Center for American Progress

No Place Like Home

Addressing Poverty and Homelessness in the United States

By Tracey Ross   December 2013

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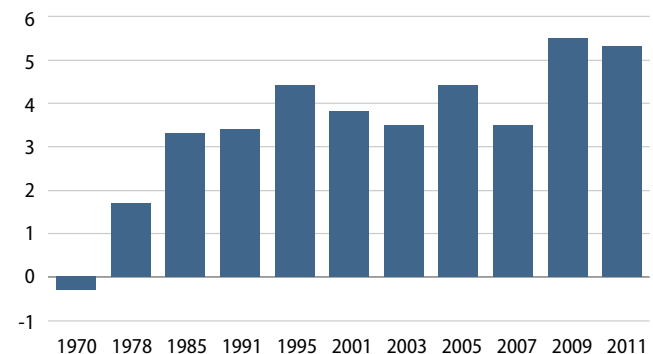By Tracey Ross   December 2013

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Introduction and summary

"Since the founding of our country, 'home' has been the center of the American dream. Stable housing is the foundation upon which everything else in a family's or individual's life is built—without a safe, affordable place to live, it is much tougher to maintain good health, get a good education or reach your full potential."[1]

– President Barack Obama

While owning a home is the cornerstone of the American Dream, growing income inequality, coupled with an affordable housing crisis, makes maintaining stable housing a challenge for millions of Americans. In his book, *Making Room: The Economics of Homelessness*, Columbia University Professor Brendan O'Flaherty explains, "Although homelessness in the past was a phenomenon of economic depression, much of the rise in the new homelessness has occurred in relatively prosperous times."[2] Through his research, he shows that around the 1980s, "an increase in inequality and a smaller middle class, made it more difficult for poor people to acquire housing that had been formerly used by the middle class."[3] In fact, today, almost half of the homeless population in this country work but do not earn enough income to pay for housing.[4]

When examining the availability of low-cost housing over time, the extent to which affordable housing is a barrier today becomes clear. According to the Institute for Children, Poverty, and Homelessness, there were 300,000 more low-cost rental units than low-income renter households in 1970—6.5 million units for 6.2 million households. By 1985, there was an affordable housing shortfall of 3.3 million units.[5] By 2011, the affordable housing shortage reached 5.3 million units.[6] Today, only one

FIGURE 1
Disparity between need and availability of affordable units for poor renters (in millions)

Sources: The Institute for Children, Poverty, and Homelessness, "A Home by Any Other Name" (2012), Figure 1B, available at http://www.icphusa.org/filelibrary/ICPH_PolicyBrief_AHomeByAnyOtherName.pdf; Joint Center for Housing Studies, "The State of the Nation's Housing 2013" (2013), available at http://www.jchs.harvard.edu/sites/jchs.harvard.edu/files/son2013.pdf.

in four households eligible for rental subsidies actually receives assistance due to overwhelming demand, forcing many families onto lengthy waiting lists.[7]

Homelessness occurs for a variety of reasons, but it is clear that poverty, coupled with an ongoing affordable housing crisis, is a significant factor.[8] This is not surprising, as income inequality has continued to widen since the Great Recession.[9]

Despite the fact that that there are many barriers today to fighting homelessness, the country has also made strides in learning what works. Over the past eight years, homelessness among veterans and chronically homeless individuals has declined significantly,[10] and communities are making real progress in serving other families and individuals. Unfortunately, in many places, homelessness is beginning to increase, and cuts to important programs will not help.[11] Until we commit to advancing policies and practices that tackle the root economic causes of homelessness and increase the stock of affordable housing, we will not see the sustained progress we need.

This report provides a summary of the state of homelessness and poverty in the United States; gives an overview of federal and local efforts to end homelessness; and offers recommendations for serving homeless individuals and families, increasing access to affordable housing, and addressing income inequality.

