

UNCENSORED

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American Family Experiences with Poverty and Homelessness

INSIDE:

Jobless, Homeless, and Ignored

A Perspective on Family Homelessness in New York City

What New Yorkers Think about Homelessness in Their City

A Public Opinion Poll

Are Shelters the Answer to Family Homelessness?

**“CLUSTER-SITE”
HOUSING IN
NEW YORK CITY**

**Preserving the Right to Shelter
or Perpetuating Homelessness?**



*Finding ways to reduce
the impact of homelessness and
poverty on the lives of children*

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UNCENSORED is published by the Institute for Children and Poverty (ICP), an independent non-profit research organization based in New York City. ICP studies the impact of poverty on family and child well-being and generates research that will enhance public policies and programs affecting poor or homeless children and their families. Specifically, ICP examines the condition of extreme poverty in the United States and its effect on educational attainment, housing, employment, child welfare, domestic violence, and family wellness. Please visit our website for more information: www.icpny.org

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January 2010

PUBLISHER'S NOTE

Welcome to the inaugural issue of **UNCENSORED** *American Family Experiences with Poverty and Homelessness*. **UNCENSORED** is dedicated to producing real-life and hard-hitting stories that illustrate the impact socioeconomic hardships have on families in the United States. With in-depth reporting and keen analysis, **UNCENSORED** reveals the policy debates and personal stories that expose the challenges of eliminating homelessness and poverty, while shedding light on the importance of ending these entrenched crises.

UNCENSORED is designed to make issues of poverty and homelessness more accessible to the general public with pointed and informative stories that often slip through the cracks of everyday news reporting. The ultimate goal is to portray the realities of homelessness and the effect of policy and practice on vulnerable families, particularly as the country struggles to recover from an economic recession.

In this first issue, **UNCENSORED** focuses on the issues of family homelessness in New York City. Our feature story, “Cluster-Site Housing in New York City: Preserving the Right to Shelter or Perpetuating Homelessness?” explores the controversial policy of “clustering” homeless families in private apartment buildings scattered around the city, rather than placing them in transitional shelters that provide on-site supportive services and programs that assist families in achieving stability. The investigative nature of this piece asks the bold question: is this strategy providing families their “right to shelter” or does it just sustain homelessness?

The additional stories in this first issue are equally engaging. An editorial explores unemployment and low educational attainment among New York City’s homeless families, suggesting a new approach to addressing their challenges. Our reporting also illustrates a positive side—including results of a poll showing that New Yorkers think about homelessness quite often and are most concerned about homeless families with children.

Our first issue of **UNCENSORED** exposes homelessness in New York City in a way that we expect readers will find both informative and thought-provoking. We hope you enjoy reading **UNCENSORED** and look forward to your continued interest. We invite you to share your thoughts on family homelessness; please email your comments to info@icpny.org

Ralph da Costa Nunez

Publisher

President & CEO, Institute for Children and Poverty

CLUSTER-SITE HOUSING IN NEW YORK CITY

Preserving the Right to Shelter or Perpetuating Homelessness?

by Elizabeth Kiem

“Solutions Beyond Shelter”

Six years after the Bloomberg administration vowed to reduce the New York City homeless population by a measurable two-thirds, the Mayor is beginning his third term in a city with 42 percent more people in shelter than when he entered City Hall—a level of homelessness not seen since the Depression, affecting almost 9,000 families and nearly 16,000 children. And as a result of a 1986 court ruling and a 2008 settlement, the city is legally obligated to shelter every one of these families.

“No one else is doing what we’re doing in New York City, which is that we are required to house people,” says Christy Parque, the director of Homeless Services United, a coalition of sixty non-profit agencies providing services for the homeless. “The challenge is doing that in an unstable economic climate.”

“As nimble as possible,” is how Department of Homeless Services (DHS) Commissioner Robert Hess has described the shelter system. That means having a variety of temporary shelter options. It also means pushing rapid move-outs as hard as timely check-ins.

To address the swelling shelter population, the city is relying on a controversial practice—first termed scatter-site housing, now reborn as cluster-site housing. Both programs depend on the private apartment stock to house homeless families at reported costs of up to three times the market rental rate.

First introduced in 2000 as a temporary measure under Mayor Rudolph Giuliani, these unregulated, non-contracted apartment placements grew disproportionately with the shelter census until they accommodated nearly a quarter of all homeless families in the city in 2002. In its revised and renamed form, the

pricey program demands more from its providers than previously—aiming to improve social services and reduce the length of stay in temporary housing.

Under the cluster-site program, middlemen nonprofits not only secure shelter space in private apartment buildings but also provide services under contract with DHS. These non-profit organizations must have a track record of providing case management services, such as development of independent living plans, assistance in applying for rental subsidies, escorts to housing searches, and workshops for independent living skills in the context of “Tier II” transitional shelters. They are expected to provide the same services to homeless families living in cluster-site units.

Envisioned as a scenario in which a handful of homeless families would be placed in a building of rent-paying tenants, the program was meant to combine the benefits of neighborhood assimilation with regular visits from social service providers able to easily reach a “cluster” of clients.

The question is—is the strategy working? Strong opposition remains towards a program that is seen as a quick fix to family homelessness, a problem that requires the city to address the causes and offer long-term solutions. Critics advocate as an alternative expanding Tier II shelters—service-rich, stand-alone facilities designed to transition homeless families to stability and permanent housing. Of the 150 facilities that currently make up the family shelter system, only 74 are non-profit Tier II shelters, serving 6,000 families. This leaves nearly 3,000 homeless families in hotels, cluster-site apartments, or other decentralized annexes of the family shelter system.

The administration says cluster-site arrangements provide the flexibility to ramp up capacity during homeless surges, like the one the city is now experiencing. Detractors say it encourages spotty oversight, procurement abuses, and the loss of affordable housing for low-income households.

They may both be right.

A Shelter Storm in Bedford Park

The northwest Bronx is one of the primary battlefields between homeless advocates and DHS over cluster-site shelters.

Community Districts (CD) five, six, and seven contain some of the lowest median household incomes in New York. In CD 5, vacancy rates are so low that lotteries for new low-income housing regularly attract hundreds of applicants. The 6th district has the highest poverty rate in the city; the 7th has the highest concentration of rent-regulated apartments.

As is the case throughout the Bronx, the local housing stock has been harder hit by the economic downturn than in other boroughs. A 2008 study by the Furman Center found that the number of Bronx properties in foreclosure doubled from 801 in 2005 to 1,592 in 2007, resulting in the city's second highest rate of severely overcrowded households.

With a median family income of just \$30,000 and more than one-third of all its families surviving below the poverty line, the Fordham/Bedford community of District 7 is particularly dependent on affordable housing. Eighty-four percent of the housing stock in the district is rent regulated. Only six percent is owner-occupied.

So when community organizers learned in January 2009 that the city had arranged to rent apartments in three neighborhood buildings as de facto homeless shelters—part of the city's cluster-site housing program—there was much consternation. A community meeting turned into a “mob scene,” recalls District Manager Fernando Tirado.

“We're not opposed to shelters in this district,” says Tirado, who notes the abundance of facilities for the homeless, the elderly, veterans, and troubled youth, already established in the neighborhood. What he says he objected to was the lack of transparency on the part of the city in green-lighting the arrangement.

