



# Chronic Homelessness *Policy Solutions*

## SUMMARY

About 120,000 people experience chronic homelessness, living on the streets and cycling between shelters, jails, hospitals, and treatment programs. 1

Communities have dramatically reduced chronic homelessness by providing permanent supportive housing, preventing chronic homelessness, and targeting resources. 2

These interventions have been shown to not only work to end chronic homelessness, but they save communities money and improve health outcomes in the process. 3

Congress and the Administration can take key actions to help finish the job of ending chronic homelessness. 4

The National Alliance to End Homelessness is a leading voice on the issue of homelessness. The Alliance analyzes policy and develops pragmatic, cost-effective policy solutions. We work collaboratively with the public, private, and nonprofit sectors to build state and local capacity, leading to stronger programs and policies that help homeless individuals and families make positive changes in their lives. We provide data and research to policymakers and elected officials in order to inform policy debates and educate the public and opinion leaders nationwide.

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Nearly 10 years ago, the federal government made a commitment to end chronic homelessness. Since then, a great deal of progress has been made on that goal, much of it due to incentives and directives from the federal government, and much of it due to the benefits of reducing chronic homelessness. This brief will examine:

- Who experiences chronic homelessness;
- The progress made in reducing chronic homelessness;
- Federal policies and local practices that contributed to that progress; and
- What policymakers can do to finish the job of ending chronic homelessness in the United States.

## Background

Each year, an estimated 1.6 million people access homeless shelter services,<sup>1</sup> though many more people experience homelessness and sleep on the streets, obtain assistance through a domestic violence shelter, or are otherwise not counted. Though most spend only a short period of time homeless, a small group of people experiences chronic homelessness. This small group may spend months or even years homeless or cycling in and out of homelessness and other institutional care. Chronic homelessness is extremely costly to publicly funded systems of care, costing tens of thousands of dollars annually for each chronically homeless individual.

Research and experience over the past 20 years has shown that there is a cost-effective solution to chronic homelessness known as permanent supportive housing. Communities across the country that have instituted that approach have reported a decline in the number of people living on the streets and in shelters. Chronic homelessness is a problem with a known solution, and federal leadership on implementing that solution has resulted in tangible reductions of this tragedy and can continue to do so.

## Who Experiences Chronic Homelessness?

Chronically homeless people have disabilities such as serious mental illness, chronic substance use disorders, or chronic medical issues and are homeless repeatedly or for long periods of time.<sup>2</sup> They often cycle in and out of homeless shelters, jails, hospitals, and treatment programs. Because of the high service needs of this group, they use a disproportionate share of shelter beds and other public resources. A landmark study of single adult shelters found that chronically homeless individuals account for approximately 10 percent of shelter users, but consume about 50 percent of shelter resources.<sup>3</sup> This research led to federal initiatives focused on chronically homeless individuals unaccompanied by children. However, recently enacted legislation revised the federal definition of chronic homelessness to include families with children.<sup>4</sup>

People experiencing chronic homelessness have the following characteristics:

- Typically male (79-86 percent), and middle aged (60 percent are between 35 and 54)<sup>5</sup>
- Usually live on the streets or in places not meant for human habitation (63 percent unsheltered)<sup>6</sup>
- Near universal presence of disabilities (frequently multiple disabilities at once)<sup>7</sup>
- Frequent use of emergency rooms, hospitals, mental health services, veterans' services, substance abuse detoxification and treatment, and criminal justice resources<sup>8</sup>

## How Many People Experience Chronic Homelessness?

The most recent available data shows that there are approximately 124,000 chronically homeless individuals in the United States, accounting for about 20 percent of the overall homeless population.<sup>9</sup> There is not enough

data to estimate precisely how many families are chronically homeless, however, evidence suggests approximately 10,000 to 15,000.<sup>10</sup> Despite the severity of the problem, communities across the country have been making progress at reducing homelessness. Between 2005 and 2008, chronic homelessness fell nationally by 28 percent.<sup>11</sup> Some communities have witnessed even steeper declines:

