National Alliance to End Homelessness

Chronic Homelessness

SUMMARY

Chronically homeless individuals spend years or even decades living on the streets and cycling between emergency shelters, hospitals, jails, and treatment programs. 1

Chronic homelessness can be ended with permanent supportive housing, and better policies to prevent homelessness among people at high risk. 2

The public cost of ending chronic homelessness can be considerably offset by the savings of doing so. 3

Changes to the way communities approach the problem have led to dramatic reductions in 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.

www.endhomelessness.org

Widespread homelessness did not always exist. Prior to the 1980s the sight of people living in cars, churches, shelters, on the streets, or out in the woods was a distant memory of the Great Depression. After World War II, America had a housing market and system of public supports that allowed all but a handful of people to avoid homelessness. In most cities, there was plenty of affordable rental housing, including very inexpensive single room occupancy housing.

Throughout the 60s, 70s, and 80s that changed. Most single-room occupancy housing was lost as part of urban renewal strategies. Much of the affordable rental housing was converted to higher priced housing, cooperatives, and condominiums. Hospitals for people with mental illness were closed down in favor of a system of community-based housing and care. These changes had many positive effects. Downtowns were revitalized, and for people with serious mental illnesses, community-based housing and care was a superior alternative to institutionalization.

However, affordable rental housing became much more scarce. There are now 5.2 million more low-income households that need housing than there are affordable housing units.[1] Furthermore, communities did not develop nearly enough housing and services for people with mental illnesses to replace the institutions they were closing.

At the same time, other forces were reshaping the landscape for low-income Americans. Jobs requiring low-skilled labor were lost. New and powerful illegal drugs came onto the scene. Public resources to assist low-income people did not keep pace with their growing needs.

These forces combined to create widespread homelessness. Each year, as many as 3.5 million people will experience homelessness.[2] Most will be homeless for short periods of time (several weeks to a few months), while others will spend months or years homeless, often cycling between homeless shelters, hospitals, jails, and other institutional settings.

Over the past 20 years, researchers and innovative leaders in the public, private, and nonprofit sectors have learned much about homelessness and how to end it. By examining the characteristics of homeless people and the systems they interact with, they have learned that a small percentage of homeless people spend long period of time—often years—either living in shelters and on the streets, or cycling between hospitals, emergency rooms, jails, prisons, and mental health and substance abuse treatment facilities. Furthermore, this small group of people, who have come to be known as long-term or chronically homeless people, are very expensive to public systems of care.

There is a cost effective solution to their homelessness, and cities that are adopting that approach have reduced the number of homeless people living on their streets and in their shelters.

What Is Chronic Homelessness?

Chronic homelessness is long-term or repeated homelessness. Virtually all chronically homeless people have a disability. Many chronically homeless people have a serious mental illness like schizophrenia, alcohol or drug addiction, and/or chronic physical illness. Most chronically homeless individuals have been in treatment programs, sometimes on dozens of occasions.

The federal government's definition of chronic homelessness includes homeless individuals with a disabling condition (substance

use disorder, serious mental illness, developmental disability, or chronic physical illness or disability) who have been homeless either 1) continuously for one whole year, or 2) four or more times in the past three years.[3]

For the purposes of the federal definition, homelessness means sleeping on the streets or in a place not meant for human habitation or sleeping in an emergency shelter. It does not include staying in a transitional housing program.

The U.S. Department of Health and Human Services identifies five characteristics associated with chronic homelessness:

1. The near universal presence of disabling conditions involving "serious health conditions, substance abuse, and psychiatric illnesses."
2. Frequent use of the homeless assistance system and other health and social services.
3. Frequent disconnection from their communities, including limited support systems, and disengagement from traditional treatment systems.
4. Multiple problems such as "frail elders with complex medical conditions, HIV patients with psychiatric and substance abuse issues...."
5. Fragmented service systems that are unable to meet their multiple needs in a comprehensive manner.[4]

Based on applications for homeless assistance submitted by Continuums of Care around the country, we estimate there were approximately 150,000 to 200,000 chronically homeless individuals nationwide in January of 2005. There are also indications that there are families with disabilities who follow a similar pattern of cycling in and out of homelessness.

What Is the Solution to Chronic Homelessness?

Ending chronic homeless requires permanent housing with supportive services, and implementing policies to prevent high-risk people from becoming chronically homeless.

