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Rearranging the Deck Chairs or Reallocating the Lifeboats?: Homelessness Assistance and Its Alternatives

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Rearranging the Deck Chairs or Reallocating the Lifeboats?: Homelessness Assistance and Its Alternatives

Abstract

Problem: At present, homelessness in the United States is primarily addressed by providing emergency and transitional shelter facilities. These programs do not directly address the causes of homelessness, and residents are exposed to victimization and trauma during stays. We need an alternative that is more humane, as well as more efficient and effective at achieving outcomes.

Purpose: This article uses research on homelessness to devise alternative forms of emergency assistance that could reduce the prevalence and/or duration of episodes of homelessness and much of the need for emergency shelter.

Methods: We review analyses of shelter utilization patterns to identify subgroups of homeless single adults and families with minor children, and propose alternative program models aimed at the particular situations of each of these subgroups.

Results and conclusions: We argue that it would be both more efficient and more humane to reallocate resources currently devoted to shelters. We propose the development of community-based programs that instead would focus on helping those with housing emergencies to remain housed or to quickly return to housing, and be served by mainstream social welfare programs. We advocate providing shelter on a limited basis and reserving transitional housing for individuals recently discharged from institutions. Chronic homelessness should be addressed by permanent supportive housing.

Keywords

homelessness, policy, shelter reform

Comments

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Homelessness Assistance and Its Alternatives

Dennis P. Culhane and Stephen Metraux

Problem: At present, homelessness in the United States is primarily addressed by providing emergency and transitional shelter facilities. These programs do not directly address the causes of homelessness, and residents are exposed to victimization and trauma during stays. We need an alternative that is more humane, as well as more cost-efficient and effective at achieving outcomes.

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Takeaway for practice: Changing existing shelter-based responses to homelessness could produce better outcomes for homeless individuals and families.

At the urging of the U.S. Interagency Council on Homelessness, more than 300 communities around the country have recently committed themselves to ten-year plans to end homelessness (Cunningham, Lear, Schmitt, & Henry, 2006; Interagency Council on Homelessness, 2006). The word “end” in these local plans indicates that communities hope to reduce or even eliminate the number of people who experience homelessness, and, by implication, the number of homelessness programs. As with all such reforms, this is easier said than done. Even with the steady expansion of the U.S. Department of Housing and Urban Development’s (HUD’s) McKinney-Vento program spending (National Coalition for the Homeless, 2006; HUD, 2002), communities have struggled with redirecting funds away from traditional shelter and service-related programs to comply with HUD’s congressionally mandated set-aside for permanent housing.¹

In this article we propose an alternative that we think has potential to reduce, and possibly end, homelessness based on what is known about how individuals and families use the current homelessness service system. We emphasize approaches that more deliberately couple housing and services with need and suggest reallocating resources to community programs that provide services regardless of housing status, rather than through residential institutions such as shelters.

While the reforms we propose would potentially help households with housing emergencies, they do not address the underlying housing affordability gap. Some might argue that such reforms of services for the homeless are futile, akin to rearranging the deck chairs on the *Titanic*. We argue that this

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approach is more like reallocating the lifeboats. While it would not have saved the *Titanic*, reallocating the lifeboats (and adding more of them) would have saved many, many more lives. While a reformed homelessness assistance system may not solve the housing affordability crisis, it can prevent involuntary shelter stays and reduce the time people spend as homeless, thereby saving many people from the indignities and victimization of public destitution.

From Being Homeless to Experiencing a Housing Emergency: A Cost and Utilization Model

The term *homeless* has become a catchall term given to residents of shelters, or, in the case of people living on the streets, those opting out of such institutions (Hopper & Baumohl, 1996). This population overlaps considerably with the poor population that is precariously housed and at imminent risk of becoming homeless (Culhane & Metraux, 1999; Peletiere, Wardrip, & Crowley, 2006). Most of the people who are homeless were recently housed and will return to housing in a relatively short period of time (Culhane, Metraux, Park, Schretzman, & Valente, 2007; Kuhn & Culhane, 1998).

However, services for the homeless have focused on assisting households only when they are literally homeless, and then in a manner that duplicates and often supplants the services of more mainstream social welfare systems like corrections, substance abuse treatment, income maintenance, housing assistance, mental health, and child welfare services. The growth of such a parallel system has been facilitated by HUD's continuum of care (CoC) policy, developed in 1994 to forge local systems out of patchworks of services for the homeless (Interagency Council on the Homelessness, 1994). In the process of coordinating these services, CoC policy has institutionalized a parallel social welfare system, with an array of health, mental health, employment, legal, dental, homemaking, childcare, and other services, for a select population eligible only by virtue of their temporary housing status, and typically only at the time of their residence in a facility for the homeless. As a result, mainstream social welfare services are able to largely ignore their clients' housing problems, a situation which both limits their effectiveness and mitigates their accountability.