But others who attended the meeting were, in fact, opposed to the shelters themselves. Many were parents and teachers from an elementary school directly across from one of the converted buildings. Others were rent-paying tenants from a nearby building where 24 units that had stood empty for months were occupied overnight by homeless families. They claimed that the converted apartments were vacated largely because of landlord negligence and harassment.

Before long, the story was in the local papers and in *The New York Times*. Then-Public Advocate Betsy Gotbaum called on the city to terminate the practice of leasing market apartments for homeless families, and former Council member Bill de Blasio promised his General Welfare Committee would look into the issue.

Instead, what followed was six months of political inaction and DHS stalling while the buildings underwent a painful transition, during which community organizers and tenants alike were ignored in their requests for information.

“We're completely in the dark. We don't know who's minding the store,” said Henry Parry, a long-time tenant of another cluster-occupied building, when, in May, he was informed that the building had changed hands, but wasn't told who the new landlord was. Other tenants complained that a lack of security contributed to neighborhood disruption, despite a DHS-regulated—though unenforced—curfew for tenants.

Only in mid-July were the tenants successful in getting some direct attention to their complaints about the building's abrupt conversion.

On a quiet Monday morning, District Manager Tirado and half a dozen renters of 1519 Mosholu Parkway met in the building's lobby with a representative from DHS, the president of the non-profit service provider for the cluster-site units, and Council member Oliver Koppel.

It was a much belated first step in mending what had become a public relations debacle for the Department. The 20-minute exchange was the basis for what officials promised would be “regular communications” between the agency and the local Community Board.

That same night, a DHS security detail arrived at the building to enforce an 11 pm curfew on shelter clients. Tenant organizer Parry reported “blissful quiet for five consecutive nights” and a new surveillance camera in the courtyard.

Whether or not the successful resolution at 1519 Mosholu Parkway is sustained and replicated citywide will go a long way in determining the acceptance of a program that skeptical critics still consider a desperate attempt by the city to hide its homeless, resorting to off-the-books deals with profit-interested landlords to clandestinely move the most vulnerable families into unregulated apartments.

From Scattered to Clustered

Community residents' and elected representatives' wariness stems from experience. From 2000 to 2004, about 2,200 units of affordable housing in neighborhoods not unlike Fordham/Bedford in the Bronx were converted into homeless shelters under the scatter-site program.

The Bronx scatter-site epicenter was about 20 blocks south of Fordham/Bedford, in the Mount Hope area—at one time home to a quarter of all scatter-site apartments in the borough.

“We’ve been inundated in terms of special-needs housing,” said District Five Manager Xavier Rodriguez, who said locating shelters in his community had done “more harm than good.”

Critics of the scatter-site program in Mount Hope and elsewhere were many, and their

criticisms were multifaceted: housing policy reformists saw the program as a counterproductive use of affordable apartments; advocates for the homeless argued that many of the buildings had numerous violations—many of them hazardous; veterans of the social service industry asserted that families in the program were being “warehoused” without access to support services; and community organizers alleged tenant harassment as regulated renters were pressured to make way for the DHS deals.

The pitfalls of the program were summed up in headlines reading “Ritzy price for horrid rat trap,” “City’s \$72 million rent waste,” and “Hellhole apartments for homeless.” The tab for the three-and-a-half-year-old-program grew to \$170 million. From 2000 to 2004, about 13,375 families passed through scatter-site housing, but DHS did not keep records of how these families fared once they exited the program. Critics asserted that few of them had moved from temporary to permanent housing in a timely fashion. Indeed, there were many reported instances of families languishing in temporary scatter sites for more than a year.

Such was the public outcry, that even then DHS Commissioner Linda Gibbs, had to concur in late 2002 that scatter-site housing had become a liability.

“It was born in crisis, it was expanded in crisis, and the goal of this agency is to reduce it until it is gone,” she told *The New York Times*.

Shortly thereafter, the first of two audits from the Office of the Comptroller on scatter-site housing was released. It found “deplorable” and “unsafe and unsanitary” conditions in seven of the scatter-site buildings and revealed dubious funding mechanisms. Citing an unauthorized transfer of \$112 million by DHS “from the city treasury to a separate bank account maintained by the Department,” then-Comptroller William Thompson concluded that DHS was bringing an increasing number of facilities online outside the city’s procurement policies, thereby consigning at least thirty families

to vermin-ridden, mold-laden apartments. Six months earlier, Gotbaum had disclosed bribery charges, records of tenant harassment, and forced evictions in the histories of some of the buildings' landlords.

DHS discontinued its deals with the worst offenders and Gibbs vowed to bring all other operators into the contract system. The scatter-site program would be wound down, she promised.

Scatter-site housing didn't truly go away, however, as much as it transitioned into a new program. The cluster housing term first appeared as a line item on DHS activity reports in January 2007, when the agency accounted for 1,092 units in 18 facilities. The previous month had seen the last inventory of scatter sites, with 723 units. If those 723 discontinued units are added to the nearly 300 units dropped from the rolls of welfare hotels from December to January 2008, it is likely that "cluster site" had become a new catch-all.

Today, as the economic downturn ushers in a fresh wave of layoffs, under-employment, increasing rent burdens, and evictions tipping families into homelessness, the Bloomberg administration continues to rely on private housing stock to breach the gap. According to the annual DHS Critical Activities Report, as of June 2009 there were 1,692 families living in only ten cluster-site facilities, meaning that either the cluster sites averaged an absurd 160-plus families per facility, or there was a serious problem with the Department's open reporting of the facts.

"The term 'cluster site' is a complete fabrication. A PR label. A made-up term," says Patrick Markee of Coalition for the Homeless. Markee believes cluster-site housing inherits the flaws of the scatter-site program, including poor social services, minimal oversight, and "exorbitant prices."

"As far as we can tell, the principal difference between the old and new models is that in the old model the city made direct payments

to the landlord and in the new model it pays a provider as middleman," he says.

City officials argue, however, that the middleman is the difference.

"I ended the scatter-site program," noted DHS Commissioner Robert Hess in a recent interview, during which he conceded that the scatter sites, arranged directly with for-profit landlords, suffered from a lack of social services.

By contracting with non-profit social service providers rather than with landlords, the city returns the business end of supporting the homeless to human service professionals. By making service providers responsible for securing vacancies, the city rebuffs allegations of "inside deals." By putting charitable organizations with good track records in their community on the lease, say DHS officials, the program secures reliable landlords.

"Cluster sites are very different from the old scatter site," asserts Hess, claiming that the new model has spared the city's homeless families the trauma of sleeping on intake floors or out of doors, as has been known to happen during past city spikes in the homeless population.

"We've created a system much more built around dignity and respect," he says.

More importantly, adds the Commissioner, cluster sites are run by competent service providers who, unlike the previous scatter-site providers, have the resources and funding to do what transitional housing operators are supposed to do: get families into permanent homes.

Thompson's office conducted a second audit of the program in 2009, which again found problems such as rodent infestations, broken smoke detectors, and other violations. The report included photos of "horrid conditions" at a cluster site in the East Tremont section of the Bronx and five other cluster-site buildings run by the same non-profit provider. An August press release demanded that Hess begin an "immediate investigation" into the cluster sites.