- **Quincy, MA** witnessed a 50 percent reduction in chronic homelessness between 2005 and 2009.<sup>12</sup>
- Chronic homelessness in **Norfolk, VA** fell by almost 40 percent between 2006 and 2008.<sup>13</sup>
- There was a 36 percent decline in chronic homelessness in **Denver, CO** between 2005 and 2007.<sup>14</sup>
- **Portland, OR** found that the number of chronically homeless people sleeping outside fell 70 percent between 2005 and 2007.<sup>15</sup>
- Chronic homelessness in **Portland, ME** declined by 49 percent between 2004 and 2007.<sup>16</sup>
- **Wichita, KS** reduced chronic homelessness 61 percent between 2005 and 2009.<sup>17</sup>

## How Have Communities Decreased Chronic Homelessness?

Reductions in chronic homelessness are largely the result of coordinated and focused efforts by communities to provide permanent supportive housing for chronically homeless individuals. Beginning in 2002, communities began developing and implementing Ten Year Plans to End Homelessness, which generally included strategies for addressing chronic homelessness (see sidebar). To date, more than 270 communities have completed Ten Year Plans. Much of this activity is a response to federal incentives to focus attention and resources on chronic homelessness. Communities are also making progress preventing chronic homelessness by intervening when homeless people are in hospitals, correctional facilities, or in other institutional care facilities.

**Permanent Supportive Housing.** The most successful intervention for ending chronic homelessness is permanent supportive housing, which couples permanent housing with supportive services that target the specific needs of an individual or family.

Housing is most often provided in the form of a rental subsidy, such as a Section 8 Housing Choice Voucher or a subsidy through the McKinney-Vento Homeless Assistance program. Permanent supportive housing units can be located in a single building (“single site”) or be scattered across a number of locations (“scattered-site”). The most effective approach to permanent supportive housing is Housing First, meaning that tenants are placed into housing before attempting to resolve their services needs, rather than after.

Because of their high level of mental health, substance abuse, and physical needs, chronically homeless individuals and families generally need ongoing supportive services. Services provided through permanent supportive housing can include health care, substance abuse treatment, mental health treatment, employment counseling, connections with mainstream benefits like Medicaid, and countless others.

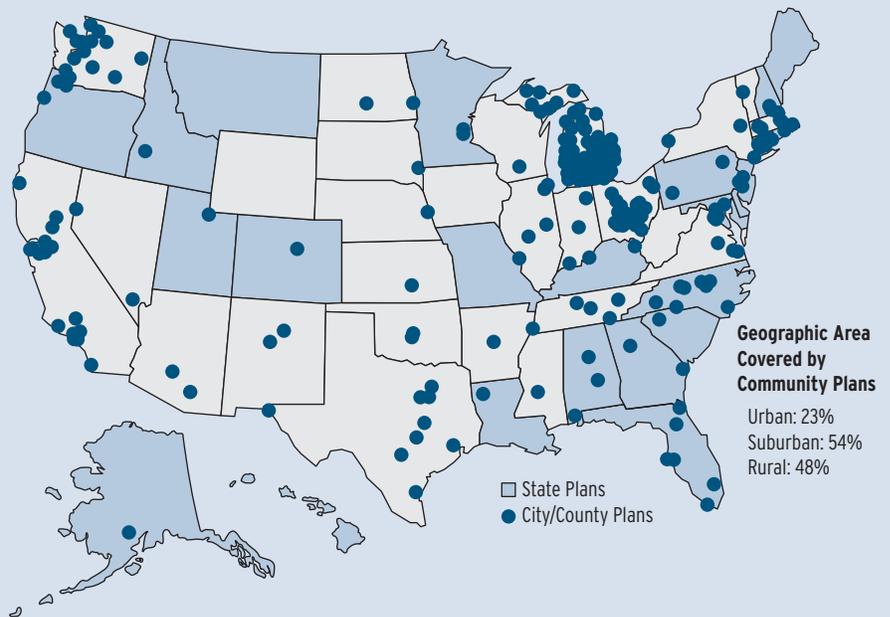
Research has shown that coupling these services with permanent housing is highly effective at maintaining housing stability, but also helps improve health outcomes and

decreases the use of publicly-funded institutions (see sidebars). Below is a sample of research findings on the effects of permanent supportive housing:

- A study of homeless people in New York City with serious mental illness found that providing permanent supportive housing to the individuals directly resulted in a 60 percent decrease in emergency shelter use for clients, as well as decreases in the use of public medical and mental health services and city jails and state prisons.<sup>18</sup>
- A 2009 Seattle study found that moving chronic inebriates into permanent supportive housing resulted in an approximately 33 percent decline in alcohol use for clients.<sup>19</sup>
- Research on the overall costs to the taxpayer of permanent supportive housing has consistently found the costs to the taxpayers to be about the same or lower than having a chronically homeless individual sleep in an emergency shelter (see sidebar).

