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## Addressing Long-Term Homelessness: Permanent Supportive Housing

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*Prepared at the Request of  
Senate President pro Tempore John L. Burton*

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SRO Collaborative Project, Sacramento; *photograph, page 8*

Tenderloin Neighborhood Development Corporation, San Francisco; *photograph, page 18*

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## **PERMANENT SUPPORTIVE HOUSING: ONE TENANT'S STORY**

“... Treating the consequences of that life [homelessness] in the usual ways has been enormously costly without producing lasting benefits. That was how public programs and institutions dealt, for example, with Derrick Randall during the two years he spend living on San Francisco sidewalks, shelters, and parks, or occasionally crashing with his sister. In the year before he moved into supportive housing, Mr. Randall spent an average of two and one-half days every month in San Francisco General Hospital for one crisis or another. He'd been treated in the emergency room 10 times that same year. The cost of his mental health services alone – everything from crisis intervention to medication monitoring to individual therapy – came to nearly \$15,000 in just 12 months.

A college graduate and Vietnam veteran diagnosed with major depression and Post Traumatic Stress Disease, Mr. Randall had been taking cocaine intravenously for two decades – knowing full well, these days, that he was committing a slow, public suicide. “I was bouncing in and out of hospitals,” he said. Relying on drugs “helps sometimes but then you come down.” As medical and psychiatric problems mounted and prescriptions went unfilled or unfollowed, the crashes grew worse. Each physical and emotional trough demanded another relief of drugs and drink, until another round of hospitalization, detoxification, or arrest brought a moment of unwelcome clarity. And then it started again.

Now in two years of supportive housing (and counting), the emergency room visits and inpatient hospitalization have stopped. Community Mental Health services continue – at nearly half the prior expense, under \$8,000 a year – but now the services are preventive and sustaining not rescue missions. And most of those are case-management services delivered routinely at the residence where Mr. Randall lives. He has not spent a single night in any public place or emergency room – no more benches and shelters, no more gurneys, no more jails. Now, at the first sign of trouble, an emotional low, a bout of nightmares, a craving for drugs, help is no further than the lobby.

Here is how a case manager in his supportive housing programs describes Mr. Randall's life now: *“He has a room that's his sanctuary, so he doesn't need to go to the emergency room just to be safe and off the streets. And if his mental illness escalates, and he begins to decompensate, there's lots of people he can go talk to. A lot of times, that's all people want, someone to talk to.”*

*“The good thing about this place,”* says Mr. Randall, referring to his supportive living apartment, *“is that I don't go to the hospital any more – voluntary or involuntary. I was snatched off the bridge once. Now, just being able to come down [to the buildings' offices and common areas] and talk about stuff makes the difference. Here we can work it out.”* These days, Mr. Randall is increasingly part of the solution for other people, one of the peer counselors and resident leaders who encourage and support other residents in their rough spells.”

*Excerpt from the report:*

*“Supportive Housing and Its Impact on the Public Health Crisis of Homelessness,” 2000*

*The name of the tenant was changed in the report to protect his privacy, all other facts are accurate.*

# Executive Summary

Long-term homelessness in California is a significant, complex, and expensive social problem. Research to date has shown that permanent supportive housing – a combination of affordable housing and support services – can effectively address the needs of individuals and families who have been homeless for an extended period of time. This housing model can improve housing stability and reduce the use of high cost public services, like hospitals and jails.

*Addressing Long-Term Homelessness: Permanent Supportive Housing* describes permanent supportive housing for the long-term homeless population, including funding sources and challenges, and evaluation findings. It also identifies the needs and service gaps as reported by counties and cities that receive federal homeless funds. This report is intended to provide the Legislature, the State Agency Task Force on Homelessness, and local jurisdictions with information to better understand and assess the role of permanent supportive housing in addressing long-term homelessness in California.

## **What is Permanent Supportive Housing?**

Permanent supportive housing is safe and affordable long-term rental housing linked with flexible support services that are available when they are needed. Like other affordable housing, it is designed to look like existing housing in the surrounding neighborhood. It may be single-family homes or duplexes, apartment buildings, single-room occupancy buildings, or former military base housing units. The difference between permanent supportive housing and other affordable housing is the linkage to a services component. Integrating services with affordable housing provides formerly homeless individuals and families the ongoing help they need to remain housed and live independently.

Permanent supportive housing is part of a larger strategy to address homelessness. It is one option in a range of housing and services that address the changing needs of the homeless population. Traditionally, the path to housing consists of a series of steps; homeless adults and families move from a temporary shelter environment with services, to a time-limited transitional housing arrangement with services, and then to permanent housing. Persons who need continued support progress to permanent supportive housing.

However, many housing advocates are increasingly promoting the “housing first” approach. This entails placing individuals and families as quickly as possible into permanent housing and providing case management and support services *after* the move. Proponents say that this approach better promotes integration into communities.

## **Who Are The Homeless?**

There are over 360,000 homeless persons in California (a little over one percent of the population) on any given day; there are between one to two million persons who are homeless during a year. However, these numbers are rough estimates at best (and likely

to be low). The homeless population is very fluid – people are continually moving into and out of homelessness – and difficult to track.

Homelessness is concentrated in cities, but also exists in the suburbs and rural areas. Like California itself, the state’s homeless population is diverse. It includes single men and women, a growing number of families, and both the elderly and youth. Many men and some women are veterans. All races and ethnicities are represented. Some are working. Many homeless individuals have serious health problems or disabilities, and/or past histories of foster care or incarceration.

Homelessness is a short-term, temporary circumstance for most individuals and families. They generally enter the homeless system because they are unable to pay for housing. (Lack of housing is concentrated among households with incomes below the poverty level.) Individuals and families who become homeless for economic reasons do not need any special type of housing; they just need housing that they can afford.

In contrast, a smaller segment of the homeless population (from 10-30 percent) experience homelessness on a long-term basis, that is, they are without a home for six or more months per year. These individuals and families are the most visible and disturbing population, and they receive the most negative reaction from communities. The long-term homeless generally live “on the streets;” they congregate and sleep in public places, and sometimes engage in disruptive behavior. The long-term homeless have the most difficult conditions to address: severe mental illness and alcohol and drug addiction are common. Many have chronic health problems or disabilities that prevent them from working.

Affordable housing is also an essential component for addressing long-term homelessness. However, in contrast to the transitionally homeless, those who have been homeless for a long time typically need ongoing support and assistance to stay housed and become a part of their community. Permanent supportive housing addresses this need.

### **Producing Permanent Supportive Housing**

Several players, programs, and funding streams are involved in producing affordable housing units linked with services for the long-term homeless. Federal and state partners provide funding and technical assistance. Local public and private partners provide additional funding, develop housing, and deliver services.

The U.S. Department of Housing and Urban Development provides the majority of federal funding for permanent supportive housing programs through several programs. It generally awards funding to cities, counties or other local jurisdictions, or directly to public housing authorities and homeless service providers. The U.S. Department of Health and Human Services funds programs with services that support permanent supportive housing. These funds generally go to the state.

On the state level, multiple state departments and agencies operate programs that impact permanent supportive housing. The primary ones are the Department of Housing and

Community Development, Department of Mental Health, and Department of Health Services. Other state agencies have programs that either target the homeless population or can be accessed for housing and services.

Locally, some counties and cities use redevelopment and housing trust funds to pay for housing development costs. County departments of health, mental health, and/or alcohol and drug programs provide funds for services. Private foundations, development corporations, and local service organizations also contribute funding for housing and services. Most permanent supportive housing projects are developed by a partnership between a housing developer and service provider.

Funding components for permanent supportive housing can be visualized as a three-legged stool. The three legs are housing development, housing operations (including rental assistance), and support services. If any leg is missing, the stool topples over.

Producing affordable housing linked with services is not an easy task. Financing these projects is expensive and complex. Several funding sources must be tapped to complete a housing project; no one source of funding will pay for all of the housing costs. Funding sources each have different eligibility requirements and timeframes. Many times, funding commitments are contingent upon securing other funding.

### **Housing Supply and Demand**

Local jurisdictions that request federal homeless funds must submit a plan that includes an analysis of the current supply of and demand for permanent supportive housing. This report compiles the plan data from 35 counties and cities in order to provide a baseline for future planning activities. While there are limitations and caveats associated with the data, it indicates that there is an unmet need for close to 50,000 permanent supportive housing units for individuals, and over 75,000 units for families.

### **Evaluation Findings**

The permanent supportive housing model has been the subject of several studies. Despite limitations of some of these, the research as a whole supports the following conclusions:

- The permanent supportive housing model can improve housing stability and other outcomes for individuals who have been homeless on a long-term basis. Permanent supportive housing tenants generally have high rates of stability. They are able to better manage medical and mental health conditions, and substance abuse, and are able to get support from their case manager and peers to handle crises before they escalate.
- The permanent supportive housing model reduces the use of high cost public services like hospital emergency departments, in-patient hospital beds, and jails. These reductions offset the costs of providing supportive housing. As a result, the permanent supportive housing model may provide individuals and families with an affordable, stable home and supportive services for close to the same amount of public funds spent on them while they are homeless.

- Permanent supportive housing does not harm neighborhoods and communities. Communities often express concern that supportive housing will have a detrimental effect on neighborhoods. However, two studies found that while specific housing developments may create problems (especially those that are poorly managed and maintained), permanent supportive housing units generally had a neutral or positive effect on the neighborhoods and communities studied.

## Barriers and Challenges

There are several barriers and challenges to increasing the availability of permanent supportive housing. The first is the lack of affordable housing. Affordable housing is an essential component of permanent supportive housing. However, California lacks enough affordable housing to meet the needs of its residents.

***“Having a home is the key to moving forward.”***

In the spring of last year, Pat (not her real name) was about to lose her home. Unemployed since 2001, she had exhausted all of her financial resources. A year later, Pat has completed the Sacramento Veterans Resource Center (SVRC) employment program, regained her self-worth, and is starting a new job. Pat lives with roommates in an SVRC duplex located in a south Sacramento neighborhood. She emphasizes the importance of having a home in addition to services during this time: “I felt peace” in this environment, “I can stay focused on my goals.”

*Personal interview, 2003*

The State is not building enough affordable housing. In spite of federal increases in homeless assistance funding and the recent passage of Proposition 46 – a \$2.1 billion housing bond measure intended to create additional affordable housing units – there is not enough funding available for building or rehabilitating affordable housing. The need for housing will continue to exceed demand.

At the same time, the state is losing existing affordable housing as owners convert federally assisted affordable housing units to more lucrative market rate housing. In addition, existing funding resources – like a state supportive housing initiative for homeless individuals who have mental health or other disabling conditions – are declining due to budget shortfalls and competing priorities.

There are even fewer funding resources for services. All of the challenges related to developing and maintaining

affordable housing units apply to funding the services component of permanent supportive housing.

Mainstream programs – publicly-funded programs that provide services, housing, and income supports to low-income persons whether or not they are homeless – are not being effectively utilized. There is more money available from mainstream programs than there is for homeless-targeted services, and mainstream programs have more stable funding. However, homeless individuals and families have difficulty gaining access to benefits and services from these programs. Barriers to using mainstream programs include the condition of homelessness itself such as lack of phone, address, and transportation. Administratively, mainstream programs are categorically organized with funding systems that are unable to respond to the multiple needs of homeless individuals and families.

Homeless advocates and affordable housing developers commonly face opposition from neighbors and communities when a housing project for the long-term homeless is proposed. The NIMBY response (“not in my backyard”) creates a major local barrier in many communities.

### **Options for Action**

Permanent supportive housing as a solution to long-term homelessness is part of a larger strategy to end homelessness for all. Federal and state governments, and advocacy organizations, have prepared “ten-year plans” and other strategy documents that specify recommendations for action to address homelessness. Many plans incorporate the following overarching structure:

- **Develop plans to end, rather than to manage, homelessness.** Collecting better data and focusing on *outcomes* – like the number of individuals/families who are stable housed over time instead of the number of persons provided shelter and number of services delivered – is key to planning.
- **Make prevention of homelessness a priority.** This includes providing a safety net (a range of available services) for individuals and families in danger of losing their existing housing. It also means taking action – like providing permanent supportive housing – to end cycles back into homelessness.
- **Quickly re-house everyone who becomes homeless.** Develop and subsidize an adequate supply of affordable housing, and adequate service resources.
- **Rebuild the infrastructure to address the conditions that lead to homelessness.** This includes addressing the shortage of affordable housing, incomes that do not pay for basic needs, and gaps in safety net services.

This report also summarizes the recommendations related to permanent supportive housing identified in ten-year plan strategy documents.

### St. Andrews Bungalow Court, Hollywood



St. Andrews is a rare Hollywood bungalow courtyard property that had fallen into disrepair and was slated for demolition. It was renovated in 1996 by the Hollywood Community Housing Corporation and now provides permanent supportive housing – 16 affordable homes and services – for formerly homeless individuals and families living with HIV/AIDS. This property is listed on the National Register of Historic Places and has won numerous awards.

## Introduction

Homelessness in California is a significant and complex social problem. It is also an expensive one. During the past couple of years, major newspapers have run series on the impacts and costs of homelessness. Federal, state, and local policymakers have increasingly focused attention on this issue. In 2002, both the President of the United States and Governor of California announced their commitment to “end chronic homelessness in ten years.”

Advocates and policymakers distinguish between policies and services that effectively address short homeless episodes and those needed for individuals and families whose homelessness is long-term. Most are homeless for short periods, primarily for economic reasons. However, those who are homeless for an extended time – months and years – generally have chronic health, mental health, substance addictions, and other conditions that create barriers to ending their homelessness.

The long-term homeless population uses the highest cost public services, including hospital emergency rooms, in-patient beds, residential psychiatric beds, and alcohol and drug addiction treatment programs. Many homeless persons are picked up on the streets for minor offenses and cycle through local jails. There are also indirect costs associated with long-term homelessness such as cleaning the streets, and collecting shopping carts and discarded belongings.

Long-term homelessness is commonly considered a major, intractable problem. However, the consensus of experts in the field of homelessness is that there is a solution: permanent supportive housing. Research to date has shown that permanent supportive housing – a combination of affordable housing and support services – can effectively address the needs of individuals and families who have been homeless for an extended period of time. This strategy results in housing stability for formerly homeless residents and, in addition, generates public savings in the long run.

This report focuses on permanent supportive housing for the long-term homeless population. In addition to describing this strategy and population, the report describes the funding streams that support permanent supportive housing, evaluation outcomes reported in the literature, and major barriers to “going to scale” (that is, implementing supportive housing on a widespread basis). The report also identifies the needs and service gaps as reported by counties and cities that receive federal homeless funds.

*“More than half of all homeless resources go to the ten percent chronic homeless...”*

*Philip Mangano, Executive Director  
Federal Interagency Council on  
Homelessness*

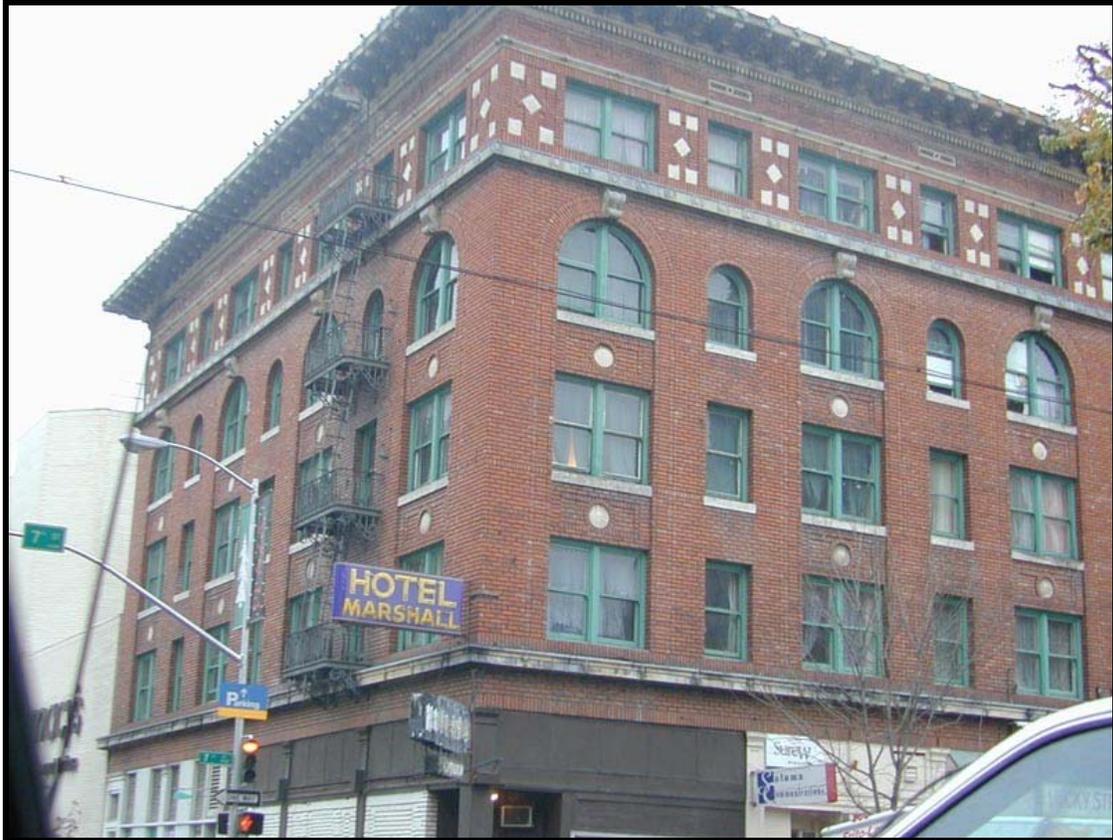
*“The results of a decade and a half of research to determine what works to end homelessness are fairly conclusive about the most effective approaches. Providing housing helps currently homeless people leave homelessness ... In fact, without housing, virtually nothing else works. However, housing often needs to be accompanied by supportive services, at least temporarily ...”*

*Martha Burt  
“What Will it Take to  
End Homelessness,” 2001*

*Addressing Long-Term Homelessness: Permanent Supportive Housing* is intended to provide the Legislature, the State Agency Task Force on Homelessness, and local jurisdictions with information to better understand and assess the role of permanent

supportive housing in addressing long-term homelessness in California. In addition, this report is intended to provide baseline information for future planning.

