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AMERICA'S HOMELESS: A MANAGEABLE PROBLEM AND SOLUTION

(Updating Backgrounder No. 431, "A Strategy for Helping America's Homeless," May 6, 1985.)

INTRODUCTION

Congress seems to believe that the woes of the homeless in the United States can be solved with cash and rhetoric. Measures being considered on Capitol Hill would provide as much as \$725 million in homeless aid. The trouble is, all this cash and talk are likely to be not only irrelevant and wasteful, but also detrimental to the welfare of the homeless themselves.

America's homeless problem is manageable. Recent studies of a number of cities reinforce the 1984 estimate of the U.S. Department of Housing and Urban Development that, on any given night, approximately 300,000 Americans are homeless.¹ Currently there are shelters and emergency beds available to house about half this number. Already, however, private agencies, states, and localities have been providing extra resources at a rapid rate to meet specific, local needs. It is likely that the remaining problem of homelessness can be met with a modest expansion of existing efforts, combined with specialized assistance to the mentally ill, who account for up to half the homeless population.

Needless Panic. Congress is being needlessly panicked into acting without thinking. Lawmakers are ignoring the mounting evidence concerning the actual size and nature of the homeless problem. Cynical posturing by local politicians and sensational news reports have combined to create legislative momentum for new but largely irrelevant federal programs, based on the myth that there is a growing population of over two million

1. A Report to the Secretary on the Homeless and Emergency Shelters, U.S. Department of Housing and Urban Development, 1984.

homeless Americans who are overwhelming local agencies. Only massive infusions of federal cash, say advocates, can deal with the problem. The truth is that there is no basis for the two million figure. To make matters worse, such reckless projections discourage those local actions that are actually making significant progress.

Homelessness is a problem whose best solution draws on the strength of decentralized federalism. It is not an issue that demands centralized funding and control. Studies indicate that the characteristics of the homeless population differ significantly from city to city. In no American city does the number of homeless appear to exceed the resources of state, local, and private agencies--especially once the unique problems of the mentally ill are addressed. What is required is not more top-down money, but clear local resolve and the energetic use of existing resources in the affected areas.

The Reagan Administration and Congress can serve the homeless most effectively in three ways:

1) **Modifying existing law and regulations** to make sure that the mentally ill are not deinstitutionalized and put out on to the street without adequate local care already in place.

2) **Continuing to eliminate restrictions** on housing and community programs that prevent cities from serving the homeless under existing programs and make it difficult for state and local agencies to coordinate services.

3) **Preventing the use of federal funds** to tear down single occupancy hotels and other housing for low-income Americans.

The legislation recently passed by the House and Senate does none of these things. As such, it should not be signed by Ronald Reagan.

THE NUMBERS GAME

In the three years since the publication of a 1984 HUD report estimating the homeless population at 250,000 to 350,000, the study remains the only scientific and comprehensive attempt at a national estimate of homelessness. A number of localized but more intensive studies not only have confirmed HUD's description of the homeless population, but also have supported the accuracy of HUD's estimate of the size of the homeless population. In fact, studies of New York, Chicago, and Los Angeles, the three cities generally acknowledged to have the largest homeless populations, lead to the conclusion that, if anything, HUD may have overstated the number of homeless significantly. Examples:

New York. A September 1986 study undertaken for the National Bureau of Economic Research (NBER), a highly respected data analysis group, concludes that HUD's national numbers and numbers for New York City were reasonably accurate.² The study did somewhat disagree regarding the characteristics of the homeless, finding much more long-term homelessness in the city, but otherwise the analysis did not fault the HUD study. NBER interviews with the homeless indicate not only the usual information about the prevalence of mental illness and substance abuse, but also the presence of criminal backgrounds as a strong causal element--a factor rarely noted. The description of the the

2. Richard B. Freeman and Brian Hall, Permanent Homelessness in America?, National Bureau of Economic Research, September 1986, pp. 5-6.

New York homeless makes clear that the characteristics and relative size of the homeless population differ markedly from city to city.

