



*Ending Family Homelessness in Massachusetts*

Fall 2006

# Housing First: An Unprecedented Opportunity

Each year in Massachusetts an estimated 10,000 children and their families will lack a permanent home.<sup>1</sup> Most of the families are mothers with young children living with extended family members or friends. Over one thousand of them live in state-funded shelters, where they typically remain for six months.

Contrary to stereotype, homeless families do not have higher rates of mental illness, substance abuse, or criminal behavior than the general poor population. Examined closely, they look a lot like everyone else. They simply lack the money and the support network that all families need to survive and thrive. Many have experienced domestic violence, and a disproportionate number of mothers spent their own childhoods in foster care. These two situations mean they often have no relatives who can take them in during hard times. They struggle to work, go to school or job training and raise their children, longing for the day they will have a place to call home.

This level of family homelessness is unacceptable – and solvable. During the past four years, with leadership from the Governor and the legislature, Massachusetts has begun to shift its response to family homelessness from crisis management to prevention and solutions. For the first time, Massachusetts has a state plan for ending family homelessness, a plan based on real experience helping families as they make the journey from homeless to housed. With this experience and national research, we now know what the best practices are to end homelessness and to help families achieve economic freedom.

Family homelessness is not a partisan issue. Both sides of the aisle readily agree that it is unacceptable and expensive – in financial and human costs – to have children without homes. One Family urges our state and community leaders to continue the progress we have made as a state until we can truly say we have ended family homelessness.

One Family, Inc. was created by the Paul and Phyllis Fireman Charitable Foundation in 1999. Since then it has brought together elected officials, faith and community partners, and philanthropic and business leaders to design and implement effective, lasting programs and policies that end family homelessness. This report draws on the lessons learned by these partners as they have helped hundreds of families. It identifies best practices at work in other communities to develop a plan that will reduce reliance on emergency shelter to free up new resources for prevention and permanent solutions. And it outlines the critical next steps in public policy that will bring all Massachusetts families home, and keep them there.

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<sup>1</sup> University of Massachusetts, Boston, The Center for Social Policy, McCormack Institute, *Meeting the Housing Needs of Lower Income Massachusetts Residents*, Report, 2000

## Homeless Families are a New Phenomenon

*Family* homelessness is relatively new. In 1982 Massachusetts had two state-funded shelters that served small numbers of families who lost their home due to disaster or financial problems. Throughout the 1980's, as the federal government drastically reduced its role in building public housing and increasing numbers of families experienced housing crises, emergency shelters in the state began to multiply. As demand for shelter grew, so did the expenditure of state dollars to fund them. In 2005, the state spent \$73 million to house families in more than 80 state funded shelters. For the past 20 years, Massachusetts's primary response to this growing crisis has been to build more shelters. Today we have more homeless shelters than ever before. We also have more homeless families.

### Massachusetts's Current Approach<sup>2</sup>

- 82 State Funded Shelters
- Average cost from \$75 to \$175 per night, per family
- Averaging \$47,000 annually per family, per shelter room
- Current funds served 3,508 Massachusetts families in need during the fiscal year 2006

## Emergency Shelter - Not The Best Investment

What does the Commonwealth get for its investment in emergency shelter? Even in the best shelters, families often exit less stable than before they entered shelter. School has been disrupted for the children. Work hours may be curtailed so the bread-winner doesn't earn too much to qualify for shelter. Depression, behavioral problems, and a host of other difficulties begin to manifest themselves after long shelter stays. Most disturbingly of all, during a four-month period in 2005, 53% of families leaving shelter were either terminated, (asked to leave without a home to go to) or disappeared.<sup>3</sup>

A growing body of national research indicates that the high-level services a family receives while in a shelter (e.g. budgeting, healthcare, and family counseling) will not affect their ability to remain stable in a home in the future.<sup>4</sup> The only reliable predictor of keeping a family in their home is the availability of a housing subsidy. And, given the option, families overwhelmingly choose rehousing options over shelter.