### The Marshall Hotel, Sacramento



The Marshall Hotel is a single room occupancy (SRO) building in downtown Sacramento. Old hotels like this are a significant source of housing for people emerging out of homelessness and for those who have no other options. Some of these SRO units function as permanent supportive housing; eligible tenants of the Marshall Hotel, and three other downtown hotels, receive case management and other support services from the SRO Collaborative Project (SROCP). The collaborative is run by the Transitional Living and Community Support (TLCS) Program of Sacramento. Its office is located off-site, but within walking distance of the hotels. SROCP maintains a close collaborative relationship with the property management staff of the hotels and will advocate on behalf of tenants to mediate disputes. Some tenants have housing vouchers that subsidize their rent; others pay market rates (from \$300-\$450/month).

# Permanent Supportive Housing

## PERMANENT SUPPORTIVE HOUSING DESCRIBED

Permanent supportive housing is safe and affordable rental housing linked with flexible support services. Integrating services with affordable housing provides formerly homeless individuals and families the ongoing help they need to remain housed and live independently.

Although there are different program models, permanent supportive housing generally has the following characteristics:<sup>1</sup>

- *It is affordable.* Affordable housing is generally defined as housing for which the occupant is paying no more than 30% of their gross household income, including utility costs.<sup>2</sup>
- *It is permanent.* This means there are no specific time limits attached to residing in the unit. Like other renters, the tenant in permanent supportive housing can continue to live there as long as he/she pays the rent and meets the lease requirements.
- *Supportive services and ongoing support are available when needed.* The range of services is flexible and accessible. Services are customized to meet the needs of the tenants in each development. They include:
  - crisis intervention
  - health care
  - mental health care
  - job training and employment services
  - alcohol and drug treatment
  - life (independent) skills training
  - help in accessing resources in the neighborhood and community
- *Participation in services and activities is voluntary.* Tenants are generally not required to use the available services as a condition of remaining in housing. (The philosophy behind this position is that housing is a basic right; formerly homeless persons should not be required to meet conditions for housing that are not imposed on other tenants.)

### “HOUSING PLUS SERVICES” AND OTHER TERMS

In addition to “permanent supportive housing,” there are many other terms in use that refer to linking long-term affordable housing with social services. “Housing plus services” is often used as an umbrella-term. “Service-enriched housing” and “service-enhanced housing” also include this concept.

While individual programs may differ in some respects (for example, they may have different target populations), these programs generally have the same approach and goal.

### SUPPORTIVE HOUSING BREAKS CYCLE OF HOMELESSNESS

- Creates stability by eliminating the need to move.
- Fosters self-sufficiency through support services that minimize long-term dependency on government safety nets.
- Facilitates getting and keeping employment.
- Prevents future crises through ongoing contact and linking tenants to appropriate treatment before a problem escalates.
- Provides a social network through peer support.

*Corporation for Supportive Housing*

- *Property management staff work with service providers and residents “as a team.”* Property management services are provided by trained staff who are sensitive to the needs of the population; and partners in building a community.

### **What Does it Look Like?**

Permanent supportive housing comes in many forms. Like other affordable housing, it is designed to look like existing housing in the surrounding neighborhood. Depending upon where it is located, supportive housing may be an apartment building with several units, scattered apartments throughout the community, a duplex, or a single-family home.

Single-room occupancy buildings (SROs) may be permanent supportive housing. (SROs are historically rooms without kitchens and/or bathrooms; tenants use communal facilities located within the building. A newer SRO variation is efficiency units with bathrooms and “food preparation areas” instead of full kitchens.) Some permanent supportive units are former military base housing.

The difference between permanent supportive housing and other affordable housing is the linkage to a services component. Supportive services that specifically address their needs are considered to be key to formerly homeless tenants’ ability to achieve stability and retain the housing.

Service coordinators link tenants with services through different service delivery models. Coordinators may be located on-site or have their offices in the community. They may serve the tenants of one housing development or coordinate services for tenants of multiple sites. Services may be delivered on-site or in the community, or both. Most commonly, staff provides on-site case-management and other services that are tailored to the tenants’ needs.

## **PERMANENT SUPPORTIVE HOUSING IN CONTEXT**

Permanent supportive housing is part of a larger strategy to address homelessness. It is one option in a continuum of housing and services that address the changing needs of the homeless population.

### **Continuum of Care Approach**

The continuum of care approach involves a series of components, or steps, to address homelessness:<sup>3</sup>

- Prevention
- Outreach and Assessment
- Emergency shelter
- Transitional housing
- Permanent housing or Permanent supportive housing
- Supportive Services

In the continuum of care model, individuals and families live in different residential settings to access the services they need. They generally progress from settings that have more structure and intensive supports to those that are less structured and intensive as they acquire more independent living skills and need fewer services.

Homeless adults and families generally move from a temporary shelter environment with services, to a transitional housing arrangement with services, and then to permanent housing. Persons who need continued support progress to permanent supportive housing. They may stay in this housing indefinitely, or may move to housing that is not linked with services sometime in the future.

In the continuum model, individuals and families primarily enter permanent supportive housing after completing a transitional housing program. However, they can also enter directly from an emergency shelter or from “the streets”.

### **The “Housing First” Approach**

*“Housing is the first form of treatment for homeless people with medical problems, preventing many illnesses and making it possible for those who remain ill to recover...”<sup>4</sup>*

Many housing advocates promote the “housing first” approach.<sup>5</sup> This means placing individuals and families as quickly as possible into permanent housing and providing case management and support services *after* the move. The philosophy is that, with a permanent home as a base, individuals and families can better begin to regain the self-confidence and control over their lives that they lost when they became homeless. The housing first approach allows individuals and families to adjust to their surroundings and rebuild their lives, rather than prepare for another move once they “graduate” from transitional housing.

Advocates contend that the “housing first” approach changes the focus from responding to individuals’ and families’ crises to building communities. Placing homeless persons and families into permanent housing as the first step promotes their integration into communities. In turn, ties to the community increase family stability.<sup>6</sup>

### **Permanent Supportive Housing and “Olmstead”**

In 1999, the United States Supreme Court issued a decision that reconfirmed that states have a duty to provide alternatives to institutionalization for persons with mental illness and other disabilities. In addition, the “Olmstead” decision, as it is commonly called,

#### **CONTINUUM OF CARE**

In the mid-nineties, the federal Department of Housing and Urban Development introduced a strategic planning approach – continuum of care – to better meet the needs of individuals and families who are homeless.

The Continuum of Care (CoC) approach is a coordinated community-based process of identifying needs and building a comprehensive system to address the range of needs of different homeless populations. It is based on the view that homelessness is not caused merely by lack of shelter, but involves a variety of underlying and unmet physical, economic, and social needs.

The key CoC elements are *strategic planning* to assess available housing and services and identify gaps; a *data collection system* to track persons served and their needs and characteristics; and an *inclusive community process* to establish priorities.

*Continuums of Care for the States, HUD*

requires that states help the disabled population transition from institutions to independent living in the community.

The need for housing with services has been the number one request from the disability community. Consistent with Olmstead requirements, permanent supportive housing provides an environment in which homeless persons with disabilities can receive ongoing services in an independent, community-based setting. As a result, California's Olmstead Plan includes expanding the supply of supportive housing as one of the policy goals.<sup>7</sup>

### **Stoney Point Commons, Santa Rosa**



Stoney Point Commons is a new SRO supportive housing project for persons with a mental illness. The property was previously a licensed care facility for the elderly. It has a 6,200 square foot building, large common space, two kitchens, 10 bathrooms, large dining and living rooms, and extensive lawn areas. This project is a joint venture between three agencies. The Burbank Housing Development Corporation and the Community Housing Development Corporation of Santa Rosa have purchased the property and are rehabilitating it. When rehabilitation is complete, they will sell it to Community Support Network (CSN). CSN will become the owner, operator and service provider of Stoney Point Commons. Funding has been put together from a variety of sources. Acquisition and predevelopment loans came from the City of Santa Rosa, Corporation for Supportive Housing, and the Sonoma Chapter of the National Alliance for the Mentally Ill. The Affordable Housing Program of the Federal Home Loan Bank of San Francisco has committed a loan for the rehabilitation and permanent financing. Funding from the federal Supportive Housing Program will pay for development expenses, operating subsidies, and supportive services costs.

# The Homeless and Long-Term Homelessness

This section first describes the homeless population at large to provide a context for discussing long-term homelessness. (For purposes of this report, the term “homeless” refers to those individuals who do not have a regular and adequate place to stay at night. This is consistent with the federal definition; see box.)

## WHO ARE THE HOMELESS?

Like California, the state’s homeless population is diverse. It includes single men (many veterans), single women, families with small children, the elderly, and youth. While most are concentrated in cities, there are also homeless persons in suburban and rural areas. The homeless population includes persons of different races and ethnicities. There are able-bodied individuals (including many who work) and people with serious health problems and other disabilities. Large numbers of homeless persons have past histories of involvement in foster care or prisons.<sup>8</sup>

### HOMELESSNESS DEFINED

A homeless person is an individual who lacks a fixed, regular, and adequate nighttime residence or a person who resides in a shelter, transitional program, or a place that is not designed for, or ordinarily used as, regular sleeping accommodations. Examples include cars, parks, bus stations, abandoned buildings, and the streets. In addition, persons who are staying in their own or someone else’s home but will be asked to leave within the next month are considered homeless. (People in jail or prison are not considered homeless.)

*Stewart B. McKinney  
Homeless Assistance Act  
(42 USC Section 11302)*

There are two broad categories of homelessness – transitional and long-term (also commonly called “chronic”). The two have different characteristics and patterns. While this report is about supportive housing for the long-term homeless population, the transitional population is described to distinguish between the two.

## Transitional Homelessness

Transitional homelessness is generally defined as being homeless for six or fewer months. It is a short-term, temporary circumstance – occurring either once or episodically – not a permanent condition. The individuals and families that experience transitional homelessness each year (estimates range from 70-90 percent of the state homeless population<sup>9</sup>) enter the homeless system because they are unable to pay for housing. They leave homelessness again relatively quickly with minimal assistance.

The transitional homeless population consists of individuals and an increasing number of families. The characteristics of the transitional homeless population are substantially the same as poor people who are housed. However, they often have somewhat lower incomes, are younger, and have weaker support networks of family and friends who can provide help.<sup>10</sup>

Individuals and families who become homeless for economic reasons do not need any special type of housing; they just need housing that they can afford. Once they have a

home, they are usually able to access the resources they need on their own or with minimal assistance.<sup>11</sup>

## Long-term Homelessness

Long-term homelessness is generally defined as having no permanent address and being homeless six or more months per year. The state's long-term homeless population is estimated at 10-30 percent of the homeless population.<sup>12</sup>

### WHAT ABOUT THOSE WHO CHOOSE TO LIVE ON THE STREETS?

Homeless advocates and service providers acknowledge that a small number of individuals prefer the homeless lifestyle and will choose to remain "on the streets" when other options are available and their decisions are not impaired by mental illness or substance addiction. However, their experience has taught them that the vast majority of the men, women, and children with no home want a decent and safe place to live. Public policy needs to address the housing and services needs of these individuals and families.

While smaller in numbers, these individuals are usually the most visible and disturbing to those who encounter them. They receive the most negative reaction from communities (like arrests). They also have a disproportionate impact on public assistance systems and use a disproportionate share of expensive public services.

The long-term homeless generally live "on the streets" – they congregate and sleep in parks, under bridges, in doorways, and in other public places. They move frequently between the streets, homeless shelters, other makeshift housing arrangements, hospitals, jails, and prisons. This population includes individuals who passively or aggressively panhandle in downtown shopping areas and on street corners, or engage in public rants and other disruptive behavior.<sup>13</sup>

Like the larger homeless population, most of the long-term homeless are single men; some are single women.

("Single" is defined as not currently living with any children or a regular partner; however, many single individuals are in fact married and/or have children and families living elsewhere, including with other family members or in foster care.) Families and youth are also represented among the long-term homeless population.

*"Conservatively, one out of every four homeless males who is sleeping in a doorway, alley, or box in our cities and rural communities has put on a uniform and served our country."*

*National Coalition of Homeless Veterans*

A large number of homeless men, and some women, are veterans. Veterans face the same difficulties as other persons who have been homeless for a long time. In addition, many suffer from Post Traumatic Stress Disorder – a cluster of symptoms (including flashbacks, depression, and intense anxiety) – stemming from a reaction to a traumatic event, such as combat.<sup>14</sup>

Long-term homeless persons have the most difficult conditions to address. Severe mental illness is common, as is alcohol and drug addiction; both are disproportionately high among the homeless when compared with the population at large. Many suffer from both conditions. Others have health problems or disabilities that prevent them from working.<sup>15</sup>

Homelessness precludes good nutrition, good personal hygiene, and basic first aid. As a result, rates of both acute and chronic health problems are extremely high among this population. (For example, leg ulcers and upper respiratory infections are frequent.)

Health conditions that require regular, uninterrupted treatment (like tuberculosis, HIV/AIDS, and diabetes), and addictive and mental conditions, are extremely difficult to treat and control among those without adequate housing.<sup>16</sup>

People living on the streets are also at great risk of harm resulting from muggings, beatings, and rape. (Based on the number of violent deaths and attacks that were reported over the period 1999-2002, California was identified as the most dangerous state for people experiencing homelessness.<sup>17</sup>)

Persons who have spent considerable time without a home differ significantly from the general low-income population (and the transitionally homeless). In addition to living in extreme poverty, they almost all have multiple problems and barriers to employment that contribute to their homelessness. Many individuals have little or no family, or any other support system. In addition, many share a history of foster care or other institutional placement, and/or incarceration.<sup>18</sup>

Affordable housing is an essential component for addressing long-term homelessness. However, in contrast to the transitionally homeless, those who have been homeless for a long time typically need ongoing support and assistance to stay housed and become a part of their community.

## HOW MANY HOMELESS?

*“San Francisco – At night in the Tenderloin, it was sometimes hard to tell the difference between a pile of blankets and a huddled human being. The job for volunteers working San Francisco’s third annual homeless census Tuesday night was to pick out the people from the debris, treat them with dignity and see to it they were counted... Among those counted were a couple of women selling sex. Two men sat on the sidewalk listening to soft jazz on a battery-powered radio. One woman paced a storefront, screaming, as she tumbled from her drug high...a one-legged man leaned on crutches and panhandled, and a man wearing a black felt top hat chatted outside the O’Farrell Theatre.” (“Grim Count of Street People, Third City Census finds about 7,300,” by Suzanne Herel, San Francisco Chronicle, October 31, 2002.)*

Morgan Cantrell was thrown out of his family’s home in 1990 because of crack and alcohol addictions, and psychiatric problems that had become profoundly aggravated by drugs and drinking. For years he lived in shelters and single-room hotels, and worked long hours driving trucks to support his habit. “One night I would be in my own hotel room smoking crack,” he remembers, “then when the money ran out I would go to a secluded spot near Twin Peaks where I would camp out. I was so ashamed, I didn’t want to be around anybody.”

A short incarceration led him to a halfway house that, in turn, led him into a work-therapy program. He participated in the halfway house’s free self-help program, and attended meetings for people with mental illness and addiction. After two years in the halfway house, he moved to supportive housing.

“I’ve been clean and sober for six years,” Mr. Cantrell says now. But that victory came neither easily nor fast. “It took me four or five times of wanting to get off drugs before I did it.” The next challenge he has set for himself is to move on from supportive housing because, as he puts it, “there are plenty of homeless people trying to get in.”

*Summarized from a case study in the report “Supportive Housing and Its Impact on the Public Health Crisis of Homelessness,” 2000*

First, a caveat: the exact number of homeless people is unknown and numbers on homelessness are rough estimates at best. The homeless population is very fluid and the numbers are constantly changing. Persons without a stable address are difficult to track; many are among the “hidden homeless” – living in cars, camps, and other places besides shelters.<sup>19</sup>

### COUNTING THE HOMELESS

Two primary approaches are used to count the number of homeless individuals and families: “point-in-time” counts that identify the number of homeless on a given day, and “period prevalence” counts that quantify the number of people who are homeless over a given period of time (like a year).

The two approaches use direct methods like street counts, shelter counts and service utilization counts, and indirect methods like surveys or interviews of statistically representative samples of the homeless.

In addition, individuals and families move in and out of homelessness; some experience just one homeless episode while others go through several homeless bouts. Point-in-time counts (see box) may not represent the total extent of homelessness, and may overestimate the number of long-term homeless persons, because they don’t capture the flow into and out of homelessness.

Some researchers and advocates suggest that the exact number of the homeless will never be known. They point out that, regardless of the actual number, the important facts are that *too many* individuals and families experience homelessness, and that homelessness in the United States is growing at a much higher rate than previously thought.<sup>20</sup>

### Some California Estimates

There are estimated to be around 361,000 homeless people in California at any one time (a little over one percent of the population). The number of individuals who are homeless over the course of a year is much higher; that number is estimated to be between one and two million persons.<sup>21</sup>

According to homeless counts, single men make up almost half (45%) of the state homeless population; more than a third (30-35%) are veterans. Single women represent about 14% (and also include a small number of veterans).

