



Ending Homelessness in America:

HAVE WE REACHED THE TIPPING POINT?

by Carla I. Javits



In the early 1980s, so many people began to live on our streets that average citizens from coast to coast could not help but notice a phenomenon not seen in the US since the height of the Great Depression. The roots of this emerging disaster were firmly planted in the 1970s, when the expansion of affordable housing that started primarily for World War II veterans came to a crashing halt. At the same time, several smaller but significant causes of homelessness came together in a kind of perfect storm.

In *The Tipping Point: How Little Things Can Make a Big Difference*, Malcolm Gladwell tells the story of how social epidemics spread and eventually reach a “tipping point,” using disease epidemics as his framework. He identifies three principles that drive social change, “one, contagiousness; two, the fact that little causes can have big effects; and three, that change happens not gradually but at one dramatic moment...” Gladwell argues that the tipping point occurs at that moment when, like a roller coaster slipping over the top of its climb, the process of change dramatically accelerates. Gladwell also cites three factors that drive the roller coaster up the hill—the right people, a “sticky” concept, and the right context.

This framework is useful in assessing both the rise of homelessness in the US and the impact of subsequent efforts to do something meaningful about it. Think of it as the roller coaster with double hills. As we tipped over the first hill in the early 1980s, multiple causes intersected and led to the emergence of significant homelessness. Almost 25 years later, we are chugging up the second hill, working to reduce the number of people who are homeless, and even dreaming that we might hit tipping point number two and head down the hill toward **ENDING WIDESPREAD HOMELESSNESS IN THE U.S.**

Early Response:

STRUGGLING TO DO SOMETHING ABOUT HOMELESSNESS

When it first began, the response came quickly. Compassionate people from faith communities, neighborhood groups, small businesses, nonprofit organizations, and local government banded together and did whatever they could to deliver emergency shelter and food. Over time, they took note of the accompanying problems that many homeless people had, and began to try to address them—extreme poverty and unemployment, social isolation, poor education, health problems, addiction, and mental illness.

An industry focused on homelessness was born. In many cases, these groups replicated a safety net of housing, health care, employment, and social services that other Americans accessed either through the private for-profit market place, or with the help of their employer, their families, their religious communities, or other government programs. It became clear that a wide swath of people did not have access to those avenues, and had fallen through the frayed “safety net.”



Early Response:

STRUGGLING TO DO SOMETHING ABOUT HOMELESSNESS

FEDERAL INITIATIVES. In the 1980s, advocates like the National Center on Homelessness and Poverty and Mitch Snyder fought hard for federal resources to assist homeless people. The result was the McKinney-Vento Homeless Assistance Act, the largest federal program targeting assistance to homeless people, which now spends about \$1.5 billion annually. States and local governments also invested. Together, this funding appeared to curtail some of the most horrifying impacts of homelessness for many, but the numbers continued to climb steadily.

The public, many homeless people themselves, and providers serving them became increasingly frustrated with the inadequate response. They did not have the resources to address the size and scope of the problem. They could provide temporary assistance, but saw too many people cycling through their programs without becoming stable.

CHRONIC HOMELESSNESS. As the National Alliance to End Homelessness (NAEH) summarizes it: “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 either live in shelters and on the streets, or cycle 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, are very expensive to public systems of care.”

This group of about 200,000 to 250,000 chronically homeless people is composed primarily of single men and women with significant health problems (chronic physical illnesses, mental illness, addiction), in addition to a relatively small number of families with children and young adults who often also had histories of serious abuse, violence, and stays in foster care. It turned out that this relatively small percentage of homeless people who were chronically homeless used up about 50 percent of all emergency shelter resources available at any given time (Culhane, et al, 1999).

SUPPORTIVE HOUSING AND PREVENTION. Meanwhile those delivering services and housing to homeless people pioneered a new set of interventions that combined two elements. First a safe, decent place to live that very poor people could afford, with no time limit on length of stay and a normal set of tenant obligations including paying rent and normal standards of tenant behavior. Second, they delivered health, social, and employment services aimed at keeping people with serious problems housed and stable. It turned out that supportive housing worked especially well for those those who, without housing, could not access the services to stay stable, and those who, without services could not maintain the norms of tenancy and stay housed.