Housing—The most successful model for housing people who experience chronic homelessness is permanent supportive housing using a Housing First approach. *Permanent supportive housing* combines affordable rental housing with supportive services such as case management, mental health and substance abuse services, health care, and employment. The *Housing First* approach is a client-driven strategy that provides immediate access to an apartment without requiring initial participation in psychiatric treatment or treatment for sobriety. After settling into new apartments, clients are offered a wide range of supportive services that focus primarily on helping them maintain their housing and improve their lives.

Prevention—The vast majority of people who become chronically homeless interact with multiple service systems, providing a multitude of opportunities to break the cycle by preventing a recurrence of homelessness. Promising strategies focus on people who are leaving hospitals, psychiatric facilities, substance abuse treatment programs, prisons, and jails.

Why Focus on Chronic Homelessness?

Although chronically homeless people represent a small share of the overall homeless population, their effect on the homeless system and on communities is considerable. Chronically homeless people are inefficiently served by the systems they interact with, including emergency shelters, emergency rooms, hospitals, and police departments. These systems in turn are adversely affected by chronic homelessness.

Emergency Shelters were originally designed to provide short-term relief for people who had experienced a crisis and who, with some assistance, could move back into a home of their own. Shelters were not designed to address the extensive needs of people with serious mental illness or other disabilities. Without the proper assistance such people tend to stay homeless in shelters for long periods of time, making them chronically homeless, while utilizing a disproportionate amount of shelter resources. For example, in Salt Lake City, Utah, chronically homeless people represented 12 percent of people who used the city's largest emergency shelter, but they accounted for 57 percent of shelter use.[5] This creates a paradox in which shelter staff struggle to serve people that their programs are ill equipped to help, while turning away many families and individuals that they could serve well because they lack the space.

Health Care systems are also affected. Chronically homeless people utilize significant health care resources because they have mental and physical illnesses that are exacerbated by living on the streets and in shelters, and because when they become ill, they do not receive early treatment. Instead

One Story about Chronic Homelessness

"After graduating from Normany High School, Jeffrey Brackett, 48, signed up for the Army in 1975 as a way to support his new wife and baby. It was steady and easy. "I just sent money," he said.

After his service, however, he had trouble finding a good-paying job because he lacked a college education. He didn't see a way to apply the helicopter mechanic skills he learned in the military. He floated from one minimum wage gig to the next–cleaning floors, shining shoes and washing cars. By then, he had three kids and was making less than he did in the service.

He turned to alcohol and drugs to deal with the pressure. His wife left him, and he ended up on the streets for 12 years, sleeping in shelters, wooded areas and abandoned cars."

St. Louis Post-Dispatch
Saturday, April 22, 2006

their illnesses progress until they are severe crises that are expensive to treat. Even when an illness is successfully treated, homeless individuals stay in hospitals longer because there is no medically appropriate place for them to be discharged.[6] When they are discharged into homelessness, their living conditions cause relapse into illness. These dynamics are costly. In Portland, Oregon, 35 chronically homeless individuals each utilized over $42,000 per year in emergency and institutional care.[7]

Even the **Criminal Justice** system is affected by chronic homelessness. Police officers regularly arrest chronically homeless people for status offenses such as loitering, public urination, or public intoxication. These offenses pose little threat to public safety, but they use up significant police resources. The same holds true for courts, jails, and prisons, all of which were designed to improve public safety, rather than to manage the multiple disabilities that afflict chronically homeless people. In Knoxville, Tennessee 3,800 to 5,000 people a year are arrested for public intoxication. Fewer than 80 individuals—each arrested six or more times—account for one-fourth of those arrests. Seven individuals had 100 or more arrests during the past five years. A significant number of these individuals are chronically homeless.[8]

Ending Chronic Homelessness Is Cost-Effective

A landmark study of homeless people with serious mental illness in New York City found that on average, each homeless person utilized over $40,000 annually in publicly funded shelter, hospital (including U.S. Department of Veterans Affairs hospitals), emergency room, prison, jail, and outpatient health care resources. Much of the cost was for psychiatric hospitalization, which accounted for an average of over 57 days and nearly $13,000.[9] When people were placed in permanent supportive housing, the public cost to these systems declined dramatically (see Exhibit 1).

The documented cost reductions—$16,282 per unit of permanent supportive housing—were nearly enough to pay for the permanent supportive housing. If other costs, such as the costs of police, court and homeless services were included, the cost savings of providing people with permanent housing and services would likely have been higher.