Two months later and on the eve of his election day defeat against Mayor Bloomberg,

Thompson went so far as to file suit against the city for illegal use of a newly developed building in the Bronx for temporary housing, accusing DHS of violating city procurement regulations and community notification procedures. The case over the disputed facility in Westchester Square is pending, but now opponents of the new cluster-site facility must move on without Thompson as their champion. In the aftermath of the election, the controversy over cluster sites has lost its political momentum, if not its urgency.

Competitive Climate

New York City's engagement with the private market to shelter its homeless population has historically been disconnected from formal regulation by the government. From the notorious welfare hotels of the 1980s to the persistent allegations of sweetheart deals linking city commissioners with slumlords, off-the-book payments and informal contracts have plagued the city for decades.

After the 2002 audit that helped shut down scatter-site operations, DHS and Mayor Bloomberg committed to a more formal contracting process and registration with the Comptroller's office. Even so, under-regulated arrangements continued as a regular feature of the shelter system, with a hefty portion of DHS payments to providers coming from a private account outside of the city's customary treasury account. Today, the city keeps the program shrouded: addresses of existing and planned sites are undisclosed and the non-profit operators are effectively muzzled, deferring all questions to the agency's public information office. This reticence causes continued concern about the program's regulation.

The facilities at 1101 Walton Avenue and 115 Henwood Place in the Bronx are good examples of how the city's method of procuring shelter apartments runs counter to government transparency. Until last summer, both of these facilities were listed as cluster sites, despite the

fact that they were both stand-alone, homeless-only buildings. In 2009, the Joyce Park Hotel at 1101 Walton was under a cluster contract with Aguila Inc., and Henwood Place was in an ill-defined contract limbo with an organization called New Hope. Both appeared to have been discretely rolled into the cluster-site bracket, along with other hotels and for-profit units in *per diem*, undocumented arrangements, while the more formal contracting process with non-profits spun out over a full year.

The Joyce Park has now been transferred from Aguila to New Hope, along with Henwood, but there is still confusion over their classification. "It's not a cluster site anymore," said Aguila's Tyrone Hill, referring to the Joyce Park.

Former Comptroller Thompson has long maintained that this type of procurement, using interim classifications to operate without contracts, is illegal. In June 2008 he issued a scathing rebuke to the agency in which he revealed that he had uncovered more than \$160 million in "off-the-book" payments from DHS to various providers in just six months. That's \$5 million more than the city spent to operate Tier II shelters that year. The Comptroller's findings indicated that the extraordinary payment mechanism had been expanded to cover not just rent but also social services. In other words, it was being used for cluster-site payments.

Calvin Pitter, the DHS deputy agency chief contracting officer who manages a portfolio of 300 contracts for the agency, says he is not involved with the accounting of cluster-site contracts but notes continued strong interest in the open-ended Request For Proposals to provide cluster-site residences.

"You have an economic downturn in which non-profits are stressed for cash flow and the city is stressed for housing," he says, suggesting that the contractual process often lags behind the business end of providing for the growing population.

Currently, the agency maintains that it has brought "most of the sites" under contract with

the intention of making them all contractual. This is a trend that is welcomed not just by the former Comptroller, says one landlord who is involved in the program.

"I'm a great landlord but a lousy social worker," says this property owner, who has already partnered with non-profits to get a half dozen buildings into Tier II contracts, and wishes to remain nameless in compliance with DHS' insistence on confidentiality. He says that the city is "serious" about transferring all its rental agreements with for-profit entities into non-profit contracts in which the provider becomes the leaseholder and the landlord is providing services.

"At this point, most of the conversations that landlords have with DHS are all about when is this going to be done? When am I going into contract? When am I going to be registered?" he says. "Because once there's a contract, the landlord is just a vendee, like Con Edison. But until such time the landlord is on the hook."

The city maintains it has addressed one of the largest flaws of the scatter-site program by eliminating direct deals with private landlords. DHS officials could not confirm how many landlords are renting their property to providers for the homeless, noting that the agency is "not party to any of the leases between the non-profit organizations and their landlords."

At least one administrator thinks differently, however. Alfredo Matthews, who runs a Brooklyn Basic cluster site, says the Department "assigns" buildings for the cluster to occupy. According to Matthews, who has been in his position since 2007, the landlords involved are big property owners, "giving 20 to 30 units to DHS at a time." He says that the rent terms are predetermined in the contracts, which, he says, are negotiated trilaterally. "You're sitting there with the landlord and you're sitting there with DHS," he says.

Aguila's Peter Rivera says that most of the 24 buildings that his organization uses for cluster-site housing were offered to him by real

estate brokers, and that he has turned down "a few" landlords.

Though the bid for developing and operating these cluster sites remains open, it is clear that the program is expanding capacity by consolidating the program's providers.

Moreover, specific questions about the suitability of landlords and providers are largely left unanswered. The monthly reports clearly show a system that is expanding the number of facilities while consolidating the number of operators. But when asked whether those cluster-site providers that are adding capacity are receiving commensurate resources, the Department provided a written response stating that the program "allows us to quickly expand our capacity during high demand, ensuring that families have safe, appropriate, and supportive shelter." To a similar query about the selection of landlords, the Department wrote, "Landlords for the current cluster-site housing programs are not all the same as the scatter-site program. Non-profit providers are contracting with some new landlords, and some of the old landlords are no longer participating."

As of August 2009, only five entities were registered cluster-site providers: Aguila Inc., Basic Housing, Hale House, Icahn, and CAMBA. Several other sites operated by New Hope Inc. were being processed for contracting.

In the Bronx, the largest operators are Aguila, which runs the controversial clusters in Bedford Park; and Basic, which provides units in more than 50 buildings, primarily in the Bronx and in Brooklyn.

According to contracts obtained under a Freedom of Information request, these two providers account for fewer than 400 units. Subsequent DHS documentation, however, indicates that Basic has subsumed additional units: In July 2007, close to 50 units in facilities previously classified as non-contracted hotels were taken over by Basic, along with another 250 units in three other Bronx facilities.

Today, Basic is running about 700 units

citywide. Its \$24 million, five-year contract was recently renewed—one of two contracts it has with the city, totaling \$97 million. According to the Comptroller’s July 2009 audit report, the new contract includes an increase of \$22 million to pay rent and provide shelter services for “up to an additional 500 families.”

Some observers see the expansion of large providers as a logical growth, a means of utilizing economies of scale to make city services economical, especially by expanding those operators that are effectively transitioning families into permanent housing. “This isn’t some sinister plot,” says one insider. “The Department was in crisis and under a lot of criticism from the Comptroller’s office. At that time there were only two companies in New York that had existing contracts that could be amended. You can’t add capacity to free-standing buildings, and these were the only cluster models.”

“We’re a large corporation,” acknowledges Matthews of the Brooklyn Basic Cluster. “If you’re doing a good job, they are going to assign you more units.” He noted that he had hit his move-out targets three months in a row.

Parque of Homeless Services United says she recognizes the city’s need for effective and high performing vendors, particularly with the increased demand for emergency shelter. “High performance should be based on both the ability to move clients into housing quickly and clients’ ability to maintain that housing and thrive in the community.” She worries that in the era of competitive contracts that the latter may be lost in the valuing of the services provided by shelters.

