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Homelessness Prevention: Creating Programs that Work - A Companion Guide



Prepared for:

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This guide was prepared by Abt Associates Inc. for the National Alliance to End Homelessness and is intended to provide information to communities and providers on the nature and cost of homelessness and on how to assess local needs. The team that produced this guide includes a variety of experts on prevention and homeless programs. Marge Wherley served as primary author of this guide, under contract with Abt Associates. Additional content and editorial support was provided by Tom Albanese, Gretchen Locke, Brooke Spellman, and Emily Holt (Abt Associates Inc.) and Dr. Dennis Culhane (University of Pennsylvania).

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CHAPTER ONE

NATURE AND COSTS OF HOMELESSNESS

1.1 How Most People Become Homeless

A parent whose minimum wage job provides no benefits takes a day off to care for a sick child and finds her paycheck is not enough to pay the rent. A single mom on public assistance realizes she had to choose between keeping their apartment and buying her children new school clothes—and made the wrong choice. A middle-aged man loses his job and separates from his wife. He moves into a relative's apartment, but after a month, the landlord demands that the “unauthorized tenant” move out immediately or everyone will be evicted. A young woman is pregnant or a young man is gay—telling the parents causes so much conflict that the teen runs or is kicked out of the family home—with no income and no idea what to do next. A man released from prison applies for rental housing but due to his criminal history, he is screened out by every landlord in the community.

These are the reasons most people become homeless: poverty; a financial set-back or household dispute; or, release from an institution with no resources to re-integrate. The specific individual causes of the crisis vary, but the result is the same: without money for the rent or help to mend the relationship or assimilate or stabilize, housing is lost.

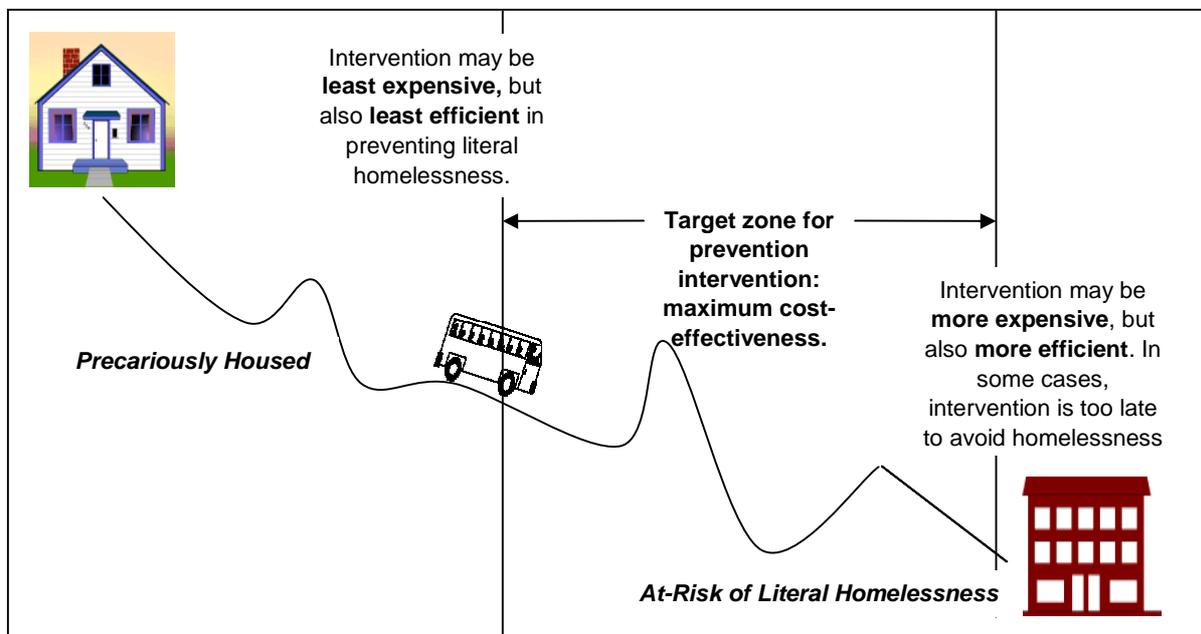
This is not the picture many people have of homelessness. The stereotype of the mentally ill or chemically dependent man living under a bridge is now the exception more than the reality. First, about one-third of the people who become homeless in a year are parents and children. Second, homelessness is rarely caused by a disability. Most people with disabilities never become homeless and most people who are homeless do not have a disability. Certainly, some people with disabilities become homeless, and the more chronic their homelessness, the more likely people are to have a mental illness or chemical dependency that affects their ability to obtain or sustain housing. But even then, the *immediate* cause of housing loss is generally extreme poverty combined with an episode of bad luck or bad judgment that makes it impossible to pay the rent; or, poverty combined with disruption in a domestic relationship that was essential for support and housing. When you are extremely poor, there is little margin for error.

