



Ending Family Homelessness in Massachusetts by **Putting Families First**

By reforming the Emergency Assistance (EA) program, increasing the supply of affordable housing, and investing in workforce development, we can achieve the lofty goal of ending family homelessness in the Commonwealth. Now is the time to reform the current EA program in Massachusetts so that this critical safety net is more efficient, flexible, and able to serve more families in desperate need of housing assistance.

Homeless service providers and the Department of Housing and Community Development (DHCD) have both made significant steps toward improving services for families and have made many changes to the EA system, but without legislative change to the EA program, the goal of creating this more effective safety net cannot be met. There are two reforms to the EA policy that will make the program better able to serve more families and achieve better outcomes:

- 1. Multiple Levels of Eligibility.** Creating multiple levels of eligibility and multiple benefits packages is needed to expand access to services and resources need to prevent or rapidly end a family's housing crisis. The state legislature should give DHCD the authority to:
 - a. Provide different levels of services to families based on their unique needs and preferences.
 - b. Flexibly define the benefit package (including but not limited to shelter, prevention, diversion, re-housing, and stabilization) that is provided for each level of service.
- 2. Rapid Re-Housing and Stabilization.** Strengthen the focus on reducing the time families need to spend in emergency shelter by:
 - a. Requiring the state to provide housing stabilization services in the form of a shelter exit plan to all families within a specified period.^{xiv}
 - b. Implementing more robust home-based stabilization programs will make rapid re-housing possible even for families with more intense service needs.

The movement to end homelessness cannot end with EA reform but must continue to include these goals of the Commission's five year plan to end homelessness:

- 1. Increase production of and access to affordable housing**
 - a. Increase supply of housing assistance vouchers and shallow subsidies
 - b. Reduce barriers to accessing housing
 - c. Develop and expand supported housing options and housing first models
 - d. Maximize housing units for extremely low income (ELI) households; create developer incentives for ELI production^{xv}
- 2. Increase the investment in and utilization of workforce and asset development programs**
 - a. Increase access to public work supports
 - b. Make income maximization a part of the assessment process to link supports to housing stabilization
 - c. Maximize the use of workforce development programs and target them to families
 - d. Increase financial literacy^{xvi}

Taken together, these changes could create the flexibility to reform the emergency service delivery model and focus on providing housing and the supportive services needed to maintain a family's housing rather than defaulting to a shelter-focused response. These reforms will allow the EA program to focus on delivering prevention, diversion, re-housing, and stabilization services to more families in need. Finally, we hope these reforms will provide low-income families the opportunity to stabilize their housing, grow their incomes, and prevent homelessness.



Thank you to the people we received invaluable feedback and comments from over the last few months in developing this paper. In particular, Madeleine Taylor from Arbor Consulting Partners and Network Impact and Sue Beaton from The Paul and Phyllis Fireman Foundation.



One Family believes that every homeless family has the right to choose the housing assistance that meets their needs. When we focus on serving **“one family at a time”** and respond flexibly with customized plans, outcomes for Massachusetts families can improve, and resources can be stretched to serve more families in need.

Now is the time to put families first by **reforming the current Emergency Assistance (EA) program** and by fully implementing the recommendations in the Report of the Special Commission Relative to Ending Homelessness in the Commonwealth. Emergency Assistance reform coupled with the implementation of key recommendations from the Homeless Commission will put the Commonwealth in a place to reduce reliance on the emergency shelter system and end family homelessness as we know it. Shelter will always have a place in the continuum of emergency services available to families in crisis, but shelters should not be used as de-facto housing for extremely low-income families in Massachusetts.

Each year in Massachusetts an estimated 10,000 children and their families will lack a permanent home.ⁱ Most of the families are mothers with young children living with extended family members or friends. Nearly three thousand of these families currently stay in state-funded shelters and motel rooms, where they remain for an average of eight and a half months. The Massachusetts Department of Housing and Community Development (DHCD) is responsible for implementing the Emergency Assistance (EA) program, which currently spends the bulk of its funds providing emergency shelter for families experiencing a housing crisis.

