Finding Home: Helping the Homeless Improve Their Lives and Reconnect with Community

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social capital project

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EXECUTIVE SUMMARY

Homelessness has become a daunting problem in many cities across the United States, particularly since the 1980s. Drug use, deinstitutionalization of the mentally ill, increased family breakdown, and higher housing costs have all contributed to the rise in homelessness. During the last two decades, federal and state governments have tried to address homelessness through a “Housing First” approach, which focuses on providing permanent housing with low barriers to entry. However, this approach fails to address deeper problems that often drive homelessness and has not reduced overall levels of homelessness. Policies to assist the homeless should focus on helping people overcome barriers that stand in the way of well-being and self-sufficiency.

KEY FINDINGS:

- **As of January 2020, homelessness in the U.S. was at its highest level since 2014.** On a single night in January 2020, approximately 580,000 people in the United States were homeless. Despite increasing in recent years, homelessness remains rare; 99.8 percent of the U.S. population is housed on a given night.

- **Some states have much higher rates of homelessness than others.** New York has the highest rate of homelessness in the United States, at 47 people per 10,000, more than twice the national average of 18 people per 10,000. Hawaii (46 per 10,000), California (41 per 10,000), and Oregon (35 per 10,000) also have rates of homelessness well above the national average.

- **Homelessness in the United States began growing rapidly in the 1980s.** Major causes of the rise in homelessness include: the introduction of crack cocaine, deinstitutionalization of the mentally ill from state mental health institutions, an increase in family breakdown, and rising housing costs.

- **The “Housing First” approach is costly and has failed to help the homeless overcome their problems.** While Housing First keeps people stably housed, it generally fails to address other problems, like addiction and mental illness. Housing First policies
have also failed to substantially reduce overall rates of homelessness.

- **Policy reforms should address the underlying causes of homelessness.** The Federal government should stop prioritizing Housing First as the solution to homelessness and focus on approaches that lead to improved well-being, including addiction recovery, mental health, and employment. Local policymakers should ensure the homeless are not left on the streets but are connected with services, shelters, and psychiatric care. Reforming foster care policy so more children are connected with permanent homes, improving data collection on homelessness, and reducing arbitrary regulations that stand in the way of housing construction are also important tools for addressing homelessness.
INTRODUCTION

Reports of escalating street homelessness in recent years have brought increased attention to the problem of homelessness in the United States.\(^1\) Residents of cities where homelessness is widespread express growing concern over the problem. In a 2021 poll, 80 percent of Los Angeles voters surveyed said homelessness had worsened in recent years.\(^2\) In December 2021, Portland voters rated homelessness as the city’s biggest problem.\(^3\) And in 2022, 86 percent of surveyed voters in California’s Bay Area said homelessness had gotten worse, with 70 percent saying, “It is time to get tough on the unsheltered who refuse shelter and treatment.”\(^4\) Growing public attention to the problem is consistent with a growing homeless population even before the COVID-19 pandemic, with the official homeless population reaching a 7-year high in January 2020.\(^5\)

Homelessness does the most harm to the homeless themselves, who lack a place to call home. Shelter is a basic human need, and a lack of shelter can affect multiple aspects of well-being. However, the homeless often face greater problems than just a lack of housing. While high housing prices and low incomes are part of the problem, homelessness is often a symptom of lack in other areas of life, including poor mental or physical health, substance abuse, and joblessness. A

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lack of social capital—relationships with family, friends, and communities—also increases a person’s risk of homelessness.6

Because homelessness is typically driven by deeper issues, approaches to helping the homeless should take a broader scope than simply providing four walls and a roof. Physical shelter alone is insufficient to help struggling individuals regain self-sufficiency. Physical security must be paired with healthy habits, supportive relationships, and connection to a community.

The focus of federal homelessness policy for roughly the last two decades has instead prioritized providing permanent supportive housing through a “Housing First” approach, deemphasizing deeper problems. Housing First refers specifically to permanent housing that is provided without barriers to entry (e.g., requirements for participating in drug treatment, work, etc.). However, Housing First has not demonstrated it can reduce overall rates of homelessness, is costly, and fails to lead to improvements in other areas of life. While housing is a critical need, policy that overlooks the underlying causes of homelessness is insufficient and misses the solutions that can more thoroughly reduce it.

For some of the homeless, the solutions to their problems may be short-term, such as short-term shelter or temporary rental assistance and help finding employment. Other people may need more intensive assistance, such as addiction recovery support. Those who face severe mental illness may require long-term in-patient treatment or supervised outpatient treatment to help them remain stable. Ultimately, these solutions require connecting the homeless with those who can help them rather than leaving them on the streets or giving them housing without insisting on addressing deeper issues.

To better serve the homeless, policymakers should focus on policies that improve personal well-being and strengthen people’s ties with community, rather than measuring success based on how many people are placed into housing without accountability for what happens next. Context matters and to prioritize federal appropriations for homeless assistance programs based on the number of persons housed without considering the greater needs of the individuals does

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not constitute a responsible use of taxpayer dollars. Care for the individual will qualify the support provided to him on more comprehensive grounds than whether he has a roof over his head. Policies could include: ceasing to prioritize federal homelessness funding for Housing First approaches; reforming local policy to see that the homeless are not left on the streets and are connected with shelters and services; increasing the supply of psychiatric hospital beds; implementing family reconnection services to help people reunify with kin; and reforming foster care policy so fewer children age out of the foster care system without a permanent home. Additionally, relaxing overly burdensome regulations that constrain housing supply and drive up home prices would complement these policy reforms.

THE STATE OF HOMELESSNESS IN AMERICA

Homelessness has no universally agreed upon definition, differing, for example, in whether someone who is doubling up with a friend or relative because they cannot afford housing on their own is defined as homeless. We adopt the U.S. Department of Housing and Urban Development (HUD) definition, which considers a person homeless if they lack “a fixed, regular, and adequate nighttime residence.”7 HUD defines the “sheltered homeless” as those who reside in either an emergency shelter or in transitional housing, which provides housing and services for a maximum of two years.8 HUD defines the “unsheltered homeless” as those who sleep on the streets or other places not meant for human dwelling.9 The majority of the homeless in the United States, 61 percent, are sheltered.10

In January 2020, approximately 580,000 people in the United States were homeless on a given night, the highest level since 2013, according to HUD estimates.11 Although the number of people experiencing

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8 Ibid.
9 Ibid., 3.
11 Ibid.

HUD counts both unsheltered homeless (those residing on the street and in other places not meant for human habitation) and the sheltered homeless (those staying in homeless shelters). While it may be relatively straightforward to count the number of the homeless who stay at a shelter each night, counting those who are on the streets is more complicated. Although HUD does a count of the homeless on the street, these numbers can be limited in accuracy, since some of the homeless likely sleep in locations where they cannot be easily found.
homelessness in the United States dropped by 15 percent between 2007 and 2017, it has increased each year since then (Figure 1). While some researchers predicted the economic impact of the pandemic would lead to greater homelessness, sheltered homelessness fell in 2021, potentially as a result of increased social distancing at shelters.\textsuperscript{12} Unsheltered homeless estimates were not published in 2021 due to problems with local counts.