Local research has also documented that keeping families housed makes more economic sense than shelter, even more so if one factors in the long-term damage and loss of family stability caused by homelessness. A recent evaluation by the Center for Social Policy at the University of Massachusetts, Boston examined 19 homeless prevention programs that are a part of the Homelessness Prevention Initiative (HPI), a project that funded homeless prevention programs throughout the Greater Boston area. The evaluation found only 22% of all households served by HPI needed supplemental private cash assistance in addition to utilizing existing supportive programs like food stamps and child care vouchers to remain housed – further proving that families can be housed through a better coordinated system that connects them to the resources they need.<sup>5</sup>

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<sup>2</sup> One Family, Inc, calculated through collected data from the Department of Transitional Assistance, 2004-2006

<sup>3</sup> Kahan, Michelle. University of Massachusetts, The Center for Social Policy, McCormick Institute, *Women and Homelessness in Massachusetts*, Fact Sheet, November 2005

<sup>4</sup> Culhane, Dennis. University of Pennsylvania. *Family Homelessness: Where to From Here?* Unpublished presentation summarizing studies of family homelessness in major metropolitan areas, 2006

<sup>5</sup> University of Massachusetts, Boston, The Center for Social Policy, McCormack Graduate School of Policy Studies, *Prevention at Work: Homelessness Prevention Initiative*, Interim Evaluation Report, May 2006

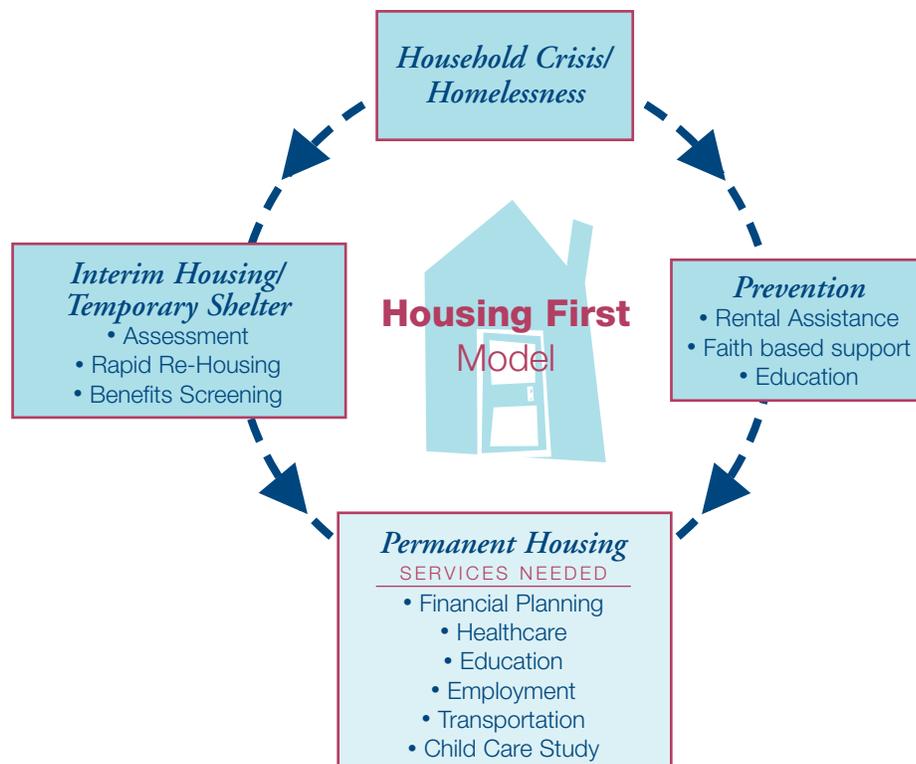
## Massachusetts - Trying New Approaches

In 2004, faced with the prospect of continuing increases in shelter capacity and the supplemental use of costly motels, Massachusetts undertook several pilot projects to explore alternatives to shelter, primarily in the form of short-term rental assistance. The outcome of these programs suggested that we can rapidly re-house families when relocation grants and housing vouchers are made available. Furthermore, the cost of providing such assistance was significantly **less** than the cost of paying for shelter or motel stays. Massachusetts soon discovered that this approach to ending the family homelessness crisis was spreading across the nation, and the concept of *Housing First* began to take hold.