Over time, public shelters have become institutionalized, drawing in vulnerable and marginally housed people. Many other social welfare institutions use this system as a regular and ongoing destination for clientele leaving their care. Residential programs for homeless families and single adults almost tripled between 1984 and 1988, and again

more than doubled between 1988 and 1996 (Burt et al., 1999; HUD Office of Policy Development and Research, 1984, 1989). At each of these points, emergency shelter has accounted for smaller proportions of the overall shelter beds, with transitional housing programs (featuring longer stays and expanded availability of services) increasing over 60% since 1996 (Burt, 2006; Hoch, 2000; Wong, Park, & Nemon, 2006). Rather than crisis housing, shelters have become more rehabilitative, with households served for longer periods of time and at greater cost. Consequently, this expanding homelessness system cannot reduce the prevalence of homelessness because through its institutionalization it has increased the number of people who, for lack of better alternatives, turn to it for assistance and who remain in the system for increasing lengths of time.

We feel homelessness should be reframed, and rather than focusing narrowly on bouts of outright lack of shelter, should address the broader experience of an imminent or existing housing emergency. In such a framework, interventions to reduce homelessness should be redirected from providing shelter alone to assisting households with a range of potential interventions that optimize housing stability and efficiency. Most homeless households need temporary, low-cost assistance with resolving a recent housing loss or other displacement, or with transitioning out of an institutional living environment. They do not necessarily need a shelter stay or a shelter stay of long duration. Under our alternative approach to the CoC, fewer households would require long-term programmatic housing and services. Rather, we expect an inverse relationship between the volume of service users and cost per case, as the downward sloping line in Figure 1 illustrates. Most social welfare and social insurance programs use such an approach, offering the least expensive interventions first, and reserving more costly interventions for those few with the most complex needs. This model provides a framework for the interventions we propose in the following sections. We focus first on homelessness among single adults, and then on family homelessness.

The Dynamics and Costs of Homelessness Among Single Adults, and Some Alternatives

We believe that housing and services could be delivered more efficiently and more effectively by better matching needs and resources. The basis for this allocation process is longitudinal administrative databases that track shelter utilization. Using these data, researchers have modeled patterns of shelter use based on the frequency and duration

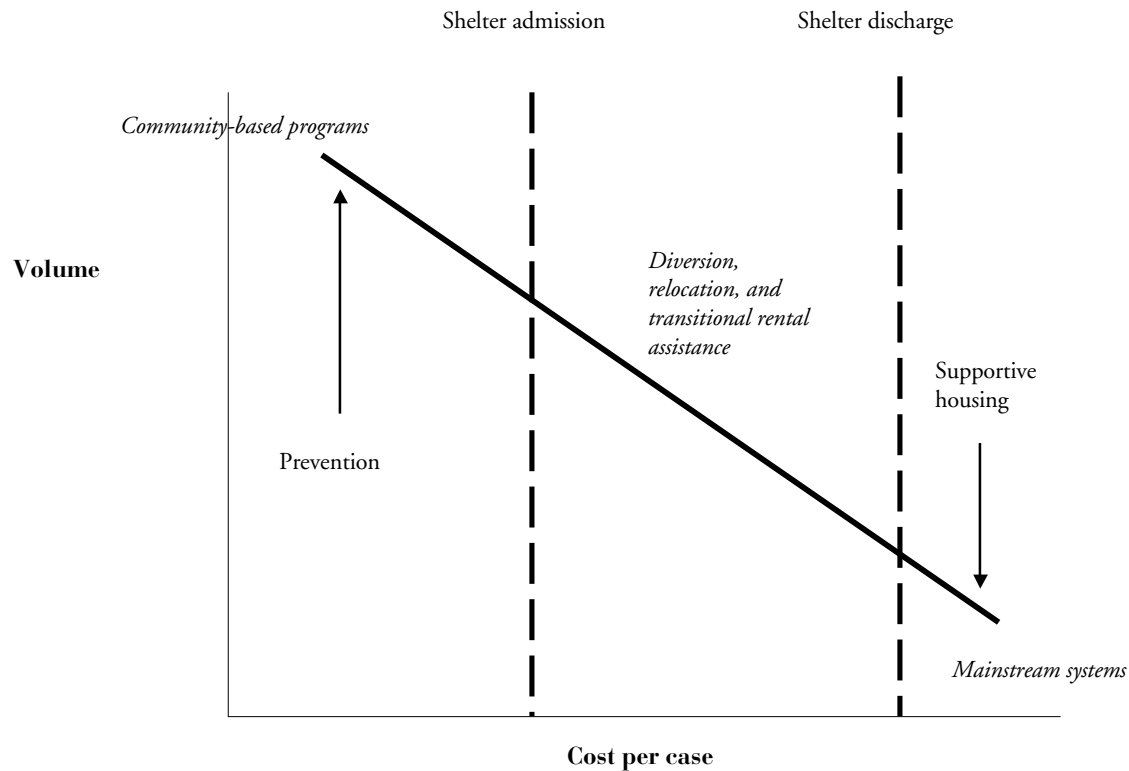


Figure 1. Model cost-by-volume service system for addressing housing emergencies.

of shelter episodes in New York City and Philadelphia (Kuhn & Culhane, 1998). Client identifiers have been used to match the shelter records with other social welfare system databases, so that shelter utilization patterns can be fitted into broader patterns of service use across systems. Results from these studies indicate that these subpopulations not only have differential shelter use patterns, but also have differing individual and service use characteristics that can inform potential alternative interventions.

