

Is a roof the only difference between the homeless and me?

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Homelessness is not a recent phenomenon. Vagrants and the impoverished have lived on the streets and under bridges throughout history. But economic expansion during the second half of the 20th century brought unprecedented wealth to the United States and, for a time, reduced the ranks of the homeless to a few unfortunates, mostly men plagued by alcoholism or other personal problems who couldn't hold a job.¹ When an odd job, panhandling, or General Relief money permitted, a homeless person could find a room in a fleabag hotel in the rougher section of downtown. Whether the bum or vagrant stereotype of the homeless was ever completely accurate, through the years of post-war economic expansion, it defined the face of the homeless as one that didn't look much like the rest of us.

During the past 20 years, however, the faces of the homeless have changed. They have become more numerous and visible, as fleabag hotels have given way to downtown revitalization. With about two to three million people homeless each year, including an estimated 43,000 in Virginia, suddenly the homeless look less like strangers and a lot more like us. They are scruffier, perhaps, but not unrecognizable. Some have the faces of our relatives or friends who fought in Vietnam. Others look just like us except for the haunted eyes and bizarre behaviors of the mentally ill. We can see ourselves in the men holding signs "work for food" and in the mothers and children living out of their cars or shifting from relative to relative while they wait for a safe, affordable place of their own. Some of the faces we can dismiss as belonging to lazy people or to "druggies," and some we just stop looking at when they don't disappear. But some we know.

As the faces of the homeless have changed, so have the paths to homelessness. In the last quarter-century, four new paths have joined the traditional paths of war, famine, social unrest, migrant labor, alcoholism, and "the lure of the open road"²: (1) cyclical unemployment and job losses resulting in evictions and/or foreclosures; (2) recurring shortages of low-cost and affordable housing; (3) deinstitutionalization and poorly planned institutional discharges, particularly from mental health and correctional facilities, as well as from the foster care system; and (4) increased domestic violence.

Conventional wisdom holds that the homeless are unemployed or underemployed, yet a third or more of the homeless do have jobs. However, their wages are insufficient to acquire housing on a permanent basis. The latest "State of the Nation's Housing" report, issued last year by the Joint Center for Housing Studies of Harvard University, indicates that households with one full-time, minimum-wage earner cannot afford the "fair market rent" for a one-bedroom apartment anywhere in the country. As a result, a new and unexpected segment of the homeless population can be employed and yet is homeless or at higher risk of becoming homeless.

Both public perception and federal policy tend to focus on the "visible" homeless and to ignore "the hidden homeless" since the latter are, technically, housed. Many people facing the same crises that trigger homelessness look for temporary shelter with family members or friends. In some instances, this temporary fix is sufficient and reflects a natural and beneficial reliance on social networks (also called "social capital"). But in other cases, those who find shelter by doubling up with others do so only because there are no other options. This is particularly the case in rural areas where the absence of emergency shelters and other services for the homeless force people to either double up at whatever social cost or move to a city for emergency shelter.³

How does one become homeless?

In order to understand and address the homelessness problem, we need to examine and model “the process of homelessness.” Figure 1 shows the key stations through which the homeless either come from or move to throughout the homelessness experience. The model indicates the three main precursors of homelessness: (1) discharge from correctional facilities, foster care system, and mental and health institutions; (2) eviction due to foreclosure or failure to pay the rent (often due to job loss, divorce, or other crises); and (3) voluntary departure from a home by domestic violence victims seeking shelter from their abusers.

In almost all of these situations, an emergency shelter is the first station, especially if the dispossessed have no family members or friends who would accept doubling up with them. If these individuals get accepted into a shelter, they have a chance to move forward through the system to temporary and then permanent housing. Some cases take longer than others, and some make emergency shelters their regular home. Some people, due to the lack of space in a shelter or to fear, end up sleeping under a bridge or on the street. They might come back and knock on the shelter’s door again or might just disappear from the public record.

Chronic homelessness

The U.S. Department of Health and Human Services estimates that while some individuals may be homeless for only a short period of time, approximately 200,000 individuals are chronically homeless. The Policy Academy⁴ defines a chronic homeless person as “an unaccompanied homeless individual with a disabling condition who has either been continuously homeless for a year or has had at least four episodes of homelessness in the past three years.” Although the chronic homeless represent only an average of 10 percent of the total homeless population, they account for about 50-80 percent of the current costs of homeless services. They usually suffer from one or more disabilities, whether substance-use disorders, physical or health disabilities, or mental illness, and 75 percent are single males, 40 percent of whom are veterans.