The rise in overall homelessness since 2017 has been driven by an increase in people sleeping on the street (Figure 1). The number of people experiencing unsheltered homelessness grew by nearly 30 percent between 2014 and 2020, from 175,000 to 226,000. In contrast, the number of people experiencing sheltered homelessness has fallen consistently since 2014, from 401,000 in 2014 to 354,000 in 2020. The decline in sheltered homelessness is a result of a decrease in the inventory of transitional housing—which is defined as homelessness—while increasing the inventory of permanent supportive housing and short-term rental assistance, which are not defined as homelessness.\textsuperscript{13} Whether this is a positive outcome depends on the relative efficacy of transitional housing compared to other forms of assistance in promoting individual outcomes (discussed in a later section).
Despite increasing in recent years, homelessness is still a relatively rare occurrence, with 0.2 percent of the U.S. population homeless on a given night (meaning 99.8 percent are housed).\textsuperscript{14} About 5 percent of adults ever experience homelessness in their lifetime.\textsuperscript{15}

\textit{The Geographic Distribution of Homelessness}

Homelessness is more prevalent in certain states (Figure 2). California has 28 percent of the nation’s homeless (the state contains 12 percent of the U.S. population), and New York has 16 percent of the nation’s homeless (containing 6 percent of the U.S. population).\textsuperscript{16} Meanwhile, Texas has 5 percent of the nation’s homeless (containing 9 percent of

\begin{figure}
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\includegraphics[width=\textwidth]{Figure1}
\caption{Number of Homeless People by Shelter Status, 2007-2020}
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\textsuperscript{14} Kevin Corinth and Claire Rossi-de-Vries, “The Impact of Social Ties on Homelessness,” 5.
\textsuperscript{15} Ibid.
the U.S. population), and Florida has another 5 percent (containing 7 percent of the U.S. population). The states with the greatest percent increases in homelessness between 2007 and 2020 were: New York (46 percent), Washington, D.C. (20 percent), Massachusetts (19 percent), California (16 percent), and Minnesota (8 percent). The states with the greatest percent decreases in homelessness during this time were: Georgia (-48 percent), New Jersey (-44 percent), Florida (-43 percent), Illinois (-33 percent), and Texas (-32 percent).

More than half of the unsheltered homeless in the country are in California, and a number of the state's cities have especially high shares of unsheltered homeless people. For example, in Los Angeles, 72 percent of the city's nearly 64,000 homeless are unsheltered, and in San Jose/Santa Clara City and County, 83 percent of the nearly 10,000 homeless are unsheltered.

17 Ibid.
19 Ibid., 11.
20 Ibid.
21 Ibid.
23 Ibid., Exhibit 1.14: “CoCs with the Highest Percentages of People Experiencing Homelessness who were Unsheltered in each CoC Category,” 17.
While one might reason California’s high rate of unsheltered homelessness is due to its warm climate, climate is not the only reason some states have high levels of unsheltered homelessness.\(^{22}\) Among places with warm climates, rates of unsheltered homelessness vary a great deal. Florida, Arizona, Texas, Louisiana, Georgia, and Mississippi all have lower rates of unsheltered homelessness than would be expected based on their climate, median home prices, and poverty rates. New York also has a lower rate of unsheltered homelessness than what would be expected based on these factors.\(^{23}\) In contrast, Hawaii and California have higher rates of unsheltered homelessness than would

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be expected based on these same factors, as do Washington, D.C., Nevada, Oregon, and Washington.\(^{24}\) The differences in rates of unsheltered homelessness across states may be due to variation in policing practices and city ordinances, as some cities have stricter regulations on public camping and loitering, for example.\(^{25}\)

Variation in sheltered homelessness can be explained by other factors. New York contains 24 percent of the nation’s sheltered homeless population.\(^{26}\) Right-to-shelter laws, which guarantee shelter of some minimum standard to all people seeking it, likely explain why sheltered homelessness is so prevalent in New York. A 1979 New York Supreme Court ruling, *Callahan v. Carey*, established the legal precedent that New York City must shelter its homeless.\(^{27}\) Right-to-shelter laws have since spread to other places like Massachusetts and Washington, D.C.\(^{28}\) Right-to-shelter laws increase homelessness by bringing people into shelters who would instead stay in other housing situations, such as doubling up with family or friends. Indeed, some researchers find right-to-shelter laws increase the time families spend in shelters.\(^{29}\)

\(^{24}\) Ibid.

\(^{25}\) Ibid., 18. A 2018 Ninth Circuit Court of Appeals case that ruled a city cannot prohibit a person from sleeping on the sidewalk unless the city provides a reasonable offer of shelter may have exacerbated street homelessness in the states where this ruling applies. See Eric Escalante, “What to Know About the 9th District Court’s Homeless Camping Decision,” ABC 10, September 19, 2018, https://www.abc10.com/article/news/local/california/what-to-know-about-the-9th-district-courts-homeless-camping-decision/103-596315513.


Differences in Individual Experiences of Homelessness

People who become homeless experience it in different ways, most importantly in terms of how long they remain homeless and whether they experience it as an individual or as part of a family.

Most people who become homeless experience short-term or temporary homelessness. In 2020, about 20 percent of the homeless were considered “chronically homeless,” defined as someone with a disability who has been continuously homeless for a year or more or has experienced four or more episodes of homelessness totaling at least 12 months within a three-year period.30 Among individuals who are chronically homeless, nearly two-thirds are unsheltered.31

While both families and single individuals experience homelessness, homelessness most often occurs among single individuals. Overall, 70 percent of the homeless are single individuals (Figure 3).32 Individuals make up 56 percent of the sheltered homeless and 93 percent of the unsheltered homeless populations. Homeless families (defined as at least one adult accompanied by at least one child) are nearly always sheltered and are less likely than single individuals to experience long-term homelessness.

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31 Ibid.

The underlying problems faced by homeless families and individuals differ. Among homeless individuals, mental health problems and substance abuse are common. A report by Janey Rountree, Nathan Hess, and Austin Lyke from the California Policy Lab, using a convenience sample of approximately 64,000 homeless single adults from 15 states, found that 78 percent of unsheltered homeless adults reported a mental health problem and 75 percent reported a substance abuse problem. Among sheltered homeless adults, 50 percent reported a mental health problem and 13 percent reported a substance abuse problem. For comparison, approximately 20 percent of American adults have a mental illness, and 4 percent have had a drug use

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disorder in the past year.\textsuperscript{34} Many city officials understand the connection between homelessness, mental health, and substance abuse problems among single individuals. In a U.S. Conference of Mayors study surveying city officials in 22 cities, 40 percent of cities cited mental health and 35 percent cited substance abuse as reasons for homelessness among single adults.\textsuperscript{35}

Understanding the different circumstances underlying people’s experience with homelessness can inform how to best help them. For example, the most effective approaches for helping an individual with severe mental illness or a substance abuse problem will differ from the most effective approaches for helping a family experiencing short-term homelessness in which a parent is struggling to obtain employment or was recently evicted.

**THE RISE IN HOMELESSNESS SINCE THE 1980s**

Although data on homelessness are not readily available before the 1980s, researchers suggest homelessness in the United States began increasing rapidly in the 1980s.\textsuperscript{36} Christopher Jencks estimates the homeless population was 125,000 in 1980, jumped to more than 400,000 by the late 1980s, and fell to 324,000 in 1990.\textsuperscript{37} Irwin Garfinkle and Irving Piliavin provide slightly different estimates but a similar trend, estimating that the U.S. homeless population grew from about 200,000 in 1984 to more than 300,000 in 1988, and then declined to about 280,000 in 1990.\textsuperscript{38} Why homelessness began increasing in the 1980s is likely due to a variety of factors, including the


\textsuperscript{37} Christopher Jencks, The Homeless, 17.