Defining homelessness

The U.S. Department of Housing and Urban Development's, or HUD's, definition of homelessness affects who is eligible for various HUD-funded homeless assistance programs. Overall, an individual or family is considered homeless if they live in an emergency shelter, transitional housing program, safe haven, or a place not meant for human habitation.[12] Specifically, the definition includes four broad categories:[13]

1. Individuals or family lacking a fixed, regular, and adequate nighttime residence, meaning that they sleep in a place not designed for sleeping accommodations such as a car or a park; live in a temporary shelter; or are exiting an institution, such as a jail or a hospital, where they resided only temporarily and were considered homeless under the first two criteria prior to entering the institution

2. Individuals or families who will imminently lose their primary nighttime residence within 14 days, have no subsequent residence identified, and lack the resources or support networks needed to obtain other permanent housing

3. Unaccompanied youth or families with children who meet the homeless definition under another federal statute and additional criteria that define an unstable living situation

4. Individuals or families fleeing or attempting to flee domestic violence or life-threatening conditions with no subsequent residence, resources, or support networks
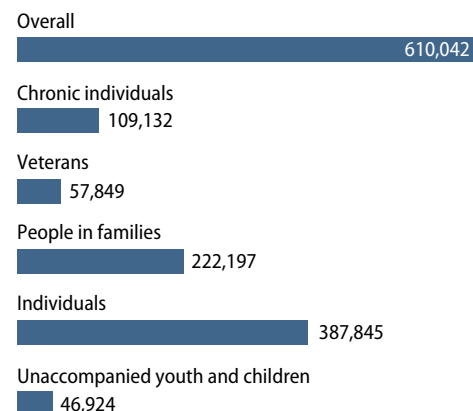
Subpopulations

Homelessness is caused by a variety of factors, so it is important to differentiate between subpopulations to better understand what we mean when we discuss homelessness. In addition, while this report primarily focuses on individuals and families who experience homelessness due to economic factors, there is much to be learned from addressing homelessness across subpopulations.

Chronic individuals

Among the most visible people experiencing homelessness are chronically homeless individuals, but they only make up about 18 percent of the homeless population.[14] Overall, chronic homelessness has declined by 16 percent since 2010, largely driven by decreases in the number of people in shelters. The number of chronically homeless people living on the street only declined by a modest 5 percent.[15] People are considered chronically homeless if they have a disabling condition and have been homeless for a year or more or have experienced at least four spells of homelessness over the past three years.[16] Chronically homeless people are among the most vulnerable people in the homeless population, as they tend to suffer from severe mental illness and/or substance abuse problems. These individuals often rely on crisis-driven systems, such as emergency rooms and even jails, for shelter and other services.[17] Many communities have collaborated on ending chronic homelessness with the support of federal policies in the past decade. As a result, the number of individuals experiencing chronic homelessness decreased 16 percent from 2010 to 2013.[18]

Veterans

Veterans often become homeless due to war-related disabilities and post-traumatic stress. Veterans currently comprise almost 10 percent of the homeless population, but homelessness programs targeting veterans have been successful in recent years.[19] In 2010, Veterans Affairs Secretary Eric Shinseki set an ambitious goal of ending veteran homelessness by 2015.[20] The most recent analysis from the U.S. Department of Veterans Affairs, or VA, and HUD estimates that there were roughly 57,849 homeless veterans in January 2013, an 8 percent decline from 2012 and a 24 percent decline since 2009.[21] The VA attributes this success to a concerted effort to increase awareness of VA services available to homeless or at-risk veterans.[22]
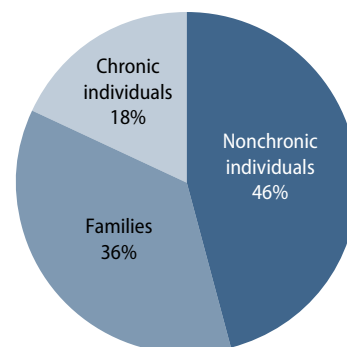
Families

Approximately 36 percent of the homeless population is made up of families with children.[23] Homelessness among persons in families declined by 7 percent from 2012 to 2013. This decline, however, is entirely composed of unsheltered people in families. The number of people in families living in shelters has actually increased slightly since 2010 by less than 1 percent.[24] Homeless families also experience higher-than-average rates of domestic violence and mental illness.[25] Between 22 percent and 57 percent of women experiencing homelessness—depending on the study—report that domestic abuse was the immediate cause of their homelessness.[26]