Cluster analysis provides an empirical means for sorting shelter users into three types according to patterns of homelessness: transitional, episodic, and chronic. Data from Philadelphia's public shelter system in Figure 2 show that transitional shelter users represent 80% of the sheltered adult population, while the episodic and chronic subgroups represent 9% and 11% of shelter users, respectively (Kuhn & Culhane, 1998).

These findings indicate that the service model offered earlier applies to the homeless population using Philadelphia's public shelter system, since the vast majority of people use the shelter system for brief periods of time. Indeed, the modal length of stay is one day. Most people use the shelter system as intended, as an emergency service, from which they exit and do not return, at least in the

three-year observation period used here. However, some people are episodic users, who move repeatedly in and out of the shelter system. These people include the unsheltered homeless, whose shelter history understates the length of time they are actually homeless, as it does not include time spent on the streets and in other institutions, such as hospitals and jails. The final cluster contains the chronic shelter stayers, who use shelters as a form of relatively long-term housing.

Figure 2 also shows the relative proportion of system *bed days* that are accounted for by the different population types. Transitional users account for 33% of the total days; episodic shelter users use 17% of the days; and the chronic shelter users, while only 11% of the shelter population, account for 50% of the total system days. In other words, the chronic subgroup, for which these facilities act as de facto housing, accounts for half of the shelter system expenditures, and fills half of the system's beds on a given day.

The service history characteristics obtained from shelter intake records and data linkages with mainstream social welfare systems help to broaden the context. In general, transitional shelter users have the lowest rates of mental health or substance abuse treatment (see Figure 3).

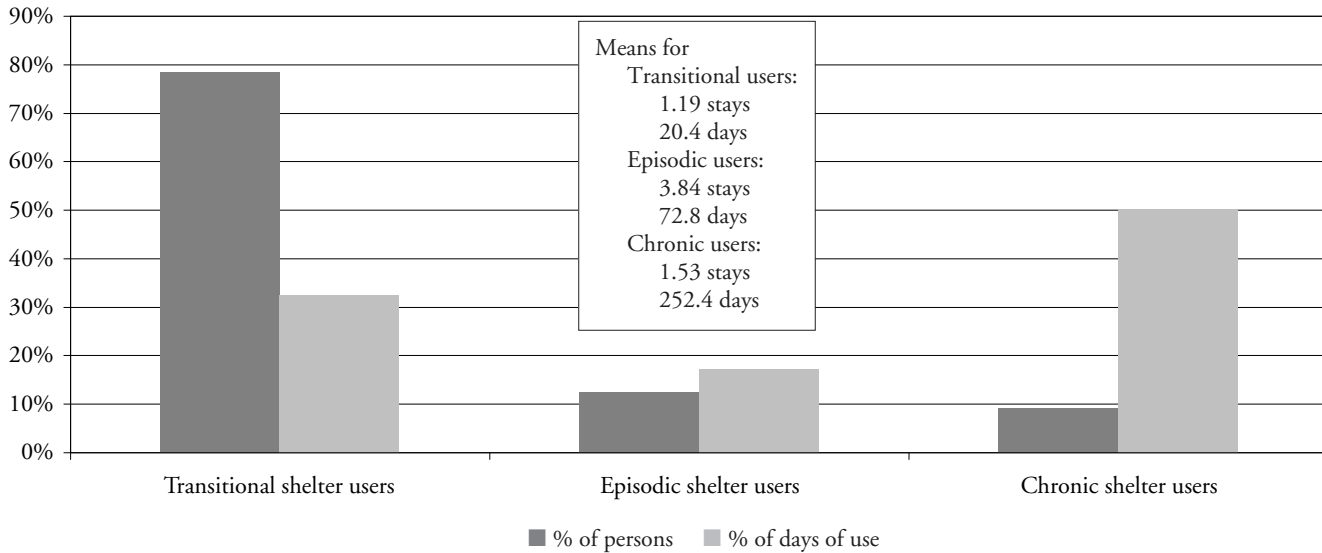


Figure 2. Percentage of sheltered single adults in Philadelphia and percentage of days of use, by type of shelter use.

Source: Kuhn & Culhane, 1998.

They are also younger and have fewer physical disabilities. Chronic shelter users are older and have the highest rates of behavioral health treatment and disability, with 83% having some record indicative of a disability. The episodic users occupy a middle ground.