\textsuperscript{38} Irwin Garfinkle and Irving Piliavin, “Trends in the Size of the Nation’s Homeless Populations During the 1980s,” Table 4.
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deinstitutionalization of the mentally ill, the crack cocaine epidemic, the breakdown in social capital such as declining family stability, the growth of homeless shelters, and higher housing prices.39

Deinstitutionalization

Deinstitutionalization, a movement to decrease the number of mentally ill people residing in mental institutions, is often cited as a significant reason for the increase in homelessness since the 1980s.40 E. Fuller Torrey, in his 2014 book *American Psychosis*, discusses how the severely mentally ill increasingly filled the streets after state mental institutions closed.41

In the early to mid-1800s, advocates for the mentally ill urged states to create state psychiatric facilities in which the mentally ill could receive care in a safe environment. Prior to the creation of state asylums, the mentally ill were often confined to their homes, or if their families were unable to care for them, they were kept in jails or poor houses.42 In the mid-20th century, growing public awareness of inhumane treatment occurring in some state-run mental hospitals led to a push for deinstitutionalization.43 While the intention behind deinstitutionalization was to improve care for those with mental illness, deinstitutionalization has resulted in a large reduction in services for Americans with severe mental illness. Between 1955 and 2016, the number of beds for psychiatric patients in the United States declined by 93 percent.44 As of 2011, the United States had just 25 public and private psychiatric beds per 100,000 population, far short of the 40 to

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39 Christopher Jencks, *The Homeless.*
60 beds per 100,000 recommended in the psychiatric literature.\(^45\) Among Organisation for Economic Co-operation and Development (OECD) countries, the United States ranks 29th out of 34 in psychiatric beds per capita.\(^46\)

Deinstitutionalization occurred in multiple phases. Advancements in psychiatric medicine in the 1950s made it easier for some of those with mental illness to be cared for at home, a positive development.\(^47\) In 1963, Congress passed the Community Mental Health Act, which ultimately led to federally-funded community mental health centers supplanting state-run mental institutions.\(^48\) However, these federally-funded community mental health centers did not provide the intensity of care severely mentally ill patients needed and resulted in a major decline in services for the most vulnerable individuals.\(^49\)

Medicaid was passed in 1965 and further spurred deinstitutionalization by rewarding states for every patient transferred from institutions to outpatient care.\(^50\) Medicaid also prohibited funding from being spent on in-patient psychiatric facilities. In order to receive federal funding and reduce state costs, states transferred the severely mentally ill from state mental hospitals to nursing homes or group homes, which are less equipped to provide mental health care.\(^51\)

Deinstitutionalization also made it more difficult for people to be committed to mental institutions. In 1975, the Supreme Court ruled that in order for a state to involuntarily commit someone to a mental institution, the state must not only prove the person is mentally ill and in need of treatment but must also prove the person presents a threat to himself or others due to their illness and is also unable to remain safe alone or with family or friends.\(^52\) In 1979, the Supreme Court further ruled that a state must provide “clear and convincing” evidence a person presents a threat to himself or others in order for the state to

\(^{45}\) Ibid., 6, 29.
\(^{46}\) Ibid., 6.
\(^{47}\) John G. Malcolm and Amy Swearer, “Part II: The Consequences of Deinstitutionalizing the Severely Mentally Ill.”
\(^{48}\) See E. Fuller Torrey, *American Psychosis*; John G. Malcolm and Amy Swearer, “Part II: The Consequences of Deinstitutionalizing the Severely Mentally Ill.”
\(^{49}\) See E. Fuller Torrey, *American Psychosis*.
\(^{50}\) John G. Malcolm and Amy Swearer, “Part II: The Consequences of Deinstitutionalizing the Severely Mentally Ill.”
\(^{51}\) Christopher Jencks, 27.
\(^{52}\) John G. Malcolm and Amy Swearer, “Part II: The Consequences of Deinstitutionalizing the Severely Mentally Ill.”
commit someone to a mental health institution, raising the bar from the less stringent standard of “preponderance of evidence.”

Christopher Jencks explains:

“One America restricted involuntary commitment, many seriously disturbed patients began leaving state hospitals even when they had nowhere else to live. When their mental condition deteriorated, as it periodically did, these patients were also free to break off contact with the mental-health system. In many cases they also broke with the friends and relatives who had helped them deal with public agencies....In due course some ended up not only friendless but penniless and homeless.”

As the mentally ill were moved out of mental hospitals, they have increasingly wound up in jails and prisons. As of 2014, more people with severe mental illness were in jails and prisons than were in state psychiatric hospitals. Prisoners in the U.S. have much higher rates of mental illness and substance use disorders than the general population, leading some researchers to note that jails and prisons have become de facto mental health institutions. Some researchers have even suggested that police officers may believe it is better to take a mentally ill person into custody than take them to a hospital, as taking them into custody may be a more effective way to get a person into long-term care, given the limitations on involuntary commitment.

The increasing reliance on prisons rather than psychiatric facilities to house the mentally ill has exacerbated homelessness. Those who are

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53 Ibid.
54 Christopher Jencks, 31.
incarcerated once are seven times as likely to experience homelessness compared to the general population, and those who have been incarcerated multiple times are thirteen times more likely to experience homelessness.59

Crack Cocaine Epidemic

Crack cocaine entered the drug scene in the United States in the 1980s and its use increased rapidly thereafter.60 Although multiple forms of legal and illegal drugs existed prior to crack cocaine, and substance abuse had been a problem among the homeless for decades, the sudden accessibility and affordability of cocaine in this new form in the 1980s exacerbated drug use among lower-income Americans.61

A 1991 study of single adults in New York City shelters found that roughly two-thirds of participants were using crack cocaine.62 A 1993 study by Gerald J. Stahler et al. found that among 700 male participants in a Philadelphia shelter, crack cocaine was the most common substance abused, with 75 percent reporting crack use.63 While these studies only show an association between crack cocaine use and homelessness, the growth of homelessness during a time when a highly addictive drug became far more accessible and prevalent among low-income communities suggests it could be a significant factor contributing to the rise in homelessness. Even if crack cocaine does not cause entries into homelessness, it may prolong spells of homelessness, as Christopher Jencks argues.64

Family Breakdown and Declining Social Capital

Those with weaker social ties, including weaker family ties and weaker connection with a religious community or with friends are also more likely to experience homelessness.65 Kevin Corinth and Claire Rossi-de-Vries find that strong social connections are nearly as great a protective

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61 Christopher Jencks, The Homeless, 41-43.
62 Christopher Jencks, The Homeless, 42.
64 See Christopher Jencks, The Homeless, 42.
factor against homelessness as is never falling into poverty.\textsuperscript{66} Specifically, Corinth and Rossi-de-Vries find that those with strong connections to family, a faith community, and friends are 64 percent less likely to be homeless than those who have weak relationships with these groups.\textsuperscript{67} In comparison, Corinth and Rossi-de-Vries find that never falling into poverty (to the point that one has to rely on public benefits) reduces one's likelihood of homelessness by 78 percent, suggesting that strong social connections are almost as important as not falling into poverty when it comes to avoiding homelessness. Strong family relationships and connection to a religious community are particularly important in predicting a person's chances of homelessness.\textsuperscript{68}

Other research further confirms the important role of strong family relationships in the prevention of homelessness. For example, single-mother families are more likely to experience homelessness than are married-parent families.\textsuperscript{69} Among families with children who enter homeless shelters in a given year, 77 percent are headed by a single parent (Figure 4). Moreover, single adults experience homelessness much more frequently than adults in families (Figure 3).\textsuperscript{70} Youth who spend time in the foster care system are overrepresented among homeless youth, and those who age out of the foster care system without a permanent family are far more likely to experience homelessness than youth who do not spend time in foster care.\textsuperscript{71}

The importance of strong social connections for avoiding homelessness is also illustrated by the types of housing in which people live prior to becoming homeless. As Figure 5 shows, 75 percent of those who enter

\textsuperscript{66} Ibid.
\textsuperscript{67} Kevin Corinth and Claire Rossi-de-Vries, “The Impact of Social Ties on Homelessness.”
\textsuperscript{68} Ibid.
homeless shelters and were previously in a private household were staying with family or friends before becoming homeless. This suggests that people at risk of homelessness frequently turn to family and friends to avoid homelessness in the first place.