Government, providers, and advocates began to look at the data and became convinced of the positive results of prevention efforts and permanent supportive housing in ending homelessness for those who stayed homeless the longest and had the most complex needs. Evidence began to roll in that supportive housing cost little more than leaving people homeless for the

long term and revolving through jails, hospitals, and shelters, and resulted in improved health, increased employment, and community participation.

ENDING HOMELESSNESS. NAEH pushed the envelope, publishing its widely respected new analysis and framework that called for an end to “managing” homelessness, and the start of efforts to end homelessness. Supportive housing and prevention programs were featured as promising new approaches that worked for chronically homeless people.

As the roller coaster again chugged uphill, this time on the “ending homelessness” slope, the Bush Administration, the Congress, and many governors and mayors found merit in this assessment, setting new priorities to address homelessness among those with the greatest barriers to stability including those who had come to be called “chronically” homeless.

STATE AND LOCALES. States and locales have now produced about 100,000 units of permanent supportive housing, and have completed 90 plans calling for the development of more than 80,000 new supportive housing apartments. Many plans adopt a greater focus on preventing the growth of homelessness by engaging institutions like hospitals, jails, prisons, and the foster care system in ending their practice of discharging their constituents into homelessness.

CONGRESS. Additionally, the Congress adopted budget bill language calling for the creation of 150,000 units of permanent supportive housing and set aside 30 percent of McKinney-Vento program funds for housing.

PHILANTHROPY. In 2004, philanthropy came to the table in an unprecedented fashion, launching the national Partnership to End Long-Term Homelessness, which was formed by philanthropic leaders from the foundation and corporate sectors, also calling for the creation of 150,000 units of permanent supportive housing, pledging \$40 million to the effort, and promising to raise \$60 million more in private support.

CONCERNS ABOUT CHANGE

EMERGE. While the targeting of resources to those likely to be homeless the longest and the creation of permanent housing received widespread support, the policy changes are also sounding alarm bells. Some advocates push for the allocation of resources available to address homelessness to a broad spectrum of approaches in the context of local priority-setting, rather than an overarching federal strategy to prioritize help for those who have been homeless the longest, or to target these resources to housing.

The arguments are rooted in two important concerns. First, some oppose the notion of targeting homeless funding to housing because they view it as a smokescreen that covers up the worst effects of dramatic decreases in the commitment of federal funds to new affordable housing over the past several decades. Second, many providers who work most closely with families with children, and those who provide temporary shelter, transitional housing, and services to homeless people, are extremely concerned that the new targeting of resources is decreasing the funds available to the people they serve. Much of their assistance focuses on the people whose

homelessness is due to an economic disaster such as a lost job or one-time health crisis—and relatively few of these people have the most serious problems with mental illness, drug or alcohol use, or other chronic health conditions. They make up the largest percentage of people who become homeless each year, and most of them generally move through a single episode of homelessness fairly quickly.

On both of these grounds, advocates argue that the federal government should provide maximum local flexibility to determine priorities for expenditure of funding targeted to homelessness, rather than targeting funds to those homeless the longest, or to housing.

While I agree that homelessness continues to grow, particularly among families, due to our failure to address the root causes that create homelessness for most people—high real estate costs, low wages, unstable jobs for low income people, inadequate health insurance, the lack of coordination among safety net programs, and other fundamental issues; I do not come to the same conclusion. I would argue that we need to continue the targeting of some resources meant to address homelessness to those who have been homeless the longest and to the proven solution for them—such as the 30 percent set aside for permanent housing in HUD’s homeless grants programs; while at the same time uniting with others to press for increased resources for affordable housing, health care and other safety net programs. In addition, we need to engage mainstream systems including child welfare, criminal justice, housing and health care in delivering their

resources in a way that is accessible to and more effective for those who otherwise become homeless. In fact it is critical that policymakers clarify the responsibility that these mainstream programs have in addressing the homelessness that has in part been caused by their failure to deliver effective, coordinated assistance to this population, and provide the resources, incentives and accountability so that they do a better job in the future.

Leaving decisions about how to prioritize limited funding of homeless programs to local jurisdictions without targeting resources to supportive housing or to those homeless for the long term will not solve these larger issues that continue to create homelessness, nor will it pressure the mainstream programs that control far greater resources to invest in ending homelessness.