Contrary to stereotype, homeless families do not have higher rates of mental illness, substance abuse, or criminal behavior than the general low-income 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. They struggle to work, go to school or train for a job, and raise their children, longing for the day they will have a place to call home.

Currently, the primary service available to parents facing homelessness is emergency shelter in a family shelter or—when shelter beds are full—a motel. No parent wishes to raise their children in a homeless shelter or in a motel room. Homeless families seek help from the state because they need to stabilize their situation and secure a healthy environment for their children. The legislation and regulations guiding the implementation of EA restricts the program primarily to shelter provision, even if the family would prefer another type of assistance. The legislation and regulations governing the EA program should be reformed to allow the EA program to fund a variety of innovative solutions to homelessness rather than maintaining a narrow focus on shelter. Shelter provides a safe haven for the night, but it does not solve a family’s crisis. The help that EA provides, in fact, comes at a cost. Extended periods of homelessness and long shelter stays can disrupt families further.

Adverse effects of homelessness on parents and children have been well documented and include:

Disrupted school and educational development; children experiencing homelessness are:

- Four times more likely to show delayed development.
- Twice as likely to have learning disabilities as non-homeless children.ⁱⁱ

Higher rates of mental and emotional problems develop in homeless children than housed children.ⁱⁱⁱ

Prolonged homelessness significantly increases rates of depression and mental health issues in both parents and children.^{iv}

Disrupted employment - being homeless interferes with finding stable employment and limits earnings.^{vi}

THE GOOD NEWS

Homelessness is a solvable problem and the Commonwealth of Massachusetts is taking important steps toward reform. Massachusetts is well positioned to make further changes to its response to family homelessness, because the people of Massachusetts have made it clear that efficiently assisting families in need is a valuable use of public resources. While the current shelter-based EA program is not achieving the best outcomes for families, the state is in an excellent position to transform its shelter system because of three key factors:

- Under the leadership of Governor Patrick and Lt. Governor Murray, the **Commission to End Homelessness** developed a comprehensive plan for ending homelessness in Massachusetts. The **Interagency Council on Housing and Homelessness (ICHH)** was recreated under the leadership of the Lieutenant Governor to implement the Commission's recommendations. The ICHH has aligned key state agencies under the principle of targeting "the right resources to the right people at the right time."

- The American Recovery and Reinvestment Act makes available in Massachusetts \$44.5 million in federal resources, through the Homelessness Prevention and Rapid Re-Housing Program, which funds homelessness prevention, shelter diversion and rapid re-housing for Massachusetts families. These funds are part of a larger federal shift away from shelter and towards housing-based solutions.
- As part of its effort to implement the Commission's recommendations for ending homelessness, the ICHH has supported the development of ten regional networks in the state to coordinate the delivery of services at the local level. These networks have piloted innovative solutions to homelessness and produced positive outcomes for families. These new solutions and their outcomes should point the way for permanent systems change.

Despite these gains, without legislative and regulatory reform, efforts to end homelessness can only go so far. The legislation and regulations governing the EA program should be reformed to allow the EA program to fund a variety of innovative solutions to meet the housing needs of homeless families, rather than maintaining a narrow focus on shelter.

The Regional Networks to End Homelessness have produced positive outcomes for families by avoiding or minimizing shelter stays:

Diversion: In Worcester a single mom with an eight-month-old daughter was forced to leave work due to medical issues and, shortly after, a fire in her apartment building left the family homeless. Under these circumstances, the family would routinely be put in emergency shelter or a hotel. Instead, when she applied for emergency shelter at the Worcester DHCD office, she was referred to the new diversion pilot program led by the Regional Network. Through the diversion pilot she was connected with flexible financial resources and community based supports that allowed her to find stable housing in her own unit. Short term rental assistance, at a much lower cost than shelter, ensured that her family was safely housed until this mother could find a new job.