Figure 4. Composition of Sheltered Homeless Families and Families Below and Above 100 Percent of Poverty Threshold, 2018

Given the importance of the family and social capital more broadly for preventing homelessness, the large decline in family stability since the mid-1960s may have contributed to the rise in homelessness in the U.S. in subsequent decades. As we have shown in a previous report, *The Demise of the Happy Two-Parent Home*, marriage rates in the U.S. have dropped significantly since the 1960s. In 1962, 71 percent of women were married, but by 1985 that number had dropped to 55 percent, and among women with lower education levels, the percent married dropped from 64 percent to 37 percent during that same time. Rates of unwed childbearing, which had historically been low, doubled from 11 percent in 1970 to 22 percent by 1985. Among women with low levels of education, unwed births increased from 18 percent in 1970 to 47 percent in 1985. This decline in family stability is a significant factor contributing to the rise in homelessness in the United States.
percent by 1985. In 1970, 85 percent of children lived with two parents, but by 1985 just 74 percent of children were living with two parents. The number of children in the U.S. foster care system also grew dramatically during the late 1960s and early 1970s, before dropping and then increasing again in the late 1980s. The major growth in children in the foster care system in the 1960s and 1970s may have led to more adults with weaker or no family ties in the 1980s, and thus more adults at risk for homelessness.

Church membership, another source of social capital associated with lower rates of homelessness, remained quite steady from 1940 through about 2000, but has declined dramatically since then, dropping from about 70 percent to 47 percent as of 2020. While lack of participation in a religious community may not be the primary reason for the increase in homelessness in the 1980s, the recent declines in church membership may mean people have fewer resources to turn to for support today and thus more people may be susceptible to homelessness in the future.

Homeless Shelters and Right-to-Shelter Laws

Another contributing factor to the rise in homelessness in the 1980s may be the increased supply of homeless shelters during that time, in part a result of right-to-shelter laws in some areas. While homeless shelters bring in people who are living on the streets and can thus reduce street homelessness, shelters can also draw in people who would otherwise be in private housing. Bringing people into shelters from private housing is desirable if their housing situation is unsafe, but shelters may also bring in others who would be safely housed on their own or with family or friends. In either case, an expansion of the supply of shelter is likely to increase the rate of overall homelessness.

In the late 1970s and early 1980s, a few states with high homelessness rates implemented right-to-shelter laws, requiring jurisdictions to

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75 Ibid.
provide shelter to all individuals or families seeking shelter. New York State implemented a right-to-shelter law in the late 1970s, requiring the state to provide shelter to all homeless men (and shortly thereafter to women as well).\(^7^7\) In 1983, Governor Michael Dukakis of Massachusetts signed a right-to-shelter law for families.\(^7^8\) Then, in 1984, Washington, D.C. passed a right-to-shelter law, although it was rolled back in 1990.\(^7^9\) Right-to-shelter is still in place in Washington, D.C. when temperatures are below freezing or above 95 degrees Fahrenheit.\(^8^0\)

After New York implemented a right-to-shelter law, the number of homeless shelters in the city increased dramatically, with funding for homeless shelters jumping from $8 million in 1978 to $100 million by 1985.\(^8^1\) The number of people using city shelters soared in the 1980s, exceeding 2,000 individuals per night for the first time since the Great Depression and rising to approximately 10,000 single individuals nightly in the winter of 1986-1987.\(^8^2\) The number of homeless families using city shelters quintupled between 1982 and 1985 (from roughly 1,000 to around 5,000).\(^8^3\) Robert C. Ellickson, writing about the growth of the sheltered homeless population in New York City in the 1980s, attributes much of the growth in sheltered homelessness to people being drawn in from private housing.\(^8^4\) The Council of Economic Advisers finds that rates of sheltered homelessness in cities with right to shelter laws were three times greater than would be predicted—given their climate, housing costs, and poverty rates—if these cities did not have right-to-shelter laws.\(^8^5\)

\(^8^2\) Ibid., 608.
\(^8^3\) Ibid.
Right-to-shelter laws in certain places and rapid increases in spending on homeless shelters more broadly in the 1980s may thus have been a factor contributing to growing rates of overall homelessness. While shelter use may be a positive change for people who are leaving abusive homes or other harmful situations, bringing people into shelters who have otherwise safe housing options means the system is inappropriately targeting resources that could be better directed elsewhere.

**Housing Costs and Homelessness**

Increases in housing prices may have also contributed to the rise in homelessness in the 1980s. U.S. housing costs began increasing in the 1970s, particularly in metropolitan areas. In California the growth of housing inventory per capita dropped substantially in the 1980s and has remained below the national average since then, suggesting a stunting of housing construction that has put upward pressure on home prices and rents. A decline in low-cost housing options also occurred during the time homelessness grew rapidly. Brendan O’Flaherty explains that the stock of low-priced housing, such as single-room occupancies, decreased between 1970 and 1990 in New York City, Newark, and Chicago.

Researchers find housing prices are positively associated with homelessness rates in a community. Many areas of the country where homelessness is high also have high rental costs, including San Francisco, Los Angeles, Boston, New York City, and Washington, D.C. Chris Glynn, Thomas H. Byrne, and Dennis P. Culhane find that homelessness rates begin to grow rapidly in a community when median rental costs rise above 30 percent of median income.

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87 Michael D. Tanner, “Housing and Homelessness,” Cato Institute, October 21, 2021, [https://www.cato.org/study/housing-homelessness#housing](https://www.cato.org/study/housing-homelessness#housing).
91 Ibid.
The root cause of high rents is excessive land use regulations that make it more expensive (or impossible) to build housing and drive up costs. Some research has investigated the effect of land use regulations and homelessness. Steven Raphael finds that rates of homelessness are higher in places with more stringent regulations that constrain housing supply.92 A report from the Council of Economic Advisers estimates that if the 11 metropolitan areas most constrained by housing regulations were to relax regulations, homelessness across the United States would fall by 13 percent.93

Stringent housing regulations may partly explain California’s especially high rate of homelessness. In a Cato Institute report, Michael D. Tanner notes that California is home to several of the highest cost rental markets in the country.94 Tanner notes that zoning regulations increase housing prices by 30 percent in Los Angeles and Oakland, and increase housing prices by 50 percent in San Francisco and San Jose.95 These high home prices lead to costlier rents and increased prevalence of homelessness.

HOMELESS ASSISTANCE PROGRAMS

In order to address the growing homelessness problem in the United States, government and private groups spend billions of dollars each year on an array of homeless assistance programs. This section first provides an overview of the funding sources and types of programs used to address homelessness. It then describes and evaluates a particular approach toward homeless assistance called Housing First, arguably the most consequential shift in homelessness policy in several decades.