The 2006 election results offer hope for a win/win resolution that better leverages mainstream and targeted resources, given the voters preference for results-oriented candidates eager to act on a bipartisan basis for the public good.

WHERE ARE WE HEADED? This is the state of affairs as we struggle up the hill trying to get to a new “tipping point” when the number of homeless people in the US—both long-term and those experiencing single episodes of homelessness—begins to decline precipitously. Will we get there in the next few years? What do the signals indicate?



Approaching the Second Tipping Point:

CRAFTING SOLUTIONS

Over the past 15 years, CSH has had the good fortune to help cultivate a thriving new industry of entrepreneurial housing and service providers that has put thousands of units of high quality supportive housing into operation; and to work with far-sighted funders in government, philanthropy, and financial institutions that have invested in the start-up of this highly productive sector—in Gladwell’s context, the right people are lined up. A bipartisan group of governors and mayors throughout the country have pushed forward investments of billions of new dollars in supportive housing. We estimate that approximately 100,000 units already exist, with about one-third targeted to those who have been homeless for the long term.

What was once a little-known, boutique program available to only a few hundred people has become a primary focus of an increasingly large number of state and locales as they work to address the problems of homelessness. Supportive housing is becoming a more common part of the policy prescription. In Gladwell’s framework, the context is ripe for change.

ENTER PREVENTION. In addition to supportive housing, “housing first” and prevention have also become a major focus of many jurisdictions. Given the alarming toll of homelessness on children, many of these programs focus on families. Around the country, the criminal justice, hospital, and child welfare systems are experimenting with new efforts to prevent the discharge of their clients into homelessness.

Pushing Us Over the Tipping Point

Have we reached the tipping point on ending homelessness? Not yet. But I would argue that we are light years ahead of where we were even two or three years ago, and those in the front of our roller coaster should tighten their seat belts and hold on because we are moving toward the top of that second hill, and when we tip over it, the recent phenomenon of growing, widespread homelessness will begin to diminish in our country.

WHAT IT WILL TAKE TO GET THERE. The people are in place and the context is right. The message that we can end and not just manage homelessness is starting to stick.

To take it over the edge, all these forces need to coalesce—government, philanthropy, the business community, and the public. They need to follow the simple rule that business teaches: align the incentives with the goals. Philanthropy can target their rewards to the efforts led by public officials who step forward and lead initiatives setting clear, measurable goals and committing public resources to achieve them. Government can invest in the providers and projects that are prepared to deliver the quality and types of housing and services that work for the populations targeted. In addition to aligning incentives, we need to take steps to cross the chasms that separate those who fund and deliver housing, and those who are in the health care, criminal justice, child welfare, and other service businesses. While humanitarian concerns may cause us to try, we will work together only when we understand why it is in our interest to do so. We need to make a business case that makes sense to those with different pressures and priorities.

Specifically, the following steps will help speed us toward the tipping point:

1. AN ADEQUATE SUPPLY OF AFFORDABLE AND SUPPORTIVE HOUSING. A Rubicon that must be crossed before we hit the tipping point is to make sure that more people with extremely low incomes—those at or near the federal poverty line—are able to obtain decent housing that they can afford. Homelessness is by definition the absence of a home, and housing investment is a fundamental component of efforts to end chronic and episodic homelessness. Existing housing is unaffordable and insufficiently available to achieve the goal.

But making more housing affordable and available to very poor people is not only a necessary component of creating supportive housing; it is also a necessary part of ending homelessness among those who typically only become homeless for brief periods of time. Too many Americans lose their homes each year due to a temporary crisis—

domestic violence, a health emergency, or a lost job. The margin of error, the difference between their income and the cost of rent, is simply too small to cover a setback of any kind.

Other than to replace other federally subsidized units lost to demolition or other purposes, the federal government has not increased the supply of Housing Choice Vouchers (“Section 8”) for six years. The HUD budget, which finances affordable housing, is under assault every year, with no programs other than those for homeless people receiving the funds necessary to increase the affordable housing supply.

