

**HOUSING FIRST:
DOCUMENTING THE NEED
FOR
PERMANENT SUPPORTIVE
HOUSING
*EXECUTIVE SUMMARY***

Prepared for:
The Sisters of Charity Foundation of Cleveland

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THE HOUSING FIRST INITIATIVE

Five years ago, very few people would have believed that it was possible to end homelessness for the most marginalized Americans. Today, the idea that we can end the cycle of homelessness and institutionalization for vulnerable Americans is so mainstream that the Bush administration declared in its 2003 budget proposal that it considers “ending chronic homelessness in the next decade a top objective.” The key to this turnaround in thinking is supportive housing, an approach that is “both smart and compassionate” according to a recent editorial in the *New York Times*. It is a concept that is proving to be cost-effective in cities across the country.

Supportive housing is permanent, affordable rental housing linked to comprehensive support services for persons with long-term, special needs who are chronically homeless or at risk of chronic homelessness. While chronic homelessness is defined differently in different cities, it is generally understood to mean single men and women who have experienced long and/or repeated episodes of homelessness, or the homeless who are at increased risk for chronic homelessness due to complex needs like severe mental illness and chronic substance abuse. The chronically homeless make up only a small portion of the general homeless population, but their complex needs require comprehensive support services and they consume a disproportionate share of public funds directed to the homeless population.

In November 2001, the Sisters of Charity Foundation of Cleveland, in partnership with the Enterprise Foundation and the Cleveland/Cuyahoga County Office of Homeless Services (OHS), convened 17 housing and service providers, foundations, and advocates in the Housing First Initiative. The Initiative was created to address the challenge of housing the chronically homeless, to learn about the permanent supportive housing model, and to develop a strategy for bringing this model to Cuyahoga County. **It seeks broad based community investment to increase the number of permanent supportive housing units for chronically homeless adults with long-term needs.**

The Columbus Office of the Corporation for Supportive Housing, a national nonprofit intermediary, provides technical assistance for the Initiative and The Maxine Goodman Levin College of Urban Affairs at Cleveland State University prepared this case document.

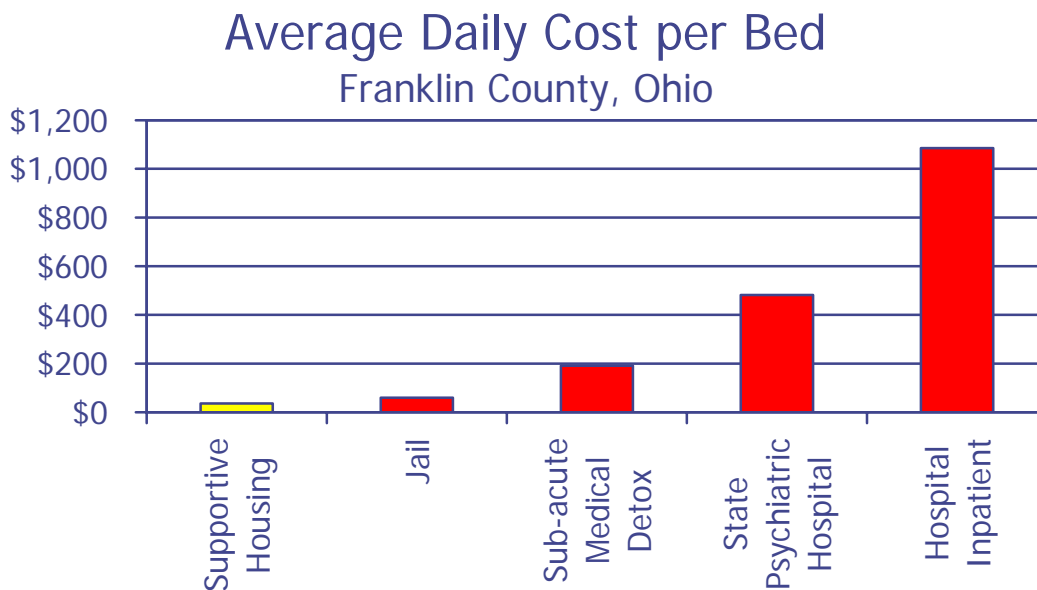
THE MODEL OF PERMANENT SUPPORTIVE HOUSING

Permanent supportive housing provides “housing first.” **In other words, it is affordable housing that is permanent, in which services are available but not mandatory.** The housing first approach provides housing stability first, so that residents are better able to address their other needs. Its goal is to quickly get people into stable housing and then link them with services. This makes it distinct from service enriched housing and even some transitional housing which typically require services or treatment as a condition for shelter.