Alternative Responses to Chronic and Episodic Homelessness Among Single Adults

The results suggest that chronic users of homeless shelters, and episodic shelter users who spend time homeless on the streets and in other locations, remain homeless because they have health-related barriers which, combined with insufficient residential support from the community treatment system and their very low incomes, make it difficult for them to avoid occasional homelessness. Clearly, one alternative would be to provide people who experience chronic or frequent episodic homelessness with subsidized housing and access to the services they need to maintain housing.

Such housing can be comparatively expensive. Depending on the housing market, a subsidy for an efficiency apartment could require as much as \$8,000 per year. The amount of supportive services required with such housing varies, but service costs in supportive housing programs for people with severe mental illness (whose support needs are arguably among the most costly) generally range from \$6,000 to \$12,000 annually, and higher for a few clients with the greatest needs. Interestingly, most people who are

chronically homeless do not have a severe mental illness, but a substance use disorder, and while nearly all would need the rental subsidy, they likely need less intensive services. For example, a housing needs assessment of people with AIDS in New York City found that while this population had high rates of substance abuse, most were stably housed with a minimal rental assistance subsidy of approximately \$300 per month (Hudson Planning Group, 2004). Too little is known about variations in the services subpopulations require, but more research on this topic would allow modeling to optimize the efficient use of costly onsite residential service supports.

Depending on the jurisdiction, the costs of supportive housing could be wholly or partially offset by reducing the use of emergency shelters and collateral services. Research shows that the annual cost of a shelter bed for a single adult ranges from \$4,100 in Atlanta to \$19,800 in New York City, with a median cost per bed per year being \$9,300 (Lewin Group, 2004). Thus, in many jurisdictions, expenditures for shelters that essentially maintain a person in a state of homelessness could be reallocated to offset the cost of rental subsidies that provide permanent housing. Spending on other acute care services might also be potentially reduced through stable housing placement, some of which (i.e. Medicaid) might also be reallocated to offset the cost of support services. One study of chronically homeless people with severe mental illness in New York City found a combined average annual cost associated with

services in public corrections, health, mental health, and shelter systems to be \$40,500 (1999 dollars; Culhane, Metraux & Hadley, 2002). When persons in this study were provided with supportive housing, all but \$1,000 of the additional cost was offset by their reduced use of these other services. In another study of veterans with severe mental illness and histories of homelessness, Rosenheck, Kaspro, Frisman, and Liu-Mares (2003) found a higher but still modest annualized cost increase of \$2,000 per housing unit after adjusting for collateral reductions in the use of other services. Though future research will be required to determine housing models that are effective and most efficient for people with lesser service needs, it is not substantially more expensive to house the chronically homeless who have extreme services needs than to leave them homeless.

National and local advocates for the homeless have established this as a policy priority relatively recently. Most notably, the National Alliance to End Homelessness (2000), in its *Ten Year Plan to End Homelessness*, argued for committing resources to create supportive housing for people who experience chronic homelessness. In 2000, the U.S. Congress required that HUD spend at least 30% of its McKinney-Vento appropriation on creating permanent housing for homeless persons, including chronically homeless persons. In its 2003 budget proposal, the Bush administration established that its goal was to end chronic homelessness; the Administration has subsequently proposed

increases for the McKinney-Vento program in the last three fiscal years. The U.S. Interagency Council on Homelessness has enjoined state and local governments to develop 10-year plans to “end chronic homelessness” or even “end homelessness” so as to maximize the momentum from these new federal commitments.

The possibility that chronic homelessness might be reduced through these efforts has been further reinforced by recent research. First, based on data reported by more than 1,500 jurisdictions, HUD estimates that approximately 155,000 people were chronically homeless at a given time in 2006 (Koch, 2007), not an unmanageably large figure. Moreover, HUD estimates that there was an 11.5% decline in chronic homelessness from 2005, or a drop of 20,000 persons. HUD attributes the decline to the funding of 60,000 units of housing since 2001 through the McKinney-Vento permanent housing set-aside. Furthermore, recent research on the age distribution in the single adult homeless population in San Francisco matches findings in other cities which indicate that this population is predominantly from the latter half of the postwar baby boom, and that they are not as yet being replaced by a younger cohort (Hahn, Kushel, Bangsberg, Riley, & Moss, 2006). Together, these pieces of evidence suggest that chronic homelessness affects a relatively finite population, and that interventions which target them can have lasting and substantial impacts. Indeed, since approximately half of the adult shelter beds are currently occupied by people