The chronic homeless population, by definition, will remain homeless or need substantial housing assistance for extended periods of time, if not for the rest of their lives. Due to their disabilities, they cannot afford to pay much for housing, and they typically need social and health services as well. Not only are temporary shelters and similar services inappropriate solutions to the long-term needs of the chronic homeless, they are more costly than permanent supportive housing.

Virginia has endorsed the Bush administration’s goal “to end chronic homelessness in the coming 10 years.” This is a noble and ambitious objective. The Virginia Department of Housing and Community Development coordinated the development of a statewide strategic plan called Virginia: Sharing a Common Wealth to End Homelessness. The Virginia Tech Center for

Housing Research, through its technical assistance in the preparation of this plan, estimated the need for 3,900 supportive housing units for the chronic homeless in Virginia. The center projects a cost of \$146-\$218 million in capital subsidies, plus an average \$140 per unit per month for operating expenses (around \$6.6 million per year) to provide these units, exclusive of the non-housing services needed. The national need is an estimated \$5.7-\$8.5 billion in construction capital subsidies and \$2.5 billion of operation and management expenses.

In addition to these costs, there is the substantial expense of providing essential support services to the chronic homeless. It is difficult to estimate the average cost of services since they vary depending on individuals’ needs and conditions. However, Dennis Culhane and his associates at the University of Pennsylvania conducted a case study in New York City between 1989 and 1997⁵. They concluded that while the average cost of services provided to their specific sample of homeless people with severe mental illness was about \$40,451 per person per year (in 1999 dollars), the placement of these individuals in permanent supportive housing yielded a reduction in service costs of \$16,281 per housing unit per year.

The Center for Housing Research estimate is the first attempt to gauge the costs of ending chronic homelessness in Virginia. Even though the cost is sizeable and actual figures will be contingent on locality and individual condition, it is probably less than the aggregate cost associated with the current system of maintaining the chronic homeless through emergency shelters, health care, and other costs, including occasional imprisonment.

Housing the homeless

Three main strategies address the homeless problem: (1) preventing those at risk of homelessness from entering the system in the first place through a package of emergency assistance and legal aid; (2) moving those who do become homeless back to permanent housing as quickly as possible; and (3) providing permanent supportive housing to the chronically homeless.

It takes far more effort and requires more resources than just emergency shelters to move the homeless forward to permanent housing—the cost of a shelter bed is only a fraction of the total cost. Required services include extensive case management, job training, health care, emergency financial assistance, legal aid, and drug and substance abuse rehabilitation. But in order to end, or even reduce, the problem of homelessness, we need permanent housing. Emergency shelters are at best a stop-gap measure.

Throughout the commonwealth, nonprofit organizations, churches, civic groups, and local governments, in partnership with the state and federal governments, constantly look for new approaches and funding

to address the problem of homelessness. The Virginia Interagency Action Council for the Homeless is a nationally recognized effort to coordinate the statewide network of homeless service providers and advocates. A wide range of approaches is available throughout the state, including emergency and domestic violence shelters in most of our urban centers. Single Room Occupancy (SRO) housing has been built in some locations for single men and women who cannot afford market-rate rents with a minimum-wage job or with Social Security or disability payments. Operation Match in Loudoun County, Va., provides a “passive housing alternative” by matching people in need of permanent, affordable housing with others who share their homes for economic, companionship, or service reasons. Although the program does not exclusively target the homeless population, more than half its clients have been homeless.

Providing affordable housing to the homeless or the hidden homeless is a tough challenge. Most communities either do not allow or severely restrict a variety of affordable housing options, such as manufactured housing and accessory units. A version of accessory units called “granny flats” or ECHO (Elder Cottage Housing Opportunity)⁶ units can provide a housing option for the elderly who might otherwise be homeless or in nursing homes. ECHO units are small, freestanding, energy-efficient, and designed to be installed adjacent to existing single-family dwellings where a host family can provide a minimum level of support and assistance to an elderly relative or friend. Recent research by the Virginia Tech Center for Housing Research evaluated a national ECHO demonstration program and recommended steps to take the program to scale on a permanent basis.⁷

Stopping homelessness before it starts

As in medicine, prevention is the best cure. It is also the most cost-effective solution. Virginia’s Homeless Intervention Program (HIP) has proven to be highly effective but remains underfunded. HIP provides temporary rental and mortgage assistance to those at imminent risk of homelessness and security deposit and temporary rental assistance to the homeless who can be returned more quickly to the regular housing market.