The model has been tested in cities across the country. Each supportive housing project is unique. The most successful programs share certain key characteristics. They are responsive to local conditions, resident needs, and resources and are models of collaboration in which nonprofit housing developers and/or property managers partner with service providers. More important than their specific structure are the shared values of the partners. Both the housing and service providers must value the notion that the chronically homeless can begin to rebuild their lives once they are assured of a roof over their head and a place to call home.

The benefits to both the community and the individuals whose lives are changed have been well documented in studies done in New York City and Franklin County, Ohio. The approach has proven to be cost-effective when compared with much more expensive community systems such as hospitals, detox, or prisons.

For example, the October 1998 report of the Scioto Peninsula Relocation Task Force, *Rebuilding Lives: A New Strategy to House Homeless Men*, found that in Franklin County, Ohio, supportive housing was considerably less expensive than the alternatives.



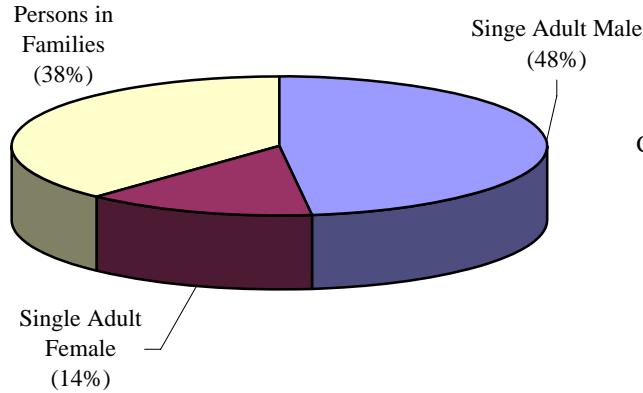
THE NEED FOR PERMANENT HOUSING IN CUYAHOGA COUNTY

CUYAHOGA COUNTY'S HOMELESS POPULATION

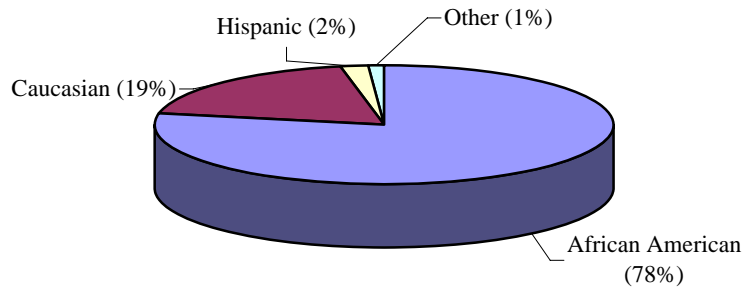
Nationally, an estimated 2.5-3.5 million people per year experience homelessness, with 700,000-800,000 homeless on any given night. **In Cuyahoga County, an estimated 16,000 people per year experience homelessness.** The graphs and tables below show

the characteristics of this population. The data are based on a 1999 study released by the Coalition on Housing and Homeless in Ohio of an estimated 3,080 persons who were homeless on the night of the survey.

Gender and Marital Status of Homeless Population in Cuyahoga County 1999



Race and Ethnicity of Homeless Population in Cuyahoga County 1999



1999 COHHIO Study of 3,080 People in Cuyahoga County	
Special Needs	% of General Homeless Population*
Chronic Substance Abusers	38%
Seriously Mentally Ill	24%
Domestic Violence	21%
Veterans	17%
Dually Diagnosed	13%
HIV/AIDS	2%

*These percentages do not add up to 100% because the characteristics are not mutually exclusive – in other words one individual may have more than one characteristic.

Compared to national statistics from the 2001 *Status Report on Hunger and Homelessness in America's Cities* by the United States Conference of Mayors, the characteristics of the general homeless population in Cuyahoga County are fairly typical. However, Cuyahoga County's homeless population tends to have more single adult males (48 percent) than the national average of 40 percent, and a larger percentage of the homeless are African American (78 percent) than the national average of 50 percent. Another difference is that an estimated 17 percent of Cuyahoga County's homeless are veterans, compared to 11% of homeless nationwide.

It is important to note that in Cuyahoga County, as in many other localities across the country, we have very little fundamental data about homelessness. For example, reliable figures on the number of people homeless on a given night were not available.