Prevention: When a father of three lost his job and his home was foreclosed, he and his family turned to the DHCD homeless coordinator in Framingham for help. They were about to lose their home, but the father's unemployment benefits and his wife's social security insurance made them ineligible for EA. DHCD staff referred the family to the

Regional Network which helped them find an apartment that was within the children's school district. The family had saved enough for the security deposit on their own, but they needed help with the first month's rent. The Network was able to provide \$1,300 in flexible funds for the first month's rent. The family moved to the apartment and continues to live in their home community with no disruption to the children's schooling.

Rapid Re-Housing: A single mom and her young son could no longer stay "doubled up" with a family member. The mom approached the Worcester DHCD office and was determined to be eligible for shelter. The family did enter shelter, but a diversion worker from a local nonprofit partner in the Regional Network continued to work with the family to find stable housing and supports. With a short term subsidy and a relocation grant from the network the family moved into a private market unit only 11 days after being deemed eligible for EA and ultimately spent only two days in shelter, at a cost of approximately \$200. In contrast, the average shelter stay in Massachusetts is 8.5 months, at a cost of \$29,000 per family. With continued stabilization services this family can remain permanently housed in her home community at a much lower cost.



The Human Cost of Homelessness

Isolated. Sick. Terrified. Depressed.

That is how Michelle felt living in a temporary motel room for the homeless, alone with her young son, pregnant with twins and separated from her husband. It was a two-mile walk from the motel room paid for by the state's Emergency Assistance program to the train station — the point of departure for Michelle's weekly trips into Boston for her medical checkups and to see her husband whose job as a gas-station attendant was her only financial support. As months passed living in the motel room, Michelle's medical condition deteriorated. She struggled to keep her son and herself healthy on a limited income, but there were rules against cooking in the room. Her unavoidable walks to the train led to early labor symptoms. The stress of being in the motel, Michelle believes, caused her to deliver the twins prematurely. Soon after their birth, she and her husband divorced.

Years later, Michelle remains grateful that the EA program provided assistance. At least she and her child had a roof over their heads. But, she says, **"If I could have avoided going to the shelter, maybe things would have been different."**

Things could have been different. A string of bad luck—a high-risk pregnancy, a job loss, and a flea-infested apartment they could no longer afford—caused their homelessness, but the only assistance EA offered was the shelter. "My husband's pay wasn't enough for us to get a new apartment on our own. What we needed was help until I could get back on my feet. I was told that the quickest and easiest way to get a housing subsidy was to go into a shelter, so that is what I did."

"Instead of living in the motel," Michelle says, **"if EA had paid 18 months' rent or even less than that, by the time the subsidy ended we would have been able to pay our own rent."** Ironically, these temporary rental subsidies are generally cheaper per month than a bare-bones motel room.

"Why does it have to be so hard?" Michelle asks. "If they were going to pay that much for me to stay in a motel, why couldn't they put me in an apartment?" Today, Michelle has completed her bachelor's degree and works with low-income and homeless families. "In my job as a case worker, I'm working with women who have had the exact same experience. I am 'paying it forward' so other families don't have to go through the same thing."

REFORM: A MORAL AND ECONOMIC IMPERATIVE

Long term stays in emergency shelter not only have an adverse effect on families' wellbeing, they are also extremely costly to the Commonwealth. Figure 1 describes the state's spending on the current Emergency Assistance (EA) model. Spending on emergency shelter is escalating, yet we are still unable to serve all Massachusetts families in need or achieve the positive outcomes these families deserve.

In addition to repurposing shelter dollars for more flexible and family specific interventions we must also examine the impact of shelter spending on other important housing programs. A lack of affordable housing is the primary cause of homelessness for families and the creation of more affordable housing is a key recommendation of the Commission to End Homelessness.^{ix} One important program for providing affordable housing to families, elders, and disabled persons is the Massachusetts Rental Voucher Program (MRVP).