Virginia’s plan to prevent homelessness identifies several strategies. Although the HIP program is effective in preventing otherwise stable families from becoming homeless or in rapidly returning them to permanent housing, other strategies are needed to prevent chronic homelessness. One such approach is “discharge planning.” A significant portion of the homeless is comprised of people who were recently discharged from correctional facilities, the foster-care system, or mental and health institutions and who need assistance so they don’t end up on the streets. Better discharge planning could be an important step in preventing homelessness, especially chronic homelessness.

Facing the problem head on

Homelessness can be seen as an individual failure, a market failure, and a public policy failure. Homelessness is rarely due to a single, accidental event but rather a gradual accumulation of factors that in some cases becomes a repetitive cycle.

The goal to end homelessness is indeed ambitious, but it is possible. The Bush administration and Congress have to allocate funding commensurate with the goal. The state of Virginia, in concert with local governments and the existing network of service providers, has to do most of the detailed work implementing the comprehensive approach outlined in its strategic plan.

On the local level, governments and their citizens need to communicate about just what is being done to assure sufficient affordable housing in the community. In many cases, local officials erroneously assume that affordable housing isn’t a priority of their residents. If the locality doesn’t have a plan to address the issue, it’s time to create one. If there isn’t any evidence that an existing plan is actually producing affordable housing, it’s time to re-evaluate it. Resources for taking steps to provide affordable housing can be found at HUD, the Virginia Department of Housing and Community Development, the Virginia Housing Development Authority, and the Virginia Tech Center of Housing Research.

The next part is harder. More Virginians need to learn more about affordable housing in general and about proposed developments in their communities in order to act out of knowledge rather than fear. Fear results in the all-too-common NIMBY response, “not in my backyard.” This attitude has spawned a variety of practices that either severely restrict or de facto exclude affordable housing from communities. An informed response will recognize the importance of providing a diversity of housing for the range of jobs and incomes in the region. It will also reflect research that has demonstrated that affordable housing generally has a neutral or positive impact on the surrounding neighborhood. And it will support sound proposals by experienced developers to build affordable housing. [For more on affordable housing issues in Virginia, turn to “The wheel of fortune” on page 10.]

As long as the face of the homeless includes the person we hired yesterday, we cannot hope to help all those in need with limited public resources. The same market that creates the jobs has to be the market that produces sufficient affordable housing for the people who fill the jobs. Until then, we can only continue to put band-aids on the problem and turn away from the faces that look all too much like our own.

Endnotes:

¹ Rossi, P. H. (1990). "The Old Homeless and the New Homelessness in Historical Perspective." *American Psychologist*, Vol. 45(8), pp. 954-959.

² Hopper, K. (2003). "Reckoning with Homelessness." (Cornell, N.Y.: Cornell University Press), p. 76.

³ Koebel, C.; Murphy, P.; and Brown, A. (2001). The 2001 Virginia Rural Homeless Survey. Center for Housing Research, Virginia Tech. Available online at http://www.arch.vt.edu/caus/research/vchr/pdfreports/VaRuralHomeless_sum.pdf.

⁴ The Policy Academy is a consortium of public/non-governmental agencies interested in advising and developing policies that address the problem of homelessness.

⁵ Culhane, D. P.; Metraux, S.; and Hadley, T. (2001). The Impact of Supportive Housing for Homeless People with Severe Mental Illness on the Utilization of Public Health, Corrections, and Emergency Shelter Systems: The New York Initiative. Fannie Mae Foundation.

⁶ For the details of the ECHO program, go to <http://www.hud.gov/offices/cpd/affordablehousing/lawsandregs/regs/home/subf/92258.cfm>.

⁷ Koebel, C. T.; Beamish, J.; Steeves, J.; and Danielson, K. Evaluation of the HUD Elder Cottage Housing Opportunity Program. <http://www.huduser.org>. Forth-coming.