Fortunately, homelessness among families is typically not a long-term experience. About 75 percent of families who enter shelters are able to quickly exit with little or no assistance and never return.[27] Unfortunately, homelessness is particularly hard on the development of children, who experience twice the rate of chronic illnesses, have three times the rate of emotional or behavioral problems, and have less than half the rate of proficiency in math and reading as their housed peers.[28] Schools play an important role in recognizing and addressing homelessness, as the U.S. Department of Education requires each state educational agency to ensure that the more than 1.1 million students experiencing homelessness maintain access to public schools.[29]

Unaccompanied youth

A lack of adequate data on homeless youth makes it difficult to precisely measure the scale of the problem. This year, however, was the first time communities submitted point-in-time estimates of homelessness in three age categories: under 18 years, 18 to 24 years, and 25 years and older. According to the data, there were 46,924 unaccompanied homeless children and youth in the United States on a single night in January 2013, roughly 8 percent of the total homeless population.[30] Young people often become homeless due to family conflicts, including divorce, neglect, and abuse.

FIGURE 3

Homeless population and subgroups, 2013 (in thousands)

- Chronic individuals 18%
- Nonchronic individuals 46%
- Families 36%

Source: U.S. Department of Housing and Urban Development, *The 2013 Annual Homeless Assessment Report (AHAR) to Congress* (2013), available at https://www.onecpd.info/resources/documents/AHAR-2013-Part1.pdf.

Studies show that a disproportionate amount of these youth—up to 45 percent—identify as lesbian, gay, bisexual or transgender, or LGBT. According to a recent Center for American Progress report, "Seeking Shelter: The Experiences and Unmet Needs of LGBT Homeless Youth," LGBT youth's experiences of homelessness continue to be characterized by violence, discrimination, poor health, and unmet needs. Family rejection, harassment in schools, and the shortcomings of the juvenile justice and child welfare systems continue to drive these elevated rates of homelessness. All the while, federal funding for essential services for these youth has remained stagnant.[31]

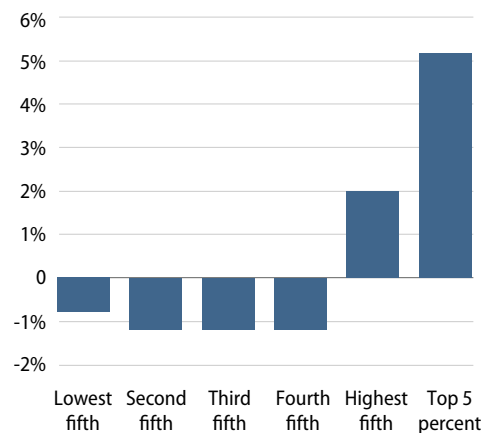## Economic and housing factors impacting homelessness

Since the end of the Great Recession, the wealthiest households have fully recovered—and even shown income gains—while middle-class and low-income families are still suffering from the lingering effects of the downturn with little to no improvement in their incomes.

The official poverty rate in the United States was 15 percent in 2012, unchanged from the previous year. According to a recent CAP report, "Resetting the Poverty Debate: Renewing Our Commitment to Shared Prosperity," this translates into nearly one in six people experiencing poverty or 46.5 million Americans living on annual incomes of less than $18,287 for a family of three.[32]

In addition, the number of low-income renter households whose housing costs them more than 50 percent of their incomes increased by 14 percent from 2010 to 2012, as rents have gone up while incomes remain stagnant.[33] As a result of the foreclosure crisis and struggling housing market, more and more middle-class households are entering an already strained rental market, increasing the competition for affordable housing resources.[34] This makes acquiring and maintaining housing more difficult for families and single adults who are not chronically homeless.[35]

FIGURE 4

Income inequality has widened since the Great Recession

Percent change in household earnings by income level

Source: U.S. Census Bureau, Historical Income Tables: Households, Table H-3, available at http://www.census.gov/hhes/www/income/data/historical/household/index.html (last accessed November 2013).