1.2 Routes to Homelessness

The call to shelter is rarely the first call for help. When a crisis occurs, most people turn to friends and relatives, churches or agencies they already know for help. But if that safety net is over-extended or unavailable and housing is lost, doubling up is usually the next step. The tensions and overcrowding of doubled-up situations can be tolerated for awhile, but often that safety net also gives way. Sooner or later, every personal resource is used up, every bridge burned. In fact, it is often possible to predict which households in crisis will become homeless by estimating the strength of their finances and support network and then estimating how soon those resources will be exhausted.

How can homelessness be prevented? Imagine the sequence of events from crisis to shelter as stops along a bus route to homelessness. People climb on the bus at different places: Housing Court (after an eviction is filed); the unemployment office (as the last check is issued); being served with divorce papers; the day their parents or last friend asks them to leave. People begin traveling that route at many points—but they can also exit at any point where they find a solution to their crisis.

Evidence strongly suggests the majority of people who start down this road will probably find a way to exit before becoming literally homeless—but not all can. By the time the bus is close to the shelter door, it is much less likely people will find a way to get off before reaching the end of the line. But along the way, there are many potential points of intervention, places where a person can be prevented from getting on that bus or helped to get off. Even at the shelter door, some may be able to be diverted to a prevention program while they remain in housing (e.g. with family or friends).



Preserving existing housing at an early stage is often less expensive, usually requiring only one-time financial assistance or negotiations with the landlord or host family. Early intervention is also effective in resolving the crisis quickly for most persons assisted. But since most people experiencing a housing crisis will not ultimately become literally homeless, even without assistance, it is not very efficient to use scarce homelessness prevention funds in situations where they are least likely to result in preventing literal homelessness. Programs that target more broadly may still seek to identify persons at greater risk due to lack of housing options and resources and provide such persons with more intensive assistance.

Late intervention (i.e., when most if not all housing options and resources are exhausted) may be more expensive but it is a more efficient way to target persons who would otherwise be literally homeless: at that point, the large majority of those who receive assistance would have

become homeless without help. Programs that target persons most at-risk of literal homelessness often focus on persons who present for shelter, seek to identify whether other safe housing is available (even temporarily), and 'divert' those who do have housing options to prevention assistance. Prevention programs that first focus on the shelter front-door must be able to respond quickly, with an appropriate level of assistance to forestall immediate loss of housing and stabilize housing. Even if in many cases late intervention is too late to succeed, determining whether a person presenting for shelter can be diverted to other safe housing and providing access to prevention assistance should always be the first option explored.

1.3 The Costs of Homelessness

The financial costs of homelessness are obvious. Shelter and re-housing expenditures from a single episode of homelessness can add up to thousands of dollars – ranging from about \$7,000 in Columbus, OH to \$24,000 in New York City.^{i, ii} It is also well documented that some populations are much more likely to use highly expensive resources such as hospital emergency rooms, detoxification centers and jails when homeless. There are also personal costs that may be more difficult to quantify but are equally real.

People who have vulnerabilities, whether genetic, medical or emotional, frequently have more severe reactions to homelessness. Problems that were manageable in stable housing become far more pressing during homelessness. A person in recovery from substance abuse may relapse. Someone who takes medications, whether for a mental illness or a heart condition, may be unable to refill a prescription or cannot remember whether he took his morning medications--with potentially devastating consequences. The stress of a mixed-gender shelter may trigger flashbacks of domestic violence, leading to panic attacks. Stress associated with the loss of stable housing can even affect the T-cell count of a person with HIV/AIDS. A shelter staff assessing a homeless person with such vulnerabilities may easily assume that the person's state of mind or health was the cause of their homelessness when, if it is related at all, it is often the result.

People who have experienced significant life challenges work hard to succeed and all their achievements are placed at risk if they lose stable housing. They struggle to obtain a job but cannot keep it while in a shelter. Children with special education plans develop a school routine that works. Once their family loses housing, school attendance drops and academic performance follows, leading to higher drop-out rates.