Funding Sources and Types of Programs

The federal government spent approximately $6.7 billion on homeless assistance programs in 2020, in addition to roughly $4 billion in special COVID-19 assistance for homelessness.96 This funding is allocated to

94 Michael D. Tanner, “Housing and Homelessness.”
95 Ibid.
“Continuums of Care,” geographic units the federal government designates for purposes of disbursing federal funds to homeless assistance providers. State and local governments allocate additional funds for homelessness and housing assistance programs. For example, California allocated nearly $5 billion in general fund spending for homelessness and housing programs in its 2021-2022 budget.97

Government funding for homelessness supports both temporary and permanent housing as well as services.98

Types of temporary housing include emergency shelters and transitional housing. Emergency shelters provide immediate, short-term overnight shelter as an alternative to sleeping on the streets, and these shelters are not usually accessible to people during the day. Emergency shelters sometimes also provide services like mental health care, child care, case management, and outpatient health care. Transitional housing is longer-term, providing up to 24 months of housing in a supervised setting. Depending on the circumstances, residents either move out of transitional housing or take over the lease upon completing the program.

Permanent housing programs include permanent supportive housing and rapid re-housing. Permanent supportive housing provides long-term housing paired with supportive services.99 Permanent supportive housing is provided in three main ways: through apartment buildings designed specifically to serve the homeless; via rental subsidies that can be used to access housing in the private market; or through “unit set-asides,” in which affordable housing owners set aside a portion of apartments in their building for the homeless. As discussed later, permanent housing models increasingly follow a Housing First approach, in which recipients may be offered treatment options but are not required to participate in treatment programs or asked to meet sobriety requirements in order to obtain or maintain housing. Rapid re-
housing programs provide short- or medium-term rental assistance for people facing short-term economic or personal crises, such as eviction or domestic abuse. They often follow a Housing First approach as well in which requirements are not imposed on tenants.

Besides shelter and housing-focused approaches, the federal government also funds street outreach to the homeless and homelessness prevention services.\textsuperscript{100} Street outreach includes activities such as: engaging with the unsheltered homeless population, including locating people and building relationships with them to provide support and connect them with services; providing emergency health and mental health services in community settings; and transporting people to shelters or other service facilities.\textsuperscript{101} Prevention services include short-term rental assistance to prevent people from entering homelessness in the first place.\textsuperscript{102}

In addition to federal and state taxpayer funding, private organizations contribute a substantial amount of resources to helping the homeless. A study from Baylor University’s Institute for Studies of Religion examined faith-based programs for the homeless in 11 cities.\textsuperscript{103} The researchers, Byron Johnson, William H. Wubbenhorst, and Alfreda Alvarez, find that nearly 60 percent of emergency shelter beds in these cities are provided by faith-based organizations, programs that they find offer more innovative approaches toward improving the lives of the homeless.\textsuperscript{104} As an example, the Atlanta Continuum of Care includes more than 60 faith-based organizations that provide a variety of services and contain nearly half of all emergency shelter beds in the city. These faith-based organizations include the Atlanta Mission, which provides emergency shelter beds and residential recovery beds; the Salvation Army, which also provides emergency shelter and residential recovery, as well as a prisoner re-entry program; and the Good

\textsuperscript{101} HUD Exchange, “Street Outreach.”
\textsuperscript{102} HUD Exchange, “Homelessness Prevention.”
\textsuperscript{104} Ibid., 7.
Samaritan Health Center, which provides medical, dental, and mental health care services to those in need.\textsuperscript{105}

Private organizations also perform an important role in street outreach efforts. For example, the Trinity Rescue Mission in Jacksonville is a faith-based organization that works with the city’s sheriff’s office to conduct homelessness outreach. When the sheriff’s office vacates an unauthorized homeless encampment, the Trinity Rescue Mission reaches out to people in the encampments to offer them an alternative option to living on the streets.\textsuperscript{106}

\textit{Housing First}

One of the most consequential shifts in homelessness policymaking over the past couple decades is increasing adherence to an approach called Housing First. The underlying premise of Housing First is that people experiencing homelessness should be provided housing with no preconditions upon entering housing, and no requirements to comply with mental health treatment, substance abuse treatment, or any other activity as a condition of maintaining the housing provided to them.

Housing First began gaining momentum as the focus of federal policy in the early 2000s. In 2002, the U.S. Interagency Council on Homelessness introduced an initiative to end chronic homelessness, requesting state and local governments introduce ten-year plans to meet this goal.\textsuperscript{107} The following year, federal policy emphasized the use of Housing First approaches in permanent supportive housing programs for achieving the goal of ending chronic homelessness.\textsuperscript{108} As of 2018, 71 percent of federal homelessness grants were dedicated to permanent supportive housing, with prioritization for programs that adopt a Housing First approach.\textsuperscript{109} The Housing First approach has also

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\textsuperscript{105} Ibid., 27-33.

\textsuperscript{106} Ibid., 73-74.


\textsuperscript{108} Ibid.

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become the main focus of many state and local governments. In 2016, California made Housing First a requirement for homelessness programs funded by state taxpayer dollars.\textsuperscript{110}

As Figure 6 shows, permanent supportive housing and rapid re-housing (programs that largely adopt the Housing First approach) have grown substantially during the past decade or so. From 2007 to 2020, the number of permanent supportive housing beds grew by 98 percent, and rapid re-housing beds increased from non-existent through 2012 to nearly 123,000 in 2020, surpassing the number of transitional housing beds. Overall between 2007 and 2020, permanent housing options (permanent supportive housing, rapid re-housing, and other permanent housing) increased by 150 percent, while temporary beds (emergency shelter and transitional housing) declined by seven percent.

\textbf{Figure 6. Types of Beds Available for the Homeless, 2007-2020}


\textsuperscript{110} Ibid., 6.
Given the increasing embrace of Housing First—especially by the federal government—and its consequences for the types of assistance available to the homeless, it is important to evaluate the evidence for its efficacy. We consider individual-level outcomes, community-level outcomes, program costs, and finally, alternative approaches.

**Individual-Level Outcomes**

A number of studies have evaluated the impact of Housing First approaches in permanent supportive housing on various individual outcomes, such as housing tenure, substance abuse, mental health, and employment. The most rigorous studies are randomized controlled trials (RCT), which compare the outcomes of a randomly assigned group to a control group in order to isolate the causal effect of the program itself.

The most comprehensive RCT evaluating the impact of Housing First was a Canadian study published in 2014 sponsored by the Mental Health Commission of Canada. The study finds that while Housing First reduced the amount of time people spent homeless, there were no significant differences between the Housing First group and the control group (which received “treatment as usual”) on mental health or substance use outcomes. 111

In a follow-up study using the Ottawa wing of the Canadian RCT, Rebecca A. Cherner et al. similarly find that Housing First improved housing retention but did not improve other outcomes. In fact, the control group experienced more rapid declines in problematic alcohol and drug use and more improvement in mental health.112 Cherner et al. suggest the mechanism for worse outcomes among those entering Housing First could be isolation experienced when they move into a neighborhood where they have few connections.113

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113 Ibid., 19.
In another follow-up study using the Vancouver wing of the Canadian RCT, Julian M. Somers et al. consider exclusively the highest need individuals dealing with serious mental illness and other health problems, including substance abuse.\textsuperscript{114} They find that Housing First led to declines in the severity of disabilities and greater community integration. Still, there were no significant effects on the severity of psychiatric symptoms, substance abuse, or quality of life.\textsuperscript{115}

In the United States, a 2004 RCT by Sam Tsemberis, Leyla Gulcur, and Maria Nakae compared participants in a Housing First program in New York City with a group of homeless adults in a program in which permanent housing was contingent on sobriety and participation in treatment.\textsuperscript{116} Consistent with other studies, the Housing First group spent less time homeless, but there were no differences between the groups on psychiatric outcomes or drug use. An observational 2007 study sponsored by the U.S. Department of Housing and Urban Development also found little improvement during the 12-month study period in a Housing First program in terms of mental health, use of psychiatric medication, substance abuse, or income and financial management.\textsuperscript{117} Overall, the evidence suggests that Housing First improves housing stability but does not improve other outcomes, and it may potentially worsen social isolation.