Indeed, some advocates say the city’s pre-occupation with moving people out of the system has in fact penalized many low-capacity but high-performing providers. “That’s why some people who haven’t performed [well] historically are still getting contracts. Because it’s critical mass, and the city needs to put these people somewhere,” says Michael Callaghan, executive director of Nazareth Housing, a not

for-profit that provides cluster-site style housing but is not formally in the program.

“We in the family industry are really under the gun,” says Neila Spence-Reid of Homes for the Homeless (HFH), another non-profit provider. “Everything is penalties. It’s a lose-lose scenario,” she concludes.

Service Rich or Self-service?

An investigation of the cluster sites described reveals that the lack of clarity and transparency in contracts and bookkeeping is matched by wide variation in the quality of facilities and services themselves.

The Joyce Park Hotel is a cluster-site shelter owned by Kalman Tabak, who leases it to Aguila Inc, which now runs it as a full-service residence within the Bronx Neighborhood Cluster.

The Joyce Park houses only 24 homeless families. There are no other tenants in the building. The front doors have a code, and a security guard sits immediately inside the entry in front of a working elevator. The site is administered by Tyrone Hill. On one afternoon he and another staff member met with two young mothers in the building’s well-appointed office to advise them on housing leads. One of the women had three young children with her, the other—just a black eye.

“We’re all doing the best we can with the resources,” said Mr. Hill, noting that he had a housing specialist on staff five days a week, as well as staff to provide case management, crisis management, and employment services.

The corkboard beside his desk was filled with contacts for nearby community resources, including job listings and day care openings. Hill said that the families he serves stay between six months and a year. A sign on the office door listed six “Long-time Stayers.” The longest-staying resident had been at the Joyce Park for 20 months.

A few blocks up from the Joyce Park, 1175 Walton is a typical double-entrance, five-story building with a recessed courtyard and a front

door that stands wide open without any locks. The building has 64 apartments and as many open violations, including vermin, leaks, and defective fire escapes. It was the cluster-site apartments in this building that the August 2009 Comptroller's report highlighted as "warrant[ing] immediate investigation."

A woman who answered the door to a small, unmarked office door at street level confirmed that she was the executive director at Icahn Cluster, but said that she could not answer any questions about her sites or her clients. "That's Pilgrim," she said gesturing to the building above. "We're Icahn." Asked whether Icahn clients were living in 1175 Walton she responded, "You're still asking questions."

Pilgrim Realty, the building's owner, ran nearly a third of the 189 scattered sites in the Bronx in 2004, earning a total of \$32 million.

Farther north on a dead end off Walton Avenue near 176 Street, is 115 Henwood Place, a newly constructed building housing 42 families.

Manager Johnnie Rivera supervises the facility, where two case managers are on staff five days a week. Rivera is also managing six other sites. Though Henwood Family Residence is listed in many DHS documents as a cluster site, Rivera says it is still in the process of contracting. Until then, he says, there are not enough resources to get families out of the cluster site. In 2008, it met only 8 percent of its move-out targets.

These three buildings, together with the Aguila-run facilities in Tirado's district, represent the range of cluster-site arrangements, implemented differently at different sites. Mixing homeless with non-homeless, as in the case at 1519 Mosholu Parkway, is potentially problematic; clusters comprising no residents other than homeless families have mixed results, depending on the services provided and the resources allocated; those that conform to the most typical model, as in the case at 1175 Walton, are closed to public scrutiny, so there is no way to evaluate success. Such variation in

service provision underscores long-standing questions regarding site regulation and resulting program efficacy.

Some observers maintain that the structure of the contract in relation to providers, while important, may not be the most significant element in the new program.

"It may not matter exactly how the housing is set up," says Ellen Bassuk of the National Center on Family Homelessness. "What really matters is where are the supporting services in relation to the housing. Are they just taking families and plopping them in neighborhoods with no services ... or are these families being networked?" But clearly city regulation does little to direct operators on how, and even if, such services are provided.

A DHS public information officer who provided written answers to a list of questions about the program, called the cluster sites "social services rich." Families placed in the units, wrote the spokesperson who is no longer with the agency, are provided with "case-work and development of independent living plans, housing plans, assistance in applying for rental subsidies, escort to housing searches, workshops for independent living skills such as budgeting, educational opportunities, substance abuse referrals and more." But despite DHS insistence and in the absence of any evidence, the question still remains as to what level of service is provided.

District manager Tirado is one of the skeptics. "No one has measured the quality or quantity of services," he says. "Unless you have accountability and collecting of data on move-outs, what you have is a paper contract."

A Better Use of Funds?

DHS budgeted \$59 million for cluster-site housing for Fiscal Year 2009. That's about 15 percent of the total budget for family shelter.

This is not necessarily an outsized portion of the expenses for family housing. Despite widely broadcast outrage over the "exorbitant

price” of cluster sites, the program does not cost significantly more than other forms of shelter. The maligned \$100 per day payments, which are budgeted to cover not just rent but also case managers, housing specialists, security guards, and linens, are no higher than Tier II per diems, which range from \$90 to \$160 depending on the facility. Assuming that all these services are provided, clusters could appear no worse a deal than freestanding shelter operations.

Transitioning families into permanent housing, though, can only work when there is affordable housing available. Homeless advocates, shelter providers, elected officials and public defenders can all agree on one thing—there is not. With housing still economically untenable for the city’s poorest, they say, attempts at transition will likely fail.

“DHS is in a no-win situation,” says Sally Dunford, director of the West Bronx Housing tenant advocacy group. “They have to find housing by law,” but “converting affordable housing into temporary housing is absurd,” she says.

DHS Commissioner Hess acknowledges concerns about depleting the affordable housing stock by converting buildings into shelters, but says, “It’s an argument that would hold up if there were not readily available affordable housing for families to move into.” With fewer than 2,000 apartments in a city of millions of units, he suggested, cluster site has not “saturated” the affordable housing market.

Yet Hess went on to argue that the Department is succeeding in placing families back into permanent housing because many landlords see families with DHS rent vouchers as reliable tenants in comparison with the hundreds of thousands of low-income families struggling to pay rent during the economic downturn. “It’s a good news, bad news answer,” he concludes, suggesting that DHS has a very specific constituency to serve; while the poor economy may make it harder for families

on the front end of shelter, it has had “some advantages” for families who are moving out of shelter back into homes.

The most recent version of city government subsidies for permanent housing, the 2007 Work Advantage program, gives up to two years of rental assistance to a select group of families. DHS claims that about 9,000 families have moved out of shelter through the program, a number that skeptics call inflated and describe as one that may conceal recidivism rates.

“The city says more landlords are open to the advantage program now but we’re finding it isn’t so,” says HFH’s Spence-Reid. Other providers agree that the vouchers don’t cover the true cost of housing in the city. But if some landlords don’t want to take families with Work Advantage vouchers, there are certainly those who are eager to multiply their rents and accept families into cluster-site units.

At the July meeting at 1519 Mosholu Parkway, district manager Tirado asked Aguila’s Rivera, “don’t pit poor people against homeless,” and argued that organizations that contract rent-regulated units for cluster sites are in essence, perpetuating homelessness by exacerbating the dearth of affordable housing in the neighborhood.

Rivera acknowledged this as a “legitimate complaint,” adding, “Going forward, it will be a consideration.”

But another attendee, a consultant for both Aguila and Basic with several decades experience working with both the city and with homeless providers, argued against positing cluster sites as a model of a zero-sum-game.

