

Homelessness Prevention

An Inexpensive Solution to a Costly Social Problem

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The nonprofit Journey Home Inc. recently concluded a three-year Homelessness Prevention and Rapid Re-Housing Program (HPRP) pilot as part of its role in implementing Greater Hartford's plan to end homelessness. The prevention measures were for low-income individuals and families at risk of losing their housing, and rapid rehousing assistance was provided to those already experiencing homelessness. Serving more than 2,000 people, the program provided case management, credit counseling, legal services, and temporary financial assistance such as security deposits and rental assistance. Evaluation of the long-term results is forthcoming, but already Journey Home has gained a greater understanding of housing-affordability issues and the value of temporary financial assistance.

Lack of Affordable Housing

Ending homelessness depends on housing being affordable. It is most people's single largest expenditure. Households are generally considered "cost burdened" if they spend more than 30 percent of income on housing, often the case for renters. In fact, one in four renter households spends 50 percent or more of its monthly income on housing.² This means that even a small change in prices can have a large impact. According to 2012 data from the National Low Income Housing Coalition, the fair market rent for a two-bedroom apartment in Connecticut is \$1,226. But in order to spend no more than 30 percent of household income on a unit at that price, one would have to earn \$23.58 per hour, 40 hours per week. Two working adults would each have to earn almost \$12 per hour. Connecticut's current minimum wage is \$8.25 per hour.

Photo Heidi Furse

Although thousands of insurance professionals work daily in downtown Hartford, the vast majority head back to the suburbs in the evening. In the sea of suits milling around downtown, it is easy to forget that on any single night more than 700 people in the capital region are homeless.

As the country's income disparity continues to widen, Hartford provides a poignant example of inequality: well-off workers in insurance and finance dominate downtown, minutes away from impoverished minority neighborhoods. Connecticut's homelessness is especially troubling considering that the state is one of the nation's wealthiest. That is actually part of the problem because it makes housing expensive. For rental housing, Connecticut is the sixth-most-expensive state and the third-most-expensive in non-metropolitan areas.¹

Historically, the response to homelessness has been to shelter people after they have become homeless. New prevention programs acknowledge the housing-affordability problem and aim to keep people in their homes with temporary financial assistance and case management.

As employment continues to stagnate, many residents have even more difficulty paying for housing. To make matters worse, the foreclosure crisis increased the number of households competing for affordable rentals. Temporary financial assistance, combined with case management and financial literacy assistance, provides one solution for individuals facing a crisis.

Once families become homeless, they are more likely to become homeless again, and the longer homelessness continues, the less likely people are to escape.³ Preventing homelessness disrupts that cycle and decreases side effects such as victimization and earlier mortality.⁴ It reduces medical costs such as emergency hospital admissions and delayed hospital discharge, and cuts demands on the police and criminal justice system.⁵ At the same time, it protects housing providers from financial losses associated with eviction and unpaid rent. Homelessness places unnecessary financial burdens on communities and calls into question the values of a society that allows such poverty to persist.

In the Hartford area, anyone facing a housing crisis can call

2-1-1 for a centralized community referral line.⁶ Using this point of contact to reach those at risk of homelessness, the HPRP pilot sought to provide fast financial support to households at risk and to rehouse persons actually becoming homeless. Journey Home received funding through the American Recovery and Reinvestment Act to implement the program for 35 towns surrounding Hartford. In collaboration with the Chrysalis Center Inc., Connecticut AIDS Resource Coalition, Salvation Army Marshall House, Co-Opportunity Inc., and Greater Hartford Legal Aid, it served more than 800 households in the region.

Households receiving prevention assistance were either unstably housed or at imminent risk of losing housing. Rapid rehousing participants generally came from emergency shelters or transitional housing. Both sets of participants received temporary financial assistance and case management. The program was able to house all eligible participants in their own apartments.