Community-Level Outcomes

Besides failing to improve well-being aside from housing retention at the individual level, most evidence indicates Housing First has not substantially decreased overall rates of homelessness. Kevin C. Corinth estimates that approximately ten permanent supportive housing units are needed to reduce the number of homeless individuals by just one


\textsuperscript{115} Ibid.


In places that have spent a great deal on Housing First projects, homelessness has continued to increase. Stephen Eide shows that between 2010 and 2019, California increased the number of permanent supportive housing units by 25,000, but the state's unsheltered homeless population increased by 50 percent during that time. Eide also finds that the number of homeless people with severe mental illness remained unchanged between 2010 and 2019, despite the nation's supply of permanent supportive housing units increasing by 50 percent. Relatedly, David S. Lucas finds federal spending on homelessness is not associated with a decline in unsheltered homelessness, which given the focus of federal spending on Housing First approaches, could point to a lack of efficacy in reducing the unsheltered population.

There are various reasons why Housing First approaches may reduce homelessness at the individual level but not in the aggregate. As explained by a 2019 Council of Economic Advisers report, one potential explanation is that permanent supportive housing may house people longer than they would have remained homeless, keeping units occupied that could be available for other people. Another reason may be that Housing First incentivizes people to remain homeless longer than they otherwise would in order to eventually qualify for permanent housing. Providing permanent supportive housing could also create an incentive for homeless people to migrate to an area, thus increasing an area’s homeless population.

Cost of Housing First

The efficacy of Housing First as a policy tool also depends on its cost-effectiveness. Proponents sometimes claim Housing First reduces

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120 Ibid., 11.
122 Ibid.
taxpayer costs by decreasing the frequency with which the homeless use emergency rooms, shelters, and jails. While researchers find Housing First can be an economical approach to serving those with the most severe conditions, for the vast majority of the homeless with less severe challenges, Housing First does not offset the costs of services the homeless might otherwise use.\footnote{Ibid.} In the 2014 At Home/Chez Soi Project, the Mental Health Commission of Canada found that Housing First offset 34 percent of the costs of typical services for moderate-needs participants (62 percent of their sample), and offset 96 percent of the cost of typical services for high-needs participants (38 percent of their sample).\footnote{Mental Health Commission of Canada, “National Final Report: Cross-Site At Home/Chez Soi Project,” 14, 23.}

Housing First has proven to be very expensive in some cases with little to show for reducing homelessness at the population level. In 2016, Los Angeles voted to spend $1.2 billion to construct 10,000 new low-income housing units. Each new housing unit has cost the city over $690,000 so far.\footnote{Christopher F. Rufo, “The Moral Crisis of Skid Row,” City Journal, Winter 2020, https://www.city-journal.org/skid-row-los-angeles.} If it takes an estimated 10 permanent housing units to reduce homelessness by one person, adding 10,000 units would only reduce Los Angeles’ homeless population by 1,000 people, or a 1.6 percent reduction in Los Angeles’ homeless population of 63,706 people.\footnote{U.S. Department of Housing and Urban Development, Office of Community Planning and Development, “The 2020 Annual Homeless Assessment Report (AHAR) to Congress,” January 2021, Exhibit 113: “CoCs with the Largest Numbers of People Experiencing Homelessness in each CoC Category,” https://www.huduser.gov/portal/sites/default/files/pdf/2020-AHAR-Part-1.pdf.} At $690,000 a unit, the total cost of achieving this minor reduction in homelessness would be $6.9 billion, nearly six times the projected cost.

Another issue is that the long-term costs of Housing First are sometimes overlooked when considering the program’s cost-effectiveness. Housing First is designed to house people for lengthy periods of time, while treatment programs for the homeless are generally designed to be shorter-term, with the goal of getting people back to being more fully able to provide for themselves. Eide points out that only about 16 percent of people in permanent supportive housing move out and the share of people remaining in permanent supportive housing for long periods has been increasing steadily.\footnote{Stephen Eide, “Housing First and Homelessness: The Rhetoric and the Reality,” 14.}

Along these lines, in a 2021 audit report for the state of Utah, the auditors found that the vast majority of Housing First recipients in the
state remain in government-funded housing each year, and in one facility, 30 percent of residents had been there for a decade or more.\textsuperscript{130} Eide notes it is far more cost-effective to provide temporary assistance to most of those who are homeless, noting “governments that invest heavily in Housing First programs should expect the overall cost of government to rise.”\textsuperscript{131}

\textit{Alternatives to Housing First}

The shortcomings of the Housing First approach call for consideration of alternative models. Some programs that use a treatment-focused model and provide housing contingent on sobriety have greater success than Housing First programs when it comes to reducing drug use and improving other personal outcomes among the homeless. These programs require participation and accountability on the part of the individual. Notably, such programs are currently penalized by policies that prioritize Housing First.

The Birmingham Model is an example of a treatment approach that makes housing contingent on sobriety.\textsuperscript{132} Participants are provided a private unit, but they must remain abstinent from substance use in order to maintain permanent housing. If a participant does not remain free from drugs and alcohol they are provided a spot in a shelter and can regain their private unit by remaining abstinent for a week. Rewarding abstinence with a private unit provides an incentive for sobriety, which helps counter incentives addicts have to engage in substance use.

A 2007 meta-analysis by Joseph E. Schumacher et al. of four randomized controlled-trial studies examined drug-abstinent housing programs for cocaine-using homeless men.\textsuperscript{133} In all the studies, the researchers found abstinent-contingent housing reduced drug use. Findings from the meta-analysis shows drug abstinence was 32 percent higher at the end of the six-month trial period for groups provided abstinent-contingent housing compared to those who received only day treatment.\textsuperscript{134} In the fourth study, of those who remained abstinent

\textsuperscript{132} Stefan G. Kertesz et al., “Housing First for Homeless Persons with Active Addiction: Are We Overreaching?” \textit{The Millbank Quarterly} 87, no. 2 (2009): 495-534, 514-517.
\textsuperscript{133} Ibid., 516.
\textsuperscript{134} Ibid.
for 28 weeks or more (25 percent of the sample), 70 percent remained stably housed a year after the treatment ended.\textsuperscript{135}

Another study finds that drug-addicted men who participated in programs that required drug treatment as a condition of housing experienced increases in housing stability and employment stability, both when housing required sobriety and when it did not, although more of those in the abstinent-contingent housing were stably employed than those who were solely required to participate in treatment.\textsuperscript{136} Overall, 53 percent of the men in abstinence-contingent housing were stably employed 12 months after entering treatment, while 40 percent of the men in the non-abstinent-contingent housing were stably employed. In comparison, at the beginning of the program, only 16 percent of participants were stably employed.

Although the treatment-first programs increase housing retention, they typically do so at a lower rate than Housing First programs.\textsuperscript{137} The treatment-first programs have achieved a housing retention rate of about 40 percent for those with addictions.\textsuperscript{138} In comparison, Housing First programs have achieved retention rates of 80 percent in some cases.\textsuperscript{139} However, treatment programs like the Birmingham Model have better success at reducing drug addiction.

A Housing First strategy may make sense for those who are in the most severe circumstances and for those who use the most services, but Housing First has been an ineffective and costly strategy overall. Approaches to homelessness that focus on treating underlying problems standing in the way of health, happiness, and the ability to engage in relationships are better suited to address homelessness.