A single cash payment, a half hour on the telephone negotiating with a landlord, or a problem-solving session with a family might prevent all the public and personal costs of homelessness for a young adult, a family on public assistance, an extremely low-income tenant in a foreclosed apartment building. Preventing homelessness is good fiscal and social policy--and it is good practice.

Examples of Personal Factors that Can Increase or Decrease the Risk of Homelessness

Potential Vulnerabilities

- ❖ Extreme poverty
- ❖ A history of trauma or loss
- ❖ Disability that interferes with performing the tasks of daily living
- ❖ A small or poorly-functioning support network, especially with high levels of conflict

Potentially Protective Factors

- ❖ Support networks—family, friends, other informal networks and sources of support
- ❖ A resilient personality—low anxiety, confidence that one can control one's situation rather than being controlled by it, the ability to see beyond the immediate crisis
- ❖ Good people skills/reciprocity—the ability to ask for help (and give it), to communicate (and to listen)

CHAPTER TWO

GETTING LOCAL: WHAT DOES YOUR COMMUNITY NEED?

2.1 Local Causes of Housing Loss

Even though the causes of homelessness are generally constant over time, gradual and abrupt changes occur in every community. A good example is the widening disparity between rents and public assistance benefits. Public benefits in many communities have been frozen for a quarter century while rents have more than doubled. This means there are fewer and fewer units that households on public assistance can rent and they must spend a much greater percentage of their income on rent—leaving little for unexpected expenses. The housing market is essentially a game of musical chairs; when the music stops, those left standing are homeless.

But suppose a community suddenly experiences a period of high foreclosure rates and responds with aggressive boarding and demolition. The people displaced from those buildings must now enter the game, but because of boarding and demolition there are even fewer chairs in the room. Suddenly, many more people are left standing. Then vacancy rates drop, rents increase, and fewer units are affordable; more chairs are removed from the game. Suppose that a manufacturing plant closes and unemployment rates suddenly increase. More people join the game. And so on.

Sometimes the last player to enter the game is also the one left standing. But more often the same group of people loses, over and over, in greater and greater numbers. In most communities this group is disproportionately people of color; young women who are pregnant or have a pre-school child; and people whose incomes are at the very bottom of the economic ladder.ⁱⁱⁱ They are the people least able to compete when markets tighten and are often the most at-risk of becoming homeless.

It is important to understand the causes of homelessness in the local community to prepare an effective local response and to know where to find people who will be left standing.

2.2 At-Risk Populations

Every person who is extremely low income and extremely rent-burdened (paying more than half of their income for rent and utilities) is at some risk of homelessness. That risk is compounded for those who also have vulnerabilities that affect their ability to retain housing. Extremely low income people who are temporarily living with friends or family are also at risk.

Communities also vary demographically. Different communities have different high-risk populations who may need different kinds of help to avoid homelessness. For example,

some communities have higher numbers of new refugees and immigrants. Their limited English proficiency and “cultural illiteracy” may put them at much greater risk of misunderstanding landlord-tenant expectations. Finding these households in time to prevent housing loss will require bilingual staff or access to interpreters. A deep understanding of the group or groups a program will assist is critical to effective staffing and service delivery.

There are a number of ways to learn about potential program participants. One of the best is the most direct: ask people who actually did become homeless or who almost became homeless. How and why did their crisis begin, where did they go for help, what was helpful and what was not? Interviews, focus groups and surveys can suggest how at-risk people can be found: where they live, where their children go to school, where they turn for help. Non-profit, religious and government agencies with close connections to very low income households can also provide information from their own experience or databases.

2.3 Barriers to Securing Housing

Knowing the at-risk populations in a community is a starting point. The next step is determining how difficult it might be for those populations to find housing if relocation is needed or if homelessness is not averted. A population that would be more difficult to re-house might be viewed as a higher priority for prevention assistance. Understanding the population’s housing barriers and the demands vs. opportunities of the local housing market is the best way to assess this.

“Barriers” to obtaining housing can be understood in terms of the tenant screening criteria imposed by local landlords. If most landlords in a community screen out applicants with a criminal record, criminal history becomes a significant barrier to securing housing in that community.