In other words, the study found that it cost the public the same amount to house a person with serious mental illness as it did to keep that person homeless. But while the costs were the same, the outcomes were much different. Permanent supportive housing results in better mental and physical health, greater income (including income from employment) fewer arrests, better progress toward recovery and self-sufficiency, and less homelessness.

Over 200 Cities Have Committed to End Chronic Homelessness

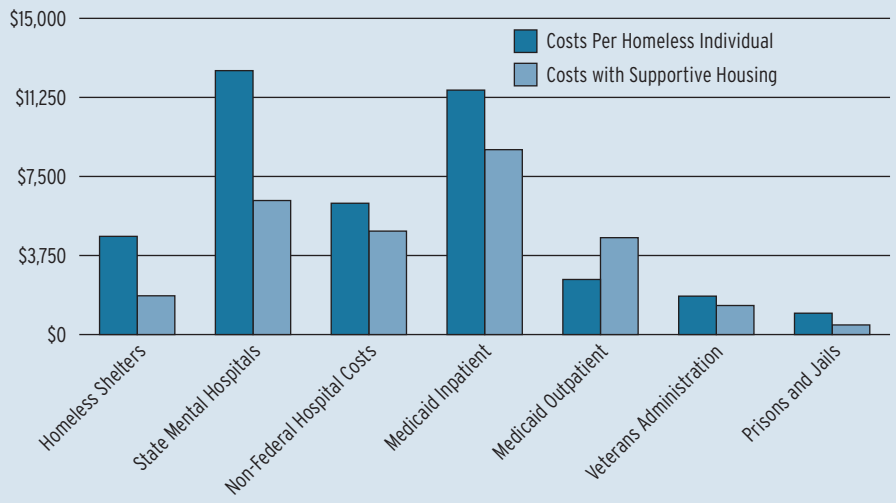
"More than 200 cities and other jurisdictions have started 10-year plans...to actually end chronic homelessness. They're getting community buy-in by including just about everyone on their task forces: businesses, foundations, religious groups, the media, and, of course, social services...They've found that a stable residence, individual attention, and a certain independence are helping people turn around their lives, with some finding jobs and contributing to rent.

Called "housing first," this approach differs from the more costly, managing-the-problem strategy of the mid-1980s. Then, cities built shelters tied to health services, with the hope that after the homeless stabilized, they would find long-term residences. But some spurned group shelters, or never stabilized.

Early returns show that the "housing first" approach to chronic homelessness is having an impact. In total, 30 of the 200-plus jurisdictions have reported homeless declines (some in chronic populations, others in their general homeless count)..."

Christian Science Monitor
June 19, 2006

Exhibit 1. Cost Reductions Resulting from Permanent Supportive Housing



Federal Policy

Guided by research, Congress took several steps to end chronic homelessness by encouraging the development of permanent supportive housing. Beginning in the late 1990s, appropriations bills have increased funding for HUD's homeless assistance programs and targeted at least 30 percent of funding to permanent supportive housing. Congress has also ensured that permanent supportive housing funded by one of HUD's programs (Shelter Plus Care) would be renewed non-competitively, helping chronically homeless people remain in their housing. In 2003, the Bush Administration committed to end chronic homelessness in ten years.

Communities Are Succeeding

Because of the potential cost savings, and the success of new strategies, several cities have launched initiatives to end chronic homelessness, and many are showing results. In some cases, the results represent reductions in the number of people living on the streets. Cities with more advanced data systems are able to track reductions in chronic homelessness for people who are living in shelters. In most cases, these initiatives are part of larger efforts to end all types of homelessness.

- Denver, Colorado reduced homelessness by 11.5 percent in the metro region including a reduction in street homelessness from 1,000 to 600 people since January 2005.[10]
- Over several years, Philadelphia, Pennsylvania has reduced street homelessness by more than half.[11]
- When they released their plan to end homelessness in December 2004, Portland, Oregon had an estimated 1,600 chronically homeless individuals.[12] During 2005, they housed 660 of them.[13]
- Over a three year period, San Francisco, California reduced homelessness by 28 percent, reduced street homelessness by 40 percent, and reduced the number of people who died while living on the streets by 40 percent from the prior year.[14]

In addition to documenting their success at reducing chronic homelessness, many cities are also documenting the cost effectiveness of their efforts. Portland found that prior to entering the Community Engagement Program, 35 chronically homeless individuals each utilized over $42,000 in public resources per year. After entering permanent supportive housing, those individuals each used less than $26,000, and that included the cost of housing. While making progress toward ending chronic homelessness, Portland Oregon is saving the public over $16,000 per chronically homeless person.[15]

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