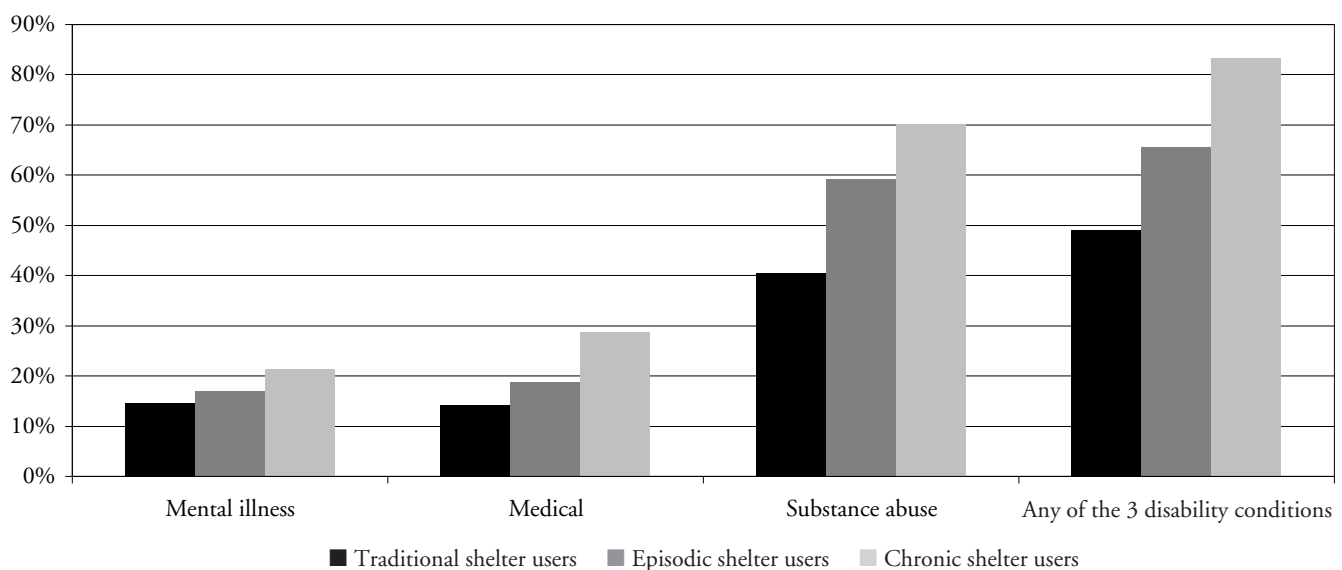


Figure 3. Percentage of sheltered single adults in Philadelphia with disability conditions, by type of shelter use.

Source: Kuhn & Culhane, 1998.

who are chronically homeless, if such persons were relocated to supportive housing (and assuming a volume of housing unit turnover sufficient to handle new cases), this could cut the number of adults in shelters nearly in half.

Alternative Responses to Transitional Homelessness Among Single Adults

Reducing homelessness among the population of adults who are not chronically homeless will require a different set of strategies. They are not likely to use services as extensively, thus they occasion fewer cost savings if we change the existing system, yet many are also likely to be capable of regaining stable housing without long-term housing and support services. Consistent with the volume-by-cost service model (Figure 1), interventions should seek to support these people on a temporary basis to facilitate their exits from homelessness. We consider two potential means of accomplishing this: transitional residential programming and relocation assistance.

Transitional residential programming would focus on individuals who, in the absence of supports, would be homeless after being discharged from an institution. Based on findings from matching administrative data, approximately 3% to 5% of persons in institutions such as psychiatric hospitals, detoxification centers, and prisons enter shelters shortly after being discharged. As many as one third of the people entering shelters have recently exited these public institutions; this proportion rises to 40% when younger adults who have left foster care in the prior several years are included (Metraux & Culhane, 2006; Metraux, Culhane, & Park, 2006). Transitional programming for such persons could range from residential facilities like halfway houses or supported communities (for people leaving prison or substance abuse detoxification, for example), to independent living programs with mobile, as-needed support services (for youth or young adults with recent foster care experience). Such programs would seek to move people to self-sufficiency and community-based support within specified time periods.

These programs would be preferable to homeless shelters because they could be vertically integrated extensions of the care systems from which people have recently come. Evidence also shows that people who become homeless after being discharged from such systems have a higher rate of recidivism to them (Metraux & Culhane, 2004). Thus, these institutions have an incentive to prevent their clients from slipping backward and requiring re-institutionalization. The vertical integration of such aftercare services would also create a performance framework for these agencies, enabling them to protect their institutional investment in these clients. Such an approach would be

quite different from generic shelters, which tend to indiscriminately amalgamate a diverse and needy population, and which typically lack the expertise to address the needs of such special populations. Congregate shelters for adults also frequently offer no day programming at all, discharging their residents in the early morning hours to roam the streets until the early evening.