The most frequent reasons landlords deny a rental application are:

- Criminal history: especially felonies that involve crimes against persons or property and drug offenses.
- Poor rental history: evictions, late or missed rent payments, poor landlord references, no previous rental history, damage to a prior housing unit.
- Poor credit history: high debts, judgments for unpaid debt (especially to a prior landlord), closed credit or bank accounts, late or missed payments.
- Low incomes: some landlords require a tenant’s monthly income to be two or three times the monthly rent payment (which may also be an indirect way to discriminate against public assistance recipients).
- Poor employment record: extended or frequent periods of unemployment, work for a business that is prone to frequent layoffs, termination from employment.

Public databases make tenant screening simple and easy. If landlords obtain a client release of information in the rental application, then they can buy Tenant Screening Reports from an agency that will check the applicant's public and private records, call landlords for rental references, verify income, etc. Some landlords conduct their own screening. Not all landlords screen, and screening criteria are not equally strict from landlord to landlord. But in communities where screening is common, *whatever landlords reject is a potential barrier for the individual who is trying to secure rental housing.*

The most direct source of information on housing barriers for a target population are the tenants themselves. Interviews or surveys of homeless people or households who have been successfully prevented from becoming homeless, if conducted carefully, yield generally accurate and highly useful information about the pervasiveness of evictions, criminal history, income and credit problems. Since housing relocation may be required to prevent homelessness for some clients, prevention providers must know what a landlord is likely to see when they screen program clients. Relocating a tenant with high barriers will require much more intervention than issuing a check for the security deposit and first month's rent. If a program plans to work with people who have high tenant screening barriers, the program must plan for an ongoing relationship with landlords. Otherwise, the program may find their clients being screened out of housing and into homelessness.

2.4 Housing Market and Landlords

Planning and implementing a homelessness prevention program requires detailed information about the local housing market and local landlords. It is impossible to know how difficult it will be to find housing for a low-income individual who has tenant screening barriers without understanding the cost of housing and the criteria landlords use to screen prospective tenants. With this information, a program can make a cost-benefit decision about the funds and effort to invest to prevent housing loss.

Study the market. Rents are closely related to vacancy rates; once a vacancy rate has dropped for two or more quarters, it is a safe bet that rents will increase. Rents and vacancy rates are often tracked by government agencies and landlord associations. Rental ads are also a good gauge of rents, which vary widely by location. A single, city-wide "average rent" is not useful for case or program planning. Some neighborhoods may offer more affordable rents than others; and when possible and appropriate, it is helpful to be able to keep families with children within the same neighborhood to minimize disruption in school attendance. Understanding local rents will allow communities to plan accordingly. Vacancy rates and rents also differ according to unit size. Some communities built large numbers of one-bedroom rental units in the 1970s and 1980s when baby-boomers were moving into their first apartments. Those communities may now have an over-supply of one-bedroom apartments and rents may be fairly low. However, the same communities may have a severe shortage of three- and four-bedroom units. Prices fluctuate dramatically with changes in supply and demand.

Landlord screening requirements also change with the market and with the political pressures of the local community. When apartments stand empty, landlords are less concerned about strict tenant screening criteria. When demand is high, landlords can afford to be more selective. Community “livability” laws sometimes impose very harsh penalties for landlords whose tenants commit criminal acts, particularly drug offenses. A landlord who risks huge fines or even loss of his or her rental license for housing a tenant who deals drugs in the apartment is not likely to be flexible when screening for criminal history. However, landlords are not all alike and some may have a strong desire to help people recover from addiction. Landlords may also be more open to housing tenants with past criminal or poor housing histories if the program offers tenant support or rent guarantees.

To the extent that a program can work directly with individual landlords, program staff members are more likely to identify a range of appropriate alternative housing options for clients at-risk of losing their current housing. The best source of information on local screening processes and criteria is the landlords themselves. Landlord interviews, focus groups, and advisory committees are excellent ways of gaining information. Landlords can not only describe their screening process but can also discuss when and if they might be willing to give a second chance to a household with a poor tenant screening report. Sometimes the same landlords who offered advice become the first landlords willing to work with prevention program clients.

Most prevention programs target landlords who own relatively few properties. The largest landlords can be the most rigid about screening requirements, sometimes to avoid accusations of unequal treatment or discrimination. Smaller landlords often have a much more personal involvement in tenant selection and they can be more motivated by the idea of helping people who are “down on their luck.” Unfortunately, price is still the primary consideration. The most helpful landlord in the community will not be of much help to program participants if they cannot afford the rent.

What Landlords Want

A non-profit housing developer: “It’s simple. All landlords want three things: pay the rent, treat the building with respect, and treat other people with respect. If you can do those three things, you can live in my housing. If not, you’ll have to go somewhere else.”

