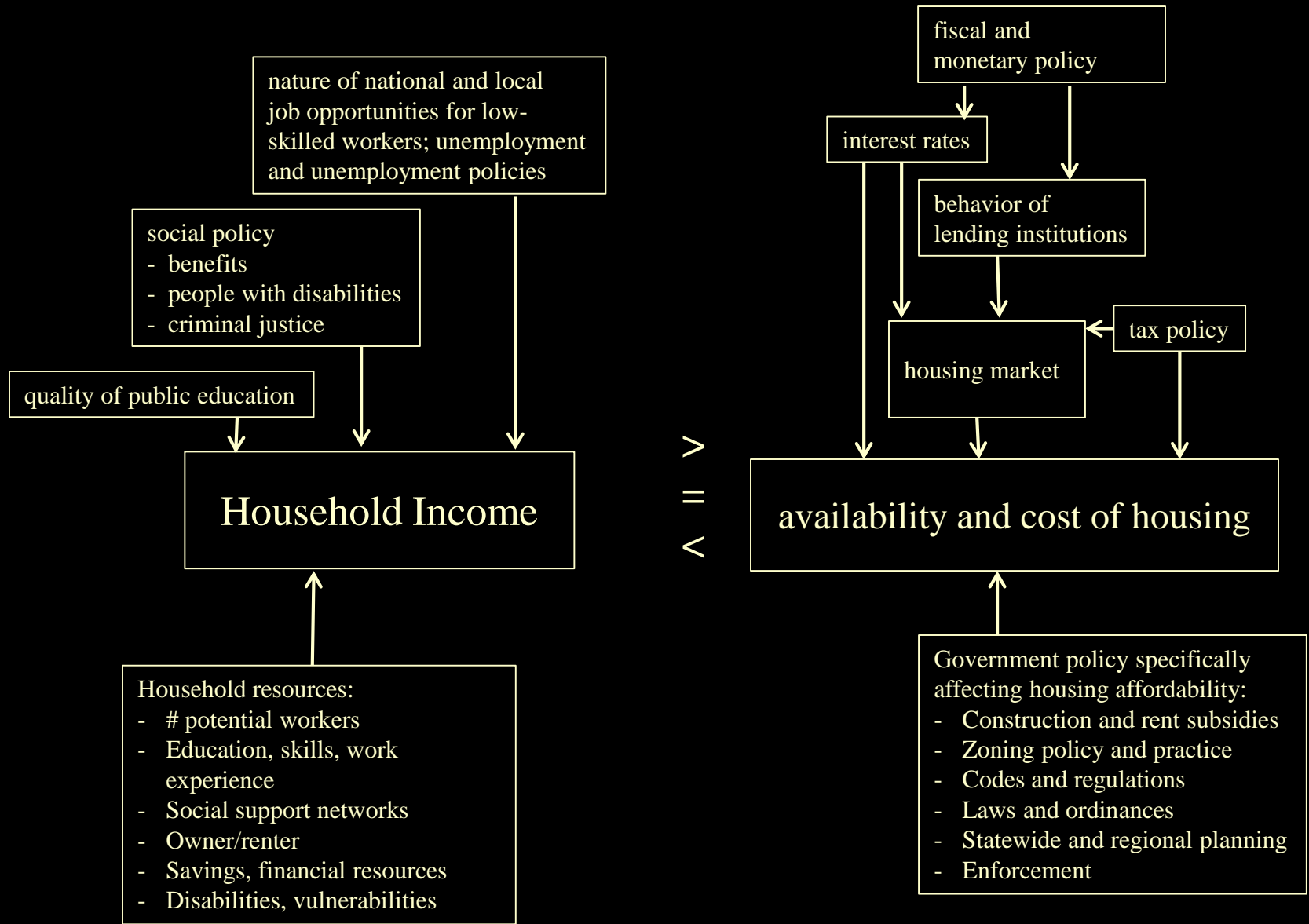
# *History*



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

# Causes

- Structural—affects everyone in society
  - Cost of housing
  - Job market and earnings potential
- Personal—individual characteristics
- Chance—illness, car breakdown, etc.
- Mitigating = public policies
  - Today's focus: strong research to address structural factors



## Factors Affecting Homelessness

# *Cost of Housing vs. Incomes*

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

Source: [www.apartmentlist.com](http://www.apartmentlist.com), based on 1960-2000 decennial censuses and 2000-2014 American Community Survey

## *Relevance to Homelessness*

- More households likely to lose housing
- Fewer households likely to get back into housing
- Fewer households able to assist family and friends in times of crisis

# *New Research Supports Changes to Existing Homeless System*

- Existing homeless services focus on people who have already lost housing—shutting the barn door when it is too late
- Most existing homeless services do not provide permanent housing, but instead:
  - Emergency shelter
  - Transitional housing
  - Rapid re-housing



# *Effective Evidence-Based Approaches*

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

- Two broad categories:
  - Have a home (most of those who use youth shelters)
  - Don't have a home, or not one it is safe to go back to
- Many of the latter already meet the definition of *chronic* homelessness—more than 1 year on the streets.
  - What works for other chronically homeless people works for them – permanent supportive housing

# *To Really End Homelessness...*

- Evidence-based strategies for increasing ability of people to afford housing
- Some ways to do that include:
  - Rent subsidies
  - Improving human capital—job skills, education
  - Economic development, creating new jobs
- But ultimately, research suggests need to address a structural problem
  - How to create more affordable housing?

# *Challenges to Creating More Affordable Housing...*

- Early 1900s—the last time it was profitable for private developers to build housing for low-income people
- These days, other strategies:
  - Subsidize development, including land acquisition and construction costs
  - Also subsidize renter households, because poor people can't afford rents pegged to 80% or even 60% of Area Median Income (AMI)

## *Where It Is Needed*

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

# *Principles That Seem to Work*

*Best*



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

## *Examples*

- New Jersey—best state example
  - Statewide, all jurisdictions, fair share established, enforceable, it works
- Many jurisdictions—inclusionary zoning (IZ)
  - Whether it works depends on specifications, location, and enforcement
- Subsidies are still needed, probably both production and rents

## *Examples*

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



# *Potential Funding Sources*

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

# *Potential State Funding Mechanisms*

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

# *How to Address Individual Factors?*



- Evidence-based, cost-effective approaches
  - Scattered-site approaches
  - Supportive services
  - Skills improvement—e.g., financial management, parenting
  - Credit repair
  - Support network development

# *How to Address Individual Factors?*



- Evidence-based approaches for improving the “sending” systems:
  - Foster care
  - Jails and prisons
  - Mental health treatment
  - Substance abuse treatment
  - Health care, including hospitals

# *Significant Progress, But Research Points to Options for Doing More*

- *Preventing* homelessness is most cost-effective
  - To do that, improve the equation between housing costs and household incomes
- Major focus of this presentation is on evidence addressing housing cost side of the equation
  - Increase housing supply and housing subsidies
- Evidence-based approaches to addressing income side also available
  - Workforce development, education