### What is Housing First?

*Housing First* is an approach that puts an immediate and primary focus on helping families quickly access sustainable housing. It is designed to help families transition more rapidly out of the shelter system and includes crisis intervention, rapid re-housing, follow-up case management, and housing support services to prevent the reoccurrence of homelessness.

*Housing First* programs provide a compelling and cost-effective alternative to long-term shelter stays. While emergency shelter will continue to be a critical part of the safety net for families with housing emergencies, data now shows that the *Housing First* approach promotes a more effective return to normalcy and housing stability – at a reduced financial cost to the taxpayer and reduced social and emotional cost to homeless and at-risk families.



## In Massachusetts, New Approaches **Help More Families**

Massachusetts' experience of helping hundreds of families make the journey from shelter to homes through pilot programs, combined with supporting national research, has shown that expanding shelter is not the solution to family homelessness. Across Massachusetts these new approaches and practices are moving the policy dialogue away from expanding shelters towards prevention and rapid re-housing. The successes of three pilots in Massachusetts demonstrate why this shift makes sense.

In one year the three initiatives below kept 1,119 families housed for the same cost as 63 family shelter rooms. At present, our emergency assistance system is still fragmented and of the three pilots, Rental Assistance for Families in Transition, (RAFT) is the only ongoing program. As the policy discussion shifts towards a *Housing First* approach, a better coordinated system will result and more families will move to a home of their own more quickly.

*Rental Assistance for Families in Transition (RAFT) - Assists families to obtain or retain housing by providing flexible funds for such needs as first/last month's rent, security deposits, utility payments, and moving costs.*

- 436 families assisted over a two-month period, with rental assistance, back rent, etc.
- \$1,365 Average spent per household vs. \$47,000 per household shelter stay, per year

*Department of Transitional Assistance's Toolbox - Flexible dollars provided to Emergency Assistance eligible families for homeless prevention programs or to facilitate a more rapid exit from shelter by providing rental, utility, or moving assistance.*

- 476 families were prevented from becoming homeless or quickly re-housed over two months with flexible dollars
- \$3,080 Average cost per household
- Massachusetts Housing Assistance Providers are currently following these families and tracking their success

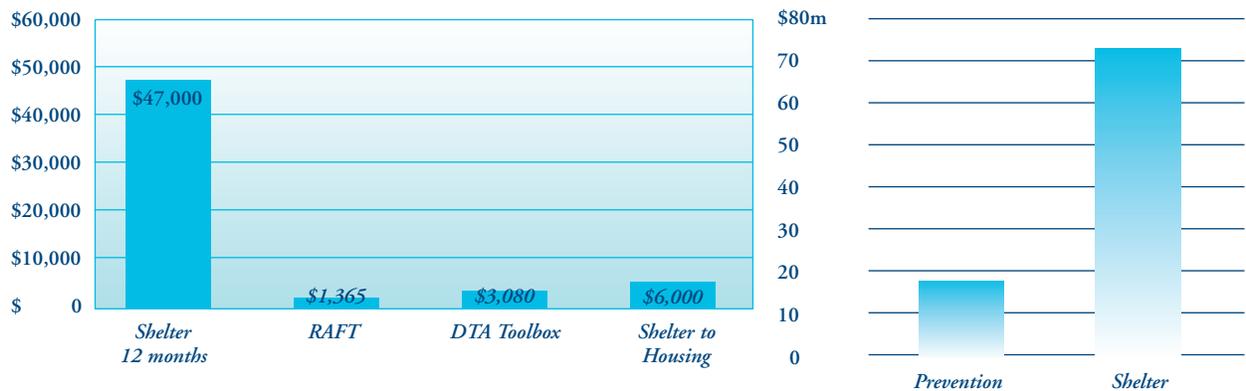
*Shelter to Housing Pilot – Families were given a year-long rental subsidy to move out of shelter/motel into a permanent home.*

- 207 families rapidly re-housed with a shallow subsidy and some stabilization services, e.g. job search, budget training, etc
- \$6,000 granted per household, per year. This paid for rent and all supportive services. Much cheaper than a \$47,000 annual shelter stay, per family
- 80% of families remain housed after two years

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<sup>7</sup> Interview of Nancy Travers, Deputy Commissioner of the Westchester County Department of Social Services, March 24, 2006, by National Alliance to End Homelessness.