Chicago. A study by the University of Chicago and the University of Massachusetts-Amherst indicates a nightly Chicago homeless population of fewer than 3,000 persons.³ The HUD estimate three years earlier had been approximately 20,000. The Chicago study was based on intensive street survey work and shelter interviews, and concludes that "[the smaller numbers] are the only estimates based on actual counts of homeless persons, conducted according to scientific sampling practices."⁴

Los Angeles. Los Angeles has been subject to a number of studies since 1983. A 1984 study by the Los Angeles Department of Mental Health in the most concentrated area of homelessness, Skid Row, confirmed only 7,000 homeless; the HUD study had put the citywide number at 31,000 to 33,000, which would have required 15,000 to 20,000 homeless in Skid Row. The most recent Los Angeles analysis of the Skid Row area, using an intense, scientific methodology similar to that of the Chicago study, arrived at a single night estimate of fewer than 2,500.⁵

False Assumption. Both HUD's study and the New York study assumed that the number of homeless outside shelters was approximately double the number inside. But actual counts in Chicago, Los Angeles, Denver, Washington, and Nashville all find less than one person outside a shelter for each inside. This change in the comparative figures is in large part a result of strenuous efforts by city officials and shelter managers to find homeless Americans and bring them in off the streets. In many cases, the homeless are very reluctant to stay in shelters. Where the city studies can be compared to the HUD estimates, this and other factors resulted in figures less than one-third of the HUD estimates.

No serious city study of homelessness, except for the New York study, has come up with a figure anywhere near as high as HUD's. And HUD's numbers are much lower than the shocking "estimates" routinely cited in the press, on television, and at congressional hearings.

Counterproductive Data-Inflation. Legislation being pushed through Congress may well overwhelm and inhibit effective locally based efforts to solve the many local problems causing the nation's homelessness. Only if the problem is presented in honest and realistic terms such that it appears manageable, warns Martha Hicks, who heads the Skid Row Development Corporation in Los Angeles, "[will] people want to help because they feel they can really make a difference."⁶

THE SUCCESS OF LOCAL EFFORTS

Local governments and private agencies during the past few years have increased significantly their efforts to deal with homelessness. The 1984 HUD report found a 41

3. Peter H. Rossi, Gene A. Fisher, and Georgiana Willis, The Condition of the Homeless of Chicago, Social and Demographic Research Institute and NORC, A Social Science Research Center, Amherst, Massachusetts, and Chicago, Illinois, September 1986, pp. ix, 57.

4. Ibid.

5. Hamilton, Rabinovitz and Alschuler, Inc., A Social Services and Shelter Resource Inventory of the Los Angeles Skid Row Area, Community Redevelopment Agency of the City of Los Angeles, California, 1986, p. 23.

6. Quoted in Jay Matthews, "Homeless Shelter Officials Differ on Problem's Scope, Nature," The Washington Post, February 28, 1987.

percent increase in the number of shelters in just the four years prior to the report. The study also found that 94 percent of shelters were operated by charitable and other private organizations. Between 1980 and 1986, for instance, the number of shelters in Massachusetts jumped from merely two to 29. Denver maintains 1,000 shelter beds and supplemental rooms in boardinghouses and hotels to handle a homeless population, which a recent study counted as 1,200 to 1,500 persons. And since 1980, Los Angeles has opened new shelters providing 1,200 beds to supplement 1,000 beds in mission shelters in the Skid Row area alone.

Understating Amount Spent. Governments at all levels have stepped up efforts to tackle the problem. Example: HUD records indicate that cities have used over \$112 million of federal Community Development Block Grant (CDBG) funds for homelessness since 1983. This probably understates the actual amount spent, since the reporting is voluntary and not part of usual record requirements. Among a number of state initiatives, Illinois responded to the Chicago study by raising its appropriations for the homeless.

At the federal level, meanwhile, as early as 1983, HUD, the Department of Defense, and the General Services Administration acted to provide underutilized federally owned buildings to cities and charitable organizations for temporary use as homeless shelters. These federal agencies continue to work with communities to keep facilities available. HUD set up simplified procedures for public housing agencies, making it easier for them to make emergency housing available for homeless families. And since 1983, the Federal Emergency Food and Shelter program has disbursed \$210 million for homeless assistance through the states and a national board of charitable organizations. The limited and general nature of the federal measures properly has kept the focus on local initiative and the unique nature of each homeless problem.