The number of homeless families, in both the state and nationally, has risen sharply during the last decade and is continuing to grow. Homeless families, who are primarily women with very young children, represent about 40% of the state homeless population. In addition, a number of youth, many runaways, and young adults who have “aged out” of the foster care system, are among the homeless.<sup>22</sup>

- Estimates of homeless veterans in California range from 33,000 to 55,000.<sup>23</sup>
- In Los Angeles County, up to 84,000 people are estimated to be homeless each night; up to 236,400 men, women, and children are estimated to be homeless over the course of a year.<sup>24</sup>
- In San Francisco, between 11,000 and 14,000 people are estimated to be homeless each night.<sup>25</sup>

- An estimated 100,000 people are homeless annually in the Bay Area.<sup>26</sup>

## WHY ARE PEOPLE HOMELESS?

### Personal and Structural Factors

There are different perspectives on the causes of homelessness. One is that individuals are largely responsible for homelessness through their own volition, decisions, and habits.<sup>27</sup> A similar perspective is that homelessness primarily results from an individual's disabilities and/or conditions – such as mental illness or substance addiction – along with their social isolation. (Family and other relationships may have deteriorated over time so that the individual no longer has ongoing support and care.) Once a person is homeless, these personal characteristics also create significant barriers to becoming and staying housed.<sup>28</sup>

A more common perspective among researchers and advocates is that homelessness is the result of an interaction of several factors. While the reasons specific persons are homeless are varied and complex, individuals and families are homeless primarily because they cannot afford the housing that is available and their communities do not have the safety net resources – public assistance programs such as rental assistance and treatment services – to support them. In this view, structural factors create the conditions for homelessness, and personal difficulties increase the risk of homelessness.<sup>29</sup>

The major structural factor linked with homelessness is poverty. Lack of housing is concentrated among households with incomes below the poverty level. Homeless people are extremely poor; even those who are working lack an adequate income to pay for available housing.<sup>30</sup>

Housing, safety net resources, and employment are additional structural factors. Officials from 25 cities (including Los Angeles) responding to the U.S. Conference of Mayors 2002 survey on hunger and homelessness ranked lack of affordable housing, mental illness and lack of services, substance abuse and lack of services, and low paying jobs as the leading causes of homelessness.<sup>31</sup> The National Association of Counties also concludes that individuals and families are homeless primarily because they cannot afford housing.<sup>32</sup> In addition, a recent report on California's homeless veterans cited lack of jobs and employment-related issues as the primary cause of homelessness (the report also pointed out that most unemployed veterans face multiple problems that contribute to their homelessness.)<sup>33</sup>

#### LOW INCOME + HIGH RENTS = HOMELESSNESS

The 2001 report, *Homelessness in California*, concludes that California's growth in homelessness is driven more by falling incomes and rising housing costs than by personal disabilities. The researchers found that the greater the disparity between rents (going up) and incomes (going down), the greater the incidence of homelessness. One impact is that those near the lower end of the income distribution move out of better-quality housing into lower-quality housing and, in the process, bid up prices at the low end. As a result, those with the very lowest incomes may be forced onto the streets.

*John Quigley and others  
Public Policy Institute of California*

In California, the Fair Market Rent for a one-bedroom unit is \$816 per month. However, a resident earning minimum wage (\$6.75/hour) can generally afford no more than \$351 per month for rent.

*National Low-Income Housing Coalition*

Personal challenges and difficulties push some individuals and families into homelessness. For example, losing a job may mean losing a home. Individuals and families with no health insurance, or inadequate coverage, can lose their homes as the result of a catastrophic illness or other health emergency, or a chronic illness like HIV/AIDS. Domestic (family) violence – physical, mental, sexual, or emotional abuse – can also lead to homelessness, especially for women and children.<sup>34</sup>

Researchers have identified several predictors of homelessness in addition to extreme poverty: adverse childhood experiences (including abuse and/or removal from home into the Foster Care system or other institutions), substance abuse as a teenager, current alcohol or drug abuse, mental health problems, chronic physical problems, and incarceration (for males).<sup>35</sup>

### Ellis Street, San Francisco



In 1998, the Tenderloin Neighborhood Development corporation (TNDC) renovated the building above (shown before and after renovation) as a home for formerly homeless youth. The TNDC provides 24 studio apartments – including six for tenants with HIV/AIDS and two accessible units for tenants with disabilities – at below market rates; a property manager lives on-site. Larkin Street Youth Services provides support services targeted at young adults. There is a full-time services coordinator and a part-time tenant advisor.

# Producing Permanent Supportive Housing

## THE PLAYERS

Several players, programs, and funding streams are involved in producing permanent supportive housing units and providing services for the long-term homeless. Federal and state partners provide funding and technical assistance. Local public and private partners provide additional funding, develop housing, and deliver services.

Currently, there are interagency efforts to “end chronic homelessness” at both the federal and state levels. These efforts have recently been established (or reestablished) to better coordinate activities and gain access to each agency’s resources.

### Federal Partners

Many federal agencies serve the homeless. The U.S. Department of Housing and Urban Development (HUD) provides the majority of direct funding for housing programs. HUD’s primary relationship is with local jurisdictions. It generally awards funding to cities, counties or other local jurisdictions, or directly to public housing authorities and homeless service providers.

The U.S. Department of Health and Human Services (HHS) funds programs with services that support permanent supportive housing. In contrast to HUD, HHS primarily allocates funding to states, often on a formula basis. As a result, most decision-making about spending priorities and programs happens at the state level. Other funding for federal programs that are potentially used for services is allocated through block grants (such as the mental health and substance abuse block grants).

### State Partners

Multiple state departments and agencies operate programs that impact permanent supportive housing. The primary ones are the Department of Housing and Community Development (HCD), Department of Mental Health (DMH), and Department of Health Services (DHS).<sup>36</sup> Other state agencies have programs that either target the homeless

### WHITE HOUSE INTERAGENCY COUNCIL ON HOMELESSNESS AND THE FEDERAL STRATEGY

The Interagency Council on Homelessness includes 18 federal agencies that are involved in assisting the homeless. Originally established by the 1987 McKinney Homeless Assistance Act, the Council was reactivated by the President in 2001 to develop a comprehensive federal approach to “end chronic homelessness in America in ten years.”

The council agencies coordinate activities and resources. For example, in early 2002, the Council, HUD, HHS, and the VA implemented a collaborative initiative that redirected \$35 million in housing funds to pay for permanent housing, health care, and other supportive services for individuals and families experiencing long-term homelessness.

The current federal strategy recognizes permanent supportive housing as a critical component for addressing long-term homelessness. It also emphasizes prevention, greater access to mainstream funding and services, innovative and entrepreneurial approaches, faith-based initiatives, and a “visible, measurable, quantifiable change.”

*Ending Chronic Homelessness  
Strategies for Action, 2003*

## GOVERNOR'S INTERAGENCY TASK FORCE ON HOMELESSNESS

Governor Gray Davis created the Interagency Task Force on Homelessness to coordinate state-level activities. The Task Force is co-chaired by the Secretaries of the Business, Transportation and Housing Agency and the Health and Human Services Agency. It includes the Secretaries of the Youth and Adult Correctional Agency and the Department of Veterans Affairs, the Secretary of Education, and the Directors of the departments of Alcohol and Drug Programs, Corrections, Employment Development, Housing and Community Development, Health Services, Mental Health, and Social Services.

The Task Force recommends that existing housing programs and future housing bond funds be used to significantly expand the number of permanent supportive housing units for the long-term homeless population.

*Governor's Interagency Task Force on  
Homelessness Progress Report and Work Plan*

population or can be accessed for housing and services. These include the California Housing Finance Agency (CalHFA), Employment Development Department (EDD), and the Department of Corrections (CDC). In addition, the Department of Social Services (DSS) administers federal and state programs that assist individuals to pay for basic necessities, including housing (see box on page 47).

### Local Partners

Private non-profit entities typically develop housing projects and provide services. Most projects are developed by a partnership between a housing developer and service provider. These local partners are often community or faith-based organizations. In addition, public agencies that provide service resources, and housing authorities that provide rental assistance, are important local partners.

Many local jurisdictions engage in interagency efforts to address homelessness and related issues. The Continuum of Care process described earlier in the report (see page 11) is an example of local needs assessment and planning processes.

### *Housing Development Project Partners*

On the local housing development project level, the project sponsor assembles a team of partner organizations to perform five interrelated roles. The “lead” organization/agency may change as the project progresses from concept to occupancy.<sup>37</sup>

- The first role is **property ownership**: the owner represents the long-term interests of the building and is the responsible party with regard to the site, the residents and the financing.
- The second role is **property development**: the developer provides the services necessary to acquire, construct, or rehabilitate the property.
- The third role is **service provision**: the support services provider designs and implements the support services plan.
- The fourth role is **property management**: the property manager provides the services necessary to operate and maintain the property.
- The final role is **tenant engagement**: tenants are engaged in a number of ways. For example, they are involved in designing and implementing their support services plan; they also serve on housing project committees.

# Financing Permanent Supportive Housing

Producing affordable housing linked with services is not an easy task. Financing permanent supportive housing for the long-term homeless population is expensive and complicated (see box).

For example, several funding sources must be tapped to complete a housing project; no one source of funding will pay for all of the housing costs. Housing developers must leverage funding from conventional bank loans, federal, state, and local government loans and grants, contributions from private foundations and organizations, and rent subsidies. (According to one study of California nonprofit housing developers, 10 to 12 funding sources are commonly used per project.)<sup>38</sup>

While leveraging has some advantages – it increases local lenders’ investment and spreads risks – it makes the development process more complex and increases costs. Every layer of financing adds different conditions, requirements and monitoring criteria that must be met. Some of the funds are targeted (such as for the homeless or for affordable housing), some are designated for specific uses (such as development or services), and others are restricted to specific populations (like persons with HIV/AIDS).

In addition, many major funding sources that support housing operations and services in permanent supportive housing are time-limited. There is the possibility – but not guarantee – of renewal. Adding to the complexity, most lenders will require that all of the necessary financing be in place before committing funds. However, funding applications are usually due, and funds are awarded, at different times during the year.

Not surprising given this level of complexity, this process is both labor-intensive and time-consuming. A development project can take from two to five years to complete.

## FEDERAL AND STATE FUNDING SOURCES

The federal government provides a major share of the funding for affordable housing. Federal and state agencies administer several programs that target homelessness or can be used to support permanent supportive housing projects. Federal and state funding is combined with local funding to finance permanent supportive housing projects.

### SOME CHALLENGES IN DEVELOPING PERMANENT SUPPORTIVE HOUSING

**Limited rental income, higher vacancy loss, and limited ability to support debt.** As a result, developers need to tap into several different programs to complete the financing for development and operating costs.

**Higher operating costs.** For example, permanent supportive housing requires higher staffing levels to support the services linkage.

**Operating shortfalls that get worse over time.** Rental income does not keep pace with rising operating costs which means rental subsidies will continue to be needed.

**Cost of services.** Rental income is insufficient to cover the costs of services; typically an additional funding source for services is needed.

**Short-term funding.** Most funding, especially for services, is short-term; permanent supportive housing needs mid- to long-term funding sources.

*Corporation for Supportive Housing*

## Three Interrelated Components

Funding components for permanent supportive housing can be visualized as a three-legged stool. The three legs are housing development, housing operations (including rental assistance), and support services. If any one leg is missing, the stool topples over. (The primary federal and state funding sources used for permanent supportive housing are identified in the chart on page 26; state programs in the chart are in italics.)

### HUD HOUSING PLANS

HUD has three planning processes that are linked to funding. In order to receive funding from HUD's affordable or supportive housing programs, states and local communities must complete the local planning process required for that funding. To request funding they submit the appropriate strategic plan. The plan is due every 3-5 years, and an action plan is due annually.

- The Consolidated Plan (ConPlan) identifies the community development and affordable housing needs.
- The Continuum of Care (CoC) Plan coordinates housing and services targeted to the homeless.
- The Public Housing Plan (PHP) covers public housing and Section 8 rental assistance.

### *Housing Development*

Housing development activities for permanent supportive housing are the same as for any other housing development. Funding must be secured for costs associated with buying the lot; constructing, rehabilitating, or renovating housing units; and other costs associated with development such as architectural and engineering services, financing charges and local planning and impact fees. The only difference is the need to secure funding, such as deferred or very low interest rate loans, since rental income typically cannot cover the cost to pay off the housing debt incurred.

On the federal level, HUD funds the *Supportive Housing Program (SHP)*. This program, targeted to the homeless population, is part of the McKinney/Vento Homeless Assistance grant. All McKinney Homeless Assistance funding is allocated through competitive grants to local governments or non-profits on an annual basis.

HUD also funds the *Housing Opportunities for People with AIDS (HOPWA)* program for individuals with HIV/AIDS and their families. Two other HUD programs – *Supportive Housing for People with Disabilities - Section 811* and *Supportive Housing for the Elderly - Section 202* – fund housing development activities to enable very low-income individuals and families to live independently.

HUD's *HOME Investment Partnerships (HOME)* and the *Community Development Block Grant (CDBG)* programs are among the largest affordable housing programs. HOME is the primary source of funding for housing construction and rehabilitation. CDBG funds can be used in a variety of ways to support housing and community development priorities. *Section 108*, the loan guarantee provision of the CDBG, is an important public investment tool. It allows these funds to be used for federally guaranteed loans.

The USDA administers a range of rural housing programs intended to increase the amount and quality of housing in rural areas (generally defined as places and towns with

a population of 50,000 or less.) The **Section 515 Rural Rental Housing Loans** program provides direct mortgage loans for affordable multi-family or congregated housing for very low-income families, elders, and people with disabilities.

On the state level, HCD administers the **Multi-Family Housing Program (MHP)**, an omnibus permanent financing program that provides low interest loans for developing low-income, multi-family housing. It also administers the **Pre-Development Loan Program (PDLP)** that provides short-term loans for costs prior to long-term financing.

The state **Integrated Services for Homeless Adults with Serious Mental Illness Program** (also known as AB 2034) is administered by DMH. These funds are distributed to eligible counties. This program can fund housing development in addition to other housing costs, although it has not often been used in this manner.

CalHFA administers the **Multifamily Loan Finance Program (MLFP)**. This funding source provides financing for the acquisition, rehabilitation, and preservation of existing rental housing, and the construction of new rental housing targeted to low and moderate-income families and individuals. The **Special Needs Financing Program (SNFP)**, a part of the MLFP, offers low interest rate financing for rental housing that serves tenants with special needs.

Tax credits are a critical piece of affordable housing financing. The Internal Revenue Service administers the federal **Low-Income Housing Tax Credit (LIHTC)** program to provide incentives to private investors (banks, corporations) to construct or rehabilitate affordable housing. The state Treasurer's Office oversees both the federal program and the corresponding state LIHTC program.

### ***Housing Operations***

There are several housing expenses associated with operating and maintaining a housing development: property management, repair, landscape maintenance, and funding reserves. Adequate income to pay for operations is essential for ensuring that the property is well managed and maintained in good condition. (Inadequate funding of operations generally leads to poor management, deteriorating housing conditions, and neglected property – the type of problems that many neighbors fear are associated with affordable housing.)

With permanent supportive housing, there is typically a deficit between the cost of operating a housing development and the rents that tenants can afford. For example: if a tenant's monthly income from SSI is \$700; their rent payment will be \$210 (30 percent of their income). But, the cost to operate a unit may be \$400 (the industry standard ranges from \$300-\$500 per month). As a result, there is an operating deficit of \$190 per month. This deficit is bridged by rental and/or operating subsidies.

Two federal programs – both part of the McKinney-Vento Homeless Assistance Grant – provide the primary resources for operating permanent supportive housing. The **Shelter Plus Care (S+C)** program provides Section 8 rental assistance for hard-to-serve homeless individuals with disabilities. In addition, a third Homeless Assistance Grant program, the

## SECTION 8 RENTAL ASSISTANCE

There are different types of Section 8 vouchers:

- *Housing Choice (formerly called “tenant-based”)* vouchers are rent subsidies for individuals that pay the difference between the amount the tenant pays (30% of his/her income) and the actual rent. The tenant finds housing on the private market. Vouchers are “portable” and can be used to move to different housing.
- *Project-based vouchers* are rent subsidies for several units targeted to low-income tenants. They can be used with housing developed under other federal funds to make the housing affordable to homeless individuals and families.
- *Sponsor-based vouchers* are rent subsidies for specific sponsoring agencies. They are often used to provide rental assistance for several housing units scattered throughout the community.

In addition, Section 8 rental assistance is sometimes targeted to specific populations such as persons with disabilities or veterans.

*Section 8 Moderate Rehabilitation Program for Single Room Occupancy Dwellings for Homeless Individuals (Section 8 Mod Rehab SRO)*, provides Section 8 rental assistance for homeless individuals with or without disabilities.

*HOPWA, Supportive Housing for People with Disabilities - Section 811* and *Supportive Housing for the Elderly - Section 202* provide rental assistance, in addition to funding development activities, to make the housing projects affordable.

The *Section 8 – Housing Choice Voucher Program (HCVP)* is the federal government’s major program to provide safe and decent housing for low-income families and others. In this program, the local public housing authority provides rental assistance vouchers for private housing.

*HOME Program* funds can be used to operate a tenant-based rental assistance program. In addition, rental assistance funded by the *Section 521 Rental Assistance Program* can be used with *Section 515* housing in rural areas.

On the state level, the *Integrated Services for Homeless Adults with Serious Mental Illness Program* ((also known as the AB 2034 Program) funds rental assistance for adults with serious mental illness who are homeless or at risk of homelessness.

### *Support Services*

Support services can encompass a wide range of activities. Typically, they include, but are not limited to, case management (assessing needs and coordinating services), health and mental health care, substance abuse treatment, employment and training, and money management. Services are generally tailored to the needs of the individuals served.

*SHP* provides funding for services. *HOPWA* funds services for individuals with HIV/AIDS. A small portion of *CDBG* funds can be used for support services. In addition, the federal HHS *Projects for Assistance in Transition from Homelessness (PATH) Program* funds community support services to individuals with serious mental illness and substance abuse addictions. PATH-funded services or staff may be used for permanent supportive housing tenants.

The state *Integrated Services for Homeless Adults with Serious Mental Illness Program* also funds intensive, integrated outreach, mental health and substance abuse services, vocational rehabilitation, and other non-medical services needed to stabilize this population.

The VA administers programs that provide health and mental health services to homeless veterans. In addition, the DOL administers programs that provide employment assistance.

On the state level, the EDD administers programs that serve veterans coping with mental disabilities, recovering from alcohol and drug addictions, and facing multiple barriers. Half of program resources are focused on homeless veterans. In addition to veterans, there are targeted services for other populations. For example, substance abuse treatment, outpatient clinics, and job placement programs are available for parolees.