“These apartments are affordable to the people living in them,” said Fernando Brinn, gesturing to the courtyard of the contentious Mosholu Parkway building.

“From 1981 to 1984, I had 90 people living on a basketball court in Roberto Clemente Park,” continued Brinn, who was the deputy commissioner of parks at that time. “We’re better than that.”

By avoiding Central Park Hooverilles, Bloomberg's Department of Homeless Services may have hurdled a low bar of public expectations about how it can conduct business. The Mayor won reelection, and now a new slate of public officials, including Comptroller John Liu, will have to decide how closely to observe the methods that DHS is using to meet its goals.

Former Comptroller Thompson found much to expose by searching through DHS documents on cluster sites. His outstanding lawsuits against the city include the Westchester Square case and another, filed in the last months of the calendar year, to stop DHS from placing homeless families in a new, vacant building on St. Peters Avenue in the Bronx. The building in dispute is a failed luxury development. The city does not dispute that it placed homeless families in the building before a final contract with Basic was executed. Until the property is registered with the non-profit, the city is paying the landlord, who in turn is responsible for providing basic services, an arrangement that violates cluster-site regulations. When formalized, the disputed building will become a Tier II facility, not a cluster site. All the same, crowds protesting the cluster-site program picketed Bloomberg's campaign office in October, citing the same complaints that cluster-site detractors have alleged: the community was not advised, and the landlord is being incentivized to convert potential affordable housing to more lucrative homeless shelters; but perhaps most importantly, the city broke the rules.

The cluster-site program provides shelter to thousands of homeless families each year—but its flaws are serious and real. It is expensive and underfunded; it is both over-bureaucratized and under-regulated; it is wracked with inconsistencies and contradictions; and it is dependent on humans and on their dedication to a hard job. In its constant state of emergency and limited stock of stand-alone shelter, DHS

remains vulnerable to unscrupulous landlords and dependent on substandard housing. ■

Editor's Note: This article raises troubling questions as to whether New York City's cluster-site housing provides supportive services to homeless families to enable them to transition to permanent and stable living situations. The lack of transparency masking New York City's program precludes any real evaluation of its housing, services, or outcomes. Given this unknown, it is impossible to assess the cost-effectiveness of cluster sites versus transitional Tier II shelters that do provide such services. The nature of the program itself raises concerns about whether cluster-site housing is displacing low-income tenants from affordable housing, creating a new class of homeless New Yorkers.

JOBLESS, HOMELESS, AND IGNORED

A Perspective on Family Homelessness in New York City

New York City's November 2009 unemployment figure—remaining high at 10 percent—was not much of a surprise to anyone. The growing number of vacant storefronts, budget-conscious consumers, strained businesses, and nervous employees, serve as constant reminders that the lacerations of the economic crisis have not yet healed. Fatigued and dismayed, most do not seem to be holding their breath for a miracle.

Not to say that a miracle would not be welcome, particularly among those least prepared to maneuver the uncharted waters of the uncertain labor market. Unemployment stands at almost 27 percent for 16-to-19-year-olds, at 16 percent for 20-to-24-year-olds, and at 15 percent for high school dropouts. Lost in this sea of percentages is a group of individuals that are regrettably absent from most, if not all, policy discussions concerning the city's economy: homeless parents. They are among the youngest and poorest New Yorkers without a high school education and they, along with their children, are suffering.

Tonight, over 10,000 families with more than 16,200 children will sleep in the city's family shelters. And they keep coming.

On a typical day no fewer than 150 new families attempt to qualify for city-funded shelter services. Many more parents sleep two and three children on the couches and floors of friends and family, unable or unwilling to subject them to the city's arduous shelter eligibili-

ty process. Stories of families sleeping in cars, tents, and in substandard housing are no longer rare across America.

Why do families become homeless? The recent U.S. Conference of Mayors' Hunger and Homelessness Survey cites a lack of affordable housing, poverty, unemployment, low-paying jobs, and domestic violence as the top reasons nationwide. In New York, not much has changed from the 2005 Vera Institute of Justice report, "Understanding Family Homelessness in New York City", citing job loss, eviction, loss of public benefits, and health problems as the main reasons. Economic self-sufficiency is at the root of many of these issues, and they do not disappear once a family acquires permanent housing. In fact, the number of families returning within months or a few short years is growing: four out of every 10 families entering a New York City shelter during the past year have been through the system at some time in the past.

The plain truth is that only a small number of homeless parents have the education and job skills to remain permanently employed and generate steady incomes. In New York City, homeless parents are predominantly female, young, and ill-prepared for work. While they range in age from 18 to over 50, over 40 percent are less than 24 years old. Roughly two out of every three are currently unemployed, and over ten percent have never worked. Among those without a high school education, about

20 percent have never worked. Even among those who are working, more than 40 percent are working only part-time mostly in low-skill, low-wage jobs.

Why should we care? According to a recent Community Service Society report, each New Yorker without a high school diploma on average represents a cost to the public coffers for cash and in-kind benefits, as well as institutional costs such as shelter stay, totaling about \$134,000 over their lifetime. Putting aside the human cost, the negative budgetary impact of a young, ill-prepared, and growing homeless family population is frighteningly calculable. As such, we can no longer afford to ignore their education and employment needs.

Unfortunately, the debate about how to end family homelessness is caught in a current dominated by housing “solutions.” Obviously, families require housing to end their homelessness. But they require much more. Only education and employment can provide the tools to address economic factors that have rendered so many families homeless. Just ask any homeless mother what her dream job is and her response will be concrete and sensible: home health attendant, secretary, certified nurse assistant, childcare worker. Respectable jobs that are vital to our city’s economic and social landscape. Yet these are jobs that will be difficult to obtain without services, first to get the necessary high school degree or GED; second to obtain the skills necessary on the

job; and, finally, to acquire the tools to avoid typical stumbling blocks to stable employment such as childcare and transportation.

Many shelters encourage voluntary compliance with education and employment “requirements” as a condition of their stay. But we cannot expect miracles if we do not invest in people. Expectations must be coupled with supports in the form of on-site job readiness, training, placement, and retention services, as well as GED preparation and literacy programs. Shelters should be seen as a resource to help families address their challenges, create opportunities, and assist them in taking a first and lasting step toward labor market participation. In the end, is there any other way for a homeless parent to emerge from the invisibility of grim unemployment statistics than with a diploma and a job? ■

WHAT NEW YORKERS THINK ABOUT HOMELESSNESS IN THEIR CITY

A Public Opinion Poll

As New York City weathers an historic economic downturn and the homeless population creeps steadily upward, over a third of New Yorkers are concerned about becoming homeless themselves, according to a poll conducted by the Institute for Children and Poverty (ICP). While the city has a legal obligation to provide emergency shelter to anyone in need, about half of New Yorkers do not think the city would provide the necessary aid to prevent their own families from becoming homeless.

By many measures, city government efforts to manage the rising homeless population are failing. The Bloomberg administration's ten-year plan to end chronic homelessness, "Uniting for Solutions Beyond Shelter," has fallen short of its five-year goal to reduce homelessness by two-thirds. In fact, the number of homeless families has increased to staggering levels, likely worsened by the continuing effects of the recession and property foreclosures. According to the New York City Department of Homeless Services, in Fiscal Year 2009, more than 120,000 men, women and children slept in city shelters. The number of families with children living in homeless shelters rose 13 percent from the prior year, reaching an average monthly record of 8,991 families in October 2009. Today, more than 37,000 New Yorkers sleep in homeless shelters each night; of these approximately 74 percent are families with children.