Federal efforts to combat homelessness

Congress passed the Homeless Emergency Assistance and Rapid Transition to Housing, or HEARTH, Act of 2009, which made substantial changes to HUD's targeted homeless efforts, including consolidating three separate homeless assistance programs, creating a Rural Housing Stability Assistance Program, increasing prevention resources, and increasing emphasis on performance.[36] The HEARTH Act also charged the federal government with creating the first federal strategic plan to prevent and end homelessness, setting forth the vision that no one in this country should be without a safe and stable place to call home.[37]

As a result, the Obama administration launched the nation's first comprehensive plan to end homelessness, called Opening Doors, in June 2010. The plan outlined a collaboration among 19 U.S. agencies to align mainstream housing, health, education, and human services to prevent Americans from experiencing homelessness. The plan focuses on four key goals:[38]

- Finish the job of ending chronic homelessness in five years.
- Prevent and end homelessness among veterans in five years.
- Prevent and end homelessness for families, youth, and children in 10 years.
- Set a path to ending all types of homelessness.

Opening Doors builds on the cross-agency efforts targeting homelessness or poverty, including the U.S. Department of Agriculture's Supplemental Nutrition Assistance Program, or SNAP, formerly known as food stamps; and the U.S. Department of Health and Human Services's Temporary Assistance for Needy Families, or TANF, program.[39] While there are programs across agencies that help individuals and families experiencing homelessness, HUD administers some of the federal government's key targeted homeless programs. HUD's Continuum of Care, or CoC, program is a set of three competitively awarded programs created to address the problems of homelessness in a comprehensive manner with other federal agencies. Programs under the CoC include:[40]

- **Supportive Housing Program,** which helps develop housing and related supportive services for people moving from homelessness to independent living

- **Shelter Plus Care,** which provides rental assistance that, when combined with social services, provides supportive housing for homeless people with disabilities and their families

- **Single Room Occupancy, or SRO,** which provides Section 8 rental assistance for the moderate rehabilitation of buildings with SRO units, or single-room dwellings

The HEARTH Act also authorized the establishment of the Emergency Solutions Grant program, which allows jurisdictions to continue successful prevention and rapid rehousing programs initiated by the Recovery Act-funded Homelessness Prevention and Rapid Re-Housing Program, or HPRP, and to broaden their existing emergency shelter and homelessness prevention activities.[41]

While many of the targeted homelessness programs have received flat funding, there has been an increase in federal investment in permanent supportive housing for veterans and chronically homeless individuals since the of inception of Opening Doors in 2010.[42] The VA partnered with HUD in 2011 to take early learning from the 2009 HPRP to shape implementation of its Supportive Services for Veteran Families grant program, which has continued to expand each year since it began.[43] While federal investments have primarily gone to fighting chronic and veterans' homelessness, success in these areas reveals that it is possible to make a significant impact on barriers to maintaining stable housing for other individuals and families experiencing homelessness.

Failed strategies
The criminalization of homelessness

Despite national and local shortages of adequate shelter and affordable housing, there has been a proliferation of local measures in recent years to criminalize "acts of living" by the homeless, such as sleeping, eating, sitting, or panhandling in public spaces. According to a study by the National Law Center on Homelessness and Poverty and the National Coalition for the Homeless, there was a 7 percent increase in laws prohibiting "camping," an 11 percent increase in laws prohibiting loitering, and a 6 percent increase in laws prohibiting begging from 2006 to 2009.

These ordinances are in large part a response to the frustration of business owners and community members who feel that homelessness compromises the safety and livability of their cities.[44]

While such laws typically target the chronically homeless, homeless individuals who are not chronically homeless are also impacted. Furthermore, some states' homeless populations include a large proportion of unsheltered families, including Wyoming at 64.2 percent; Colorado, 62.2 percent; Florida, 61.8 percent; Oregon, 49.5 percent; and Arkansas, 47.7 percent.[45]

Act-of-living laws do little more than fuel inflammatory attitudes toward the poor. According to a report from the U.S. Interagency Council on Homelessness, or USICH, "Rather than helping people to regain housing, obtain employment, or access needed treatment and services, criminalization creates a costly revolving door that circulates individuals experiencing homelessness from the street to the criminal justice system and back."[46] In fact, studies confirm that strategies focused on housing are more humane and economical.[47] An analysis of various cost studies of homelessness found that, on average, it costs nearly three times as much to send a homeless person to jail for a night as it does to send them to a shelter.[48]

Rather than penalizing people for experiencing homelessness and devoting precious resources to solutions that only address problems at their surface, communities can better engage local police as participants in solutions to end homelessness. This strategy has been utilized in Portland, Oregon, in response to a state statute prohibiting camping on public property. The city's police bureau adopted an administrative rule requiring officers to work closely with JOIN—a nonprofit organization that works with individuals and families experiencing homelessness—before removing any encampment. The policy requires 24-hour notice to the family or individual prior to the removal as well as notice to JOIN. This gives JOIN outreach workers the opportunity to visit the campsites and convince campers to move to shelters with the goal of transitioning them to permanent housing.