## LOCAL FUNDING

On the local level, redevelopment agencies are one of the largest sources of funding after the federal government; state law requires that 20 percent of their property tax revenues be spent on low- and moderate- income housing. In addition to redevelopment funds, some counties and cities also use housing trust funds, density bonuses, and reduced land costs to pay for housing development costs.<sup>39</sup>

Local housing authorities are key partners because they control rental assistance vouchers. Some local housing authorities own and manage public housing facilities. County departments of health, mental health, and/or alcohol and drug programs provide funds for services. Nonprofit intermediary agencies contribute technical assistance and loans (intermediary organizations serve as “go-betweens” between the worlds of investment bankers and community development agencies<sup>40</sup>). Private foundations and local service organizations also contribute funding for housing and services.

On the local level, Federal Home Loan Banks are government-sponsored enterprises that fund affordable housing. Each bank is mandated to set aside 10 percent of its net income each year for grant dollars. The *Affordable Housing Program* (AHP) provides subsidized funds for developing housing for very low-, low- and moderate-income homes.

## SUPPORTIVE HOUSING INITIATIVE (SHIA) ACT

The state *Supportive Housing Initiative Act (SHIA)* was initiated in 1999 to provide funding for permanent supportive housing for low-income individuals and families with disabilities.

Administered by DMH, this program funded rental subsidies and/or supportive services for 46 diverse projects. (It also established a council of state departments that impact homelessness.) Funding for this program was eliminated in 2002/03 due to the state budget deficit.

### The Oaks Hotel Program

One SHIA project is the Oaks Hotel Resident Services Program. This program provides supportive services to residents of the 84-unit SRO Oaks Hotel in downtown Oakland. The residents include the formerly homeless, individuals with mental health and/or substance abuse problems, HIV/ AIDS, and other disabilities. Oakland Community Housing, Inc. owns and manages the housing; services are provided through a partnership with Lifelong Medical Care and the Health, Housing and Integrated Services Network.

*State Department of Mental Health*

## PRIMARY FEDERAL AND STATE FUNDING SOURCES FOR PERMANENT SUPPORTIVE HOUSING

[Note: Except for targeted funds, the amount of each funding source that is used for permanent supportive housing for the long-term homeless is not available.]

FEDERAL PROGRAMS	HOUSING DEVELOPMENT (CAPITAL COSTS)	HOUSING OPERATIONS (RENTAL ASSISTANCE)	SUPPORT SERVICES	RESPONSIBLE AGENCY	2001/2002 FUNDING	2002/2003 FUNDING	COMMENTS
McKinney-Vento Homeless Assistance Grant				HUD/CoC	\$147.8 M	\$168.4 M	Homeless Assistance Grant amount includes funds for SHP and S+C programs. It also includes funds for new MOD REHAB/SRO programs; in addition, MOD REHAB/SRO renewal funds are available for individual projects as needed.  Source: HUD
• <i>Supportive Housing Program (SHP)</i>	<b>X</b>	<b>X</b>	<b>X</b>	---	---	---	
• <i>Shelter Plus Care (S+C)</i>		<b>X</b>		---	---	---	
• <i>Section 8 Moderate Rehabilitation for Single Room Occupancy Dwellings for Homeless Individuals (MOD REHAB/SRO)</i>		<b>X</b>		---	---	---	
HOME Investments Partnerships (HOME)	<b>X</b>			HUD/ConPlan	\$235.7 M	\$235.3 M	CA received approx. 13% of funding (2001). Source: HUD
Community Development Block Grant (CDBG) & Section 108	<b>X</b>			HUD/ConPlan	\$539.6 M	\$530 M	CA received approx. 12% of funding (2001). Source: HUD

<b>FEDERAL PROGRAMS</b> (CONTINUED)	<b>HOUSING DEVELOPMENT (CAPITAL COSTS)</b>	<b>HOUSING OPERATIONS (RENTAL ASSISTANCE)</b>	<b>SUPPORT SERVICES</b>	<b>RESPONSIBLE AGENCY</b>	<b>2001/2002 FUNDING</b>	<b>2002/2003 FUNDING</b>	<b>COMMENTS</b>
Supportive Housing Program for People with Disabilities - Section 811	X	X		HUD/ConPlan	\$16 M	\$12.5 M	Source: HUD
Supportive Housing Program for the Elderly - Section 202	X	X		HUD/ConPlan	\$89.6 M	\$94.8 M	Source: HUD
Housing Opportunities for People with AIDS (HOPWA)	X	X	X	HUD/ConPlan	\$30.6 M	\$31.9 M	CA received approx. 13% of funding (2001). Source: HUD
Section 515 Rural Rental Housing Program and Section 521 Rural Rental Assistance	X	X		USDA	0	\$2.5 M	Plus rental assistance funds for 49 units. Programs are linked. Source: USDA
Section 8 – Housing Choice Voucher Program (HCVP)		X		HUD/PHA	\$1.8 B	\$2 B	Based on funds available to CA public housing authorities. Source: HUD
Projects for Transition from Homelessness (PATH)			X	HHS	\$4.9 M	\$5.4 M	Source: HHS
Low-Income Housing Tax Credit (LIHTC)	X			Treasurer/IRS	\$50.8 M	\$60.4 M	Credit based on per capita of CA (\$1.25 in 2001; \$1.50 in 2002). Source: Treasurer

STATE PROGRAMS	HOUSING DEVELOPMENT (CAPITAL COSTS)	HOUSING OPERATIONS (RENTAL ASSISTANCE)	SUPPORT SERVICES	RESPONSIBLE AGENCY	2001/2002 FUNDING	2002/2003 FUNDING	COMMENTS
Pre-Development Loan Program (PDLP)	X			HCD	N/A Revolving Fund	N/A Revolving Fund	Averages around \$13M in loans on annual basis; Source: HCD
Multi-Family Housing (MFH)	X			HCD	\$49 M	\$100 M	(FY 2000 amount was \$116.8M.) \$17 M for supportive housing units in 2002. Source: HCD
Multifamily Loan Finance Program (MLFP)	X			CalHFA	\$163 M	\$104.2 M	MLFPs are self-funded. MLFP amount includes SNFP amount. Source: CalHFA
▪ <i>Special Needs Financing Program</i>	X			CalHFA	\$18.3 M	\$4.3 M	
Low-Income Housing Tax Credit (LIHTC)	X			Treasurer	\$70 M	\$70 M	Supplements the federal LIHTC. Source: Treasurer
Integrated Services for Homeless Adults w/Serious Mental Illness	X	X	X	DMH	\$63.4 M	\$55.4 M	Source: DMH
Supportive Housing Initiative Act (SHIA)		X	X	DMH	\$20 M	Funds eliminated in 2003/2004 budget	Source: DMH

## **FUNDING ISSUES AND IMPACTS**

### **Funding Levels**

Federal homeless assistance funding was significantly increased in 2002. On the state level, funding for multi-family housing was increased following a substantial reduction in 2001, and a \$2.1 billion affordable housing bond (with funds for permanent supportive housing) was passed. However, due to state budget deficits and competing spending priorities, funding targeted to permanent supportive housing programs for the homeless was reduced. (See Barriers and Challenges, page 45, for a further discussion.)

### **Permanent Supportive Housing Funding Priority**

One unintended consequence of the CoC process was that funding for transitional housing and support services increased while funding for permanent affordable housing decreased. To re-orient homeless assistance funding back to its original permanent housing agenda, in 1999 Congress mandated that at least 30% of each year's homeless assistance appropriation be used for permanent housing. (This amount, however, is typically only a small percentage of the total funding needed to develop a project.) In addition, HUD provides a bonus for CoC applications that rank a new permanent supportive housing project as the first priority for funding.<sup>41</sup>

### **Renewals v. New Housing**

Insufficient funding for housing leads to competition between renewal and new housing. For example, most of the available Section 521 rental assistance subsidies for housing in rural areas have been used for renewing existing contracts. As a result, there are virtually no funds left to help subsidize rents in new properties.<sup>42</sup> In contrast, the S+C program's limited funding had been allocated to new housing programs which meant that renewal funding for projects that had achieved excellent outcomes was not available. (In this case, Congress established a separate appropriation for renewal funding.)

### **Housing Trust Funds**

A state-level housing trust fund was established in 1985 to provide a consistent funding source for state housing programs. The fund receives a portion of the proceeds from oil produced on state tidelands. However, over time these revenues have frequently been diverted to higher priority programs. As a result, the fund has been receiving less than \$2 million annually.<sup>43</sup> In 2002, voters approved Proposition 46, the Housing and Emergency Shelter Trust Fund Act, that authorized a \$2.1 billion housing bond. (See Barriers and Challenges, page 44, for a discussion of Proposition 46.)

Several counties have set up local trust funds to provide resources for affordable housing. These local funds utilize a variety of funding sources. There are also efforts to set up a housing trust fund at the federal level. H.R. 1102, introduced this year, would create a National Housing Trust Fund to develop, rehabilitate, and preserve decent, safe, and affordable housing for low-income families.<sup>44</sup>

## Canon Barcus Community House, San Francisco



Canon Barcus houses 47 formerly homeless families – with some units for those with a history of mental health problems, substance abuse, and/or HIV/AIDS. Units range from one-bedroom flats to five bedroom townhouses. The development includes a community room, three interior courtyards, a children’s program room, and a tenant lobby that is available for community activities. There is an on-site health clinic and childcare center. Services include case management, mental health, family skills program, employment and training, and social and recreational activities for families.

Episcopal Community Services developed this new construction property at a cost of \$18,813,489. They utilized a variety of funding sources:

City of San Francisco*	48 %
Limited Partner Equity Contribution**	37 %
Developer Equity and Fundraised	7 %
HOPWA	4 %
Non-Profit Lender	3 %
AHP	1 %

[\*County bond funds, City funds, and CDBG

# Housing Supply and Demand

## COUNTING THE HOUSING SUPPLY

Information is critical to making informed decisions on expending resources. Data is needed to accurately calculate the size and need of the long-term homeless population and to determine the outcomes of specific interventions and programs. Policymakers, government agencies, service providers, consumers, and advocates need sufficient and accurate information for service and systems planning.<sup>45</sup>

However, to date, important data – population numbers, needs, available housing, barriers, and program results – is incomplete. Many service providers lack adequate tracking capabilities to collect data that is consistent among federal, state, and county/city jurisdictions. As a result, data cannot be compared in a meaningful way.

## COUNTY DATA

Currently in California there are 35 Continuum of Care (CoC) geographic areas: 31 counties and four cities.\* These counties and cities have completed the HUD CoC planning process and submitted a CoC Plan for federal fiscal year 2002-2003 in order to receive McKinney-Vento Homeless Assistance funding. The CoC Plans provide the source material for supply and demand-related data reported on pages 34 and 35.<sup>46</sup>

Most of the state's small and rural counties (about five percent of the state's population) have not developed CoCs and do not receive McKinney-Vento Homeless Assistance funding. Some of these counties may be using other funding sources to develop supportive housing for their long-term homeless population; others may not provide any supportive housing. States have the option to cover the housing needs of these counties through a "balance of state" CoC plan. However, California has chosen not to do this because of the small amount of funds that would be generated and the adverse impact on other counties who would be competing for the same funds.

### HOMELESSNESS IN RURAL AREAS

*"Section 8 can't help if there is no housing."*

Homeless persons in rural areas are often more invisible than in urban areas. Individuals and families in rural areas often live in abandoned buildings, camp in parks and fields, or rely on relatives and friends for help and move from one temporary overcrowded living situation to another.

There are unique barriers to finding housing and services in rural communities. Because the majority of rural residents are homeowners, there is a shortage of rental housing. And, while the cost of housing is generally lower than in urban areas, it is still not affordable for most low-income residents. In addition, the lack of transportation and a shortage of accessible and available services also pose significant problems for the rural homeless.

*Rural Housing Challenges  
Opening Doors, 2002*

\* Imperial County did not submit a CoC Plan for federal fiscal year 2002/2003. However, their 2001/2002 data is included in the supply and demand count to reflect resources in that county.

## Homeless Management Information System

Homeless management information systems (HMIS) provide a means to collect and analyze information over time. An HMIS is a tool that communities can use to collect ongoing longitudinal data to track services and demand trends for homeless populations. In 2001, Congress directed HUD to collect unduplicated data on the extent of homelessness at the local level, and to analyze this information within three years. As a result, HUD requires information on the status of HMIS in the CoC plans.<sup>47</sup> (SHP funds can be used to pay HMIS implementation and operation costs.)

Most CoC counties have, or are in the process of creating, an HMIS. Six county and/or city jurisdictions report that they have an HMIS in place; sixteen are selecting the software and hardware they need for implementation. The remaining nine jurisdictions report that they are considering implementing an HMIS system.<sup>48</sup> (See the opposite page for CoC counties and Appendix B for HMIS status by county.)

## Definitions

While the definitions of “permanent supportive housing” in the CoC plans are largely similar, they differ enough to question their comparability. For example, while most county/city definitions identify the target population as some variation of “individuals with disabilities or special needs,” some counties/cities specify “individuals *and* families,” and one county identifies the “frail elderly” as a target population. There is also confusion about the distinction between the terms “units” and “beds;” and it appears that some jurisdictions use the terms interchangeably. In addition, only one county specifically includes a “group home setting” within the definition of permanent supportive housing units. Another county defines permanent supportive housing as “may or may not include supportive services.” (See Appendix C for county/city definitions.)

## Supply and Demand

Based on data provided by CoC counties/cities, the statewide supply of permanent supportive housing is around 30,000 units while the demand is estimated at around 103,000 units. This means there is an unmet need of over 73,000 permanent supportive housing units reported by CoC jurisdictions.

However, it is important to note that this data does not provide a full picture of the state. Permanent supportive housing needs and existing resources in the counties without a current CoC plan are not captured.<sup>49</sup> In addition, there are some other caveats to keep in mind when reviewing this information and drawing conclusions about the state’s current supply and demand:

- CoC jurisdictions experience difficulties in identifying needs of homeless individuals and families (see pages 15 and 16).
- Definitions of permanent supportive housing, units/beds, and target populations differ among counties/cities. (For example, at least one county reported all permanent affordable housing and permanent supportive housing that is available to non-

homeless persons in their supply and demand data, not solely permanent supportive housing for the homeless.) As a result, the HMIS data reported is neither consistent nor comparable.

- Counties/cities receive federal incentive funding to prioritize permanent supportive housing. This funding likely affects local priority determinations.



**PERMANENT SUPPORTIVE HOUSING  
GAPS ANALYSIS – INDIVIDUALS\***

COUNTY/ CITY	ESTIMATED NEED	CURRENT SUPPLY	UNMET NEED
Alameda	3,800	1,232	2,568
Butte	310	174	136
Contra Costa	810	259	551
Fresno/Madera	1,205	240	965
Imperial**	75	31	44
Kern/Bakersfield	690	184	506
Kings/Tulare	2,952	1,575	1,377
Los Angeles	23,968	2,402	21,566
Pasadena	289	167	122
Long Beach	471	33	438
Glendale	37	22	15
Marin	1,022	558	464
Mendocino	202	141	61
Monterey	660	99	561
Napa	123	22	101
<i>Orange***</i>	<i>11,211</i>	<i>8,076</i>	<i>3,135</i>
Placer	80	12	68
Riverside	1,042	33	1,009
Sacramento	1,600	257	1,343
San Bernardino	915	128	787
San Diego	2,380	358	2,022
San Francisco	12,867	6,981	5,886
San Joaquin	425	148	277
San Luis Obispo	768	113	655
San Mateo	560	316	244
Santa Barbara	1,703	369	1,334
Santa Clara	1,083	457	626
Santa Cruz	846	277	569
Shasta (and Redding)	570	47	523
Solano	354	84	270
Sonoma	352	242	110
Stanislaus	983	115	868
Ventura	325	171	154
Oxnard	157	0	157
Yolo	70	36	34
<b>TOTAL</b>	<b>63,694</b>	<b>17,283</b>	<b>46,411</b>

\*Source: 2002/2003 CoC Plans

\*\*2001/2002 data

\*\*\*Numbers represent permanent affordable housing available to non-homeless and homeless, and permanent supportive housing. The Orange County amounts are not included in the TOTAL amounts.

**PERMANENT SUPPORTIVE HOUSING  
GAPS ANALYSIS – FAMILIES\***

<b>COUNTY/ CITY</b>	<b>ESTIMATED NEED</b>	<b>CURRENT SUPPLY</b>	<b>UNMET NEED</b>
Alameda	1,200	817	383
Butte	125	50	75
Contra Costa	1,522	189	1,333
Fresno/Madera	6,609	4,283	2,326
Imperial**	120	65	55
Kern/Bakersfield	124	15	109
Kings/Tulare	4,205	2,722	1,483
Los Angeles	5,992	18	5,974
Pasadena	48	5	43
Long Beach	314	24	290
Glendale	61	125	-64
Marin	575	148	427
Mendocino	133	111	22
Monterey	120	24	96
Napa	127	90	37
<i>Orange***</i>	<i>87,548</i>	<i>37,645</i>	<i>49,903</i>
Placer	10	0	10
Riverside	3,612	378	3,234
Sacramento	1,812	453	1,359
San Bernardino	896	210	686
San Diego	400	183	217
San Francisco	1,453	1,027	426
San Joaquin	165	95	70
San Luis Obispo	762	202	560
San Mateo	535	57	478
Santa Barbara	1,810	69	1,741
Santa Clara	2,006	428	1,578
Santa Cruz	254	0	254
Shasta (and Redding)	782	0	782
Solano	1,123	9	1,114
Sonoma	85	60	25
Stanislaus	1,846	313	1,533
Ventura	220	5	215
Oxnard	83	0	83
Yolo	34	0	34
<b>TOTAL</b>	<b>39,253</b>	<b>12,175</b>	<b>26,988</b>

\*Source: 2002/2003 CoC Plans

\*\*2001/2002 data

\*\*\*Numbers represent permanent affordable housing available to non-homeless and homeless, and permanent supportive housing. The Orange County amounts are not included in the TOTAL amounts.