These city statistics on family homelessness are outsized reflections of national trends. From 2007 to 2008, the United States saw a 9 percent increase, to more than 516,000 persons, in families who were homeless, and such families represented about one-third of all people sheltered. In 2008, roughly 309,000 American children slept in shelters; making up one-fifth of the sheltered homeless population.

Given the dire situation in New York City, ICP, in partnership with Baruch College

School of Public Affairs, surveyed residents to gauge their perceptions about homelessness in the city, their own concerns about housing security, and the city's efforts to tackle homelessness. The random telephone survey of 820 adult New Yorkers, conducted citywide in July 2009, yielded a number of interesting results. (For results based on the total sample, the margin of error is ± 3.4 percent points.)

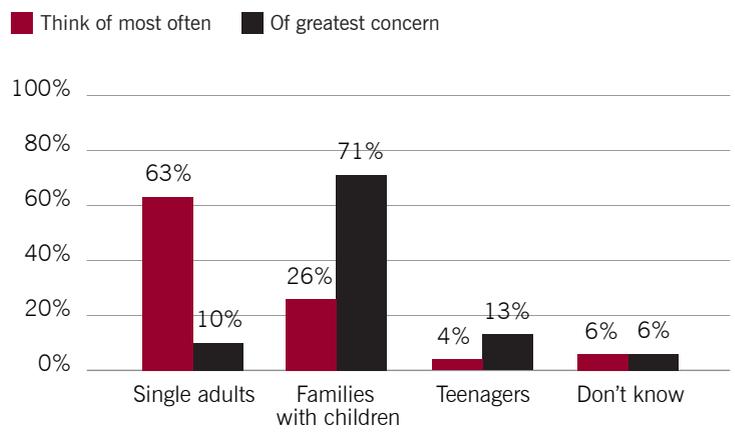
Views on Homelessness in New York City

The poll found that the majority (54 percent) of New Yorkers thought about homelessness almost every day or several times over the past month. For two-thirds (63 percent) of residents, single adults most often come to mind, though the majority (71 percent) considered homeless families with children to be of greatest concern (See Figure 1). New Yorkers underestimate the scope of child homelessness in the city, possibly because homeless families with children are less visible than single homeless adults. About half (48 percent) of residents polled estimate that children make up less than one-quarter of the city's homeless

Figure 1

GROUPS NEW YORKERS THINK ARE HOMELESS AND WHO IS OF GREATEST CONCERN

(percent of total by response type)



shelter population when, in reality, children currently make up closer to half (43 percent).

Despite the city's estimate that the street homeless population has decreased by 37 percent, nearly three-quarters (74 percent) of New Yorkers reported noticing an increase or no change over the last year. In their neighborhoods in the last twelve months, nearly 8 in 10 (79 percent) residents perceived an increase or no change. Notably, in Manhattan, the borough with the most visible street homeless population, one-third (31 percent) of residents reported an increase in the homeless in their neighborhoods.

Contrary to conventional wisdom, almost half (49 percent) of New Yorkers said that they would not be upset at all if housing for homeless families were to be located in their neighborhood. Renters (57 percent) and those with incomes less than \$25,000 (62 percent) are more likely to say that they would not be upset compared to homeowners (36 percent), and those with incomes over \$50,000 (42 percent).

Housing Concerns and Perceived Risk of Homelessness

The poll found that many residents feel at risk of homelessness and are not convinced that the city would take action to prevent them from losing their homes. As noted above, over one in three New Yorkers (36 percent) are very or somewhat concerned about becoming homeless. Over the past twelve months, more than one-quarter of New Yorkers (28 percent) were worried that they would not have a place to live.

Rising rates of unemployment, a shortage of affordable housing, and the recent wave of property foreclosures are likely to have caused many in the city to feel insecure about their housing. In July, 9.5 percent of those seeking work in New York City were unable to find employment. This statistic does not include the "underemployed"—those employed part-time who are seeking full-time employment or

those who have given up searching for work—which increases the rate to 14 percent. In July, the Office of the Comptroller forecasted that the number of unemployed New Yorkers would reach 400,000 in 2010—severely impacting over a million residents; that prediction has already been exceeded, with a record 415,000 unemployed.

Additionally, affordable housing in the city is clearly scarce for many New Yorkers. More than one-half (53 percent) of renting tenants pay over 30 percent of their income on rent, and a startling 47 percent of low-income renters without government rental subsidies are spending more than half of their income. Eviction is of particular concern: In 2008, 10,000 buildings were at risk of foreclosure, including 100,000 individual rental units. According to NYC's Department of Housing Preservation and Development (HPD) commissioner, Rafael Cestero, foreclosures of rental units are impacting the number of homeless in the city.

Outlooks of the Most Vulnerable

A closer look at the working poor, unemployed, renters, and certain homeowners sheds light on New York residents who likely are the most at-risk for housing insecurity and homelessness.

The Working Poor

The working poor, defined here as all respondents working full- or part-time and making less than \$25,000 in annual household income, are among the most susceptible to homelessness. While the federal poverty level for a family of four is \$21,910, it is estimated that a family of four in New York City needs an income of \$66,840 to meet basic needs. Of the polled working poor, two-thirds (67 percent) are families with children; a large majority (86 percent) live in the Bronx, Brooklyn, or Queens; and most (81 percent) are renters.

Of this population, over half (58 percent) have been concerned about becoming homeless in the last twelve months, compared to

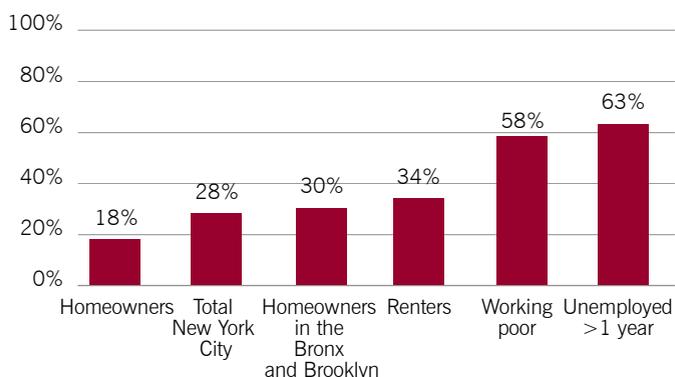
one-quarter of New Yorkers overall, as noted above (see Figure 2). Interestingly, this number increases to nearly two-thirds (64 percent) for respondents who are employed full-time. While over half (53 percent) of working-poor renters have been concerned about the possibility of becoming homeless, over eight in ten owners (85 percent) have this concern. This discrepancy may be attributable to broader unease about the housing market and mortgage responsibilities.

Among working-poor families with chil-

Figure 2

NEW YORKERS WHO HAVE BEEN CONCERNED ABOUT BECOMING HOMELESS OVER THE PAST 12 MONTHS

(percent of total by response type)



dren, two-thirds (65 percent) are concerned about becoming homeless, and only one in five (22 percent) do not think the government would provide assistance needed to avoid homelessness. By comparison, almost half (47 percent) of working-poor households without children are concerned and 40 percent do not think the government would help them.