Some existing shelter facilities could be reconfigured to serve in these new capacities. Pending legislation in the U.S. Congress to reauthorize the McKinney Vento Act (S. 1518) includes a new \$200 million prevention initiative that could be used to support the conversion of emergency shelters to more service-oriented and population-specific purposes. The program would require a 50% match in state or local service dollars. Mainstream social welfare systems (corrections, behavioral health, and child welfare) could be enticed to create such new day programs by the opportunity to obtain federal matching funds. Existing funders of shelters could continue to pay for the night-time shelter costs for some period of time. The goal would be to convert existing shelters into residential facilities providing transitional services to specific populations for limited amounts of time. Since as many as one fourth of the nation's shelter beds are currently occupied by people recently discharged from institutions, converting facilities to respond to their specific needs will also eliminate a substantial proportion of those in the current homeless system. Of course this approach would not preclude using other types of residential programs for the same purposes, such as scattered-site housing or rental assistance with mobile and transitional support services, as for youth transitioning from foster care.

For those adults who experience short-term, transitional homelessness and who have not recently come from institutions, relocation assistance could reduce or supplant shelter stays. Relocation or resettlement assistance could take the form of modest emergency cash assistance or shallow rent subsidies, coupled with an assessment and referral for social support and employment services as needed. In addition to short-term financial support, services such as mediation to address housing, employment, or family conflicts may help resolve what would otherwise lead to a homelessness episode. To make this politically palatable, rental assistance might be made contingent on participation in a self-sufficiency plan that includes work or employment training requirements, as is now required of families who receive welfare from the Temporary Assistance to Needy Families program. Targeted, refundable tax credits could also be used to transition people from the resettlement assistance.² Because the targeted recipients currently stay in the shelter system only briefly, and because

such a program would likely attract persons in need who would otherwise avoid the shelter system, reductions in shelter use are not likely to offset the costs of this expanded intervention. Rather, these new investments would have to be justified as serving other social, moral, and economic purposes: reducing homelessness and housing instability and providing job opportunities to the marginally employed or unemployed, many of whom are noncustodial parents who would then be able to contribute to the support of their children.

This combination of reforms, including providing supportive housing for people experiencing chronic homelessness, residential transition programming for people leaving institutions, and relocation and self-sufficiency assistance for people who are likely to experience transitional homelessness, could reduce or eliminate homelessness in its current form. While it would be ideal if this also reduced public service system expenditures, it is likely that only interventions for the most costly cases of homelessness can be completely offset by reduced use of acute care services. But the potential benefits in reduced homelessness and the victimization associated with these reforms would justify them on social and moral grounds even if not on cost-accounting benefits alone. Other more sophisticated cost-benefit analyses, which include estimates of nonmonetary costs and benefits, might also show such investments to have net benefits to society. Future research of this kind is needed.

Families With Minor Children

Recent research on homeless families with minor children in four U.S. jurisdictions (New York City, Philadelphia, Columbus, Ohio, and Massachusetts) replicates the cluster analysis and matching of administrative data conducted for single adults, yielding a typology with some interesting similarities as well as key differences (Culhane et al., 2007). Patterns of shelter utilization among homeless families initially appear to be very similar to those of single adults: The vast majority of families experience single episodes of relatively short duration, and two much smaller groups experience either multiple episodes (episodic) or shelter stays of long duration (long-stayers). However, the proportion of families with long shelter stays (20% to 22%) is nearly twice the proportion of single adults who have long, continuous shelter stays (11%). And in contrast to the findings among single adults, Figure 4 shows that the share of families with intensive social service histories is not higher among long-stayers. To the contrary, as a group, the long-term shelter users among families are not any more likely to have mental health or substance abuse problems or child welfare system involvement than the short-term homeless. They are also more likely to be employed, and less likely to have disabilities than the other groups. Overall, while they still represent a minority of the service users, the long-term stayers consume 50% of the shelter system resources, at a cost of \$22,000 to \$55,000 per family per stay, depending on the jurisdiction.