# Evaluations and Outcomes: A Review of the Literature

## OUTCOMES AND EFFECTIVENESS

In the past several years, permanent supportive housing has been the subject of several studies. Their purposes have been to determine how this approach impacts housing stability and independence for its target population and whether it is cost effective. These studies have included experimental and quasi-experimental designs, descriptive reports, cost comparison case studies, and surveys. Despite limitations in some studies, the research as a whole supports the three conclusions discussed below.

### ➤ **Permanent supportive housing improves housing stability and other outcomes.**

The research indicates that individuals and families can successfully leave long-term homelessness and lead stable lives. Several studies have demonstrated that homeless individuals with chronic health conditions, severe mental illness, and addictions are capable of maintaining independent housing when provided with necessary supports.<sup>50</sup>

A common finding among studies of supportive housing is high rates of housing retention. For example, one study of supportive housing in New York City looked at a program that provided immediate access to permanent supportive housing to over 240 individuals with severe mental illness and substance addictions. The program was evaluated by comparing the participants' outcomes to a control group of persons with the same conditions who went through a traditional step-by-step progression – emergency shelter with services then transitional housing with services – prior to being permanently housed. This study found that almost 90 percent of the program participants remained housed after five years compared with less than 50 percent of the control group.<sup>51</sup>

A second study of New York supportive housing found that after one, two and five years, 75 percent, 64 percent and 50 percent of close to 3000 participants retained their housing across all types of supportive housing configurations (such as housing units scattered throughout the community linked with community services and more intensive “community mental health residences” with on-site services).<sup>52</sup>

Closer to home, individuals living with HIV/AIDS who participated in an Alameda County program that provides housing subsidies and supportive services were also significantly more likely to remain in their rental housing than the comparison group of individuals who were eligible for but not enrolled in the program. Around 95 percent of the persons receiving subsidies and services were still in their rental unit after one year compared to 50 percent in the comparison group. After three years, close to 80 percent of the program participants remained housed versus two percent in the comparison group.<sup>53</sup> In addition, a separate Bay Area study of an integrated services initiative (see box on next page) found that over 80 percent of their participants remained housed for at least one year.<sup>54</sup>

Separate evaluations of HUD programs (S+C, SHP, SHP for Persons with Disabilities, and HOPWA) found that most participants of these programs remained in supportive housing programs for at least a year. And, many of those who left entered other stable housing situations (over half in the SHP evaluation).<sup>55</sup>

Studies and evaluations also report improved functioning for participants. For example, the majority of the 450 participants who participated in Connecticut's supportive housing demonstration program for at least three years showed high levels of functioning. Tenant employment increased; two-thirds of the tenants reported being employed or in education/training programs.<sup>56</sup>

### **THE HEALTH, HOUSING AND INTEGRATED SERVICES NETWORK INITIATIVE**

The purpose of this ongoing California initiative is to provide integrated health, social and vocational services to supportive housing tenants in the Bay Area, and to lay the groundwork for long-term sustainable funding for these services.

The Network includes nonprofit mental health, substance abuse, health care, HIV/AIDS, employment and social service organizations, county health departments, and other public, consumer, and advocate representatives.

Data was collected for more than 250 tenants on hospital in-patient and emergency room care, and county mental health services.

Preliminary findings showed that:

- 81% remained housed for at least one year.
- There was a 58% decrease in emergency room visits the first year.
- There was a 57% drop in the number of hospital inpatient days the first year; and another 20% drop in the following year.
- The need for residential mental health care was virtually eliminated in the first year – dropping from an average of more than 2 ½ days per person per year to zero.

HUD evaluations also consistently found improvement in participants' physical and mental health, and in their ability to care for themselves and re-establish social and family ties. As a result, participants in various supportive housing programs experienced reductions in the use of emergency shelters, emergency departments, inpatient hospital and psychiatric hospital care, substance abuse treatment centers. Employment and income levels showed modest increases. In addition, participants had fewer incidences of incarceration.<sup>57</sup>

The New York/New York (NY/NY) study (see box on next page) also found that use of shelters and inpatient hospitals dropped significantly after homeless participants were placed in supportive housing. The use of city shelters dropped 86 percent. The number of participants admitted to state psychiatric hospitals dropped 44 percent, and length-of-stay decreased by 28 percent.

After two years, total inpatient psychiatric hospital days dropped 57 percent; days spent in municipal hospitals decreased by 80 percent; inpatient days paid by Medicaid dropped 40 percent; and days in VA hospitals decreased by 59 percent. In contrast, less expensive outpatient visits paid by Medicaid increased 95 percent; this reflected the initial high cost of stabilizing the health of long-time homeless individuals.

In addition to health care, the number of days that participants in the NY/NY study spent in prison decreased 74 percent. The number of days in jail decreased 40 percent.<sup>58</sup>

California studies also demonstrate positive outcomes for formerly homeless individuals. Recent outcome and anecdotal data for over 4,700 participants in the Integrated Services for Homeless Adults with Serious Mental Illness Programs report a reduction in symptoms that impaired their ability to live independently, work, maintain community supports, care for their children, remain healthy, and avoid crime. In addition, the number of days they spent homeless dropped almost 80 percent; days of psychiatric hospitalization dropped over 65 percent, and days of incarceration dropped over 80 percent.<sup>59</sup>

- **Permanent supportive housing reduces the use of high cost service interventions; as a result, it may cost close to the same amount as the public is already spending on the long-term homeless population.**

At least three studies in the last five years have examined the effectiveness of supportive housing in reducing costs to health, mental health, substance abuse, and corrections systems. The NY/NY study concluded that, based strictly on the direct cost reductions measured by this study and compared with the annual cost of supportive housing, providing permanent supportive housing is a sound investment of public resources. (The researchers point out that if the additional costs that were not included in the NY/NY study are added in, it is likely that the savings would have been even greater.)<sup>60</sup>

An evaluation of Connecticut's supportive housing program and a study of supportive housing in Minnesota also concluded that supportive housing for the homeless was a cost-effective use of state resources. In the Connecticut evaluation, before and after housing data showed that tenants who stayed in permanent supportive housing for three years reduced their utilization of Medicaid by an average of over 70 percent by using less expensive ongoing and preventive health care.<sup>61</sup> In Minnesota, a case study approach to determining costs concluded that while housing and services associated with supportive housing present some higher costs initially, they offer long-term homeless families consistent access to affordable housing, services, and a strong community at a significant reduction when compared with emergency intervention costs.<sup>62</sup>

#### **THE NEW YORK/NEW YORK INITIATIVE COST STUDY**

This 1999 empirical study quantified the extent and costs of service use by homeless persons with severe mental illness. Researchers from the University of Pennsylvania analyzed the service utilization costs across eight agencies of over 4,500 individuals for two years while they were homeless, and for two years after they were placed in supportive housing (both scattered site units linked with community services and more intensive "community mental health residences" with on-site services). They compared this group with matched controls – homeless persons with severe mental illness – who were not housed.

Before being placed in supportive housing, homeless individuals used an average of \$40,450 per year of publicly-supported services, especially in the health care system. After placement, high cost service usage dropped significantly. Savings due to reducing service use offset nearly 90 percent of the costs of supportive housing (95 percent of the cost of scattered-site units). As a result, the net public cost of permanent supportive housing was calculated to be \$1,908 (\$995 for scattered site housing) per unit per year for the first two years.

The researchers note that their findings represent a conservative estimate on the impact of costs. The study did not track all public services used by homeless individuals (such as outreach and drop-in programs) and it did not include law enforcement and court costs.

*Public Service Reductions Associated with Placement of Homeless Persons with Severe Mental Illness in Supportive Housing, 2002*

Cost determinations have also been made in California. A recent San Francisco study looked at repeat emergency department (ED) visits by the homeless. Forty percent of homeless individuals had one or more ED visits in the prior year; more than three times the national norm. Among this group, only eight percent were frequent ED users (four or more visits in a year); however, they accounted for almost half of the total ED visits. The researchers suggest that providing supportive housing may lead to decreased ED use (and reduction in costs), particularly among frequent users.<sup>63</sup>

### **COSTS AND INDIVIDUAL NEEDS**

A San Diego study of over 360 homeless persons with severe mental illness and substance addictions randomly assigned participants to groups that provided rental assistance (housing) and/or case management. This study, among others, found that rental assistance had a much greater impact on housing stability (57 percent) than case management alone (30 percent); it also found that supportive housing was more effective for individuals with mental illness than for those with substance use problems.

More recently, a nonrandom assignment study in Florida of over 100 homeless individuals compared the effectiveness of a supportive housing program with a program providing case management (no housing). This study found that individuals with high levels of severe mental illness symptoms and substance use achieved better housing outcomes with the supportive housing program; however, individuals with medium or low levels did just as well with case management services alone.

The researchers concluded that the effectiveness, and ultimately the cost, of services can be improved by matching the type of service to the level of mental impairment and substance use rather than treating mentally ill homeless persons as a homogeneous group.

*Michael Hurlbert and others, 1996;  
Colleen Clark and Alexandar Rich, 2001*

The legislative report submitted by the Department of Mental Health detailed the implementation process and outcomes for 4,750 participants in the Integrated Services for Homeless Adults with Serious Mental Illness Program prior to February 2002. The program was funded at around \$55 million; county and city programs spent an approximate average of \$13,000 annually per client statewide. However, the Department concluded that the annual program expenditure was offset by an estimated cost avoidance of nearly \$23 million from reduced inpatient hospital days and reduced incarcerations.<sup>64</sup>

The public cost of homelessness is high; the housing and services associated with supportive housing also create costs. However, advocates and service providers make the case that, if supportive housing is not put into place, the lack of affordable housing and support services will likely cost public agencies far more due to the continued use of expensive public resources.

### ***Caveats on Cost-Effectiveness***

While the research to date indicates that permanent supportive housing can provide individuals and families with an affordable, stable home and supportive services for close to the same amount of public funds spent on them while they are homeless, there are some caveats to

consider. For example, cost effectiveness differs among individuals based on the extent of their public resources use prior to housing and their continuing level of service needs once housed. Cost effectiveness is also impacted by individual needs (see box at left).

In addition, the cost-effectiveness of the supportive housing model entails shifting costs from one set of funds for public services (health, mental health, homeless shelters, jail) that will realize *future* savings to pay for current costs in the areas of affordable housing

and services. In addition, it requires the participation of various levels of government, and multiple agencies within each level. As a result, this would be a challenging public policy strategy to implement.<sup>65</sup>

➤ **Permanent supportive housing does not negatively impact neighborhoods and communities.**

In many communities, neighbors raise concerns about the potential adverse effects that supportive housing would have on their neighborhoods and communities. As a result, HUD sponsored a 1997 study that looked at the impact of 15 existing small-scale supportive housing facilities on the property values of homes and the crime rates in the surrounding neighborhoods in Denver, Colorado.<sup>66</sup> In addition, the researchers collected qualitative data through focus groups and surveys of neighbors.

Overall, the study found that supportive housing facilities were associated with a positive impact on housing prices in the surrounding area. However, not all sites experienced the same impact. For example, five supportive housing sites located in low-value, typically majority African American-occupied neighborhoods consistently showed positive price impacts. In contrast, the supportive housing site in the highest-value, overwhelmingly white-occupied neighborhood, and a poorly maintained supportive housing site in a modest-valued neighborhood, apparently had a negative effect on surrounding housing prices.

In relation to crime rate impacts, the study found no differences in the rates of reported offenses between areas where supportive housing was developed and in other control areas of Denver. The study did find a strong relationship between disorderly conduct reports and the proximity of supportive housing facilities: the number of reports increased the larger the number of supportive housing beds in the vicinity. However, the reason for this finding could not be determined (for example, the behavior of residents, the behavior of neighbors, or another explanation).

The study concluded that the fears commonly expressed by residents faced with the prospect of supportive housing developed nearby were generally unfounded. While specific housing developments reputedly caused problems for neighbors, small supportive housing facilities in general had a neutral or positive impact on the Denver neighborhoods in the study.<sup>67</sup>

The study's key conclusion, however, is that the *context matters*. The Denver study pointed out that the specific characteristics of a housing development – the housing developer, the neighborhood, and local public policy (on siting, building design, size and public notification) – affect the reception and impact of supportive housing. For example, housing developers with good track records are usually given the benefit of the doubt regarding new developments, the type of client is likely to influence neighborhood reaction, and neighborhoods who perceive that they are already “saturated” with supportive or subsidized housing are likely to oppose new developments.<sup>68</sup>

Similarly, the 2002 evaluation of the Connecticut Supportive Housing Demonstration Program analyzed the impact of nine supportive housing projects on surrounding property values. Each project has around 30 units and is located in an urban residential or mixed residential/commercial neighborhood. Evaluators analyzed the sale of commercial buildings (apartment, retail and office properties) from the period just prior to the projects' completion (1996-1998) to March 2002. They found that neighborhood property values in the areas surrounding the supportive housing projects increased for eight of the nine projects; the property values remain stable in the neighborhood where property values were the highest. In addition, the majority of neighbors and nearby business owners reported that the neighborhoods looked better than before the permanent supportive housing developments were built.<sup>69</sup>

## **FUTURE EVALUATIONS**

The current research provides a foundation upon which to build and expand. The Health, Housing and Integrated Network Initiative study, for example, is continuing to provide data to assess the benefits of permanent supportive housing in the Bay Area. This study is also evaluating an employment component within permanent supportive housing. The Integrated Services for Homeless Adults with Serious Mental Illness Program continues to be evaluated; an updated legislative report is due in the near future.

In addition to the outcomes being studied, supportive housing advocates and policymakers are calling for specific criteria or accountability standards that are uniform across projects so that programs can measure their success, and compare their outcomes, with others. Given competing demands for limited funds, it is of great interest to policymakers, housing developers, and service providers to determine what types and levels of services are effective, and for which specific populations.

# Barriers and Challenges

## AFFORDABLE HOUSING: NOT ENOUGH

According to the Governor's Interagency Task Force on Homelessness "... *the key to success in alleviating homelessness is affordable housing. Without affordable housing all other strategies will eventually fail.*"<sup>70</sup>

The bi-partisan congressional Millennial Housing Commission concludes that affordability is the single greatest housing challenge facing the nation. Individuals and families with the lowest incomes— including those who are homeless or on the brink of homelessness — face the most severe housing problems.<sup>71</sup>

Housing affordability is also a major challenge in California.<sup>72</sup> The number of Californians in need of affordable housing far outstrips the supply of low-cost units. In 2001, the number of low-income renters statewide outnumbered low-cost rental units by more than two to one. In addition, nearly nine out of ten low-income renters pay more than half of their income on rent (leaving limited money for food, utilities and other necessities).

The lack of affordable housing impacts the level of homelessness and the ability of programs to move people from shelter to permanent housing. Many individuals and families repeat the emergency shelter-transitional housing cycle a number of times because they cannot find permanent housing that they can afford.

### Not Enough New Housing; Losing Existing Housing

*"The Department of Housing and Community Development asserts that if current trends continue, California will build less than 60 percent of the new housing needed over the next 20 years."*<sup>73</sup>

California is not building enough affordable housing to meet the demand. Multi-family housing production has decreased over the years. During the 1980s, multi-family building permits represented almost half of total permits; between 1990 and 2001, building permits for multi-family housing dropped to just a quarter of all permits.

At the same time that construction of affordable housing is lagging beyond the need, the state is losing existing affordable housing. Many federally assisted units are being converted from affordable housing to more lucrative market rate housing. In the past seven years, California has lost more than 16 percent of the state's federally assisted affordable housing inventory due to landlords buying out Section 8 contracts or allowing them to expire so they can rent out units at market rate. In addition, because federal housing programs have shifted from building low-income housing to providing rental assistance vouchers, public housing projects are being destroyed but not rebuilt.

Old single-room occupancy (SRO) hotels are also a significant source of housing for persons moving from (or into) homelessness. Many SRO hotels downtown do not meet federal standards for habitability. Some landlords do not want to deal with the government requirements that come with securing public financing for rehabilitation or the requirements and oversight that come with qualifying for public rent subsidies. Eventually these units will deteriorate to the point that they will be condemned, further reducing an important source of affordable housing for long-term homeless persons.<sup>74</sup>

## FUNDING: NOT ENOUGH, TOO FRAGMENTED, NOT STABLE

*“... a survey of non-profit housing developers found that lack of funding is the principal reason for scaling back or not developing projects; most believe that reliable funding would solve the majority of their problems.”<sup>75</sup>*

State support of affordable housing programs has fluctuated over the past twenty years. New housing programs were established and substantial funding was committed in the 1980s and early 1990s, including funds from three affordable housing bond measures. However, once bond funds dried up, few state funds were allocated to take their place. In 2000 the State again substantially increased its support of existing and new affordable housing programs. Then, beginning in 2001, housing program funds were scaled back due to the state budget crisis.<sup>76</sup>

### THE HOUSING AND EMERGENCY SHELTER TRUST FUND ACT OF 2002

This \$2.1 billion housing bond measure provides funds for several housing programs, including permanent supportive housing. It includes:

- \$800 million for the Multi-Family Housing Program;
- \$195 million for supportive housing projects;
- \$20 million for health and social services space; and
- \$25 million for matching grants to local housing trust funds.

*Department of Housing and  
Community Development*

### The 2002 Housing Bond Act

*“You can’t reduce homelessness without new homes. This measure [Proposition 46] represents the largest housing bond in California history.” Governor Gray Davis.<sup>77</sup>*

In November 2002, 58 percent of California voters approved Proposition 46 – the Housing and Emergency Trust Fund Act. This act authorized a \$2.1 billion general obligation bond to fund new affordable housing and other initiatives. In addition to providing funding for several programs (see box), a portion of the housing bond, when leveraged with other funds, was expected to create 11,250 supportive housing units for the homeless, or those at risk of homelessness, by 2010.<sup>78</sup>

Due to record state budget deficits, however, the Fiscal Year 2003/2004 Budget uses Proposition 46 funds to pay for \$40 million of current housing project costs that were previously funded by the General Fund. While the

Proposition 46 funds are still being used for housing, the practical effect of this action will be to reduce the future number of new housing units produced. Housing advocates argue that using the bond funds in this manner is contrary to voters’ intent that new, additional housing be created.<sup>79</sup>

## **Funding for Housing**

Housing advocates and professionals agree that there is not enough funding to meet the housing and service needs of the long-term homeless. Limited funding and inadequate service resources lead to competition among homeless populations. Lack of sufficient resources is a barrier at the federal, state and local levels. Funding cuts and redirections at all levels due to budget deficits make this situation worse.