To get to the tipping point requires the following from government, corporations, and philanthropy:

- **Federal Investment in Housing.** A significant federal investment in housing that is affordable and accessible to people with incomes around the poverty level, many of whom may not have the most attractive credit, criminal, or personal histories. This will require a combination of new investments in affordable housing production, and increases in rent subsidies to make existing housing affordable—and these units will not automatically be available to homeless people unless this intent is made clear. Among other options, the Congress has considered a new affordable housing investment fund in conjunction with their oversight of Freddie Mac and Fannie Mae that could fuel the kind of development required. The Low-Income Housing Tax Credit program has also been a major source of capital investment in affordable housing, and should be continued and increased.
- **Explore New Options.** The Congress and the President should consider creative new approaches including, for example: a housing tax credit similar to the existing earned-income tax credit; tax credits or tax relief for private real estate developers or owners willing to rent to people who are homeless; and operating subsidies made directly to building owners or sponsors calculated to cover the costs of operations and not necessarily under the existing Section 8 formula.
- **Local Funding.** States and jurisdictions with local redevelopment agencies that control tax increment funds from redevelopment districts should be encouraged or incentivized to significantly increase funding for housing affordable and available to homeless people. State and local jurisdictions should copy the efforts of successful housing trust funds like those in New Jersey and Illinois.

- **Philanthropy.** Philanthropy and financial institutions can build on their successes by providing the venture capital and investments in provider capacity and policy work by expanding their investments in: low cost loan pools that assist with the acquisition and predevelopment of affordable housing; building the capacity of local organizations to develop and operate supportive and affordable housing; investing in the policy and advocacy work and research required to make a convincing case for public and private investment; and purchasing low-income housing tax credits.

2. CHANGED SYSTEMS. While increased housing investment is a crucial ingredient, the spark that will jolt us toward the top of the hill on our roller coaster is systemic change. We have the right people, and an auspicious context, but we must identify the “sticky” ideas that will drive the necessary systemic changes forward so that we can achieve the desired results.

The elements of systemic change include:

- **Prevention.** Preventing homelessness by getting the cooperation of institutions like hospitals, jails, prisons, and foster care homes from discharging their charges into the streets, shelters, or the revolving door to recidivism, and instead investing in the housing and services to keep them stable in the community.
- **Housing and Service Delivery.** Transforming the way that housing owners and service providers do business so that housing is made available and accessible to people who would otherwise be screened out due to poor credit, tenancy, and criminal justice histories. Mental health, addiction, social, and employment services should be delivered in new ways that help tenants retain stable housing and live as independently as possible, rather than mandating participation and assuming that individuals who don’t participate or can’t fully comply are not worthy of treatment.
- **Mainstream Funding of Services in Supportive Housing.** Homeless programs such as McKinney-Vento will never be large enough to bear the full burden of services required to stabilize people in supportive housing. These services must increasingly be covered by mainstream sources such as Medicaid, child welfare programs, mental health, and substance abuse service block grants.

- **Coordination.** Homelessness cannot be ended by any single person or institution and can only be ended when people and institutions work together across silos. No single institution has the financial, human, or material resources to end homelessness alone. The most powerful approaches to ending homelessness require housing and service providers to find new ways to work together; and service agencies to combine forces across social, health, mental health, addiction, and employment services. Coordination between institutions and housing and service providers is also essential to preventing homelessness.

Government, corporations, and philanthropy can fuel the changes necessary to get to the tipping point as follows:

- **Invest in Transformation.** Philanthropy should play an instrumental role in covering the upfront costs associated with institutional change. For example, provide the initial infusion of resources to projects that engage hospitals in placing homeless people who frequent their ERs in supportive housing. Two California health care foundations have sponsored an initiative to do just that. Once up and running, the resultant savings can be reinvested in sustaining the innovations. Working across sectors requires staff time for coordination, and is done more effectively if someone’s full-time role is to act as a “boundary spanner.” It takes staff time and data to engage mainstream agencies and help them change policies and practices required to fund services in supportive housing. It takes new capabilities for homeless service agencies to implement the systems required to access mainstream funding. Financial investments in building capacity by philanthropy and government will result in substantial returns as agencies learn to work together, differently, and more efficiently.