In instances where police officers must be involved in addressing homelessness, it is critical that a strategy is in place with service providers and other stakeholders to ensure they prioritize solutions that work.[49]

Local best practices

The National Alliance to End Homelessness put out a blueprint in 2000 for addressing homelessness, titled "A Plan, Not a Dream: How to End Homelessness in Ten Years."[50] Building on years of research and best practices from around the country, the 10-year plan outlined four key ways to achieve success: collect and use data to inform strategies, work to prevent homelessness before it starts, expand affordable housing, and address systemic issues of poverty locally in order to address homelessness nationally.
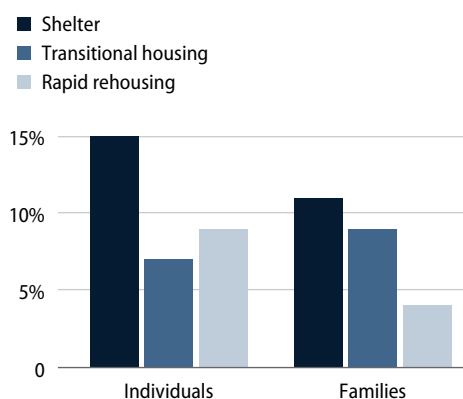
Rapid rehousing and prevention strategies, which have proven to be the most successful at helping families escape homelessness, are at the heart of this plan.[51] Rapid rehousing uses short-term strategies to help families and individuals quickly move out of homelessness and into permanent housing. These may include providing short-term financial and rental assistance or addressing barriers to long-term housing stability. Studies have shown that families that are rapidly rehoused are more likely to stay in a home 12 months after exiting homelessness than families who have to rely on temporary shelter.[52]

For a small subset of families with multiple barriers to stable housing, permanent supportive housing, which couples permanent housing with social services such as life-skills training and mental health care, is appropriate.[53] Transitional housing has been effective for individuals, but many communities are looking toward permanent supportive housing, which relies on mainstream services, as an alternative.[54]

Overall, permanent housing is the ideal outcome for individuals and families experiencing homelessness, and it often proves to be the most cost-effective strategy. While emergency shelter is sometimes necessary for short-term crises, too often it serves as long-term housing. A 2010 HUD study, titled "Costs Associated

FIGURE 5

Rate of return to homelessness in seven communities after 12 months of exit

Percent of people who return to homelessness based on shelter type

■ Shelter
■ Transitional housing
▢ Rapid rehousing

Source: Sharon McDonald, "Using TANF to Address Family Homelessness" (2013), available at http://www.nga.org/files/live/sites/NGA/files/pdf/2013/1310HSPolicyInstituteMcDonald.pdf.

with First-Time Homelessness for Families and Individuals," found that providing emergency shelter to families generally costs as much or more than placing them in transitional or permanent housing through federal housing subsidies, such as Section 8 housing vouchers.[55]

TABLE 1
Average cost per family per month

	Emergency shelter	Transitional housing	Permanent supportive housing	2006 fair market rent for two-bedroom unit
District of Columbia	$2,496–$3,698	$2,146–$2,188	$1,251	$1,225
Houston	$1,391	$1,940–$4,482	$799	$743
Kalamazoo	$1,614	$813	$881	$612
South Carolina	$2,269	$1,209	$661	$599

Source: Brooke Spellman and others, "Costs Associated With First-Time Homelessness for Families and Individuals" (Washington: U.S. Department of Housing and Urban Development, 2010), available at http://www.huduser.org/publications/pdf/Costs_Homeless.pdf.

Prevention assistance can aid households in preserving their current housing situation. Some communities are working to ensure the coordination of homeless prevention programs with mainstream programs focused on economic stability, such as TANF, Supplemental Security Income, and Medicaid.[56] Below are two examples of communities that have made successful efforts to prevent and address homelessness through these methods.