Most funding streams are categorical (they are for specific purposes, and have specific structures and rules). Funds flow to different state agencies and local agencies. As a result, service providers are not able to deliver the flexible and comprehensive range of services needed.

Funds are fragmented and complex to access to meet a range of needs. Categorical funding results in different eligibility standards and requirements among programs. Homeless persons may meet eligibility standards in one program and not another. They must interact with several different programs. In addition, there are generally no requirements to coordinate programs and there are few, if any, incentives to combine programs or funds in a flexible manner.

The funding that is available is unstable – it may disappear at any time. Permanent supportive housing providers must reapply for funding (in many cases every few years). This means they must expend time and resources to secure continued or new funding instead of planning and making program improvements to become more effective and efficient.

## **Funding for Services**

While funding for affordable housing is limited and problematic, there are even fewer resources for funding supportive services. Permanent supportive housing developers point out that existing resources are not adequate to meet the need. In addition, it is often difficult to access existing services for the long-term homeless population. For example, a major service funding challenge is how to effectively tap into the existing resources of MediCal in order to provide a range of health and mental health services for homeless persons. (See the box on the following page for a list of other mainstream services that can be used for the long-term homeless population.)

In short, all of the challenges described for developing and maintaining affordable housing units, and more, apply to funding the services component of permanent supportive housing.

Advocates for veterans point out that it is a common, but inaccurate, perception that homeless veterans have access to adequate resources for housing and supportive services through federal and state VA programs. There are 22 homeless veterans for every available bed/slot provided by community-based veteran service agencies in California. Service providers are calling for “fair share” access to housing and services (such as new Proposition 46 bond funds).

*Don Harper  
California Association of  
Veteran Service Agencies*

## UTILIZING MAINSTREAM SYSTEMS

There are increasing efforts at the national and state levels to expand the use of mainstream system resources to serve the homeless (see box). There is more money available from mainstream resources than from homeless-targeted programs; and mainstream resources are more likely than targeted service structures to be sustained and expanded.<sup>80</sup>

### “MAINSTREAM” PROGRAMS

Mainstream systems are publicly-funded programs that provide services, housing, and income supports to low-income persons whether they are homeless or not. Examples of federal assistance programs that provide supports and services that address needs of long-term homeless persons include:

- Temporary Assistance for Needy Families (CalWORKs in California)
- Social Security Income (SSI)
- Medicaid (MediCal in California)
- Social Services Block Grant
- Community Mental Health Services Block Grant
- Community Services Block Grant
- Community Health Centers
- Substance Abuse Prevention and Treatment Block Grant

Historically, homeless individuals have difficulty gaining access to many of the services and income supports to which they are entitled. Due to the barriers they encountered when seeking mainstream services, a parallel homeless-targeted services system evolved. As a result, mainstream systems have generally deferred serving this population to homeless-targeted programs. Thereby, advocates point out, evading the costs and responsibility of helping their most disadvantaged and difficult to serve clients.

There are several challenges to using mainstream systems. The condition of homelessness itself creates barriers to accessing services, including lack of transportation to service sites and difficulty in obtaining information by phone or mail. In addition, benefits are more limited for single adults without children.

There are also system barriers in responding to the multiple needs of persons who experience long-term homelessness. Mainstream programs are fragmented and categorically organized and funded. They commonly

have long waiting lists and narrow eligibility criteria; they tend to take those most capable of success. In addition, these programs are generally under funded and lack the resources to adequately serve the clients they already have.<sup>81</sup>

Staff attitudes and lack of expertise in working effectively with the homeless also create barriers to services. Advocates point out that, in order to connect homeless persons with the community and the community with homeless persons, successful programs for this population require specialized, integrated, flexible approaches, and personal relationships – attributes not usually found in mainstream programs.<sup>82</sup>

## INADEQUATE DATA

Policymakers need accurate, reliable data to make informed decisions and take appropriate action steps. They need accurate data to determine the best use of federal, state, and local resources, especially when these resources are limited.

Housing developers and service providers need consistent baseline data from local jurisdictions to effectively identify and assess characteristics of the population being served to target funds and/or services to meet specific needs (for example, are housing units needed for individuals or families? Are substance abuse or mental health services needed?). Longitudinal data is needed to track service and demand trends, and identify patterns of use and barriers to services. This data also provides more accurate calculations of the size and characteristics of the population over time.

Adequate data is needed for tracking performance (for example, how many housing units were constructed compared to the number planned).<sup>83</sup> It is needed for evaluating programs and determining the outcomes of specific interventions and programs. The effects of permanent supportive housing programs and interventions on both tenants and communities need to be measured so that new program models or interventions that prove effective can be funded and replicated and, equally as important, funding for ineffective interventions can be redirected.

As previously discussed, the long-term homeless population is difficult to identify and access. Once homeless individuals are connected with services, management information systems (like the HMIS) can provide ongoing data that is compatible among service providers, housing developers, and policymakers. However, to date such systems are not in place across all local jurisdictions. In addition, the data collected through existing HMIS systems is not consistent or comparable among jurisdictions.

## NEIGHBORHOOD AND COMMUNITY OPPOSITION

Homeless advocates and affordable housing developers commonly face opposition from neighbors and communities when a housing project for the long-term homeless is proposed. NIMBYism (see box) has reportedly delayed or blocked construction of many affordable housing units throughout the state. In addition, local zoning laws may result in making affordable housing more expensive and difficult to construct.

NIMBY is an acronym for “Not in My Backyard,” a phrase that is used in this context to describe resistance from individuals and groups to having affordable housing units located in their communities.

One result is that affordable housing is not spread among all communities (the “fair share” approach). Instead, it is often concentrated in those areas where there is local political support for affordable housing, or is relegated to undesirable or marginal areas such as near freeways and industrial zones.<sup>84</sup>

Community opposition is not limited to middle- and upper-income suburban communities. For years, poor and minority neighborhoods have complained that they have become the “dumping ground” for a host of unwanted land uses, including the concentration of homeless shelters, low-income housing, and social services. These communities express concern that such facilities, and their residents, negatively affect their ability to attract businesses and other types of economic development, and stretch police and other public services in already tenuous neighborhoods.<sup>85</sup>



## Permanent Supportive Housing: Options for Action

Permanent supportive housing as a solution to long-term homelessness is part of a larger strategy to end homelessness for all. Many government and advocate organization strategic plans incorporate the following structure:<sup>86</sup>

- **Develop plans to end, rather than to manage, homelessness.** Collecting better data and focusing on *outcomes* – like the number of individuals/families who are stable housed over time instead of the number of persons provided shelter and number of services delivered – is key to planning. (This step is known as “Plan for Outcomes” in federal, state and advocate strategies.)
- **Make prevention of homelessness a priority.** This includes providing a safety net (a range of available services) for individuals and families in danger of losing their existing housing. It also means taking action – like providing permanent supportive housing – to end cycles back into homelessness. (This step is known as “Close the Front Door” in federal, state and advocate strategies.)
- **Quickly re-house everyone who becomes homeless.** Develop and subsidize an adequate supply of affordable housing, and adequate service resources. (This step is known as “Open the Back Door” in federal, state and advocate strategies.)
- **Rebuild the infrastructure to address the conditions that lead to homelessness.** This includes addressing the shortage of affordable housing, incomes that do not pay for basic needs, and gaps in safety net services. (This step is known as “Build the Infrastructure” in federal, state and advocate strategies.)

The federal government, the State, and organizations that serve the homeless have prepared “ten-year plans” or other strategy documents that include recommendations for action to address homelessness. The recommendations that impact permanent supportive housing are summarized below (see box for the sources of recommendations). Some plans and recommendations that are directed at the federal level have been included when the State can take similar action. Work on several action items has already been initiated.

### Develop Plans to End Homelessness

- Establish a state-level entity to plan and coordinate efforts to address homelessness (for example, a State Office of Homelessness and/or a State Interagency Council/Task Force on Homelessness, and an Advisory Committee on Homelessness). [IATFH, SBTFH]

#### **SOURCES**

- *Progress Report and Work Plan for 2003*, Governor’s Interagency Task Force on Homelessness [IATFH]
- *Final Recommendations, June 2000; and Recommendations, March 2001*, Senate Bipartisan Task Force on Homelessness [SBTFH]
- *A Plan Not a Dream; How to End Homelessness in Ten Years*, National Alliance to End Homelessness [NAEH]
- *A Strategic Framework for Ending Long-Term Homelessness*, Corporation for Supportive Housing [CSH]

- Support coordination and collaborative program development among state agencies/departments (for example, the State Interagency Task Force on Homelessness and the State Olmstead Working Group). Link and integrate existing and new programs: require collaborative planning processes (include state agencies/departments, homeless assistance providers, and mainstream state and local agencies) and coordinate application, data reporting, and program evaluation processes. [IATFH, SBTFH, NAEH, CSH]
- Establish baseline and ongoing data approaches, and collect data focused on outcomes to track progress and determine impact of efforts. [IATFH, NAEH, CSH]
- Develop an annual homelessness agenda for California’s federal advocacy efforts; coordinate with federal partners to accomplish strategies (see box on following page for federal strategy). [IATFH]

**LITTLE HOOVER  
RECOMMENDATIONS TO REFORM  
STATE POLICIES TO INCREASE THE  
SUPPLY OF AFFORDABLE HOUSING**

1. The State should provide leadership and strengthen housing element law to make more land available for housing. It should refocus the law from planning for housing to ensuring that housing is built.
2. Public policies should be reformed to encourage greater use of urban “brownfields” for affordable housing, while enhancing the well-being, ensuring the health and safety, and encouraging the involvement of neighborhoods and residents.
3. The State should draw more investors into the market by accurately identifying and reducing the risks associated with affordable housing and identifying new sources of private capital.
4. Public subsidies – essential to providing low-income housing in an inflated market – should be consistent, reliable and efficiently allocated. Some infrastructure-related costs for affordable housing should be reduced, shifted to the State or shared by the larger community.
5. State housing programs should be coordinated to make access to subsidies easier, streamline monitoring requirements and provide technical assistance.

*Rebuilding the Dream:  
Solving California’s Affordable Housing Crisis, 2002*

**Quickly Re-house Everyone Who Becomes Homeless**

*Increase Affordable Housing*

The Little Hoover Commission recently identified several recommendations to increase the amount of affordable housing in California (see box at left). These reforms would also impact the supply of permanent supportive housing. Additional recommendations are:

- Establish a state goal of creating 11,250 units of supportive housing by 2010 using funds from the housing bond and other sources. [IATFH]
- Provide adequate and reliable long-term funding for housing development and operations, including rental and/or operating subsidies. Integrate funding sources and streamline financing processes. Separate funding for renewing effective existing projects from that allocated for new permanent supportive housing. [CSH]
- Leverage federal, state, and local funding more effectively. For example, use homeless-targeted investments to leverage funding for mainstream programs. [CSH]

- Increase options for siting programs for the homeless: [IATFH, CSH]
  - Amend state law to strengthen current anti-NIMBY laws; more closely integrate fair housing law with laws related to local land use approval.
  - Prescribe local actions such as specifying local permit processing standards. Other actions include: requiring that local governments specify in their General Plan housing elements locations or zones where homeless services can be developed by right, and requiring that local government include housing for the homeless population when a military base is being converted to civilian use.
  - Require state-level review of local government land-use decisions.
- Require that state-funded homeless programs serve homeless veterans: document and report the numbers served; and provide income and benefits advocacy through legal and social services. [SBTFH, CSH]
- Provide incentives or otherwise encourage counties to create new permanent supportive housing for specific homeless target populations; provide incentives/encouragement for existing housing projects to accept long-term homeless tenants. [CSH]
  - Encourage counties to develop mixed income housing projects that target 25-50% of the units for the long-term homeless population.
  - Encourage counties to use the maximum allowed (30 percent) under the federal Chaffee Independent Living Program for housing youth emancipated from foster care. [SBTFH]

## **FEDERAL WORK GROUP ON ENDING CHRONIC HOMELESSNESS**

### **PROPOSED GOALS AND STRATEGIES**

*Help eligible, chronically homeless individuals receive health and social services.*

- Strengthen outreach and engagement activities.
- Improve the eligibility review process.
- Explore ways to maintain program eligibility.
- Improve the transition of clients from homeless-specific programs to mainstream programs.

*Empower State and community partners to improve their response to people experiencing chronic homelessness.*

- Use State Policy Academies to help states develop specific action plans.
- Permit flexibility in paying for services that respond to the needs of persons with multiple problems.
- Reward coordination across federal health and human services (HHS) assistance programs to address the multiple problems of chronically homeless people.
- Provide incentives for States and localities to coordinate services and housing.
- Develop, disseminate and use toolkits and blueprints to strengthen outreach, enrollment and service delivery.
- Provide training and technical assistance on chronic homelessness to mainstream service providers.
- Establish a formal program of training on chronic homelessness.
- Address chronic homelessness in formulating future HHS budgets or in priorities for using a portion of expanded resources.
- Develop an approach for baseline data, performance measurement, and the measurement of reduced chronic homelessness.
- Establish an ongoing body within HHS to direct and monitor the plan.

*Work to prevent new episodes of homelessness within the Health and Human Services clientele.*

- Identify risk and protective factors to prevent future episodes of chronic homelessness.
- Promote the use of effective, evidence-based homelessness prevention interventions.

*Ending Chronic Homelessness, Strategies for Action  
U.S. Health and Human Services Department, 2003*

- Maximize the number of units available to target population by helping permanent supportive housing tenants move on to community housing when possible (for example, provide limited safety net services). [CSH]

### ***Increase Services***

- Provide adequate and reliable, long-term sources of funding for supportive services (alternatives to McKinney-Vento funding). Specifically, include funding for the following targeted activities: [IATFH, SBTFH, CSH]
  - employment and training programs for veterans with significant barriers;
  - the Outpatient Substance Abuse Program for Low-Income Women and their Children to provide a housing subsidy component for women who successfully complete treatment;
  - alcohol and drug treatment for the homeless; and
  - specialized courts clear warrants and minor crime charges to make the homeless employable and houseable.
- Promote a balanced focus on targeted and mainstream approaches. [CSH]
- Provide incentives for mainstream systems of care to provide for the housing outcomes of clients they serve; hold them accountable for outcomes. [NAEH]
- Allow entities that serve the long-term homeless to bill Medi-Cal targeted case management program to improve coordination of services. [SBTFH]
- Allow a charitable tax credit for contributions made to any California 501c(3) or faith-based organization working to alleviate homelessness. [SBTFH]

## Appendix A – Legislative and Other Milestones Affecting Permanent Supportive Housing

### FEDERAL EFFORTS

TIMELINE	EVENT	DESCRIPTION
1937	U.S. Housing Act	Created the public housing program to serve poor families. Authorized local housing authorities to build units financed through long-term bonds.
1949	U.S. Housing Act-Amendment	Established the goal of “a decent home and a suitable living environment for every American family.” Authorized funding for additional units of public housing. Created the Urban Renewal program and Section 515 Rural Rental Housing Program.
1959	U.S. Housing Act-Amendment	Authorized direct federal loans and grants to non-profit owners that provide rental housing for elderly.
1965	Housing and Urban Development Act	Created HUD. Provided the first direct rent subsidies for public housing authorities to rent privately owned units for their tenants (a precursor to Section 8 housing certificates/ vouchers).
1968	Housing and Urban Development Act-Amendment	Capped public housing rents at 25 percent of tenant income; established preference for families (as opposed to individuals) with severe housing problems.
1974	Housing and Community Development Act	Amended the U.S. Housing Act. Created the CDBG program and Section 8 program.
1983	Federal Interagency Task Force on Food and Shelter for the Homeless	First federal response to homelessness. Made cots, blankets, etc; available to local providers and allocated \$140 million through FEMA.
1986	Homeless Housing Act	First HUD program specifically for the homeless. Created Emergency Shelter Grant Program and transitional housing demonstration program.