FACTORS CONTRIBUTING TO THE

1950s ▶ ▶ ▶ ▶ 1960s

- Widespread deinstitutionalization of people from state psychiatric hospitals

- **Benchmark and Set Outcomes, Monitor Results.** When government, business, and philanthropy invest in housing and services to end homelessness, they should establish outcomes such as stabilizing a specified number of people in housing within a certain time frame, and pay for results. To drive mainstream systems to change, government funders should set measurable benchmarks for housing, health, employment, and service programs to deliver better outcomes for homeless people.
- **Pay for policy/business analysis and dissemination.** Philanthropy plays a critical role in helping to make the business case for ending homelessness to multiple systems and packaging it so that it resonates with elected and appointed officials at various levels of government.
- **Coordinated reporting requirements.** Complex reporting raises costs: simplifying it and making requirements more uniform across agencies decreases costs.

3. COMMUNITY SUPPORT. Finally, broad public support and engagement will be required to convince public officials, financial institutions, and philanthropy to invest in tens of thousands of units of supportive housing and affordable apartments for homeless people, to site those apartments in neighborhoods, and to change our expectations so that we no longer accept widespread homelessness in our communities and take all of the steps necessary to dramatically decrease it.

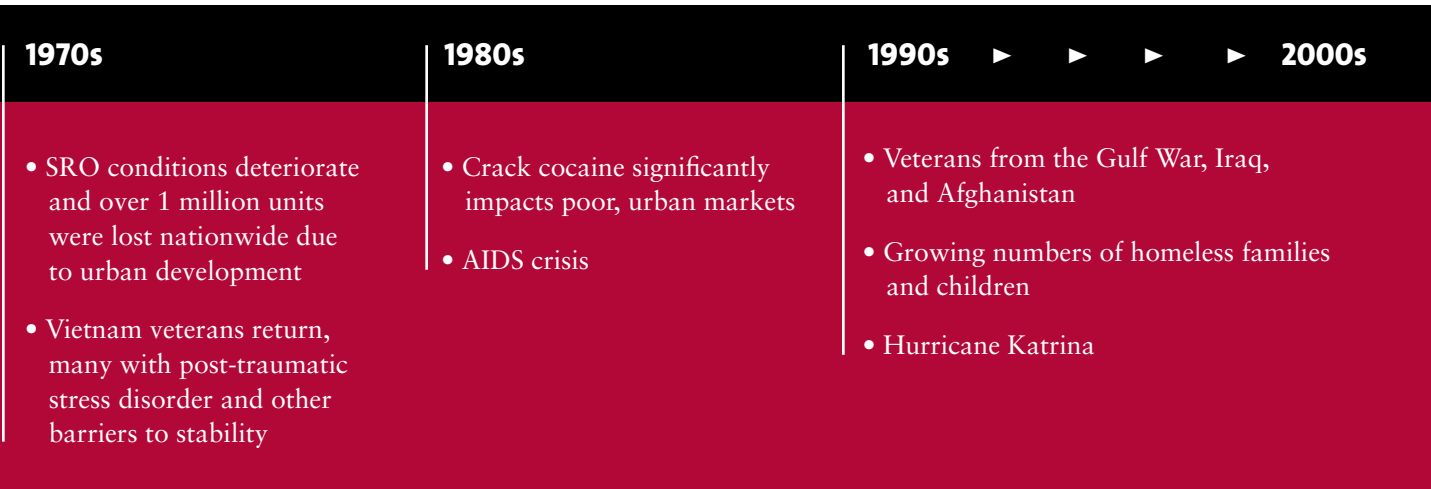
Government and philanthropy can undertake the data collection and disseminate the research that shows that investment in supportive and affordable housing results in increased property values and neighborhood improvement. Leaders and members of the business community can stand side by side with affordable and supportive housing developers and advocate for the siting of projects

in the neighborhoods where they live. Philanthropy can invest in the capacity of developers and service providers so that they are able to deliver with quality—the most honest and direct way to address the “not in my backyard” phenomenon.

Local officials can create opportunities modeled on San Francisco’s Project Homeless Connect and other volunteer efforts for businesses and communities to work with homeless people directly. This helps the public better understand their challenges and energizes their compassion and hope by allowing them to contribute directly.



RISE OF HOMELESSNESS IN AMERICA



We Can Do It

To some, the notion of ending widespread homelessness in our country seems like a pipe dream—another overblown fantasy of out of control social optimists. And there are reasons for concern. Some recent factors, difficult to control, fuel increased homelessness:

- A high percentage of veterans of the wars in Iraq and Afghanistan are filing for disability benefits due to a variety of health conditions including post traumatic stress disorder; families already struggling with low wages have been severely impacted, particularly by the broad call up of the National Guard; and veterans' service groups are concerned that the initial trickle of new veterans into emergency shelters may become a flood.
- The 2005 Gulf hurricanes caused hundreds of thousands of people to flee New Orleans and other areas. As the housing benefits of those who sought refuge run out, cities such as Houston, which took in large numbers, may face increased homelessness.