As funding for emergency shelters has grown, funding for permanent housing subsidies through MRVP has decreased drastically. Figure 2 illustrates significant growth in appropriations for the emergency shelter system since 1990 and a reduction in funding for housing subsidies. MRVP provides low-income families, elders and people with disabilities with the means to access truly affordable housing in their local community. One of the key recommendations of the Commission to End Homelessness is to create affordable housing that suits the needs of high-needs groups and facilitates their access to such housing.^x By shifting spending away from emergency shelters, we will create more opportunities to fund multiyear housing subsidies.

Figure 1: State Emergency Assistance Expenditures EA Budget and Expenditures (Millions) FY 2001-2009 Actual; FY 2010 Projected^{viii}

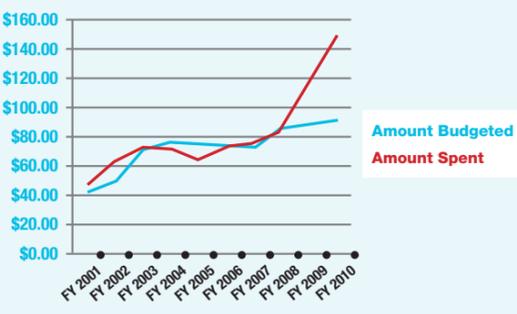
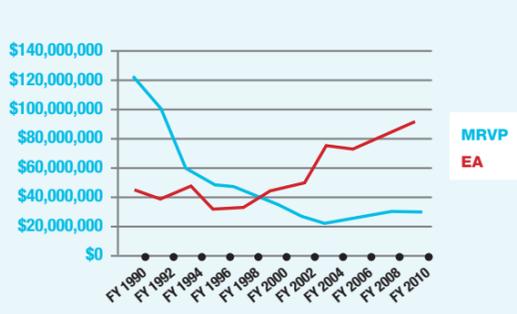


Figure 2: Massachusetts EA Appropriations Compared To Massachusetts Rental Voucher Program Appropriations from FY1990-2010



Repurposing EA shelter dollars into more flexible resources would allow DHCD to prevent a family's homelessness, divert a family from shelter, rapidly re-house a homeless family, or stabilize a recently housed family. This flexibility would offer families greater choice, provide a more family specific intervention, and assist more families in need.

One Family's Vision: Emergency Assistance Reform and Beyond

Ten years of research, practice, education, and advocacy have taught us that three major changes must take place in order to reach the goal of an EA program that focuses on housing stabilization rather than emergency shelter provision. These reforms include:

- 1. Craft policies that allow flexibility** - Flexibility within the EA system will ensure that families do not have to go to shelter to receive help. With a flexible system, families can receive the prevention, diversion and re-housing services they need without ever having to step into a shelter.
- 2. Customize services** - By moving away from a one-size-fit-all model, families would be eligible for varying levels of service based on their unique needs.
- 3. Integrate services into the community** - The EA system must be integrated with community based service providers through local communities and Regional Networks.^{xiii} These positive outcomes from the Regional Network pilots should become the norm within EA rather than the exception.

These reforms represent a paradigm shift from a shelter-centric service model to a housing-centric approach that recognizes that supportive services are best received at home and through access to mainstream services. They are necessary to strengthening the EA program so that it keeps families housed in their local communities, provides families choice in the services they receive, and helps families to stabilize so that they do not become homeless again.

EA reform is an important step in ending family homelessness, but EA reform alone will not get us to our ultimate goal. We must also build up a system that will support at risk families in reaching housing stabilization and economic self-sufficiency. One Family strongly supports the Commonwealth in its effort to implement the recommendations of the Commission to End Homelessness and calls for an increased focus, energy and resources toward:

- **Production of and access to affordable housing** that suits the needs of various subpopulations. Including but not limited to increase funding for MRVP and the development of permanent supportive housing for those families who will always need additional support.
- **The development and expansion of workforce and asset development programs** that will provide the tools to ensure economic stability and mobility for families. There are currently interagency collaborations taking place to match families receiving short term rental assistance from DHCD to education and employment programs offered by DTA. Efforts like these should be expanded to provide the needed workforce development programming to all families in housing crisis.