Denver, Colorado

Denver's Ten Year Plan to End Homelessness, also called Denver's Road Home, is a regional effort that transitions people in need from shelters into housing, provides rental assistance to prevent individuals and families from falling into homelessness, and includes private-sector support to provide employment placement assistance.[57] Expansion of housing stock rather than shelter beds is central to the plan, which has created almost 2,800 new housing units since 2005. The program's Denver Street Outreach Collaboration has housed 2,275 adults and youth through its street outreach efforts and mentored 1,208 families and seniors out of homelessness through a partnership with the faith community. Overall, 96 percent of clients served remained in permanent housing one year later.[58]

In addition, the plan created an Employment Subcommittee, comprised of 55 organizations that have a role in helping homeless job seekers become employed and self-sufficient. Job seekers receive case management to assist with employment goals. Services include needs assessments, life-skills training, job-readiness and work-skills training, transportation, and job-search support. Job seekers working with collaborating subcommittee agencies have a cumulative employment retention rate of 73 percent over a nine-month period.[59]

Utah

The Road Home, a nonprofit social services agency that assists individuals and families experiencing homelessness in Utah, has seen a 309 percent increase in the number of families turning to them for help over the past three years.[60] They have responded to this dramatic need by increasing housing options rather than building an additional shelter. Through their rapid rehousing program, the Road Home was able to help 1,100 families. This program addresses barriers to maintaining stable housing, such as unemployment and substance abuse, through housing placement assistance, short-term subsidies, and supportive services. Eighty-seven percent of families served remain successfully housed and have not returned to homelessness.[61]

Furthermore, the Utah Department of Workforce Services co-locates staff at the Road Home to help families get connected to benefits and provide the intensive employment services they need to find jobs quickly. The department also provides TANF resources to the Road Home to cover the first four months of families' rents while rapidly rehoused parents are searching for employment. Both agencies' resources are being used to provide integrated employment and housing interventions that help families stabilize in their own housing quickly and avoid future homelessness.[62] The program reduced the average length of family homeless episodes by more than 50 percent, from 71 days to 26 days.[63]

Fiscal threats

The nation's fiscal crisis has led states and localities to reduce or eliminate funding for key services that prevent and end homelessness. Most communities today lack adequate shelter and housing; therefore, people experiencing homelessness are becoming unsheltered.[64]

Cuts at the federal level are also exacerbating the situation. According to the Center on Budget and Policy Priorities, or CBPP, cuts through sequestration could result in 125,000 to 185,000 individuals and families, including elderly and disabled individuals, losing assistance through the Housing Choice Voucher, or HCV, program, also known as Section 8; these people would then be at risk of becoming homeless.[65] Section 8 vouchers help very low-income families, seniors, and people with disabilities afford private housing. According to CBPP, "since many communities accord priority in issuing vouchers to people who are homeless or at imminent risk of homelessness, these cuts in housing vouchers will exacerbate homelessness."[66]

Recommendations

The good news is that we generally understand what it takes to end homelessness. Most households today become homeless because of economic factors but have already lived in independent permanent housing and are capable of being stably housed with limited assistance. Prevention and rapid rehousing strategies can help families and individuals recover quickly and avoid the impacts of an extended period of homelessness. The bad news is that resources are increasingly scarce. We cannot depend on targeted homeless resources to house people in the long term, but we nevertheless continue to face affordable housing shortages. Investing in stable housing for low-income people is cost effective for communities in the long run, because stable housing improves educational, employment, and health outcomes.

Building off the case studies above, here are recommendations for how communities can use their homeless resources in more cost-effective ways, how we can strengthen our affordable housing system, and how we can address the root causes of homelessness: poverty and income inequality.

Align homeless and mainstream services

Targeted homeless resources are critical to addressing the specific needs of individuals and families experiencing a bout of homelessness. A number of state and local governments as well as nonprofit organizations administer critical resources, such as emergency shelters and income supports, targeting such families and individuals. It is important, however, for communities to consider the many ways mainstream resources, such as Medicaid, TANF, SNAP, and other programs, can enhance their efforts, as these programs are designed to help lift people out of poverty.