The Unemployed

Unemployed New Yorkers are twice as likely as those employed full-time to be concerned about losing their homes, 54 percent to 27 percent respectively. Of the unemployed New Yorkers, minorities—groups already experi-

encing higher rates of unemployment compared to the general population—are twice as likely to be concerned about losing their homes as whites, 70 percent compared to 35 percent, respectively.

New Yorkers who have been unemployed for over a year may be among the highest at risk for housing instability. A 2005 Vera Institute study on the pre-shelter experiences of homeless families in New York found that of those who were unemployed prior to entering shelter, the average amount of time between a person's last job loss and shelter entry was 13 months. Although the state has extended unemployment benefits, two-thirds (63 percent) of those polled who have been unemployed for over a year have been concerned about losing their homes in the last twelve months. Of this group, nearly half (46 percent) do not think the city government would provide assistance needed to avoid homelessness.

Homeowners in the Bronx and Brooklyn

Though renters (34 percent) throughout the city are more concerned about becoming homeless than homeowners (18 percent), a closer look reveals a greater variation in responses between homeowners in the Bronx and Brooklyn as compared to homeowners in the rest of the city, as reflected in Figure 3. Homeowners in Brooklyn and the Bronx, the two boroughs with the combined highest shelter applications for Fiscal Year 2009, are three times (30 percent) as likely to be concerned about becoming homeless as homeowners in Queens, Manhattan, and Staten Island (10 percent).

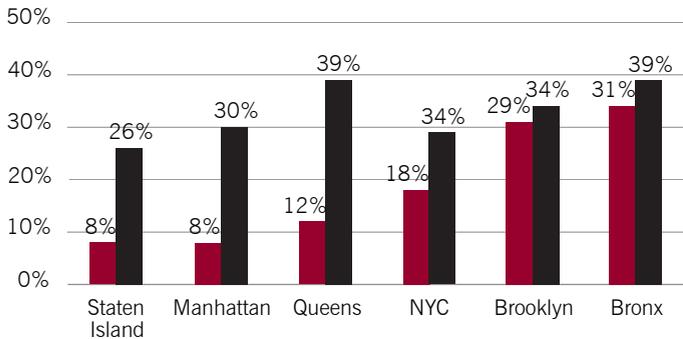
More prevalent housing foreclosure problems and high-cost home mortgage loans in the outer boroughs may explain these differences in concerns. The Bronx, Brooklyn, and Queens all have the highest rate of foreclosures, as well as the highest percentage of high cost home mortgage loans, as compared to Manhattan and Staten Island. These indicators suggest that homeowners may be

Figure 3

NEW YORKERS WHO HAVE BEEN WORRIED IN THE LAST 12 MONTHS THAT THEIR FAMILY MIGHT NOT HAVE A PLACE TO LIVE

(Renters and homeowners by borough)

■ Homeowners ■ Renters



at a higher risk of mortgage default and loss of housing, risks that may factor into Bronx and Brooklyn homeowners' heightened concern. Differences in opinion between homeowners in Queens versus homeowners in the Bronx and Brooklyn, however, may be found in variations in income. Of those polled, only 13 percent of Queens homeowners made less than \$50,000, while in Brooklyn and the Bronx, 39 percent of homeowners made less than \$50,000. This income difference may explain why even though Queens homeowners have the highest rate of foreclosure and the second highest rate of high-cost home purchase loans, only 12 percent of homeowners report being worried about losing their homes.

The City on Homelessness

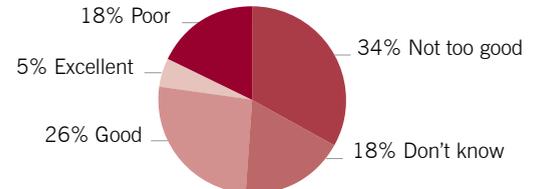
As the Bloomberg administration enters its third term, and the ten-year plan to end chronic homelessness approaches its sixth year, family homelessness remains a troubling problem. When asked to rate the Bloomberg administration's effort in dealing with family homelessness, more than half of residents (52 percent)

characterized it as either not too good or poor (See Figure 4).

Figure 4

NEW YORKERS' PERCEPTIONS OF THE CITY'S FAMILY HOMELESSNESS EFFORTS

(percent of total by response type*)



*Percents do not add to 100 due to rounding.

Most New Yorkers attribute homelessness to job loss and rising housing costs, two vastly complex issues challenging New York that require a new approach from the city. While working-poor families with children, and those who have been unemployed for over a year may be most at risk, one-third of the city is concerned about becoming homeless. This unease may signify the changing face of those who feel susceptible to homelessness—our family, friends, and neighbors. Homelessness is not just an issue that affects the city's poorest anymore. Unfortunately, at a time when the city needs more resources and innovative policy solutions, it plans to decrease funding for DHS in Fiscal Year 2011, and federal cutbacks have resulted in the city terminating over 3,000 already-issued Section 8 housing vouchers to assist families in emergency situations. ■

Looking forward, ICP is conducting a second, follow-up poll in January 2010. Poll findings will uncover changes over the past six months in public opinions on housing stability as well as the city's response to the economic crisis and its impact.

ARE SHELTERS THE ANSWER TO FAMILY HOMELESSNESS?

Family homelessness is undergoing a marked transformation and entering a new stage of unprecedented growth. After shifting from an emergency housing problem in the early 1980s to one of sustained poverty in the 1990s, homelessness has taken yet another turn. Limitations on the availability of public assistance and a faltering economy have destabilized millions of families and ultimately forced thousands into homelessness.

Twenty-five years ago, one-time housing emergencies—fires, hazardous living conditions, and personal calamities—were the primary cause of family homelessness. Forced out of their homes, families required short-term emergency shelter until they were able to locate new housing. Because of the Reagan administration's reductions in housing subsidies and social service programs, followed by the welfare reforms of the late 1990s, homelessness grew tremendously, taking on an entirely new dimension. On average, homeless families are substantially younger, less educated, and poorer than those of the 1980s. In essence, an entire generation has been notched down into a chronic poverty that claims homelessness as one of its most defining characteristics.

For many, homelessness is not simply a housing issue. Rather, it stems from poverty and its myriad causes: poor education, lack of employable skills, inadequate health care, domestic violence, child abuse, foster care, and insufficient childcare. Many of today's homeless families are headed by a young unmarried mother, with one or two children, and usually

at least one child under the age of five. She grew up in poverty, may have experienced domestic violence, and likely never completed high school, often dropping out due to pregnancy. In all probability she has at least one child suffering from a chronic health problem, such as asthma, and has had trouble enrolling her kids in school. Prior to becoming homeless, she probably lived with a partner or doubled-up with family or friends, and had to leave due to overcrowding, a disagreement, or violence. She is currently unemployed due to a lack of work skills or childcare—or both—and is dependent on public assistance to support herself and her family.

As for the children, homelessness is usually not a brief or singular experience—27 percent have been homeless more than once, living in at least three different residences in a single year. Without permanent housing, such youngsters endure frequent moves—at a rate of approximately 16 times that of the average American family—from motels to doubled-up arrangements with family or friends, to shelter. On average, these children are homeless eight months at a time, almost an entire school year, a period fraught with educational and emotional setbacks. Nationally, 21 percent repeat a grade due to frequent school absences and 14 percent due to frequent school transfers. These are rates four and three times, respectively, higher than non-homeless peers. Approximately half change schools once a year, and one-third switch two or more times, setting them back at least six months each time.