CUYAHOGA COUNTY'S CHRONICALLY HOMELESS SINGLE MEN AND WOMEN

The vast majority of homeless people experience single episodes or short-term periods of homelessness. Often these are individuals and families with very low incomes, undergoing temporary economic hardship or a catastrophic event. A small percentage is considered to be chronically homeless. These are persons who have experienced long and/or repeated episodes of homelessness, or who are at increased risk for chronic homelessness due to special needs. In addition to poverty, which is the underlying cause for most homelessness, those with long-term needs also face other issues including severe mental illness, chronic substance abuse, or a chronic and recurring illness or disability. These individuals often either become "permanent residents" of the shelter system or shuttle in and out of shelters, drug or alcohol detoxification facilities, hospitals or the streets.

Nationally, a 1996 report by the Federal Interagency Council on Homelessness estimated that 30 percent of the general homeless population, is chronically homeless. To estimate the number of chronically homeless single men and women in Cuyahoga County, an informal survey was taken of homeless service providers and advocates in Cuyahoga County in December 2001. Based on this survey, the working group of the Housing First Initiative estimated that 25 percent of the County's homeless population or approximately 4,000 people are chronically homeless. A very small percentage (5 percent) of these are estimated to be families.

The target population of the Housing First Initiative is estimated to be the 3,800 single adult chronically homeless men and women with long term needs.

EXAMPLES OF PERMANENT SUPPORTIVE HOUSING IN CUYAHOGA COUNTY

The Cleveland/Cuyahoga County Office of Homeless Services (OHS) has prioritized permanent housing as an important component of its homeless assistance system. In its 2001 request for Continuum of Care funding from HUD, over 50 percent of the total funds requested are for projects that increase, or maintain, permanent housing opportunities for homeless persons. (Communities are required by HUD to dedicate a minimum of 30 percent of funds for this purpose.)

However, even given this commitment, the OHS identified gaps in services available to Cuyahoga County's homeless. In its analysis of unmet needs for homeless individuals, it placed the highest priority on all types of beds (emergency shelter, transitional housing, and permanent supportive housing), and mental health care services for the seriously mentally ill and dually diagnosed.

The Housing First Initiative conducted a survey in February 2002 to identify the current inventory of service-enriched housing for special needs populations available in Cuyahoga County. Rather than being a definitive inventory, the survey results are better interpreted as an environmental scan of programs with one or more components of what

the Initiative understands to be permanent supportive housing for the chronically homeless. The survey identified 12 agencies that offer housing at over 150 sites throughout the county, with a capacity to house almost 900 people. However, because of the demand from other special needs populations, very few of the units (only 50) are available for the homeless (only 358 beds), and even fewer are contractually restricted to homeless individuals.

In conclusion, although the survey indicates an inventory of permanent service-enriched housing for almost 900 people with special needs, very little of this housing is available or appropriate for the target population of chronically homeless adults.

The need for additional units of permanent supportive housing in Cuyahoga County is clear. Housing stability and the availability of appropriate supportive services would give many of the 3,800 chronically homeless adults an opportunity to rebuild their lives. However, not all of them are candidates for permanent supportive housing. Some will be better served by alternative housing options including group homes, respite care, transitional housing, institutions, or residential treatment facilities.

A more detailed study will be needed to set realistic production goals and identify the needs and appropriate mix of housing and services for the special populations who are the best candidates for permanent supportive housing.

TRENDS: WHAT IF WE DON'T ACT?

If we don't act, local trends indicate that the prevalence of homelessness in Cuyahoga County will likely only worsen. This is consistent with national trends that showed a 13 percent increase in requests for shelter over the past year, according to a study by the U.S. Conference of Mayors. The projected increase, both nationally and locally, can be attributed to various factors including a shortage of affordable housing, the absence of a housing wage (which in Ohio is \$10.10 per hour for a 40 hour week), the lack of adequate services for substance abusers, the lack of adequate services for the mentally ill, prison release, and changes in public assistance. The first four of these factors are common to all U.S. cities. However, according to the study, the latter two factors, prison release and cuts in public assistance, are more significant factors in Cleveland than in other cities across the country.

PLANNING TO ACT: FUNDING REQUIREMENTS

The development of permanent supportive housing requires the coordination of multiple and varied funding sources because it involves the integration of affordable housing and supportive services. There are three types of costs associated with permanent supportive housing: development capital, operating subsidies, and supportive services. Many supportive housing projects carry debt, while others raise enough funds to cover the complete costs of acquisition and rehabilitation up front.