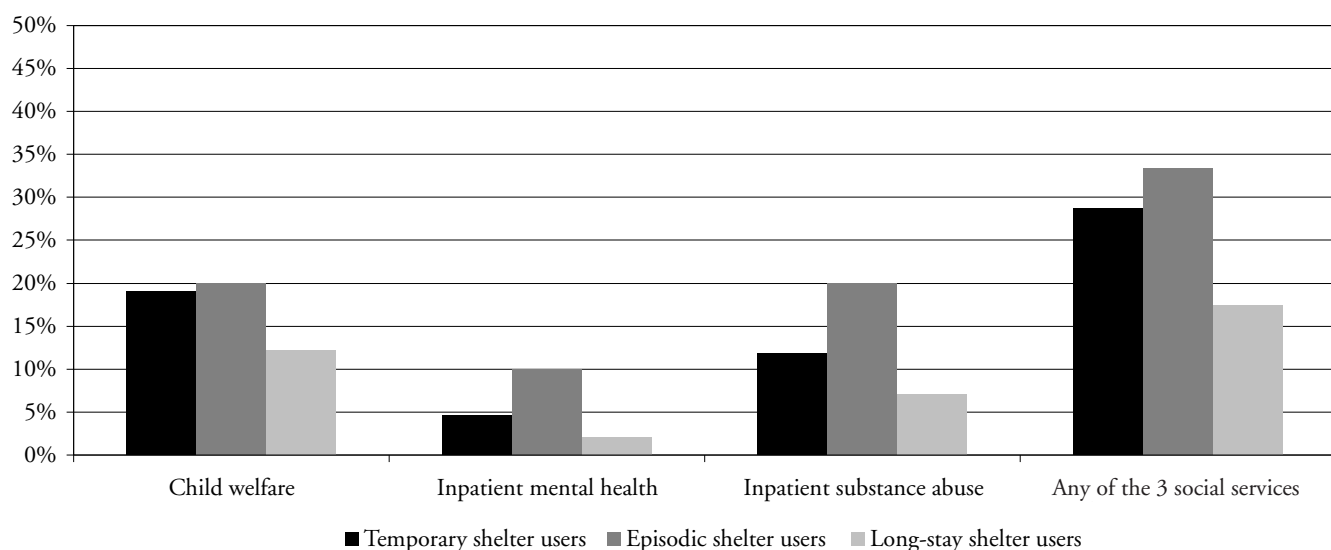


Figure 4. Percentage of sheltered families in Massachusetts with histories of social service use, by type of shelter use.

Source: Culhane et al. (2007).

Among families with minor children, the episodically homeless stand out as the most needful of services, with 43% in Philadelphia and 33% in Massachusetts having histories of receiving intensive social services, including for inpatient mental health or substance use treatment, or the placement of such a child with child welfare services. However, this cluster is relatively small overall, including only between 5% and 8% of the families in the jurisdictions studied.

These distributions suggest that long-term shelter stays by families do not indicate chronic homelessness in the same sense as they do for single adults, among whom we believe disabilities commonly create barriers to overcoming homelessness. Instead, while a relatively small number of families use most of the emergency shelter system resources, their histories of social service use do not demonstrate greater need. It appears that the homeless families who are best able to adhere to structured, long-term program regimens stay longest in transitional shelter programs. Alternatively, these facilities may either exclude families with higher needs for social services, or such families may move out more quickly on their own. More research is needed to understand these dynamics.

In addition there is the question of whether even the most service-needy families would benefit from long-term shelter-based programs. Unfortunately, there is a lack of literature on the efficacy of these programs overall (Bassuk & Geller, 2006; Burt, 2006; Shinn, Rog & Culhane, 2005). However, there have been some promising experiments in permanent supportive housing (Nolan, Broeke, Magee & Burt, 2005; Philliber Research Associates, 2006) and rapid-relocation or housing-first models for families (National Alliance to End Homelessness, 2006), indicating that community-based alternatives have had some successes in various regions of the country. However, more research is needed to determine the relative merits of shelter-based programs as compared to normalized housing with community-based services.

Consistent with the volume-by-cost service model described earlier, most families should require only relatively low-intensity interventions. Under the current system even a low-intensity intervention would typically mean living in an emergency shelter, which is likely to be fairly costly, with reimbursements of \$82 to \$115 per day (Culhane et al., 2007), and disruptive to families and children. Direct rental assistance such as relocation grants may well be more cost-efficient when compared to shelter stays of even relatively short durations. Consider, for example, the Massachusetts case. The average short-term shelter stay is 109 days (3.5 months), and at \$100 per day, costs \$10,900 per family, compared to average rental housing costs of around \$1,000 per month.

For families with long shelter stays, rental assistance could be considerably less expensive. Again using the Massachusetts case, long-stay families cost an average of \$48,500 per family in shelter reimbursements, which would be equivalent to five or more years of a full federal rental subsidy. Alternatively, five times as many families could receive a subsidy for a whole year for the equivalent of the cost of providing one family the average long-term shelter stay (one year and three months).

Rental and service supports should be matched to the characteristics and needs of the families. Housing and rental assistance for families could vary from *stabilization* (assistance paying rent arrears or outstanding utility bills, at a cost of perhaps \$500 to \$1,000 per case), to *relocation grants* (first and last month's rent and security deposit, at a cost of approximately \$3,000), to transitional rent subsidies of varying duration (6–24 months). Even a two-year transitional rental assistance grant of up to \$24,000 (for families with intensive service needs or other barriers to housing stability) would be less than half of the average cost of a long-term shelter episode in Massachusetts. Services could likewise range from assessment and referral only, to employment training and placement, to intensive case management services, depending on the characteristics of the family. While more families are likely to avail themselves of prevention, relocation and transitional rental assistance programs compared to shelter-based programs, planners could design these programs to minimize their overuse, through clear eligibility requirements and program time limits. Planners could also design the mix of alternative interventions in anticipation of higher rates of utilization.

Research is needed to develop targeted approaches that match families' temporary housing and service needs with appropriate resources. While research concludes that housing subsidies are effective for most homeless families (Bassuk & Geller, 2006; Shinn et al., 1998), less is known about whether time limits on subsidies work. Research should also go beyond the rough comparison of cost-based reimbursements discussed above to discover whether such alternatives are also more cost beneficial, including estimating a fuller range of costs and benefits to the families and to society.