TIMELINE	EVENT	DESCRIPTION
1986	Tax Reform Act	Created low-income housing tax credits to encourage private investment in the acquisition, rehabilitation, and construction of low- income rental housing.
1986	Homeless Eligibility Clarification Act	Removed permanent address requirements and other barriers preventing homeless persons from participating in federal means-tested assistance programs. [Title XI of the Anti- Drug Abuse Act]
1987	Stewart B. McKinney Homeless Assistance Act	<p>Integrated programs and enhanced services to address the needs of homeless persons and families, including:</p> <ul style="list-style-type: none"> <li>• Expanded HUD programs – SHP, Supplemental Assistance for Facilities to Assist the Homeless, and Section 8 SRO Mod Rehabilitation Program.</li> <li>• Made surplus federal property available.</li> <li>• Established Health Care for the Homeless Program.</li> <li>• Provided education and job training programs through the DOL.</li> <li>• Established the Interagency Council on the Homeless within the Executive Branch.</li> </ul>
1990	Stewart B. McKinney Homeless Assistance Act-Amendments (National Affordable Housing Act)	<ul style="list-style-type: none"> <li>• Created HOME Investment Partnerships.</li> <li>• Separated funding for supportive housing into adults with disabilities (Section 811) and elderly persons (Section 202).</li> <li>• Created the Shelter Plus Care Program.</li> <li>• Created Projects for Assistance in Transition from Homelessness Program.</li> <li>• Established the Housing Opportunities for Persons with Aids Program.</li> </ul>
1992	Stewart B. McKinney Homeless Assistance Act-Amendments	<ul style="list-style-type: none"> <li>• Created “safe havens” for persons unable to participate in supportive services.</li> <li>• Created the Rural Homeless Housing Assistance grant program.</li> <li>• Consolidated mental health services for severely mentally ill persons with alcohol and drug abuse treatment programs into Access to Community Care of Effective Services and Support grants.</li> </ul>

TIMELINE	EVENT	DESCRIPTION
1999	Foster Care Independence Act (John H. Chaffee Foster Care Independent Living Program)	Increased funding for services to youth making transition from foster care to self-sufficiency. Extended foster care benefits to age 21. Authorized funds for rent in addition to variety of training and prevention activities.
2001	Grants for the Benefit of Homeless Individuals	Awarded grants to primary health, mental health, and substance abuse agencies for services to homeless persons. Grants intended to be used with permanent supportive housing projects.
2001	Homeless Veterans Comprehensive Assistance Act	Contained initiatives that address prevention, housing, counseling, treatment and employment for veterans transitioning out of homelessness. (No specific funding was appropriated.)
2002	Collaborative Initiative to Help End Chronic Homelessness	President re-activated Interagency Council on Homelessness to coordinate federal activities. Established a grant program that redirects HUD, HHS, and VA resources (\$35 million) for permanent supportive housing.
2002	Community Partnership to End Homelessness Act	<ul style="list-style-type: none"> <li>• Consolidated SHP, S+C, and Section 8 Mod Rehab SRO programs into the Housing Assistance Program (HAP).</li> <li>• Required 30 percent “set-aside” of HAP funds for permanent housing.</li> <li>• Established planning board to report outcomes and tied grants to performance.</li> <li>• Shifted renewal funds to separate appropriation.</li> <li>• Limited funding for support services after three years.</li> <li>• Provided incentives for developing new permanent housing stock for long-term homeless persons, and others.</li> <li>• Authorized spending and revised local match requirements (to 25 percent).</li> </ul>

## STATE EFFORTS

TIMELINE	EVENT	DESCRIPTION
1985	SB 478 California Housing Trust Fund	Created the California Housing Trust Fund (first in the nation) with \$20 million/year for housing.
1987	Low Income Housing Tax Credit	Created by the Legislature to supplement the federal program. State credits only available to projects receiving federal credits.
1988	Proposition 84 Housing and Homeless Bond Act of 1988	Provided \$300 million in bond proceeds for funding new housing with on-site support services. Funded state housing programs to develop new affordable rental housing for elderly or disabled persons; rehabilitate residential hotels and rental housing; and provide emergency shelters and farmworker housing.
1990	Proposition 107 Housing and Homeless Bond Act of 1990	Provided \$150 million in bond proceeds. Divided funds among state housing programs to develop new affordable rental housing for elderly or disabled persons, and farmworkers; rehabilitate residential hotels; add emergency shelters and transitional housing; and assist first-time, low-income home-buyers.
1998	AB 2780 Supportive Housing Initiative Act	Established grant program to encourage the development of permanent, affordable housing with supportive services targeting persons with disabilities, special needs, and chronic health problems.
1999	AB 34/AB 334/ AB 2034 Integrated Mental Health Programs for the Homeless	Funded programs providing comprehensive services to mentally ill persons who are homeless, at-risk of becoming homeless, or recently released from jail or prison. Gave priority to permanent supportive housing projects.
1999	SB 1121 Multifamily Housing Program	Created permanent financing program for affordable multifamily housing development that provides low-interest loans to developers of affordable housing. Targeted special needs tenants.

<b>TIMELINE</b>	<b>EVENT</b>	<b>DESCRIPTION</b>
2000	Assembly Joint Resolution No. 39 - Relative to Homelessness	Outlined the urgent need for a comprehensive plan to end homelessness nationwide and requested that the President convene a National Commission on Homelessness.
2000	AB 1626 Low Income Housing Tax Credits	Permanently raised the Low Income Housing Tax Credits cap from \$35 million to \$50 million per year.
2000	Senate Bipartisan Task Force on Homelessness	Senate President pro Tempore and the Senate Republican leadership created this task force to make recommendations and legislation to reduce homelessness.
2000	SB 1593 Homeless Housing Programs	Implemented numerous recommendations of the Senate Task Force on Homelessness. Made various changes to homeless programs administered by HCD.
2000	SB 1656 Housing Trust Fund	Reconfigured the Housing Trust Fund to work as an endowment to provide a permanent source of financing for affordable housing programs. Also created the CalHome Program.
2002	SB 73 Low Income Housing Tax Credits	Increased the Low Income Housing Tax Credit cap from \$50 million per year to \$70 million per year plus an adjustment for inflation.
2002	SB 372 Preservation and Interim Loan Programs	Established the Preservation Opportunity Program and the Interim Repositioning Program to provide loans to preserve the affordability of Section 8, Section 202, and Section 515 housing developments when the owners opt out of existing contracts.
2002	Proposition 46 Housing and Emergency Shelter Trust Fund Act of 2002	Financed \$2.1 billion in affordable housing construction. Provided \$390 million for emergency shelters and permanent housing with support services for homeless seniors, battered women, mentally ill persons, and veterans.
2002	AB 1060 Homeless Veterans Study	Required that Department of Veteran Affairs study status of homeless veterans and develop recommendations to eliminate homelessness among veterans.



## Appendix B – Status of Homeless Management Information Systems

Level 1: The CoC has not yet considered implementing an HMIS.

Level 2: The CoC has been meeting and is considering implementing an HMIS.

Level 3: The CoC has decided to implement an HMIS and is selecting software/hardware.

Level 4: The CoC has implemented an HMIS.

Level 5: The CoC is seeking to update or change its current HMIS.

Level 6: The CoC is seeking to expand the coverage of the current system.

Level 1	Level 2	Level 3	Level 4	Level 5	Level 6
	Butte	Fresno/Madera	Pasadena (L.A.)	Marin	Riverside
	Contra Costa	Kern/ Bakersfield	San Francisco	Napa	San Diego
	Mendocino	Kings/Tulare	Shasta	San Mateo	
	Orange	Los Angeles			
	Placer	Long Beach (L.A.)			
	San Bernardino	Glendale (L.A.)			
	Santa Cruz	Monterey			
	Stanislaus	Sacramento			
	Oxnard (Ventura)	San Joaquin			
		San Luis Obispo			
		Santa Barbara			
		Santa Clara			
		Solano			
		Sonoma			
		Ventura			
		Yolo			



## Appendix C – Continuum of Care Definitions

The following definitions of “permanent supportive housing” come from county/city Continuum of Care plans. For purposes of consistency, we did not include additional material in the definition that was deemed to be descriptive.

COUNTY	CITY	PERMANENT SUPPORTIVE HOUSING DEFINITION
<b>Alameda</b>		“...intended for populations expected to need relatively intensive services for an extended period of time or permanently, as opposed to independent permanent housing which can be linked to support services, I&R, low intensity referral, and community building activities.”
<b>Butte</b>		“... a living situation where the occupant is housed in a standard residential unit ranging from SRO to a single family home...the occupant receives supportive services to help them maintain this independent living status.”
<b>Contra Costa</b>		“...intended to assist people who are unable to stabilize their lives and lack a consistent resource of specialized services. The most effective programs provide support for substance abuse, mental illnesses, HIV/AIDS, and chronic health conditions...”
<b>Fresno/Madera</b>		“...long-term housing assistance with support service for which homelessness is a primary requirement for program eligibility. ..programs also include specific set-asides of assisted housing units or housing vouchers for homeless clients by public housing agencies or others as a matter of policy, or in connection with a specific program...a permanent housing program for formerly homeless clients does NOT include public housing, Section 8, or federal, state, or local housing assistance program for low-income persons that do not include a specific set-aside for homeless claims, or for which homeless is not a basic eligibility requirement.”
<b>Imperial</b>		Not stated

COUNTY	CITY	PERMANENT SUPPORTIVE HOUSING DEFINITION
<b>Kern/Bakersfield</b>		“...long-term housing for the homeless or formerly homeless population. Basically, it is community-based housing and supportive service as generally provided by transitional housing, designed to enable homeless person to live as independently as possible in a permanent setting. Permanent housing can be provided in one structure or several structures at one site or in multiple structures at scattered sites. Service may taper off for specific persons living in the housing as they demonstrate that they no longer require such services.”
<b>Kings/Tulare</b>		“Community-based long-term housing with supportive services.”
<b>Los Angeles</b>		Not stated
	<b>Pasadena</b>	“...a residence that provides permanent housing that is linked with on-going supportive services (on-site and/or off-site) designed to allow clients to live at the facility on an indefinite basis. Services include employment counseling, health care, mental health care, and substance abuse treatment and counseling.”
	<b>Long Beach</b>	“...a project that provides long-term permanent housing. It is similar to transitional housing in that it is community-based and includes intensive supportive services. It is designed to enable homeless persons to live as independently as possible in a permanent setting. This housing may be provided in one structure, several structures at one site, or multiple structures at scattered sites.”
	<b>Glendale</b>	“A residential facility for homeless persons which: 1) has no limit on the length of stay; 2) usually targets a specific population, but may integrate formerly homeless and mainstream households...; 3) requires clients to pay affordable rents; 4) has an on-going supportive service component to ensure stable housing tenure and maximum personal enrichment.”
<b>Marin</b>		“Permanent affordable housing for people with disabilities who are homeless or at risk of homelessness, where appropriate supportive services are provided as a part of the normal operation of the housing, as a way of helping residents maintain the maximum possible level of independence, stability, and participation in the general community.”
<b>Mendocino</b>		“Community-based housing for homeless persons with disabilities that provides permanent housing with supportive services.”

COUNTY	CITY	PERMANENT SUPPORTIVE HOUSING DEFINITION
<b>Monterey</b>		“...housing where (formerly/recently homeless) disabled residents can live independently, following their personal plan for maximum independence...Residents are capable of living with some independence but require ongoing support services, which are provided by the program sponsor...is available in Monterey County primarily for people with psychiatric disabilities (to include dual – or multiple diagnoses) and for persons with HIV/AIDS.”
<b>Napa</b>		“...housing without time limits, based on community living, and open to the homeless people with disability or special needs. The goal...is to enable each participant to live as decently as possible and still maintain stability...provides an appropriate level of support service to each resident, as needed...services...are nearly always offered in conjunction with mainstream service such as TANF, Food Stamps, and county mental health and drug programs.”
<b>Orange</b>		“Services enriched housing with residency ranging from 24 months and longer with no time limit in place.”
<b>Placer</b>		“...long-term housing for individuals with disabilities who are not able to live independently without support. There are no time limits to the stay. The level of support varies by the needs of the individual and the services of the program. People with a disability may also receive Housing Choice Voucher.”
<b>Redding/Shasta</b>		“...long-term community-based housing and supportive services for homeless persons who face various obstacles which prevent them from living independently in a permanent setting. This typically involves a mental or physical disability. The supportive services may be provided by the organization managing the housing or coordinated by the applicant and provided by other public or private service agencies.”
<b>Riverside</b>		“Permanent supportive housing programs are provided in Riverside County primarily as tenant-based, with only one project-based program...participants have a case manager that works with the participants to assure that they have the assistance they need to remain in a permanent housing program. If capable of independent self-sufficiency, permanent housing participants are supported and encouraged to go on to unsubsidized housing with no requirements for supportive services.”

COUNTY	CITY	PERMANENT SUPPORTIVE HOUSING DEFINITION
<b>Sacramento</b>		Not stated
<b>San Bernardino</b>		“housing...for persons with a disability, usually mental illness or substance abuse, HIV/AIDS or related illness/disability. Residents of permanent supportive housing pay affordable rents based on their income, and they can stay for as long as they wish, or for as long as they have the disability. Residents receive supportive, rehabilitative services to help them live as independently as possible.”
<b>San Diego</b>		“...housing for persons with disabilities who need supportive services to maintain their living accommodations. Targeted disabilities are serious mental illness, chronic alcohol/or other drug abuse, and AIDS or related diseases. Persons with a severe chronic developmental disability may also be included.”
<b>San Francisco</b>		Not stated
<b>San Joaquin</b>		<p>“...safe and secure rental housing available to individuals and families who are homeless, including those exiting transitional housing programs, that is:</p> <ul style="list-style-type: none"> <li>○ affordable to people with very low incomes, based on HUD guidelines for affordability,</li> <li>○ independent, with tenants in their own apartments,</li> <li>○ permanent, with occupancy provided as long as the tenant pays his/her rent and complies with the terms of the lease, <u>and</u></li> <li>○ linked to support service provided by staff trained in working with people who are homeless and people with disabilities. The support services are: <ul style="list-style-type: none"> <li>▪ flexible and responsive to the needs of the individual,</li> <li>▪ available as and when needed by the tenant – participation in supportive services is encouraged but not required, and</li> <li>▪ accessible to residents, whether on-site or off-site”</li> </ul> </li> </ul>
<b>San Luis Obispo</b>		Not stated

COUNTY	CITY	PERMANENT SUPPORTIVE HOUSING DEFINITION
<b>San Mateo</b>		“Housing with on-site support service with no limitations on length of stay. Target population is typically individuals and families with disability which have caused them to experience chronic homelessness...services...focus on assisting tenants to retain their housing, gain skills and increase their self-sufficiency...services are generally tailored for specific subpopulations of homeless persons: serious mental illness, substance abuse, dual diagnosis, HIV/AIDS youth, and families with children.”
<b>Santa Barbara</b>		“...housing which has no time limits attached to it and provides a service component...permanent supportive housing assists persons who may not be able to live completely independently without ongoing support...applies mostly to persons suffering from mental and/or physical incapacitation...”
<b>Santa Clara</b>		“...permanent housing that is organization-sponsored and which provides housing linked with support services...is community-based and is designed to encourage maximum independence among residents.”
<b>Santa Cruz</b>		“...housing without time limits, based on community living, and open to homeless people with disability or special needs. The goal...is to live as independently as possible and still maintain stability...provides an appropriate level of support service to each resident, as needed. Services...are nearly always offered in conjunction with mainstream service such as TANF, Food Stamps, and county mental health and drug abuse programs.”
<b>Solano</b>		“...permanent housing for homeless and formerly homeless people with disabilities who require support services to maintain their housing, and to live independently as possible. The housing provided, whether single-site or scattered, is designed to be lived in indefinitely by the clients...services may include mental health treatment, life skills, employment retention service, money management, case management, and other supportive necessary to keep people in stable housing. The intensity of this service may fluctuate between programs and over time, depending on the client needs, and may be provided on- or off-site from the housing.”

COUNTY	CITY	PERMANENT SUPPORTIVE HOUSING DEFINITION
<b>Sonoma</b>		“Permanent, affordable housing that is provided in conjunction with case management and supportive services targeted to the specific needs of the residents to enable them to achieve as high a level of self-sufficiency as possible while recognizing that the nature of their illnesses or disabilities will prevent them from moving on to independent living...programs may be provided in a group home setting or service may be delivered on a scattered-site basis in subsidized housing units throughout the community.”
<b>Stanislaus</b>		“An affordable housing program, which provides housing for an indefinite period of time. The program may be a tenant-based or project-based program which, depending upon the individual’s needs, may or may not include supportive services. The level of rent a participant pays can be no more than 30% of his/her income, including cost for utilities.”
<b>Ventura</b>		“...permanent affordable housing within the community for persons with disabilities that includes enriched supportive service...that can be provided in a single building or complex or at scattered site location. On-site services are provided by knowledgeable public or non-profit service providers who are experienced in working with people who are homeless and have disabilities.”
	<b>Oxnard</b>	“Affordable housing for special-needs <i>homeless</i> populations with tenancy established and the availability of supportive social services either on-site or off site...residents must pay rent (typically equal to 30% of their adjusted income)...rents in permanent supportive housing are no more than a person receiving SSI could afford, or approximately 20% of area median income. This housing may be either at a designated facility for special-needs populations or general rental housing in the community.”
<b>Yolo</b>		“Housing provided to disabled individuals in which the individual is tenant of the housing, paying rent, with all tenants rights; but is also provided ongoing services to assist them in living with their disability.”

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## USEFUL WEBSITES

Corporation for Supportive Housing (CSH); national and state websites provide information and resources on permanent supportive housing. <http://www.csh.org>

Housing California (a statewide coalition of affordable housing and homeless organizations); provides resources on housing and homelessness. <http://www.housingca.org>

Interagency Council on Homelessness (ICH) (homepage for the federal Interagency Council); provides links to all of the federal agency programs that impact homelessness. <http://www.ich.gov>

Institute for the Study of Homelessness and Poverty; provides reports and material on homelessness, primarily in Los Angeles County. <http://weingart.org/institute/>

National Alliance to End Homelessness (NAEH); provides information and resources on homelessness for public and non-profit sectors. <http://www.endhomelessness.org>

National Coalition for the Homeless (NCH); provides fact sheets and other material on homelessness. <http://www.nationalhomeless.org/>

National Law Center on Homelessness and Poverty (NLCHP); provides legal information and resources on homelessness. <http://www.nlchp.org/>

National Resource Center on Homelessness and Mental Illness (NRCHMI); provides technical assistance material on serving homeless persons with mental illness. <http://www.nrchmi.com/>

## Notes

<sup>1</sup> Corporation for Supportive Housing (CSP), *Nuts and Bolts of Supportive Housing Development* (Oakland: CSH, April 2003).

<sup>2</sup> CSH, *Nuts and Bolts of Supportive Housing Development*. This is the definition used by the U.S. Department of Housing and Urban Development.

<sup>3</sup> Martha Burt and others, *Evaluation of Continuums of Care for Homeless People* (Washington, D.C.: Urban Institute, 2001), 32-48.

<sup>4</sup> National Coalition for the Homeless (NCH), *Fact Sheet #8, Health Care and Homelessness* (Washington, D.C.: NCH, June 1999).  
<http://www.nationalhomeless.org/facts.html>.

<sup>5</sup> The Beyond Shelter program in Los Angeles pioneered the “housing first” approach.

<sup>6</sup> Material from website of Beyond Shelter, Inc., Los Angeles.  
<http://www.beyondshelter.org>.

<sup>7</sup> Ann O’Hara and Emily Cooper, *Olmstead and Supportive Housing: A Vision for the Future* (Boston: Technical Assistance Collaborative, Inc., December 2001); and California Governor’s Office of Planning and Research, *Governor’s Interagency Task Force on Homelessness Progress Report and Work Plan for 2003* (Sacramento: the Office, December 2002), 26.