Some federal programs already require this coordination: HUD's Shelter Plus Care program, described earlier, requires a match of supportive services, which can be funded by other federal, state, or local sources as well as private sources.[67]

When such coordination is not required, communities should still consider how to leverage resources to produce greater results. As the Road Home program in Utah illustrates, breaking down silos, leveraging resources, and establishing shared goals between homeless service providers and mainstream services can help enhance the efficiency and cost effectiveness of these efforts. There are a number of resources available to communities to help in this process.[68]

In order to better align resources and goals to prevent and end homelessness, USICH encourages states to establish a State Interagency Council on Homelessness with representation from the heads of mainstream income support, health care, human services, veterans, housing, corrections, transportation, education, and labor departments and agencies. To aid in this process, USICH produced a step-by-step "Guide for Developing a State Interagency Council," which advises states on how to establish a council and best practices for aligning goals as well as how to support local governments.[69]

The Department of Health and Human Services also released a report last year, titled "Linking Human Services and Housing Assistance for Homeless Families and Families at Risk of Homelessness," focusing on 14 local programs that link human services with housing supports to help homeless families. As a result of this study, 10 promising practices were developed and characteristics of these programs were shared, increasing the federal government's understanding of how to best integrate mainstream resources to assist families experiencing homelessness. Strategies included forging relationships between case managers, housing specialists, and landlords to increase housing options.[70]

In addition, a number of federal agencies provide various types of technical assistance related to their targeted and mainstream programs. Technical assistance, or TA, can involve ongoing communication with TA providers who offer advice and support as well as conduct possible site visits to build skills, knowledge, and capacity for taking full advantage of federal programs. USICH provides information on the level of TA and how to request assistance on its website.[71]

Lastly, co-locating various services in the same facility can help individuals and families better access available resources.[72] The District of Columbia Department of Human Services once operated TANF, Family Shelter, and Child Care Eligibility as separate programs, which meant funding assessment and case management separately. But about 95 percent of families applying for homeless services are also eligible for TANF benefits.[73] As a result, the District adopted a strategic plan to

integrate assessment and case planning and co-located these services in one location. Other cities, such as San Francisco, hold events where homeless individuals and families can access an array of services—from dental care to identification cards to employment counseling—at one location, in one day.[74]

Expand affordable housing

As discussed earlier, rapid rehousing is an effective strategy to ensure that individuals and families experiencing a bout of homelessness brought on by economic factors can recover quickly. Unfortunately, the supply of affordable housing continues to fall far short of the need. According to USICH, "This shortage is one of the greatest obstacles to preventing and ending homelessness in all its forms."[75] It is necessary to ensure that more low-income people have greater access to affordable housing while at the same time ensuring that our housing market supports the preservation and creation of such housing.

Increase access to affordable housing

The Housing Choice Voucher, or HCV, program, also known as Section 8, helps 2.2 million low-income households rent private housing at an affordable cost by reimbursing landlords for the difference between what a household can afford to pay and the rent itself.[76] These households have average annual incomes of about $12,500, well below the poverty line. Research from the Government Accountability Office and others has consistently found the voucher program to be a cost-effective means of helping low-income families afford decent, stable housing and avoid homelessness.[77] Because of funding limitations, however, only one in four eligible households receives a housing voucher or other type of federal rental assistance.[78]

Several national housing organizations sent a letter to House and Senate appropriators in October, urging them to include 11 provisions for reform in the fiscal year 2014 appropriations bill.[79] One recommendation is to reform screening criteria for the project-based HCV program—in which a specific rental unit is subsidized—so that landlords are limited to only using criteria that determine whether someone is suitable to be a tenant. Owners are currently required to exclude any household containing a member who may have been evicted from federally assisted housing over the past three years due to drugs, and they are not required to exempt people who have completed rehabilitation programs. Owners may also

establish additional screening criteria that can create barriers. For example, an owner may have strict policies related to criminal backgrounds, previous rental housing history, and debts, which can screen out individuals and families experiencing extreme poverty and homelessness who may have faced evictions or had poor credit due to past financial circumstances and need assistance today to regain stability.[80] Instead, an owner's screening criteria should be directly related to an applicant's current ability to fulfill the obligations of an assisted lease, which can be demonstrated through employment, completion of rehabilitation programs, and other indicators of progress from past barriers.