Despite these countervailing trends, I would argue that if we can hold on to the existing 100,000 units of permanent supportive housing and create 80,000 more (even if only half of the units are targeted to chronically homeless people) this will begin to tip the balance of chronic homelessness. Many of the people who once took up space in the shelter system for long periods of time will begin to stabilize in housing, freeing up the emergency system to provide for the majority of homeless people who need to access it briefly as they deal with a temporary crisis. The Partnership to End Long-Term Homelessness has committed to raise \$100 million from philanthropy, and has already brought more than half of those resources to the table. Financial institutions are also contributing, purchasing low-income housing tax credits, contributing grant funds, and making low-cost loans to jumpstart supportive housing projects.

Adding power to our journey toward the tipping point, the contagious and spreading effort to create permanent supportive housing has already had a profound impact on policies and programs for homeless people. By demonstrating that people with long histories of homelessness and complex service needs can be stabilized successfully in permanent housing, the movement has begun to transform what government and providers thought was possible. Research on these efforts has produced data demonstrating the cost-effectiveness of supportive housing due to reductions in hospital, shelter, and jail stays, and improvements in health status, employment rates, and earned income. Health care, criminal

justice, and child welfare systems are increasingly interested in supportive housing as a way to serve the most frequent users of their systems—many of whom are homeless.

Human beings have achieved many milestones that once seemed fantastic—ending the rule of monarchy in most places, ending slavery, Jim Crow laws, smoking in offices, classrooms and restaurants; extending the right to vote to African Americans, Native Americans, and women. It took focus, sacrifice, desire, and a change of heart and mind.

HOPE AND TREPIDATION. Our heart skips a beat as we ride the roller coaster. We are nervous but excited as we head up the hill. We're not sure when we'll get to the top, but we know we will get there. To conclude, I believe we will look back on this period of experimentation and progress, and—like a mirror image of the early 1980s when homelessness proliferated—we'll view this as the time that many little changes began to coalesce, and we'll tip toward a new era when fewer and fewer Americans find themselves homeless. And when they do, in every community in the country, they will quickly find a way home.





ABOUT THE AUTHOR

Carla I. Javits was appointed President and CEO of the Corporation for Supportive Housing in December 2000; she joined the nonprofit organization in 1992, as founder of CSH's California program. Ms. Javits leads CSH's efforts to deliver exceptional services—practical advice, financial products, training, technical and strategic analysis, and the brokering of partnerships among developers, service providers, and government investors—to communities throughout the country. Ms. Javits received a BA in Political Science and an MPP from the University of California, Berkeley. She is Chair of the Board of Directors of the California Budget Project and serves on the Fannie Mae National Housing Advisory Council, the Executive Committee of the Partnership to End Long-Term Homelessness, and the Board of Directors of The Philanthropic Initiative. In April 2006, she announced her intent to depart CSH by early 2007.



ABOUT THE PARTNERSHIP TO END LONG-TERM HOMELESSNESS

The Partnership to End Long Term Homelessness was created in 2004 to galvanize the philanthropic leadership and dollars needed to end long-term homelessness in America. Serving as an open knowledge network for funders, the Partnership shares strategic thinking, wide-ranging experience, and expertise to prevent and address long-term homelessness. For more information, visit www.EndLongTermHomelessness.org.



ABOUT THE CORPORATION FOR SUPPORTIVE HOUSING

CSH helps communities create permanent housing with services to prevent and end homelessness. CSH strives for a day when homelessness is no longer a routine occurrence and supportive housing is an accepted, understood, and easy-to-develop response. We advance our mission by providing high-quality advice and development expertise, by making loans and grants to supportive housing sponsors, by strengthening the supportive housing industry, and by reforming public policy to make it easier to create and operate supportive housing. For more information, visit www.csh.org.

CSH gratefully acknowledges the supportive housing tenants who appear in this publication: Angela Giron, page 6; Gene Pittman, page 9; Mickie Vargas, page 10.

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