As we noted in the introduction, we feel strongly that the emergency assistance system is not appropriate as a source of long-term housing and services for families and individuals in need. That responsibility lies with mainstream social welfare systems. Our alternative proposal for housing stabilization and relocation assistance would provide timely and efficient aid, including emergency shelter where necessary, to families facing acute housing

emergencies while allowing them to remain in or return quickly to normal living situations (Beyond Shelter, 1993; Padgett, Gulcur & Tsemberis, 2006). While such assistance may be only temporary, like the shelter system it supplants, it promises to be a more direct and more efficient means to house families than emergency and transitional shelters.

Limitations

The redesigned response to homelessness we propose here does have several limitations. The first is that little research exists in this area; more is known about what does not work than about this alternative approach. While the volume-by-cost service model that underlies our proposals is based on research, several of our proposals are as yet hypothetical, and need to be tested empirically. Further research and demonstration projects are needed to explore their feasibility and effectiveness.

A redesign of the emergency assistance system is also likely to have unintended consequences. For example, nonshelter, community-based assistance models may be perceived as having lower barriers to entry than a shelter-based program, and providing direct financial support rather than a shelter stay may be perceived as more beneficial by clients. While the vast majority of extremely poor households do not become homeless in a given year (Rog & Buckner, 2007; Shinn et al., 1998), many have precarious housing situations, and the availability of nonshelter assistance may tap latent demand. Thus, the new system should be designed such that demand could be accommodated and that the liability associated with potential increases in utilization is limited by clear eligibility criteria and limits on the amounts and durations of assistance packages. Our proposal promises to do a better job of reducing or even ending homelessness, but it is possible that a broadly available prevention program may be more costly than the current shelter system, particularly in jurisdictions that devote few public funds to emergency shelter at present. However, it is also possible that such a system could be cost-neutral even as it provided more assistance, especially in jurisdictions with public reimbursement for shelters. These issues as well as other potential unintended consequences would have to be weighed and assessed for each community.

The basic idea that individuals or families could be assessed as they entered, and properly diverted or relocated based on their circumstances, presumes a level of organization in homeless services that currently exists in only a few jurisdictions. In most cities, homelessness services remain fragmented, and most operate independent of any formal

system. Recognizing this, our proposals are explicitly designed to shift most of the responsibility for meeting people's housing and service needs to other mainstream systems. Yet these systems have to date been reluctant to serve these populations, or at least to address their housing needs. Finding the political will to change this would be critical to implementing most of the reform strategies proposed here.

Finally, the costs and cost offsets discussed here are based on a simple cost accounting approach. More sophisticated methods could aim to capture intangible costs and benefits of shelters and their alternatives, as well as the more readily monetized costs estimated here. This would provide a more thorough appraisal of the value to society of these various approaches.

Conclusion

This article describes approaches to reorganizing the delivery of emergency and transitional assistance to individuals and families faced with housing emergencies, including long-term and chronic homelessness. The alternatives to shelter described here are intended to be less institutional than the current system, to emphasize more normal living environments, and to make more efficient use of resources, including reserving expensive programs for populations with complicated needs. We recommend that shelters or transitional residential programs be reserved for those needing short-term shelter and services, like specific populations of single adults leaving institutions. This will greatly reduce reliance on congregate shelters, and their residents' exposure to victimization and dehumanization.

There are two keys to convincing policymakers to adopt this alternative system: It must be efficient and it also must lead to improved client outcomes. Like any intervention targeting homelessness, the ultimate measure of this system will be moral, increasing the housing stability and overall well-being of the persons served. We think such outcomes can better be obtained through focusing more directly on helping people obtain and retain their own housing, with supports when needed, than by the current system of shelters.

Finally, these proposals are not intended as substitutes for substantive solutions to the housing affordability problem. The focus here is on people facing acute or imminent housing loss. Just as lifeboats had no bearing on the ultimate fate of the *Titanic*, the approaches outlined here cannot resolve the larger housing affordability crisis, including the underlying deficiencies in the value of public assistance benefits and wages. The proposals here are not intended to

substitute for needed reforms in housing and income supports. However, by reallocating resources to community-based programs and more normalized housing environments, society may be able to mitigate the most acute consequences of this crisis in a more humane and effective manner.

Notes

1. The McKinney Vento Act authorizes federal spending on homelessness programs. Since 2000, the Congress has required that HUD set aside 30% of its allocation for permanent housing programs.
2. While this would be designed as a low-cost intervention, it would require a new or revamped administrative structure within the public welfare system, effectively reconstituting general assistance programs, but with a modernized orientation and structure. The idea of using refundable tax credits to supplement low wages was recently suggested by Mayor Michael Bloomberg of New York City as part of his antipoverty initiatives (Cardwell, 2007).

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