Funding Requirements for Permanent Supportive Housing			
	Development Capital	Operating Subsidies	Supportive Services
Description	Capital costs of acquisition, development and rehabilitation of units.	Bridges the gap between operating costs and rent. Usually a direct housing subsidy to the tenant or housing unit.	On-site and community based services, including physical health, mental health, chemical dependency treatment, employment and training, adult education, community building, budgeting, and recreational and leisure activities.
Estimated cost	\$50,000-100,000 per unit	\$8,500 per unit, per year	\$3,000-8,000 per person, per year
Examples of Funding Sources	<ul style="list-style-type: none"> • Continuum of Care Funds • Low Income Housing Tax Credits • State and local bonds • Ohio Housing Trust Fund • Community Development Block Grant • Local Public Housing Authority • Other local programs • Private Lenders • Private Contributions • HOME funds 	<ul style="list-style-type: none"> • Continuum of Care Funds • Section 8 subsidies • Supportive Housing Program • Shelter Plus Care • Mental Health HAP • Utility Assistance • Supplemental Security Income • Local Public Housing Authority • Other local programs • Private contributions 	<ul style="list-style-type: none"> • Continuum of Care • Housing Trust Fund • Medicaid Reimbursement • Supportive Housing Program • Mental Health Block Grant • Other service levies • Community Development Block Grant • Other local programs • United Way • Foundations • Private Contributions

All three cost components will vary depending on the population served, the type of construction or rehab, and the intensity of services provided.

Funding from public and private sources for permanent supportive housing is becoming increasingly competitive. At the state level, social service and housing programs, never well-funded, are now facing cuts as they compete for shrinking state resources. Private philanthropic organizations are a good resource for start-up or short-term funds, but their priorities can change and they often will not provide long-term operating support.

At the federal level, one encouraging development is the reactivation of the Federal Interagency Council on the Homeless. It coordinates the efforts of 15 federal agencies, recognizing the importance of a coordinated effort to redirect current spending to a more comprehensive and cost-effective approach to ending chronic homelessness. However, the proposed budget for this purpose falls short of the amount needed.

With few new sources of funding likely to be made available for use in Cuyahoga County, it will be necessary to redirect existing dollars. One way to do this is to move to an outcome-based system of funding in which housing stability becomes the

measure of success for shelter, housing, and service providers who assist poor people.

PLANNING TO ACT: NEXT STEPS

Develop achievable goals. This report is the first step of the Housing First Initiative as it works toward the goal of broad-based community investment to increase the number of permanent supportive housing units for chronically homeless adults with long-term needs. Prepared for the members of the Initiative, and drawing on their considerable expertise, this report helps to make the case for permanent supportive housing in Cuyahoga County.

The members of the Housing First Initiative working group plan to identify achievable five-year production goals and a strategy to attain those goals. Over the next six months, more information will be gathered to:

- Refine the numbers to get a clearer picture of the target population; i.e., the 3,800 chronically homeless men and women in Cuyahoga County. How many are men? How many are women? What are their special needs? How many have the potential to be successful in permanent supportive housing?
- Develop the appropriate combination of services and housing that can help each sub-group overcome the barriers to permanent housing.
- Identify the specific federal, state, and local resources and financing that will be available or that can be redirected.
- Assess the capacity of existing social service and housing programs and organizations to work together to address the need. Organizations that need to be at the table include not just the homeless assistance providers, but the mainstream state and local agencies and organizations whose clients are homeless. How can their capacity be enhanced and services be better coordinated? What technical assistance is needed?

The Initiative is committed to a multi-faceted strategy including:

Plan to end homelessness. The most important next step is for Cuyahoga County to develop a plan to end homelessness. This requires, first and foremost, generating the political will. It also requires a paradigm shift from crisis intervention and treatment to permanent supportive housing. Other cities across the country and the federal government are making this shift to the Housing First model. We need to join them.

Be accountable. Cuyahoga County needs better data and a better system to collect data on the homeless. A user-friendly Management Information System (MIS) is an important component of any plan to end homelessness. It is needed to better inform planning, measure effectiveness of programs, and attract additional funding. Better information is needed on who is homeless, why they are homeless, how they use the systems, both homeless and mainstream services, and which programs are effective at ending their homelessness.

Focus on outcomes. As noted above, housing stability should be a measure of success of any program that assists poor people. The MIS will be useful in assessing and reporting on the successes of these programs.

Advocate. At the same time that we are working to provide a way out of homelessness for those already in the system, we also need to be working to prevent it. One way to do this is to advocate around big picture issues of poverty and affordable housing including more affordable housing, a “housing wage,” and a more comprehensive service delivery system.