When these reforms are in place, we believe families will no longer need to be housed in the shelter system for months at a time, if at all, but be quickly assisted to prevent homelessness or rapidly re-housed. With access to affordable housing and employment services, families will not only avoid homelessness but will have the opportunity to thrive in the Commonwealth.

Table 1: Hypothetical 12 Month Cost Comparison^{xii}

| Cost Factor | Annual Costs to EA program | |
|--------------------------------------------------|----------------------------|------------------------------|
| | Traditional Shelter Focus | Prevention & Diversion Focus |
| Time in Shelter (Months) | 8 months | 2 months |
| Shelter Cost Per Month | \$3,500 | \$3,500 |
| Time in Rental Housing | 4 months | 10 months |
| Rental Housing & Services Cost Per Month | \$1,200 | \$1,200 |
| Total Cost Per Family Per Year | \$32,800 | \$19,000 |
| One Year Cost Reduction | 0% | 40% |
| Cost to Serve 5,000 Families for One Year | \$164 million | \$95 million |
| Number of Families Served With \$164 MM | 5,000 | 8,600 |

By moving to a model that relies more on prevention, diversion and short-term rental assistance, Massachusetts can support more families with the services they need, with no additional cost to the Commonwealth. The table below compares the per-family cost of one year of assistance focusing primarily on a shelter (the traditional model) versus a scenario where a family only spends two months in shelter and the remaining portion of the year in housing with a short term subsidy. Shifting resources and services from a shelter setting to a housing setting across the system could free up millions of dollars to use toward housing subsidies and thereby assist a greater number of families in need.^{xi} Without a change to the EA program, the cost of sheltering families will continue to rise and will limit the resources available for alternative interventions that have been proven effective at reducing family homelessness.

ⁱOne Family, Inc. calculated through collected data from the Department of Transitional Assistance, 2004-2006.

ⁱⁱNational Center on Family Homelessness, 1999.

ⁱⁱⁱNational Child Traumatic Stress Network. (2005). *Facts on Trauma and Homeless Children*. Available at www.nctsn.org/nctsn_assets/pdfs/promising_practices/Facts_on_Trauma_and_Homeless_Children.pdf.

^{iv}National Center on Family Homelessness, 1999.

^vWeinreb, L. et al. (2006). A Comparison of the Health and Mental Health Status of Homeless Mothers in Worcester, Mass: 1993 and 2003. *American Journal of Public Health*. 96(8): 1444-1448.

^{vi}*Every Child A Home: A Proposal for a Public/ Private Strike Force to Address Family Homelessness in the Commonwealth*. One Family, Inc., 2003.

^{vii}Ending Family Homelessness in Massachusetts: A New Approach for the Emergency Assistance (EA) Program. Dennis P. Culhane. 2010.

^{viii}Massachusetts General Appropriation Acts 2001-2009 and Massachusetts Budget and Policy Center Online Budget Browser. <http://browser.massbudget.org/>

^{ix}MA Commission to End Homelessness: Five-Year Plan, 2008.

^xMA Commission to End Homelessness: Five-Year Plan, 2008.

^{xi}The calculations for table 1 come from documented costs associated with each intervention as provided by the Central Massachusetts Housing Alliance.

^{xii}*Reducing Family Homelessness in Massachusetts: Opportunities to End the Use of Motels, Improve Results and Lower Costs Through Reform of the Emergency Assistance (EA) Program*. Power Point Presentation. The Paul and Phyllis Fireman Charitable Foundation. 2010.

^{xiii}Ending Family Homelessness in Massachusetts: A New Approach for the Emergency Assistance (EA) Program. Dennis P. Culhane. 2010.

^{xiv}Ending Family Homelessness in Massachusetts: A New Approach for the Emergency Assistance (EA) Program. Dennis P. Culhane. 2010.

^{xv}MA Commission to End Homelessness: Five-Year Plan, 2008

^{xvi}MA Commission to End Homelessness: Five-Year Plan, 2008