THE FLAWS OF NEW LEGISLATION

The pending federal homeless legislation, passed by the House (H.R. 558), requires the federal government to step into the limelight, at a staggering cost of \$725 million. On the basis of the recent study figures, this amounts to about \$6,000 for every currently unsheltered homeless person. The legislation scatters money widely among new and existing programs. Among these: the Emergency Food and Shelter program, Section 8 low-income housing, the Community Services Administration, and federal job-training programs all receive more funding. And the legislation would create new grant programs for a system of federal shelters and for federally managed health services for the homeless. Congress also would create an Interagency Commission to issue reports on all the federal homeless activities.

Despite the new funding and programs, the legislation does not identify the specific problems it is attempting to cure, nor is there any coherent long-term plan to meet the needs of the homeless. Money is simply to be thrown at symptoms. Those communities that have been doing an excellent job on their own, using existing resources, would be confronted with a new series of federal funding rules. The communities would be forced to reorganize their local efforts to fit the new federal efforts, thereby paralyzing many successful programs undertaken by state and local agencies and by the private sector. Compared with the House bill, the Senate legislation (S. 809) is only slightly more

7. Suzanne Weiss, "Study Cuts Size of Denver Homeless," Rocky Mountain News, February 5, 1987.

reasonable, and subject to the same concerns about the lack of a clear strategy. If the legislation is enacted, federal intrusion threatens to overwhelm effective local efforts to deal with an identified and manageable problem.

CONCLUSION

Homelessness is a problem for which the American multilayered federal system is well suited. Homelessness is not rampant and overwhelming. With the possible exception of New York City, it is manageable using the resources of state, local, and private agencies, together with existing federally funded programs for which there is local discretion. The New York problem is clearly linked to the city's destruction of its own housing supply through rent and development controls and exacerbated by City Hall's policy of holding on to tens of thousands of unrehabilitated vacant apartments.

Depending on the makeup of the homeless population, the best response in other cities includes land use policies that encourage single room occupancy hotels, rather than tearing them down, and provides emergency housing vouchers for families.

Mentally Ill. The gravest dilemma for policymakers is how to resolve the question of the homeless mentally ill. Here it first is a matter of deciding whether the civil rights of the mentally ill and chronic drug abusers include sleeping in public spaces, or should these troubled and sometimes desperate Americans be forced into shelters and institutions. The reason for the high proportion of mentally ill among the homeless is not so much the result of recent deinstitutionalization--since that occurred mainly in the 1960s and 1970s--but of a generally accepted policy of noninstitutionalization. Congress and cities need to address these difficult questions concerning individual rights and the need to treat mentally ill Americans in proper medical facilities.

With existing federal resources, the great majority of cities can meet the needs of homeless families and capable individuals. Even in 1984, with approximately 111,000 beds available nationwide, together with emergency vouchers and hotel facilities, the U.S. was within range of meeting the needs of the segment of the homeless population that is not mentally ill. It may prove to be the case, however, that there will eventually be a resistant homeless population of 100,000 to 150,000 Americans who cannot be served without redefining their rights. This will require sensitive and carefully considered policies regarding special facilities for the mentally ill. Simply allowing these troubled Americans to wander the streets while the federal government showers cities with money does not address the difficult underlying problem.

Private Agencies. If federal, state, and local governments are to work with the private sector in serving the homeless whose needs can be addressed by normal means, they need to continue their current efforts based on local initiatives. Private agencies, charitable organizations, and churches should continue to play the primary role in providing services, supplemented by governments. This is a problem of a size and character precisely suited to be handled within the federal system, using existing resources.

A federal takeover of the homelessness problem, with gushing federal dollars and regulations, replacing creative local efforts, may enable some members of Congress to appear compassionate, and it will assure a direct money pipeline for the media star homeless advocates. But it will do little to help the creative local groups on the frontline of the issue--or the homeless themselves.

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