## Ten Year Plans

More than 270 communities are implementing Ten Year Plans to End Homelessness, and most focus on ending chronic homelessness.



Source: National Alliance to End Homelessness, "A Shifting Focus: What's New in Community Plans to End Homelessness," 2009, <http://www.endhomelessness.org/content/article/detail/2502>.

**Prevention.** Another way that communities have reduced chronic homelessness is through prevention. Because so many chronically homeless people cycle in and out of jails, prisons, hospitals, psychiatric facilities, and treatment programs, some of the individuals most vulnerable to becoming chronically homeless can be identified in advance. For example, in Quincy, MA, of all clients going to homeless service providers, 49 percent had previous involvement with the Department of Mental Health and 22 percent had been involved with social services previously. Using this information, Quincy changed the discharge policies in its systems of care, which contributed to a 50 percent reduction in chronic homelessness between 2005 and 2009.<sup>20</sup> These systems should also address the housing needs of their clients more generally, ensuring that, for example, people receiving outpatient mental health services are screened for housing stability and provided with housing assistance if appropriate.

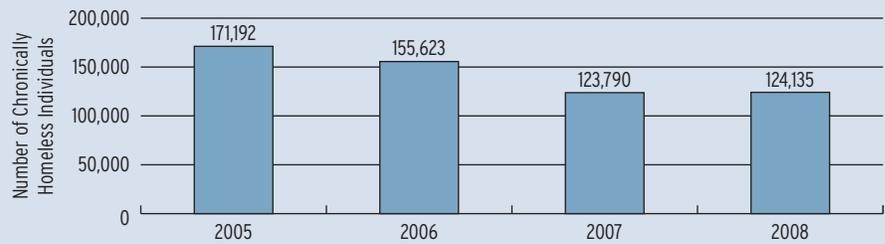
**Targeting.** Permanent supportive housing and prevention have proven most effective in the places where they have been targeted to people with the most extensive service needs. For example, Seattle, WA's 1811 Eastlake Apartments provide housing to homeless people with the most extensive health problems. As a result, the program saves nearly \$30,000 per tenant per year in publicly funded services, all while achieving better housing and health outcomes.<sup>21</sup>

Among families with children, the most promising targeting strategies focus on families who are repeatedly homeless. About 75 percent of families that enter shelter are able to quickly exit with little or no assistance and never return. Another about 20 percent of families have longer stays in shelter but are able to access and remain in permanent housing.<sup>22</sup> The remaining families are repeatedly homeless and should be prioritized for permanent supportive housing.

### What Can Congress and the Administration Do to Help?

Despite the successes of the past several years and how much we know about what does work—permanent supportive housing, prevention, and targeting—challenges to ending chronic homelessness remain. Most importantly, more permanent supportive housing is needed. Improving targeting and prevention in federal programs is also necessary.

### Changes in Chronic Homelessness over Time



Source: U.S. Department of Housing and Urban Development, "The Annual Homeless Assessment Report to Congress," 2005-2008.

In the early 2000s, the bipartisan Millennial Housing Commission and the President's New Freedom Commission on Mental Health estimated that approximately 150,000 new units of permanent supportive housing were needed to end chronic homelessness. Since then, approximately 60,000 units have been created through HUD's McKinney-Vento Homeless Assistance Grants, leaving another 90,000 still to be created. Several federal policies are needed to help create these units.

