

# Homelessness: Key Findings and Grant Making Strategies Executive Summary

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This report was prepared in consultation with the Charles and Helen Schwab Foundation by Putnam Community Investment Consulting

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**TO THE READER:**

This report provides a summary of research and interviews, that were commissioned and conducted by the Charles and Helen Schwab Foundation during the spring of 2002 to guide the development of grant making strategies in the field of homelessness.

This report is not intended to be an exhaustive review of research in homelessness or a prescription for a specific set of philanthropic investments. It does serve as a guide to the thinking and practices of many individuals and organizations who are leaders in the effort to end homelessness.

What the report makes clear is that although homelessness is a national problem affecting millions of Americans, it is not intractable. Homelessness can be ended. Strategies exist to prevent and end homelessness for both long-term and episodically homeless populations. By supporting approaches that prevent homelessness, house homeless people, increase the production of affordable housing and foster community-wide planning, we believe the Charles and Helen Schwab Foundation, and other philanthropic entities, can make significant contributions to ending homelessness locally and nationally.

At a time when local, state and national organizations, as well as government agencies, are converging toward a goal to end homelessness, the philanthropic community is well-positioned to provide both strategic guidance and targeted resources to end homelessness in individual communities and across the country. We hope this report will assist others, as it has us, in identifying the intersections of need and opportunity in which they can apply their resources and leadership to help end homelessness.



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## EXECUTIVE SUMMARY

### I. OVERVIEW OF HOMELESSNESS

Twenty-five years ago widespread homelessness did not exist in America. Homelessness emerged as a prominent national issue in the early 1980s, and, despite an economic boom and a \$2-billion-a-year infrastructure designed to address the problem, it has increased at an alarming rate during the past two decades.

The statistics about homeless people in the United States paint a startling picture:

- ★ In the late 1990s, between 2.3 and 3.5 million people in the United States experienced homelessness at least once during the year.
- ★ Nearly 40 percent of these homeless people were children.
- ★ Currently, an estimated 350,000 California residents, at least 100,000 of whom are from the Bay Area, experience homelessness at least once during any given year.

Fortunately, there is a resurgence of interest in addressing homelessness and its underlying causes. For example, President Bush, Congress and Governor Davis have each recently outlined strategies to reduce chronic homelessness, and editorials in the *New York Times*, the *San Francisco Chronicle*, and other major newspapers have called for national attention and efforts toward ending homelessness.

### II. KEY FINDINGS

Sixty-nine local, state and national homelessness experts were interviewed to advise the foundation's Homelessness Initiative. Highlights of these interview findings include:

- ★ **Homelessness can be ended**, but it will require significant changes in both mainstream systems and the homelessness assistance system. The National Alliance to End Homelessness (NAEH) plan to end homelessness in ten years is gaining wide national acceptance.
- ★ **There are three structural factors at the root cause of homelessness:** lack of affordable housing, inadequate income to afford housing, and inadequate access to services.
- ★ **80 percent of homeless people are episodically homeless**, often a result of a short term crisis (e.g., loss of job). **The other 20 percent of homeless people are long-term homeless**, with more severe service and housing needs. These families and individuals utilize nearly 70 percent of the homeless system's resources.
- ★ **Assistance finding housing and rental subsidies should be the first priority in helping the episodically homeless** (80 percent of the homeless population).
- ★ **Permanent supportive housing is a cost-effective and successful strategy for the long-term homeless** (20 percent of the homeless population). There is a need among nonprofit developers, service providers and property managers to build capacity in order to help them produce and manage more permanent supportive housing.
- ★ **Lowest-income populations have the greatest need for affordable housing.** More federal investment is needed to create new affordable housing stock, especially targeting those at 30 percent or less of Area Median Income (AMI).
- ★ **Mainstream systems (welfare, public health, mental health, criminal justice, foster care, etc.) must be held accountable for preventing homelessness by**

**providing housing discharge planning when clients exit their systems.**

- ★ **Strategies for needed for children and youth to end the cycle of homelessness.** Homelessness can be especially traumatic for children and can seriously disrupt their education. Early intervention is needed to prevent future homelessness.
- ★ **Philanthropy can play an important role** by supporting national, state and local policy change; promoting the dissemination of information; and providing leadership and strategic grants to focus on preventing and ending homelessness.

### III. RECOMMENDATIONS FOR GRANT MAKING STRATEGIES

The Charles and Helen Schwab Foundation recently created a program area in Homelessness, building upon its successful experience funding local homeless service providers through its Children, Youth and Families grant making program. At a time when local, state and national organizations are converging toward a goal of ending homelessness, the Charles and Helen Schwab Foundation is well-positioned to provide both strategic guidance and targeted resources to prevent and end homelessness locally and nationally.

These recommendations are presented within the framework of the National Alliance to End Homelessness 10 Year Plan plan to end homelessness in ten years, and they propose possible grant making strategies for consideration by the Charles and Helen Schwab Foundation. The National Alliance plan contains four basic elements for systemic change; a description of each element is provided below, followed by proposed grant making strategies:

#### A. Prevent Homelessness (“Close the Front Door”)

*The mainstream public support systems (welfare, public health, mental health, criminal justice, foster care, etc.) often shift the responsibility for assisting their most vulnerable clients onto the homeless assistance system, by discharging clients who have no housing options.*

- Strategy 1: Promote accountability with mainstream systems for ensuring that their clients do not become homeless.
- Strategy 2: Help school districts leverage resources to better meet the needs of homeless children.

#### B. House the Homeless (“Open the Back Door”)

*Where homeless people are already accommodating the shortage of housing, this shofacilitated and accelerated. Where there is no housing, particularly for those who are considered long-term homeless, an adequate supply of appropriate housing should be developed and subsidized.*

- Strategy 3: Strengthen current and develop new permanent supportive housing for Bay Area families.
- Strategy 4: Promote a “housing first” approach among homeless assistance providers.

#### C. Build the Infrastructure for Affordable Housing

*Ending homelessness can be a first step in addressing the systemic problems that lead to the crisis of poverty: shortage of affordable housing, incomes that do not pay for basic needs, and lack of appropriate service for those who need them.*

- Strategy 5: Support efforts to create new public revenue sources for affordable housing.

- Strategy 6: Support policy advocacy to remove barriers to the development of local affordable housing.
- Strategy 7: Re-engage local and national funders around the issue of homelessness.

#### **D. Plan for Outcomes**

*Localities can begin to develop plans to end, rather than manage, homelessness. There are two components. First, every jurisdiction can collect data that allows it to identify the most effective strategy for each sub-group of the homeless population. Second, jurisdictions can bring to the planning table those people and organizations responsible for mainstream as well as homeless-targeted resources.*

- Strategy 8: Support the development and implementation of effective Homeless Management Information Systems (HMIS) at the organizational, local and regional level.
- Strategy 9: Support community planning to end homelessness in Bay Area counties once HMIS systems come online.

#### **IV. CONCLUSION**

Although homelessness is a national problem affecting millions of Americans, it is not intractable. Homelessness can be ended, and specific strategies exist to prevent and end homelessness for both long-term and episodically homeless populations. By supporting strategies that prevent homelessness, house currently homeless people, increase the production of affordable housing, and foster community-wide planning, the Charles and Helen Schwab Foundation can make a significant contribution to ending homelessness locally and nationally.