## Housing First: Economic and Emotional Savings



- **\$47,000** The annual cost of a shelter bedroom
- **\$2,222** The average annual per family cost of Prevention/Rapid Re-Housing
- **22:1** Prevention Initiatives keep 22 families housed for the same cost as ONE shelter room
- Over **3,000** families are served through our emergency assistance system which relies heavily on costly emergency shelters
- **\$73,000,000** What Massachusetts currently spends on emergency shelters
- **\$18,000,000** The cost of preventing or rapidly rehousing the same 3,000 at-risk and homeless families – a fourth of the current expenditure
- Leaving **\$55,000,000** for more innovative solutions and/or savings to the taxpayer

**In multiple states including New York and Minnesota the Housing First model is also being developed.** Emergency shelter is being utilized while housing for a family is found and longer stays in transitional housing and permanent supportive housing are targeted to the small minority of families who need extensive support to live independently.

## Minnesota – Reducing Reliance on Shelter<sup>6</sup>

In 1993 Minnesota passed the Family Homeless Prevention Act (FHPAP). The Act was intended to prevent homelessness, shorten shelter stays, and reduce recidivism.

### *Services funded with FHPAP grants include:*

- Legal services to defend and negotiate eviction cases
- Short-term financial assistance to prevent housing loss
- Case management to resettle and stabilize shelter-users in permanent housing
- Landlord/tenant mediation and assistance in securing new housing if housing is lost without requiring stay in homeless shelter
- Family reunification or resettlement for homeless youth
- Housing discharge planning for correctional inmates

### *Results of this work for families in Hennepin County, MN:*

- No new shelter construction in 10 years
- Average shelter stay reduced from three months to less than 30 days
- Fewer families enter shelter
- Subsequent shelter use is very low for families assisted with prevention (5%) or shelter exit resettlement (11%),
- This was accomplished at an average cost of less than \$500 per family for prevention and \$900 for resettlement/stabilization.

## Westchester County, NY: Re-Housing Families<sup>7</sup>

Since the inception of a new housing subsidy program in Westchester County, family homelessness declined by 57%, leaving vacancies in shelters and transitional housing programs. In January 2004, the Department of Social Services received permission from the state to provide a housing subsidy to homeless families; this subsidy supplements the “housing allowance” component of a family’s welfare benefit.

With the supplement, families can find housing in the private rental market that they can afford. With the continuing investment in prevention, housing placement, and supportive services, the county is now seeing reductions in the number of families and children experiencing homelessness.

The number of families in shelter in Westchester County declined by 57% over a two year period, a decline program administrators attribute to the availability of the housing supplement.

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<sup>6</sup> Compilation of National Alliance to End Homelessness, Hennepin County Community Snapshot, Washington , DC: National Alliance to End Homelessness National Conference, 2005 & Marge Wherley, Housing Program Supervisor, Hennepin County Children, Family, and Adult Services Department, 2006