How do landlords know whether a tenant will do those three things? They look at information about the tenant’s history of paying rent and other bills, conflict with past landlords and other tenants, criminal history, and damage to other landlords’ property.

2.5 Community Resources

All communities have places people go for help in a crisis. Perhaps it is a city or county welfare office, a community church whose pastor has a “mission” to help the poor, or a non-profit with a history of advocating for people in poverty. The middle-school social worker or nurse might recognize family dysfunction that could lead to homelessness for a teen. Hospital emergency room staff might routinely ask questions about domestic violence or stable housing. They may be able to directly offer some specialized help and are likely to know where they can refer people for other forms of assistance.

No program should replace or duplicate the work of mainstream programs and resources. The goal is to integrate both new and existing resources into a network: a safety net that finds as many at-risk people as possible and offers just enough assistance, just in time, to stop the crisis. Knowing what is available—and missing—allows communities and programs to identify the people and problems that are not being addressed. It also allows new programs to find clients and to maximize existing resources for those clients.

Community Needs Assessment Homework

3.1 Local Causes of Housing Loss

- ❖ Talk to staff at safety net programs. Are they seeing any trends in the reasons people are experiencing a housing crisis?
 - Public assistance benefit programs
 - Private charities and non-profits
 - Homeless shelters and domestic violence shelters

3.2 At-Risk Populations

- ❖ Safety net programs, both public and private, often compile demographic data on their clients. What does this suggest about very low-income sub-populations who may have special risks of homelessness? What does each population need that is the same? What needs are different?
 - People who rely on public assistance benefits
 - Populations with limited English proficiency
 - Older teens and young adults experiencing family conflict
 - People leaving institutional care
- ❖ Design a series of focus groups or a survey for people in the target population(s) whose housing crisis was resolved and for those who did not get help and became homeless. Offer childcare, food and/or a stipend for participation.
 - What was the initial crisis? How did it happen?
 - What happened next? If you lost your housing, where did you stay? What happened after that?
 - Where did you try to get help? What help were you able to find? Who was most helpful? What help was not available when you needed it?
 - What worked best to solve the problem? What advice would you give to other people with the same housing problem?

Community Needs Assessment Homework (*Continued*)

3.3 Barriers to Securing Housing

- ❖ Design an anonymous questionnaire listing tenant screening barriers used by landlords. Use the questionnaire to understand the profile of the target population(s).
 - Staff at a non-profit agency or public assistance program might be willing to offer the questionnaire to a sample of their clients.
 - Interpreters or bilingual staff should be available as needed to assure people with limited English proficiency or poor literacy skills are not excluded.

3.4 Housing Market and Landlords

- ❖ Obtain five or more years of quarterly data on rental housing vacancy rates and average rents. Whenever possible use data that is grouped by geographic area and by rental unit size. What is the relationship between housing vacancy rates and average rents? Which areas of the community have the type of housing needed by the target population?
- ❖ Invite a group of landlords to a focus group or short-term advisory committee to talk about their screening processes and rental criteria. Offer beverages and/or snacks.
 - What information do you ask for on a rental application?
 - What information do you verify? How?
 - Do you buy reports from a tenant screening agency?
 - What tenant information causes you to automatically reject an application? Why?
 - What factors might be grounds for rejecting an applicant? Why?
 - Under what circumstances would you accept an applicant whose screening looks questionable?

3.5 Community Resources

- ❖ When you interviewed or surveyed your potential target population, where did they go for assistance? Which people, agencies or organizations were most helpful? What assistance was not available to them?
 - List the resources that were helpful. Contact them to see what housing-related services and financial assistance they provide, under what circumstances, to what people? Are they willing to partner with your organization? If so, in what ways?
 - List the assistance that appears to be wanted or needed by people facing a housing crisis but which is not available. What are the patterns?

Endnotes

- ⁱ Dennis P. Culhane, Stephen Metraux, Jung Min Park, Maryanne Schretzman, and Jesse Valente. 2007. "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 (1), 1: 1-28.
- ⁱⁱ Note that these numbers represent the mean cost across all families in each location, including long-term stayers who may not be the target or beneficiary of prevention programs.
- ⁱⁱⁱ Shinn, Marybeth and Beth Weitzman. "Homeless Families Are Different," in *Homelessness in America*, 1996. National Coalition for the Homeless.