A preliminary evaluation of the program indicates that participants in the prevention group were generally younger, female, African American, single, and living with at least one child. As for cost, program participants did not require exorbitant financial assistance and services in order to stabilize their housing, and most did not require the full amount of funding for which they were eligible. The average amount of financial assistance needed to stabilize the household in their own apartment—typically rental assistance or security deposit funding—was \$2,200. Additionally, local partnerships with Co-Opportunity and Greater Hartford Legal Aid enabled participants to access budgeting, credit repair, and legal assistance for which they otherwise might not have qualified.⁷

Targeting the Resources

With the federal stimulus funding exhausted, prevention programs across the country confront difficult choices about how to target scarce resources. Homelessness prevention requires identifying households most at risk, but that is no easy task.

According to Journey Home Executive Director Matt Morgan, evictions alone may not be predictive of homelessness. Eviction may be the first step, but lack of a support network is often the deciding factor in someone resorting to a shelter. Only when no family or friends are available or willing to provide a place to stay do most people turn to shelters.

Preliminary findings indicate that people targeted for prevention might not have ended up in a homeless shelter right away. Data from the Hartford region demonstrates that the majority of those entering shelters do not come directly from their own place. Rather, over half had been with friends or family the night before entering a shelter. There also was a large number coming from institutions such as prisons and hospitals. Only 10 percent of those entering shelter in Hartford came from their own place. Therefore, it seems less likely that HPRP participants living in their own rental units would have directly entered an emergency shelter without the assistance.

Despite both practical and philosophical difficulties of targeting those most at risk of homelessness, the capital region program

unquestionably helped many households who were in dire need. Although they may never have entered a shelter, thousands of local families were at risk of losing their current housing.

As groups plan for future HPRP programs with new funding, they face a troublesome question: Should clients be screened more rigorously in order to target those who are more likely to *actually* end up on the streets or in shelter? Organizations may need to turn to their stated mission to determine their target audience, their capacity to serve that population with the resources they have, and whether they could turn away someone with serious needs who might not meet more rigorous screening criteria. The questions themselves shed light on the overwhelming scope of the housing-affordability problem.

Morgan acknowledges that the pilot program showed him that the demand for short-term housing assistance and the number of people living at risk is much higher than he thought. A small injection of cash assistance made a huge difference for hundreds of families. Participants who contributed to a follow-up focus group were enthusiastic about the program and described their housing outcomes with emotional statements such as, “I have control of my space, no chaos, my routine—that helps my PTSD,” and “I had to learn to live again. I was lying in my bed in my clothes, with my coat on, and I forgot: this is my apartment and I can turn on the heat!”

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Endnotes

- 1 Elina Bravve, Megan Bolton, Linda Couch, and Sheila Crowley, *Out of Reach 2012: America's Forgotten Housing Crisis* (Washington, DC: National Low Income Housing Coalition, 2012), <http://nlihc.org/sites/default/files/oot/2012-OOR.pdf>.
- 2 John M. Quigley and Steven Raphael, “Is Housing Unaffordable? Why Isn't It More Affordable?” *Journal of Economic Perspectives* 18, no. 1 (winter 2004).
- 3 Renya Reed Wasson and Ronald Paul Hill, “The Process of Becoming Homeless: An Investigation of Female-Headed Families Living in Poverty,” *Journal of Consumer Affairs* 32, no. 2 (1998).
- 4 T.P. O'Toole, A. Conde-Martel, J.L. Gibbon, et al., “Where Do People Go When They First Become Homeless? A Survey of Homeless Adults in the USA,” *Health & Social Care in the Community* 15, no. 5 (2007).
- 5 Maureen Crane, Anthony M. Warnes, and Ruby Fu, “Developing Homelessness Prevention Practice: Combining Research Evidence and Professional Knowledge,” *Health & Social Care in the Community* 14, no. 2 (2006).
- 6 J. Porth and Maria Dynia, “Dialing 211 in Connecticut,” *Communities & Banking* 21, no. 3 (summer 2010), http://www.bos.frb.org/commdev/c&b/2010/summer/Porth_Dynia_211_United%20Way.pdf.
- 7 Abt Associates, “Capitol Region Homelessness Prevention and Rapid Re-housing Program” (report, Cambridge, Massachusetts, June 27, 2012).