

# Federal aid behind homelessness decrease

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**D**espite the bad economy, the homeless population fell one percent between 2009 and 2011, according to a new national report. The nation's homeless population decreased from 643,067 to 636,017 (about 7,000 people).

Yet *The State of Homeless America 2012*, released January 17 by the National Alliance to End Homelessness, still expressed concern, because it attributed the decrease to federal stimulus money that is being phased out. Meanwhile, "economic and demographic indicators linked to homelessness continue to be troubling."

"When the economy was terrible – unemployment was going up, poverty was going up – you would expect homelessness to go up, but actually it didn't. It went down a bit," said Steve Berg, vice president for programs and policy at the National Alliance to End Homelessness, in a telephone interview.

Berg continued, "When you look at how could it not go up given the economy, the answer was the local community doing an unprecedented good job and doing it with new federal resources that were part of the stimulus program of 2009: a billion and a half dollars for homeless programs that Congress put in there to prevent the recession from causing new homelessness."

Nearly 700,000 people received help in 2010 alone, the first year of the \$1.5 billion Homelessness Prevention and Rapid Re-housing Program (HPRP), funded through the American Recovery and Reinvestment Act of 2009. Communities had a lot of flexibility in spending the money and most found nonprofit providers to run the program, Berg said. Sometimes people received help with rent they owed so that they could stay in their housing and other times they received enough for a security deposit on an apartment. The average expenditure per house-

hold was \$1,000, with social workers' fees built in.

"It turns out for a lot of people who were about to become homeless, that's all they needed," Berg said. "They could get back on their feet, get another source of income."

Chicago Alliance for the Homeless CEO Nonie Brennan said that before HPRP, only 26.2 percent of the people who called the Emergency Fund here for help were told funds were available, whereas 40 percent were eligible under HPRP – a 14 percent increase. Brennan's figures came from another recently released study, of Chicago's homeless prevention call center, which was done by Loyola University Chicago's Center for Urban Research and Learning (CURL).

"Prior to the stimulus, 16.7 percent of callers were ineligible, but after the stimulus, just 6.1 percent of the callers were ineligible," Brennan said. The difference was that Chicago's existing plan offers just short-term help, whereas the stimulus assistance could extend as long as 18 months.

"I don't think there's any question HPRP assistance has helped people stay in their homes but the challenge of course is that those funds are running out – probably in the next few

weeks," Brennan added. The three-year program sunsets nationwide next fall.

Chicago received \$34 million in HPRP funds, of which \$23 million was for direct assistance and the remainder for case management by roughly nine subcontracting agencies. Some of those case managers have already been laid off.

"The [Chicago] Department of Family and Support Services is concerned about the rise of combined or doubled-up households, as recently reported by the Homelessness Research Institute [the study and education arm of the National Alliance]," said First Deputy Commissioner John W. Pfeiffer. "Now that federal stimulus funds are winding down, we are developing plans to deploy some limited new federal resources to prevent homelessness in Chicago."

The U.S. Department of Housing and Urban Development (HUD) will have \$2 million new dollars in emergency solutions grant funding, with regulations due in February. "We plan to devote the bulk of these new dollars to prevention," Pfeiffer said.

Julie Dworkin, policy director at the Chicago Coalition for the Homeless, said the study shows the critical need for homelessness prevention resources because "that's the only reason we didn't see an increase in homelessness during

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the recession. The state of Illinois needs to increase its homelessness prevention funding because it's been cut by 87 percent."

"The downside is the thing that has us concerned," the National Alliance's Berg said. "Unemployment is still high. The number of people in poverty is still high and communities are running out of HPRP money, a one-time allotment from the stimulus bill. All of the things that lead to homelessness are still there but the HPRP program that helped prevent homelessness from going up is running out."

The report called homelessness "a lagging indicator" of the economy, which Berg discussed in relation to the higher number of people in "doubled up homelessness:" living with friends or relatives.

The doubled up population went from six million in 2009 to 6.8 million in 2011 (+13 percent), which was also a 50 percent increase since 2005.

"For most families, where they're working and in stable housing, to go from there to homelessness takes a while," Berg said. "They lose their job, have savings, use that up and the landlord takes a while to evict them. Then they double up and if they're crowded,

there's conflict, which leads to them getting kicked out.

"It's all about affordability, the underlying cause of homelessness," Berg said. "People don't have enough money to pay the going rent. It's exacerbated in a bad economy. People have a hard time finding jobs. The jobs they find are lower-paying, which is why homelessness normally goes up when the economy goes into a recession."

CCH's Dworkin agreed with the National Alliance's doubled up figures and what they portend. Chicago Public School homelessness is up 16 percent this year over last year "and they are almost exclusively doubled up so that pretty much matches. It's just the first phase someone will go through when they become homeless. After that they sleep in their car or in a shelter or on the streets. That's the trajectory. The economy right now is the cause -- lack of employment, lack of affordable housing -- the reasons for homelessness in the first place."

The report analyzed a variety of data on homelessness, economics and demographics, from the U.S. Depart-

ments of Housing and Urban Development (HUD), Health and Human Services, Labor, Justice and Commerce and the private real estate group Realty Trac.

The homeless population reflected those people in shelters and on the street, as seen in the 2009 and 2011 Point-in-Time (PIT) counts reported by local communities to HUD. Among those findings:

- The largest decrease was among homeless veterans, 11 percent. Their population went from 75,609 to 67,495, a drop of about 8,000.
- The national rate of homelessness was 21 homeless people per 10,000 people in the general population.
- Chronic homelessness decreased three percent, from 110,911 to 107,148 because of an increase in the number of supportive housing beds.
- Nearly 4 in 10 homeless people were unsheltered, living on the streets, in cars or in abandoned buildings. The unsheltered population rose from 239,759 to 243,701 (two percent).

Graph from The State of Homelessness in America 2012

## Map 3.1 People Living Doubled Up, 2005 to 2010