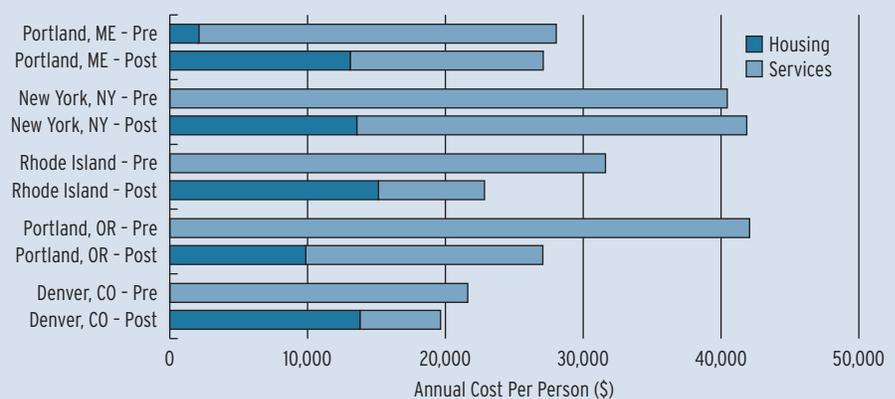
- **Increase funding for HUD's homeless assistance programs:** The most successful resource for creating permanent supportive housing has been HUD's McKinney-Vento Homeless

Assistance programs, creating 5,000–10,000 units per year.

- **Coordinate housing and services:** One of the biggest challenges to creating more permanent supportive housing is the lack of coordination between federal housing and services programs. Typically providers must cobble together funding from dozens of federal and local sources, none of which are designed to work in an integrated fashion. The federal government should streamline and coordinate existing programs to facilitate the development of permanent supportive housing.
- **Lower barriers to subsidized housing programs:** Currently, barriers such as unit inspection and documentation

### Cost Before and After Permanent Supportive Housing Placement

The chart below, which is based on results from several studies, illustrates that the cost of permanent supportive housing is offset in most instances by reductions in services costs, including shelter, ambulance, police/jail, health care, emergency room, behavior health, and other costs.



Source: National Alliance to End Homelessness. "Cost Savings with Permanent Supportive Housing," 2010, <http://www.endhomelessness.org/content/article/detail/2666>.

## Impact on Health Outcomes

Studies show that in addition to reducing chronic homelessness, permanent supportive housing improves health outcomes. The following is an excerpt from a recent study of the impact of permanent supportive housing on homeless, HIV-positive individuals:

"In this randomized trial, we found that housing homeless HIV-positive individuals and providing them with intensive case management can increase the proportion surviving with intact immunity and decrease overall viral loads. The 63% relative increase and 21% absolute increase in survival with intact immunity is clinically meaningful. For every 5 patients offered this intervention and for every 3.25 patients provided housing in a program agency, 1 additional patient will be alive with intact immunity."

Buchanan D, Kee R, Sadowski LS, Garcia D, "The Health Impact of Supportive Housing for HIV-Positive Homeless Patients: A Randomized Controlled Trial," *American Journal of Public Health*, 99 (2009): 675-680.

requirements, as well as locally-imposed restrictions, make it difficult for people experiencing chronic homelessness to enter HUD subsidized housing. Congress and HUD should reduce these barriers for homeless people.

- **Improve Medicaid:** Most people experiencing chronic homelessness eventually qualify for Medicaid, but the process for determining eligibility can take several months or even years, and the services that can be reimbursed by Medicaid are limited. States should be

given authority to create cost effective services coordinated with permanent supportive housing for people experiencing chronic homelessness.

- **Create simple renewable SAMHSA funding for services in permanent supportive housing:** People experiencing chronic homelessness typically have co-occurring mental health and substance use disorders. The Substance Abuse and Mental Health Services Administration (SAMHSA) has several small programs that address these

needs, however they are temporary and small. SAMHSA should be a major source of renewable funding for services in supportive housing.

- **Improve services for veterans:** A large share of people who experience chronic homelessness are veterans. Congress should continue to provide funding for HUD-VASH, a successful housing and services partnership between HUD and VA. It should also give VA more responsibility for addressing the housing needs of veterans.

An estimated 120,000 people currently experience chronic homelessness, living in shelters, on the streets, and in other places not meant for human habitation. Luckily, years of research and practice have shown us what works to prevent and end homelessness for this group of people. Across the country, communities have begun to not only reduce chronic homelessness by using these interventions, but also to save money in the process. With increased resources from Congress for supportive housing, we truly can end the tragedy of chronic homelessness in the United States once and for all.