Other proposed reforms include testing strategies to leverage private funds to preserve public housing units and making families served by the project-based HCV program eligible for the Family Self-Sufficiency program, which provides job counseling and financial incentives to work and save for rental assistance recipients.[81] We urge Congress to consider these reforms in order to increase efficiency and expand the HCV program. Furthermore, Congress should restore the HCV program—as well as its administration costs—to its presequestration levels to ensure that more low-income families have access to quality housing. The CBPP estimates that these costs would total approximately $19.39 billion.[82]

Support the financing of affordable housing

As the housing market continues to recover from the 2008 crisis, Congress is seeking to reform the housing finance system. Key questions include how to structure the government's role in the system, ensure standardization, support affordable housing, and ensure access to affordable and sustainable credit for all communities and creditworthy borrowers. According to Julia Gordon, CAP's Director of Housing Finance and Policy:

> *A new system could restore balance to the housing market, provide credit to a broad and diverse population, and result in a larger, more stable housing market. Alternatively, it could also create an environment in which credit and housing choices are more costly, more limited, and less sustainable, especially for minority low- and moderate-income households.*[83]

As these discussions move forward, Congress must ensure that the new system provides financing to preserve the existing privately owned, affordable housing stock and support the construction of new affordable units. Through the Federal

Housing Administration, Fannie Mae, and Freddie Mac, the federal government helps provide such financing, which is not always available in the purely private market. The new system should continue to guarantee multifamily securities, sharing risk with the private sector as it does now, and ensure that a significant portion of this financing goes toward affordable units.[84]

In addition, any new housing finance system should charge a fee on all mortgage-backed securities that would provide capital for the National Housing Trust Fund and Capital Magnet Fund, both of which were established by the Housing and Economic Recovery Act of 2008. The Housing Trust Fund is a formula grant program to states, administered by HUD and designed to support rental housing for extremely low- and very low-income families. The Capital Magnet Fund, administered by the Community Development Financial Institution, or CDFI, Fund at the U.S. Treasury, provides grants to CDFIs and other nonprofits to support rental housing for low-income families.[85] CAP has also proposed using such fees to create a Market Access Fund to support the research and development of innovative products and processes to reach underserved communities. For more information on the role of housing finance reform in affordable housing, see the CAP reports "Housing Finance Reform: Affordable Rental Housing at Stake"[86] and "Making the Mortgage Market Work for America's Families."[87]

Increase economic stability and address income inequality

As stated at the beginning of this report, income inequality is in large part to blame for the existence of what researchers sometimes refer to as "modern homelessness." Fortunately, our safety net is helping lift families out of poverty and meet their basic needs. Estimates show that unemployment insurance helped 1.7 million additional people avoid poverty last year, and without Social Security, nearly 15.3 million additional seniors would have lived in poverty.[88] Unfortunately, our safety net is working overtime to make up for stagnant wages and fewer opportunities.

In order to help lift families out of poverty and avoid homelessness, families and individuals need access to well-paying jobs, affordable housing, and support that is available during an unforeseen crisis, such as a medical emergency or losing one's job. In CAP's "Resetting the Poverty Debate: Renewing Our Commitment to Shared Prosperity," we recommend a number of policies that would help address income inequality and help families facing homelessness, including:

- Protecting effective work and income supports, such as SNAP and low-income tax credits, from cuts

- Investing in job-creation measures, such as the Pathways Back to Work Fund that creates subsidized work opportunities for low-income and long-term unemployed workers

- Boosting the minimum wage and enacting basic labor standards, such as guaranteed paid sick days

- Increasing access to affordable health insurance through the Affordable Care Act's option for states to expand Medicaid to cover low-income, uninsured adults

- Enacting a plan to expand affordable and high-quality child care and pre-K, a policy that would improve outcomes for at-risk children, enable low-income parents to work, and create jobs for care workers

Conclusion

The central tenet of the federal plan to end homelessness is the belief that no individual or family should ever experience the instability of living without a home. Now more than ever, we understand what strategies work to prevent homelessness, and communities across the country are doing their part to end homelessness. But we cannot let these efforts be hindered by stagnant wages, higher rents, and the whittling down of our safety net. If we truly believe that no one should experience the uncertainty and pain of not knowing where they will live or how long they will be out of a home, we must continue to invest in preventative measures—such as expanding affordable housing and paying living wages—that will prevent us from paying the higher costs associated with crisis interventions.

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