## Massachusetts' Policy Academy – An Action Plan

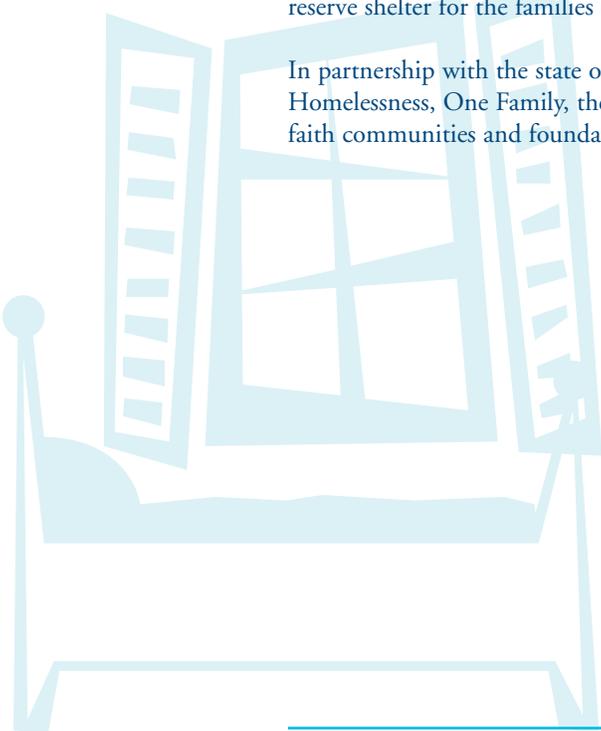
In 2005, Massachusetts state officials, along with representatives from other states, were convened by a group of federal agencies\* in a *Policy Academy* to develop a statewide plan for ending family homelessness. Massachusetts was selected to be one of the first states to initiate this process due to our innovative pilot programs and their successful results. The vision of this work is to end family homelessness by implementing a coordinated *Housing First* approach to family homelessness that will expand access to permanent affordable housing and mainstream services and other supports that move families closer to economic self-sufficiency.

The five priorities of the *Policy Academy* plan are:

- 1.** *To create and facilitate access to more permanent housing opportunities for homeless families/youth*
- 2.** *To implement an early warning system, i.e. prevention and stabilization strategies that will enable families to retain or secure stable housing*
- 3.** *To design a family-centric model focused on family stabilization and economic self-sufficiency to access mainstream and specialized services and coordinate responsibility and accountability for service delivery*
- 4.** *To improve and standardize data collection, coordinate of data management and reporting on homeless families*
- 5.** *To develop and sustain strong leadership to end family homelessness*

The *Policy Academy* seeks to reduce reliance on emergency shelter and use the cost savings generated to fund prevention programs, housing vouchers, and other *Housing First* initiatives. Massachusetts is seeking to remove or lessen barriers that prevent families from accessing prevention programs and to reserve shelter for the families most at risk of experiencing homelessness.

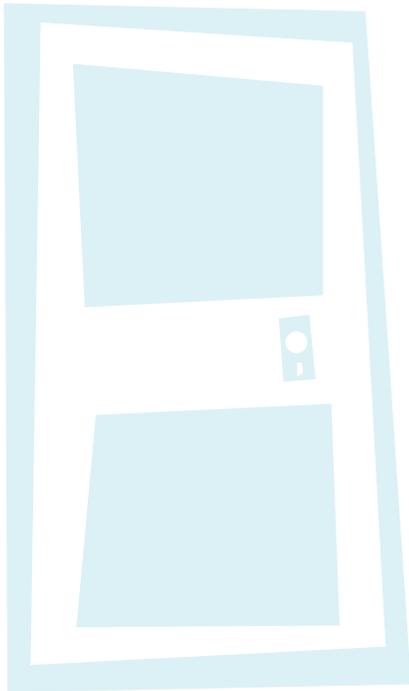
In partnership with the state of Massachusetts and the Interagency Council on Housing and Homelessness, One Family, the United Way of Massachusetts Bay, other non-profits, state agencies, faith communities and foundations will work together to implement this plan in Massachusetts.



\*Departments of Health and Human Services, Housing and Economic Development, Veterans' Affairs, Labor, Education, Agriculture and Justice, and the United States Interagency Council on Homelessness

# Housing First: Bringing Our Families Home

If there is one issue that unites all citizens of the Commonwealth, it is that every child deserves a home. The citizens of the state of Massachusetts have an unprecedented opportunity to make that concept a reality using the state's present level of expenditure more wisely. To continue to build on the *Housing First* approach to ending family homelessness it is necessary. This will require the leadership and support of our friends, constituents, our Governor, and the Legislature. One Family believes that through a better coordinated system with *Housing First* at its core we will serve more families, at lower cost, with better outcomes. That's a win for homeless families, and for the Commonwealth.



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For more information and to learn how you can help visit:

[www.onefamilyinc.org](http://www.onefamilyinc.org)

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