Today in America, over 600,000 families and over 1.3 million children are homeless, living in shelters, on the streets, in cars, and at campgrounds. According to the Department of Housing and Urban Development, during 2008 there was a 22 percent increase in the number of homeless families, with the latest U.S. Conference of Mayors survey finding that 76% (19 out of 25) of responding cities reported an increase in family homelessness. After 25 years of steady increases, and given the recent economic recession, why shouldn't we expect more of the same? Isn't it time to move in a new direction? First, though, it is necessary to understand the primary systemic factors that have contributed to this dramatic rise: a shortage of affordable housing, a decrease in real wages, and welfare reform—all of which created a new era of homelessness dominated by a growing class of Americans living for long periods in shelters.

Over the last three decades, the stock of affordable housing has declined significantly, so that by 1995, the gap between low-income renters and low-cost rental units, nonexistent in the 1970s, widened to more than 4.4 million. By the end of the 1990s, the situation had further worsened; with the number of affordable units decreasing by 19 percent, or 1.3 million units, due to the demolition of distressed properties and a shift from privately owned subsidized units to open-rental market rates. Continuing this trend, between 2003 and 2005, there were about 101,000 fewer vacant units available for very low-income renters, while

the number of low-income renters increased by over 800,000 households.

In response to these trends, more families are forced to pay a larger share of their income in rent. In the last 25 years, the proportion of households with children paying more than 30 percent of their income for housing rose from 15 percent to approximately 38 percent—a burden that the federal government reports places low-income families at risk of homelessness. The situation is even worse when we consider that today approximately 8 million low-income households are paying more than 50 percent of their income toward rent, living in severely substandard housing, or both. As a result, millions of children and their families are living on the brink of homelessness with no alternative. Also contributing to the housing crisis and to homelessness is the decreasing value of wages. From 2000 to 2007, the wages for low-paying jobs fell behind inflation, with the real income of the poorest households falling by almost 6 percent—the result of a shift away from higher-paying manufacturing jobs to lower-paying service positions. These are typically very-low-wage or part-time jobs with few or no benefits, leaving employees with minimal resources to care for their families. Currently, a full-time worker earning minimum wage would need to earn three times his or her salary in order to afford the fair-market rent for a two-bedroom apartment anywhere in the United States. Given this problem, many of these households are forced into doubled-up living situations, then ultimately to shelters.

This economic shift is particularly sobering in light of recent welfare policy changes. More than 9 million Americans (two-thirds of them children) left the welfare rolls between 1994 and the early 2000s. These families joined the competitive labor market for jobs earning wages below the poverty threshold. A 1998 Center on Budget and Policy Priorities report found that those who found jobs after welfare typically earned between \$8,000 and \$10,800 annually—far below the poverty line for a family of three. Moreover, since the early 1990s, the percentage of poor families with children that are eligible for cash assistance benefits but do not receive them increased from only 14 percent in 1992 to 60 percent in 2005, due in part to federal incentives for states to cut their cash assistance caseloads.

Welfare reductions have directly fueled homelessness. In a 1999 study of 22 cities, 37 percent of families reported welfare reductions or cuts, with 20 percent becoming homeless as a result. Most strikingly, in Philadelphia and Seattle, more than 50 percent had their benefits reduced or cut and, among those, 42 percent and 38 percent, respectively, became homeless as a result. A second study of six states found that within six months of families losing their welfare benefits, 25 percent doubled-up on housing to save money and 23 percent moved because they couldn't afford rent. In San Diego County, a study found that welfare reform not only resulted in homelessness but in the disintegration of families, as 18 percent of those parents whose benefits were reduced or cut lost a child to foster care.

More and more families are seeking subsidized housing in an era following 25 years of reduced federal support. In 1986, for the first time ever, federal outlays for housing assistance fell—more than 50 percent—never again achieving an adequate level of support. Since 1995, federal funding for low-income housing, as a proportion of all non-defense discretionary spending, has fallen by well over 20 percent. As a result, long waiting lists for Section 8—the main federal housing subsidy—as well as public housing, have become the norm. Currently over 40 percent of the nation's Section 8, and over 15 percent of public housing, lists are closed. In cities like New York, housing authorities are only accepting applications for emergency cases such as domestic violence or referrals from the Administration for Children's Services, while other cities like Los Angeles have had their waiting lists closed since 2004.

Clearly the stage has been set for yet another generation of homeless families. While we continue to demand the development of new affordable housing, it is not on the horizon, and for many families housing alone would not suffice. Those who work closely with homeless families know that they may need supportive services in order to one day preserve their housing, obtain and maintain employment, and live independently. So, why not offer housing with services? Government is not building significant levels of low-income housing, and whether intentionally or not, has spent billions of dollars over many years erecting a massive shelter system across America. These shelters have become homes to over 1.3

million kids and their families. Without alternatives, the homeless find themselves turning to shelters as the one remaining element of a dwindling safety net, often as a last resort to keep their families together. Yet it is here—in shelters—that the reduction of family homelessness may actually begin.

Shelters and transitional housing themselves may be the catalyst needed for reducing homelessness by providing on-site services and programs that address the root causes of this new poverty. By using the national shelter infrastructure already in place to provide immediate housing, we can enhance services to make them comprehensive and focus on building long-term skills that foster independence and economic viability. If we take the emergency out of the situation and allow people to focus on building real skills and work histories, we offer families their first step on a path to self-determination.

Twenty years ago, shelters were stark, temporary, scary places, where families lived in congregate settings, on cots huddled together in an open space. They were gymnasiums, armories, and church basements—none an appropriate place to call home. However, many of today's shelters are different. They have private rooms with cooking facilities and some are apartments with one or two bedrooms. They are safe and clean, and offer a multitude of services. In fact, these shelters are becoming surrogate communities, places from which parents commute to work and children go to school. Many provide childcare and after-school programs for youngsters, as well as job-readiness training and life

skills for adults. They are places where parents are raising their families and have become home to those who live there.

In a shelter-turned-community, directors should advocate for resources for their residents just as elected officials do for their constituents, and staff should link families to a variety of education and employment options just as guidance counselors do for their students. For homeless families, a stay in the shelter community can be a second chance to advance literacy levels, finish high school, build a work history, and enhance life skills. Programs can be expanded and financed through housing assistance vouchers targeted to them; residents who work can pay some rent; and partnerships with the public and private sectors can further enrich services. The more comprehensive the network of shelter-based services, the more vibrant and effective this community becomes.

The acceptance and expansion of such a plan—putting shelter communities to work to reduce family homelessness—requires bold leadership and vision. Yet it can be done, and in many instances, the process has already begun. A real and meaningful plan to end family homelessness in this country must begin by being politically honest with the American people. Government has not, and, in all likelihood will not, be producing low-income housing on any acceptable level in the near future. Instead, we are going to have to acknowledge that, for the time being, a shelter is indeed a home, and one that must continue to evolve into a community with opportunities. ■



*Finding ways to reduce
the impact of homelessness and
poverty on the lives of children*

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