## Sources

<sup>1</sup> U.S. Department of Housing and Urban Development, "The 2008 Annual Homeless Assessment Report to Congress," 2009, iii, <http://www.hudhre.info/document/s/4thHomelessAssessmentReport.pdf>.

<sup>2</sup> Helping Families Save Their Homes Act, Public Law 111-22, 111th Cong., 1st Sess. (May 20, 2009)

<sup>3</sup> Randall Kuhn and Dennis P. Culhane, "Applying Cluster Analysis to Test a Typology of Homelessness by Pattern of Shelter Utilization: Results from the Analysis of Administrative Data," *American Journal of Community Psychology* 26 (1998): 207-32.

<sup>4</sup> Helping Families Save Their Homes Act.

<sup>5</sup> Martha R. Burt, "U.S. Approaches to Ending Long-Term Homelessness for People With Disabilities" (paper presented at Constructing Understandings of Homeless Populations conference, Brussels, Belgium, November 3-4, 2005).

<sup>6</sup> U.S. Department of Housing and Urban Development, "HUD's 2008 Continuum of Care Homeless Assistance Programs: Homeless Populations and Subpopulations," 2009, [http://hudhre.info/CoC\\_Reports/08\\_pops\\_sub\\_FULL.pdf](http://hudhre.info/CoC_Reports/08_pops_sub_FULL.pdf).

<sup>7</sup> U.S. Department of Health and Human Services. *Ending Chronic Homelessness: Strategies for Action*. Washington: Government Printing Office, 2003.

<sup>8</sup> National Alliance to End Homelessness, "Supportive Housing is Cost Effective," 2007, <http://www.endhomelessness.org/content/article/detail/1200>.

<sup>9</sup> U.S. Department of Housing and Urban Development, "The 2008 Annual Homeless Assessment Report to Congress," 2009.

<sup>10</sup> Dennis P. Culhane et al., "Testing a Typology of Family Homelessness Based on Patterns of Public Shelter Utilization in Four U.S. Jurisdictions: Implications for Policy and Program Planning," *Housing Policy Debate* 18 (2007): 1-28.

<sup>11</sup> U.S. Department of Housing and Urban Development, "The Annual Homeless Assessment Report to Congress," 2005-2008.

<sup>12</sup> National Alliance to End Homelessness, "Community Snapshot: Quincy, MA," 2009, <http://www.endhomelessness.org/content/article/detail/2522/>.

<sup>13</sup> National Alliance to End Homelessness, "Community Snapshot: Norfolk," 2008, <http://www.endhomelessness.org/content/article/detail/2043/>.

<sup>14</sup> National Alliance to End Homelessness, "Community Snapshot: Denver," 2007, <http://www.endhomelessness.org/content/article/detail/1769/>.

<sup>15</sup> National Alliance to End Homelessness, "Community Snapshot: Portland, OR," 2007, <http://www.endhomelessness.org/content/article/detail/1665/>.

<sup>16</sup> "Portland, Maine Announces Third Annual Decrease in Chronic Homelessness and Releases New Cost Data," 2007, [http://www.ich.gov/slocal/coststudies/Portland-Maine\\_092707.pdf](http://www.ich.gov/slocal/coststudies/Portland-Maine_092707.pdf).

<sup>17</sup> National Alliance to End Homelessness, "Community Snapshot: Wichita, KS," 2009, <http://www.endhomelessness.org/content/article/detail/2601/>.

<sup>18</sup> Dennis Culhane, Stephen Metraux, and Trevor Hadley, "The New York / New York Agreement Cost Study: The Impact of Supportive Housing on Homeless Mentally Ill Individuals," *Center for Mental Health Policy and Services Research, University of Pennsylvania*, 2001, <http://www.csh.org/html/NYNYSummary.pdf>.

<sup>19</sup> Mary E. Larimer, et al., "Health Care and Public Service Use and Costs Before and After Provision of Housing for Chronically Homeless Persons With Severe Alcohol Problems," *The Journal of the American Medical Association* 301 (2009):1349-57.

<sup>20</sup> <http://www.endhomelessness.org/content/article/detail/2522/>.

<sup>21</sup> Larimer, 1349-57.

<sup>22</sup> Culhane, 1-28.