\textbf{RECOMMENDATIONS TO HELP THE HOMELESS}

Approaches to helping the homeless should recognize the importance of addressing deeper human needs. While housing is important, the homeless often face deeper challenges that should not be neglected. Policies to help the homeless will differ based on the specific location

\textsuperscript{135} Ibid., 517.
\textsuperscript{137} Stefan G. Kertesz et al., “Housing First for Homeless Persons with Active Addiction: Are We Overreaching?”
\textsuperscript{138} Ibid.
\textsuperscript{139} Sam Tsemberis, Leyla Gulcur, and Maria Nakae, “Housing First, Consumer Choice, and Harm Reduction for Homeless Individuals with a Dual Diagnosis.”
and the needs of the homeless population there. Ultimately, federal policymakers should focus on helping people improve their lives and function as healthily as possible in their communities, allowing local authorities and private actors closest to the homeless to provide them the help they need.

To this end, solutions should focus on improving the homeless assistance system, promoting safety for the homeless and non-homeless alike, addressing mental health, building family connections, and making housing less expensive.

*Improving the Homeless Assistance System*

**Reform federal and state policy so grantees are rewarded for improving outcomes of the homeless, rather than rewarded for prioritizing Housing First.** The federal “notice of funding availability” that outlines the requirements for homelessness program applications should be revised to no longer prioritize Housing First approaches. Currently, the notice of funding availability prioritizes Continuums of Care in which 75 percent of grant applicants “provide low barriers to entry without preconditions.” It also prioritizes funding for programs that provide housing with low barriers to entry and emphasizes permanent housing and rapid re-housing.

Rather than the federal government prioritizing funding for Housing First programs, local authorities should be freed to implement the programs they deem most effective. To the extent funding is tied to local actions, program grantees should be rewarded for achieving improved outcomes for the homeless, such as: reduced drug and alcohol abuse, improved mental and physical health, increased employment stability, and success in moving individuals from shelters or the streets into self-supported housing.

State and local governments should also reform policies that prioritize funding for programs embracing Housing First approaches, instead directing funding to programs that result in improved outcomes for the homeless.

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141 Ibid., 64.
Improve data collection on homelessness. In order to evaluate and reward programs based on performance, quality data on individual outcomes are needed. Federally funded Homeless Management Information Systems in each Continuum of Care already provide some individual-level data for individuals while they stay in homeless assistance programs. However, data quality varies across communities, and these data systems cannot track individuals after they exit services, whether to the streets or to housing. Communities should invest in better data quality and consider linking homeless specific data to other administrative data sources to better track individual outcomes.

Current methods to count the homeless rely on imperfect Homeless Management Information Systems to count the sheltered homeless population and volunteers to count the unsheltered. Given that some unsheltered homeless individuals intentionally choose places to camp where they are away from public view, counting the unsheltered population can be difficult. The Government Accountability Office (GAO) suggests using administrative data to improve the accuracy of the unsheltered homeless count. GAO recommends that HUD better train those who conduct the counts on how to use administrative data so they can get a more accurate count of the unsheltered homeless in their area.142 Research by Bruce Meyer, Angela Wyse, and Kevin Corinth shows the power of using linked administrative data, not only to count the homeless population, but to understand its length and severity for homeless subpopulations as well.143

Help prevent evictions. A final way to improve the homeless assistance system is to reduce strain on the system by helping people avoid homelessness whenever possible. Some people may fall into homelessness because they are unable to pay their rent or mortgage. Providing a short-term payment to low-income households facing eviction may be an effective way to prevent homelessness. Many areas in the United States offer homelessness prevention programs that provide this type of assistance. Researchers examined the Homelessness Prevention Call Center in Chicago and found that families who called the center when funding was available were 76

percent less likely to enter a homeless shelter compared to families who called for assistance when funding was unavailable.\textsuperscript{144}

Still, the researchers noted many of those who called the center but did not receive financial assistance were able to find other ways to ultimately avoid homelessness, which suggests homelessness prevention programs may crowd out other support. For this reason, resources should be targeted to people who are most in need. Also, assistance should complement efforts to build self-sufficiency. Individuals facing eviction should be provided help in finding a job or strengthening their job skills, so they are able to better support themselves and their families in the long term. Community organizations, churches, and local government organizations can provide such services.

\textit{Ensure Safety}

**Enforce laws to protect public order and connect the unsheltered homeless with care and services.** Street homelessness is an unhealthy situation for the homeless as well as for the broader community. Municipalities have a responsibility to maintain public order. People should not be left alone to languish on the streets, nor should other community members be cut off from public spaces that are covered by tent encampments. Local officials and organizations are best suited to ensure the homeless are connected with services and shelters instead of being left on the streets.

Cities should also be willing to prosecute offenses, such as illegal drug use and theft, rather than allowing people to defy the law.\textsuperscript{145} Prison diversion services for the severely mentally ill who perpetrate crimes, discussed later in this report, could commit them to the supervision of psychiatric care rather than jail. Sobering centers, like the one in Houston, could be a way to help unsheltered individuals who struggle with drug addiction avoid incarceration and get treatment.\textsuperscript{146}


**Protect shelters from policies that would require them to house biological males and females together.** Shelters should be safe for their homeless residents, including the most vulnerable. Some homeless shelters are designed specifically for a single sex, such as shelters that serve women who are victims of domestic violence. Such shelters provide services to a population in need of unique care and support. However, some states have laws that require men who identify as women to be housed with biological females, which can complicate the ability of these shelters to provide the care and protection these women need.

One troubling piece of legislation, the *Equality Act*, recently passed by the U.S. House of Representatives and introduced in the Senate, would require shelters to house biological females with biological males who identify as female if those shelters receive federal funding.¹⁴⁷ Requiring shelters to house biological men and women together could put the safety of women and girls at risk, as well as be anxiety-provoking for women who have experienced abuse or sexual exploitation by men. Policies should not require shelters to house biological men with women so that vulnerable individuals can get the help they need to escape dangerous situations and improve their lives.

**Address Mental Health**

**Improve care and services for the severely mentally ill.** Many of the chronically homeless suffer from a mental illness, and many remain homeless because they do not receive needed long-term psychiatric care. States should work to increase the number of public psychiatric beds available to those with severe mental illness so they can receive the care and supervision they need. Congress should revise the “Institutions for Mental Disease (IMD) Exclusion” in the *Social Security Act*, which prohibits Medicaid from providing reimbursement for adults under age 65 who receive treatment in a mental institution. This revision should be made in a way that does not increase costs to the federal government. One way to accomplish this could be to permit states to use Medicaid funding for institutionalized care in exchange for receiving a lower reimbursement rate for their able-bodied adult without dependent (ABAWD) population who are eligible under Medicaid expansion (states receive a higher reimbursement rate for

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States could also implement Assisted Outpatient Treatment programs (AOT). AOT is a court-ordered program targeted to individuals with mental illness who may not necessarily need in-patient care but have a history of non-compliance with their treatment regimens. Along with increasing the capacity of in-patient care for the severely mentally ill, states could also increase their use of AOT. Researchers find that those who participate in AOT are less likely to experience homelessness and are also less likely to be arrested for violent acts, abuse drugs and alcohol, or be hospitalized for psychiatric reasons, although more rigorous research is needed.

**Review and reform involuntary commitment laws as needed.** States should review their involuntary commitment laws and ensure that these laws are not unnecessarily difficult to apply, such that people who need psychiatric care are being left to deteriorate because they are unable to be committed to a psychiatric institution. While it is important to protect individual liberty, it is also important individuals do not endanger themselves or others. If a person is unable to make decisions in their own best interest because they are detached from reality due to severe mental illness or unaware they have a mental illness (a condition known as anosognosia), they are unable to meaningfully exercise agency.