<sup>8</sup> Martha Burt and Barbara E. Cohen, *Homelessness: Programs and the People They Serve; Findings of the National Survey of Homeless Assistance Providers and Clients*, Summary Report (Washington, D.C.: Urban Institute, December 1999) Martha Burt and Barbara E. Cohen, *America’s Homeless: Numbers, Characteristics, and the Programs that Serve Them*; and Richard Rosenheck and others, *Special Populations of Homeless Americans* (Washington, D.C.: Department of Health and Human Services, 1999), 1.  
<http://aspe.hhs.gov/progsys/homeless/symposium/2-Spclpop.htm>.

<sup>9</sup> California Department of Housing and Community Development, *Statewide Housing Plan Update, Phase II* (January 1999); and United States Department of Health and Human Services, *Ending Chronic Homelessness: Strategies for Action and Executive Summary*, Report from the Secretary’s Work Group on Ending Chronic Homelessness (Washington D.C.: the Department, March 2003), 9. This report identifies the breakdown of the total homeless population as being approximately 80% temporarily, 10% episodically, and 10% chronically homeless.

<sup>10</sup> National Alliance to End Homelessness (NAEH), *Ending Homelessness: From Ideas to Action Policy Papers* (Washington, D.C.: NAEH, July 2002), 10.

<sup>11</sup> California Governor’s Office of Planning and Research, *A Summary Report on California’s Programs to Address Homelessness* (Sacramento: the Office, April 2002); and NAEC, *Ending Homelessness: From Ideas to Action Policy Papers*, 11.

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<sup>12</sup> California Governor's Office of Planning and Research, *A Summary Report on California's Programs to Address Homelessness*, 9; U.S. Department of Health and Human Services, *Ending Chronic Homelessness*, 9; and Putnam Community Investment Consulting, *Homelessness: Key Findings and Grantmaking Strategies* (San Mateo, California: Charles and Helen Schwab Foundation, June 2002), 7.

<sup>13</sup> NAEC, *Ending Homelessness: From Ideas to Action Policy Papers*, 11.

<sup>14</sup> California Department of Veterans Affairs, *A Study on the Status of Homeless Veterans in California* (Sacramento: the Department, October 2000).

<sup>15</sup> National Low-Income Housing Coalition (NLIHC), *2002 Advocates' Guide to Housing and Community Development Policy* (Washington, D.C.: NLIHC, 2002), 9.  
<http://www.nlihc.org/advocates/index.htm>.

<sup>16</sup> National Coalition for the Homeless (NCH), *Fact Sheet #8, Health Care and Homelessness* (Washington, D.C.: NCH, June 1999).  
<http://www.nationalhomeless.org/facts.html>.

<sup>17</sup> National Coalition for the Homeless (NCH), *Hate, Violence, and Death on Main Street, USA: A Report on Hate Crimes and Violence Against People Experiencing Homelessness from 1999-2002* (Washington, D.C.: NCH, April 2003), 12. This report states that 20 violent deaths and 15 non-lethal attacks were reported in California during this period.

<sup>18</sup> NAEC, *Ending Homelessness: From Ideas to Action Policy Papers*, 11.

<sup>19</sup> Anita Drever, *Homeless Count Methodologies: An Annotated Bibliography* (Los Angeles: the Institute for the Study of Homelessness and Poverty, February 1999).

<sup>20</sup> Martha Burt and others, *America's Homeless: Numbers, Characteristics, and the Programs that Serve Them*, 23; and National Coalition for the Homeless (NCH), *Fact Sheet #2, How Many People Experience Homelessness?* (Washington, D.C.: NCH, June 1999). <http://www.nationalhomeless.org/facts.html> .

<sup>21</sup> California Governor's Office of Planning and Research, *A Summary Report on California's Programs to Address Homelessness*, 8. The 360,000 estimate is based on most recent available data: fiscal year 1996-97.

<sup>22</sup> Martha Burt and others, *America's Homeless: Numbers, Characteristics, and the Programs that Serve Them*.

<sup>23</sup> California Department of Veterans Affairs, *A Study on the Status of Homeless Veterans*.

<sup>24</sup> Institute for the Study of Homelessness and Poverty, *Who is Homeless in Los Angeles?* (Los Angeles: the Institute, June 2000).  
[http://www.weingart.org/institute/research/facts/pdf/JusttheFacts\\_LA\\_Homelessness.pdf](http://www.weingart.org/institute/research/facts/pdf/JusttheFacts_LA_Homelessness.pdf).

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- <sup>25</sup> Coalition on Homelessness, *Homelessness in San Francisco: Some Basic Facts* (San Francisco: the Coalition). <http://www.sf-homeless-coalition.org/basics.html>.
- <sup>26</sup> Putnam Community Investment Consulting, *Homelessness: Key Findings and Grantmaking Strategies*, 3. Estimates provided by county homeless coordinators from San Francisco, San Mateo, Santa Clara, Alameda and Contra Costa counties.
- <sup>27</sup> Sally C. Pipes and K. Lloyd Billingsley, *A Tale of Two Cities: If New York Can Reduce Homelessness, Why Can't San Francisco?* (San Francisco: Pacific Research Institute, October 2002), 4.
- <sup>28</sup> Heidi Sommer, *Homelessness in Urban America: A Review of the Literature* (Berkeley: Institute of Governmental Studies Press, January 2000) 25-26.
- <sup>29</sup> Martha R. Burt, *What Will it Take to End Homelessness?* (Washington, D.C.: Urban Institute, September, 2001); United States Department of Health and Human Services, *Ending Chronic Homelessness: Strategies for Action and Executive Summary* (Washington D.C.: the Department, March 2003); and National Resource Center on Homelessness and Mental Illness (NRCHMI), "Question #1; How Many People are Homeless? Why?" *Get the Facts* (Delmar, New York: NRCHMI, March 2003). <http://www.nrchmi.com>.
- <sup>30</sup> Martha R. Burt, *What Will it Take to End Homelessness?*; NRCHMI, "Question #1;" and Robert Rosenheck and others, *Special Populations of Homeless Americans*, 1. <http://aspe.hhs.gov/progsys/homeless/symposium/2-Spclpop.htm>.
- <sup>31</sup> U.S. Conference of Mayors, *A Status Report on Hunger and Homelessness in America's Cities: A 25-City Survey* (Washington, D.C.: the Conference, December 2002), 82.
- <sup>32</sup> National Association of Counties (NACO), *The Face of Homelessness*, Issue Brief: Critical Issues for Counties (Washington, D.C.: NACO, October 1999), 2.
- <sup>33</sup> California Department of Veterans Affairs, *Gaps in State Programs for Supportive Services to Veterans* (Sacramento: the Department, May 2000), 6.
- <sup>34</sup> NLIHC, *2002 Advocates Guide*.
- <sup>35</sup> Martha R. Burt, *What Will it Take to End Homelessness*.
- <sup>36</sup> California Governor's Office of Planning and Research, *A Summary Report on California's Programs to Address Homelessness*.
- <sup>37</sup> Corporation for Supportive Housing (CSH), *Understanding Permanent Supportive Housing* (Oakland: CSH, [2001]). <http://www.csh.org>
- <sup>38</sup> Christensen, Karen, and others, *Affordable Housing: Constraints and Opportunities for Nonprofit Developers*. CPRC Brief 13, No.1 (California Policy Research Center, University of California, Berkeley, March 2001).

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<sup>39</sup> Christensen, Karen, and others, *Affordable Housing: Constraints and Opportunities for Nonprofit Developers*.

<sup>40</sup> NLIHC, *2002 Advocates' Guide*, 9. <http://www.nlihc.org/advocates/index.htm>

<sup>41</sup> NLIHC, *2002 Advocates' Guide*, Housing Plus Services section, <http://www.nlihc.org/advocates/housingplus.html>; and Emily Miller, Ann O'Hara, and Maria Herb, "Permanent Housing and HUD's Continuum of Care," *Opening Doors*, issue 13, March 2001. The HUD bonus for 2002/03 is \$750,000.

<sup>42</sup> Emily Cooper, Ann O'Hara, and Maura Collins Versluys, "Rural Housing Challenges: Meeting the Needs of People with Disabilities in Rural Communities," *Opening Doors*, issue 19, September 2002, 4-5.

<sup>43</sup> California. Little Hoover Commission, *Rebuilding the Dream: Solving California's Affordable Housing Crisis* (Sacramento: the Commission, May 2002) xiv.

<sup>44</sup> National Housing Trust Fund Campaign, <http://www.nhtf.org>.

<sup>45</sup> Center for Social Policy, *Homeless Management Information Systems: Implementation Guide* (Boston: John W. McCormack Institute for Public Affairs, University of Massachusetts, September 2002), i-ii.

<sup>46</sup> Cities and counties that use federal block grant funds (such as CDBG, HOME, or HOPWA) for their homeless population must submit a Consolidated Plan. While these plans include supply and demand data for homeless individuals and families, there is no consistent need identification. Source: e-mail message from Linda Wheaton, Department of Housing and Community Development, June 18, 2002.

<sup>47</sup> Center for Social Policy, *Homeless Management Information Systems*, i-ii.

<sup>48</sup> Material compiled from county and/or city Continuum of Care plans for 2002-03.

<sup>49</sup> Merced County has developed a 2003-04 CoC plan that is not included because it has not been approved at the county level.

<sup>50</sup> Dennis P. Culhane and others, "Public Service Reductions Associated with Placement of Homeless Persons with Severe Mental Illness in Supportive Housing," 109-111.

<sup>51</sup> Sam Tsemberis and Ronda F. Eisenberg, "Pathways to Housing: Supported Housing for Street-Dwelling Homeless Individuals With Psychiatric Disabilities," (*Psychiatric Services* 51, no. 4, April 2000), 487.

<sup>52</sup> Frank R Lipton and others. "Tenure In Supportive Housing for Homeless Persons with Severe Mental Illness," (*Psychiatric Services* 51, no. 4, April 2000), 479-486.

<sup>53</sup> Lisa K. Dasinger and Richard Speigman, *Alameda County Project Independence Evaluation*, (Berkeley: Public Health Institute, April 2002). The program evaluation studied the impact of shallow rent subsidies and services for over 250 individuals and their families. Shallow subsidies are smaller than the usual subsidies; as a result, tenants may end up paying more than 30 percent of their income on rent.

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<sup>54</sup> Tony Proscio, *Supportive Housing and its Impact on the Public Health Crisis of Homelessness*, based on a study on a California Initiative by the Goldman School of Public Policy, University of California, Berkeley (New York: Corporation for Supportive Housing, 2000). <http://www.csh.org/html/supportiveimpact-final.pdf>.

<sup>55</sup> Applied Real Estate Analysis, Inc., *National Evaluation of the Supportive Housing Demonstration Program*, (Washington D.C.: HUD, 1995); Linda B. Fosburg and others, *National Evaluation of the Shelter Plus Care Program* (Washington D.C.: HUD, October 1997); and ICF Consulting, *National Evaluation of the Housing Opportunities for Persons with AIDS Program (HOPWA)* ( Washington D.C.: HUD, December 2000).

<sup>56</sup> Arthur Anderson LLP and the Center for Mental Health Policy and Services Research of the Department of Psychiatry, *Connecticut Supportive Housing Demonstration Program* (Pennsylvania: University of Pennsylvania, May 2002). <http://www.csh.org/index.cfm?fuseaction=Page.viewPage&pageId=42>.

<sup>57</sup> Linda B. Fosburg and others, *National Evaluation of the Shelter Plus Care Program*. In spite of positive outcomes, the 1997 Shelter Plus Care evaluation concluded that most participants who have been homeless may need to complete a transitional or treatment program before moving into the more permanent and independent shelter plus care programs.

<sup>58</sup> Dennis P. Culhane and others, “Public Service Reductions Associated with Placement of Homeless Persons with Severe Mental Illness in Supportive Housing.” In comparison with the control group, participants in this study spent 41 fewer days per year in a city shelter; 14 fewer days per year in a state psychiatric hospital, 4 fewer days per year in an acute care hospital paid by Medicaid, two fewer days per year in municipal hospitals, and one day less in VA hospitals; they also spent four fewer days in state prisons and two fewer days in city jails per year.

<sup>59</sup> California Department of Mental Health, *Effectiveness of Integrated Services for Homeless Adults with Serious Mental Illness* (Sacramento: the Department, May 2002), 5.

<sup>60</sup> Dennis P. Culhane and others, “Public Service Reductions Associated with Placement of Homeless Persons with Severe Mental Illness in Supportive Housing;” and Ted Houghton, *The New York/New York Agreement Cost Study: The Impact of Supportive Housing on Services Use for Homeless Mentally Ill Individuals; A Summary of The Impact of Supportive Housing for Homeless Persons with Severe Mental Illness on the Utilization of the Public Health, Corrections and Emergency Shelter Systems: The New York/New York Initiative* (New York: Corporation for Supportive Housing, May 2001). The cost of services was calculated in 1999 dollars. <http://www.csh.org/index.cfm?fuseaction=Page.viewPage&pageId=42>.

<sup>61</sup> Arthur Anderson LLP, *Connecticut Supportive Housing Demonstration Program*.

<sup>62</sup> Ellen Hart-Shegos, *Financial Implications of Public Interventions on Behalf of a Chronically Homeless Family* (Minneapolis: Family Housing Fund, December 2000).

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<sup>63</sup> Margot B. Kushel and others, "Emergency Department Use Among the Homeless and Marginally Housed: Results From a Community-Based Study," *American Journal of Public Health* 92, no. 5, May 2002, 778-784.

<sup>64</sup> California Department of Mental Health, *Effectiveness of Integrated Services for Homeless Adults with Serious Mental Illness* (Sacramento: the Department, May 2002).

<sup>65</sup> Dennis P. Culhane and others, "Public Service Reductions Associated with Placement of Homeless Persons with Severe Mental Illness in Supportive Housing."

<sup>66</sup> George Galster and others, *The Impacts of Supportive Housing on Neighborhoods and Neighbors: Final Report* (Washington D.C.: the Urban Institute, April 2000). According to the report, Denver employment and income levels showed modest increases.

<sup>67</sup> George Galster and others, *The Impacts of Supportive Housing on Neighborhoods and Neighbors: Final Report* (Washington D.C.: the Urban Institute, April 2000). According to the report, Denver employment and income levels showed modest increases.

<sup>68</sup> George Galster and others, *The Impacts of Supportive Housing on Neighborhoods and Neighbors*.

<sup>69</sup> Arthur Anderson LLP, *Connecticut Supportive Housing Demonstration Program*.

<sup>70</sup> California Governor's Office of Planning and Research, *A Summary Report on California's Programs to Address Homelessness*.

<sup>71</sup> Millennial Housing Commission, *Meeting Our Nation's Housing: Report of the Bipartisan Millennial Housing Commission Appointed by the Congress of the United States* (Washington, D.C.: the Commission, May 2002).

<sup>72</sup> Information for this section is based on the following resources: California Budget Project (CBP), *Locked Out: California's Affordable Housing Crisis Continues* (Sacramento: CBP, October 2002), 8, 20-21; California Little Hoover Commission, *Rebuilding the Dream: Solving California's Affordable Housing Crisis*, 3-4, 14-15; Kevin A. Williams, *The Long Wait: The Critical Shortage of Housing in California*; and Karen Christensen and others, *Affordable Housing: Constraints and Opportunities for Nonprofit Developers*.

<sup>73</sup> California Little Hoover Commission, *Rebuilding the Dream: Solving California's Affordable Housing Crisis*, i.

<sup>74</sup> Personal conversation with Scott Decker, SRO Collaborative Project Coordinator, Sacramento, March 24, 2003.

<sup>75</sup> Christensen, Karen, and others, *Affordable Housing: Constraints and Opportunities for Nonprofit Developers*.

<sup>76</sup> California Little Hoover Commission, *Rebuilding the Dream: Solving California's Affordable Housing Crisis*, 14, 43.

<sup>77</sup> California Governor's Office, Press Release, April 22, 2002.

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<sup>78</sup> California Governor's Office of Planning and Research, *Governor's Interagency Task Force on Homelessness Progress Report and Work Plan for 2003*.

<sup>79</sup> Legislative Analyst's Office (LAO), *The 2003-04 Budget Bill: AB 1765, as amended July 27, 2003* (Sacramento: LAO, July 29, 2003). According to the LAO, the switch in funding source from the General Fund to Proposition 46 housing bond funds would not affect bond allocations until at least 2006-07.

<sup>80</sup> NLIHC, *2002 Advocates Guide*; Corporation for Supportive Housing (CSH), *Strategic Framework for Ending Long-Term Homelessness* (Oakland: CSH, May 2002); and Katherine Gale Consulting, *Holes in the Safety Net: Mainstream Systems and Homelessness* (San Mateo: the Schwab Foundation, February 2003).

<sup>81</sup> Katherine Gale Consulting, *Holes in the Safety Net*; and HHS, *Ending Chronic Homelessness: Strategies for Action and Executive Summary*, 16.  
<http://aspe.hhs.gov/hsp/homelessness/strategies03/index.htm>.

<sup>82</sup> CSH, *Strategic Framework for Ending Long-Term Homelessness*.

<sup>83</sup> California. Little Hoover Commission, *Rebuilding the Dream: Solving California's Affordable Housing Crisis*.

<sup>84</sup> CBP, *Locked Out: California's Affordable Housing Crisis Continues*, 20; and Karen Christensen and others, *Affordable Housing: Constraints and Opportunities*.

<sup>85</sup> National Low-Income Housing Coalition, *The NIMBY Report*,  
<http://www.nlihc.org/nimby/index.htm>.

<sup>86</sup> National Alliance to End Homelessness, [http://www.endhomelessness.org-pub/tenyear/index.htm](http://www.endhomelessness.org/pub/tenyear/index.htm); Senate Bipartisan Task Force on Homelessness, *Final Recommendations, June 2000 and Recommendations, March 2001*; and Governor's Interagency Task Force on Homelessness, *Progress Report and Work Plan for 2003*.