State involuntary commitment laws vary in strictness. Some states require that a person pose an *imminent* threat to himself or others in order to be involuntarily committed, while other states do not require the threat to be imminent. Some states require that a person poses a *substantial* threat to self or to others. And some states include additional criteria for involuntary commitment, such as allowing involuntary commitment for a person who has a grave disability or is at risk of deterioration.

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149 Treatment Advocacy Center, “Assisted Outpatient Treatment Laws,” [https://www.treatmentadvocacycenter.org/component/content/article/39](https://www.treatmentadvocacycenter.org/component/content/article/39).  
150 John G. Malcolm and Amy Swearer, “Part II: The Consequences of Deinstitutionalizing the Severely Mentally Ill.”
A report from the Treatment Advocacy Center grades states on their involuntary commitment laws.\textsuperscript{151} The grading criteria are based on factors such as who can involuntarily commit a person (states that allowed family, friends, or other responsible adults to pursue involuntary commitment were graded higher than states requiring a mental health professional to pursue commitment); the minimum length of an emergency hold (states with a minimum 72-hour hold were graded more highly than states with a shorter duration); and the quality of the criteria for evaluating psychiatric deterioration. Only 10 states received a grade of A or higher, while 13 states and Washington, D.C. received a grade of D+ or lower.\textsuperscript{152}

States should ensure their involuntary commitment laws are up to date. They could ensure that their criteria for involuntary commitment are clearly outlined, that family members or other responsible adults are authorized to seek involuntary commitment or assisted outpatient treatment rather than limiting that authority to professionals, and that emergency holds are for an appropriate length of time. Increasing the capacity for those with severe mental illness to receive psychiatric care could help prevent homelessness among this highly vulnerable group.

\textbf{Provide prison diversion for the mentally ill.} Prison diversion programs for the severely mentally ill are another potential option for helping those with severe mental illness avoid incarceration and the associated risks of homelessness, and get the care they need. An example of a prison diversion program is the Criminal Mental Health Project in Miami-Dade County in Florida.\textsuperscript{153} This program consists of diverting people from incarceration before they are booked, as well as moving those who have already been put in jail into psychiatric care instead.\textsuperscript{154} Elements of these programs include: training for police officers on how to deal with people experiencing a mental health crisis, helping those with mental illness access treatment facilities, screening those who have been arrested for psychiatric distress and moving them to a stabilization unit if necessary, and providing a plan to those with


\textsuperscript{152} Ibid.


\textsuperscript{154} Eleventh Judicial Circuit of Florida, Criminal Mental Health Project, \url{https://www.jud11.flcourts.org/Criminal-Mental-Health-Project}.
mental illness who are charged with crimes to reduce their chances of subsequent arrest.\textsuperscript{155}

The Miami-Dade prison diversion program is focused on those who commit misdemeanors or less serious felonies, and thus does not apply to all or even most of those who come into contact with the criminal justice system.\textsuperscript{156} However, prison diversion can help reduce the number of severely mentally ill individuals who end up in jail and increase the number of people who receive mental health care for severe illness, which may also reduce the number of mentally ill individuals who experience homelessness.

**Help prevent homelessness among the formerly incarcerated.** Formerly incarcerated individuals are at particularly high risk of homelessness.\textsuperscript{157} Roughly 15 percent of people who are incarcerated have been homeless at some point in the year prior to their incarceration.\textsuperscript{158} Upon release from prison, former inmates have limited social networks upon which to rely and are at risk of slipping back into homelessness. They also may have a hard time getting work or finding housing due to their incarceration record. Programs like Hope for Prisoners in Las Vegas, for example, work with inmates and former inmates to help provide “life skills and leadership training, long-term mentoring, and ongoing support.”\textsuperscript{159}

**Rebuild Family Connections**

**Implement family reconnection services.** Homeless individuals often become disconnected from family members. This may simply be due to not having stable contact information and phone service, or it could be due to a deeper problem of never having had strong relationships with immediate or extended families. It could also be due to having disrupted relationships with family members, potentially as the result of a drug or alcohol problem. In any case, the family is a valuable source

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\textsuperscript{156} Stephen Eide, “Keeping the Mentally Ill out of Jail.”


\textsuperscript{158} Greg A. Greenberg and Robert A. Rosenheck, “Jail Incarceration, Homelessness, and Mental Health: A National Study,” *Psychiatric Services* 59, no. 2 (February 2008): 170-177, [gre.qxd](psyachi tryonline.org).

of social capital that can protect individuals from homelessness and poverty.

Cities like San Francisco and San Diego have programs in place to help homeless individuals reconnect with kin. These services include allowing the individual to work with a volunteer who can help search for a person’s family members. The service also provides a way for the homeless individual to reach their kin and provides the family member a stable way to contact the individual. At least in some cases, connection with family can help people escape homelessness.

**Reform foster care policy to more rapidly and effectively connect foster youth with permanent homes.** Children who age out of the foster care system without a permanent home are at high risk of homelessness. There are several barriers to helping foster youth find a permanent home, as discussed in a previous Social Capital Project report, *A Place to Call Home: Improving Foster Care and Adoption Policy to Give More Children a Stable Family*. The foster care system is not sufficiently supportive of prospective or current foster parents, making it harder for foster parents to serve children in need. States sometimes allow children to languish in the foster care system without moving them into an adoptive family. In addition, laws that have been passed in recent years have made it more challenging for faith-based non-profits to provide foster care and adoption services. These types of policies and practices should be reformed in order to help increase the number of foster children who find permanent homes.

**Make Housing More Affordable by Relaxing Regulations**

Homelessness is more than just a lack of housing in many cases, but high home prices exacerbate the homelessness problem. When housing is more expensive, individuals will be more likely to end up turning to shelters or even sleeping on the street.
State and local policymakers have the responsibility to see that housing markets are unhindered from burdensome restrictions on construction. Local leaders should consider reforming zoning regulations that limit the type of housing that can be built, such as reforming single-family housing to allow for the construction of multi-family units, as well as reforming regulations that: limit the total floor area of a building or its maximum height, require a house to be a minimum distance from the street or neighboring buildings, or require a minimum number of parking lots per unit.\textsuperscript{164}

Local policymakers should also consider removing discretionary review for common building projects.\textsuperscript{165} Some cities subject most building projects to a review process. This can significantly lengthen the time for a project to be completed, costing developers time and money in the process. Removing discretionary review for common building projects like apartment complexes, for example, can help increase the supply of new housing.

Federal government land use regulations limit the amount of land available for private use, including land available for housing.\textsuperscript{166} The federal government owns large amounts of lands in many western states such as Utah. Some of this land runs right up against major cities where housing could be constructed. The federal government should return some of this land to states so it can be put to use. The HOUSES Act, introduced in 2022 by Joint Economic Committee Ranking Member Mike Lee (R-UT), would allow state and local governments to buy federal property at a discounted rate to use the land for housing construction.\textsuperscript{167}

\textbf{CONCLUSION}

Homelessness is a daunting problem, particularly for cities with high rates of homelessness. As with other issues surrounding poverty, there is no one-size-fits-all approach to helping those in need. While Housing


\textsuperscript{165} Ibid.

\textsuperscript{166} Ibid.

First can be appropriate for some people with the most severe challenges, it has failed to address deeper needs the homeless face, is not cost effective in the long-run, and has failed to reduce overall rates of homelessness. Solutions to helping the homeless should focus on helping people move forward from poverty, addiction, severe mental illness, and other barriers that stand in the way of connecting with their communities and building happy, healthy lives.

Rachel Sheffield
Joint Economic Committee