

## BRIEFING PAPER

**Research Proves that Federal Housing Programs Work to Reduce Family Homelessness**

By Patrick Markee, Coalition for the Homeless  
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A growing body of academic research has shown that Federal housing programs and similar, long-term housing assistance are remarkably effective in reducing family homelessness – both in helping homeless families move from shelters to permanent housing, and in ensuring that these families remain stably housed. This policy brief summarizes research over the past decade and discusses its implications for policy in New York City.

**Background: New York City's Shifting Policies on Housing Assistance for Homeless Families**

Since modern homelessness began more than 25 years ago, New York City mayoral administrations have targeted scarce Federal housing resources to homeless families residing in the municipal shelter system. The reasons for this are threefold:

1. **Scarcity:** The Federal government does not provide sufficient Federal housing assistance to help all those eligible to receive it. Indeed, nationally only one in four eligible households receives Federal housing assistance, and currently more than 135,000 New York City families are on waiting lists for Federal housing programs.
2. **Efficacy:** Given the mismatch between need and the availability of Federal housing aid, New York City mayors and policymakers have recognized that these scarce resources must be effectively targeted to the neediest households – i.e., homeless families who need help moving from shelters to permanent housing because private-market housing is out of reach.
3. **Fiscal Policy:** Finally, emergency shelter for homeless families – which currently costs nearly \$36,000 per year – is both expensive and largely paid for by the City and State governments, while Federal housing programs are not.

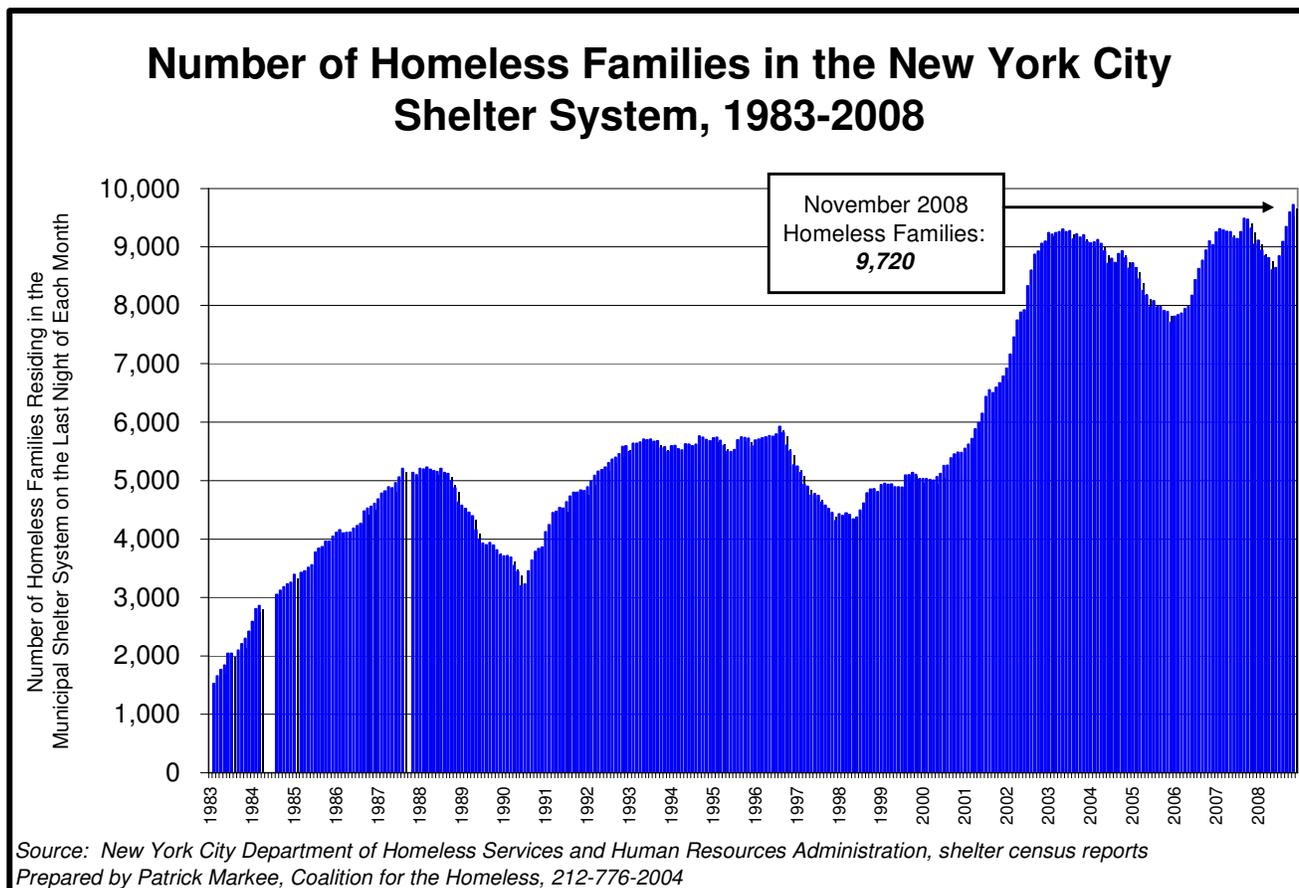
Thus, since the 1980s, tens of thousands of homeless New York City families have successfully moved from shelters to their own homes with the help of Federal housing programs.

Unfortunately, since 2004 the Bloomberg administration has actually eliminated homeless families' longstanding priority for scarce Federal housing assistance.<sup>1</sup> Currently homeless families in New York City have virtually no access to the two major Federal housing programs available to low-income households: the Housing Choice Voucher program (also known as Section 8 vouchers), and public housing (administered by the New York City Housing Authority). Instead, the Bloomberg administration has directed Federal housing assistance to other low-income and working families and individuals. In FY 2008, for instance, 11,847 low-income households were placed into housing with Section 8 vouchers, while 5,220 low-income households were placed into public housing apartments<sup>2</sup> – almost none of them homeless families.

The Bloomberg administration's current approach echoes "Alternative Pathways," a flawed policy implemented by the Dinkins administration in the early 1990s that re-directed Section 8 vouchers away

from homeless families in shelter and that ultimately triggered a rise in the family shelter population. The Dinkins policy was based, like the Bloomberg policy, on unsubstantiated claims that the availability of Section 8 vouchers was attracting families to the homeless shelter system and driving up the shelter census. However, City officials then and now have never presented empirical evidence for these claims.

The Dinkins administration ultimately abandoned the flawed “Alternative Pathways” policy after family homelessness soared in the early 1990s. Similarly, since the Bloomberg administration adopted its policy cutting off Federal housing aid to homeless households, the number of new homeless families entering shelters has increased each year for three consecutive years and, in November 2008, the number of homeless families in municipal shelters reached all-time record levels.



### Research Shows that Federal Housing Programs Reduce Family Homelessness

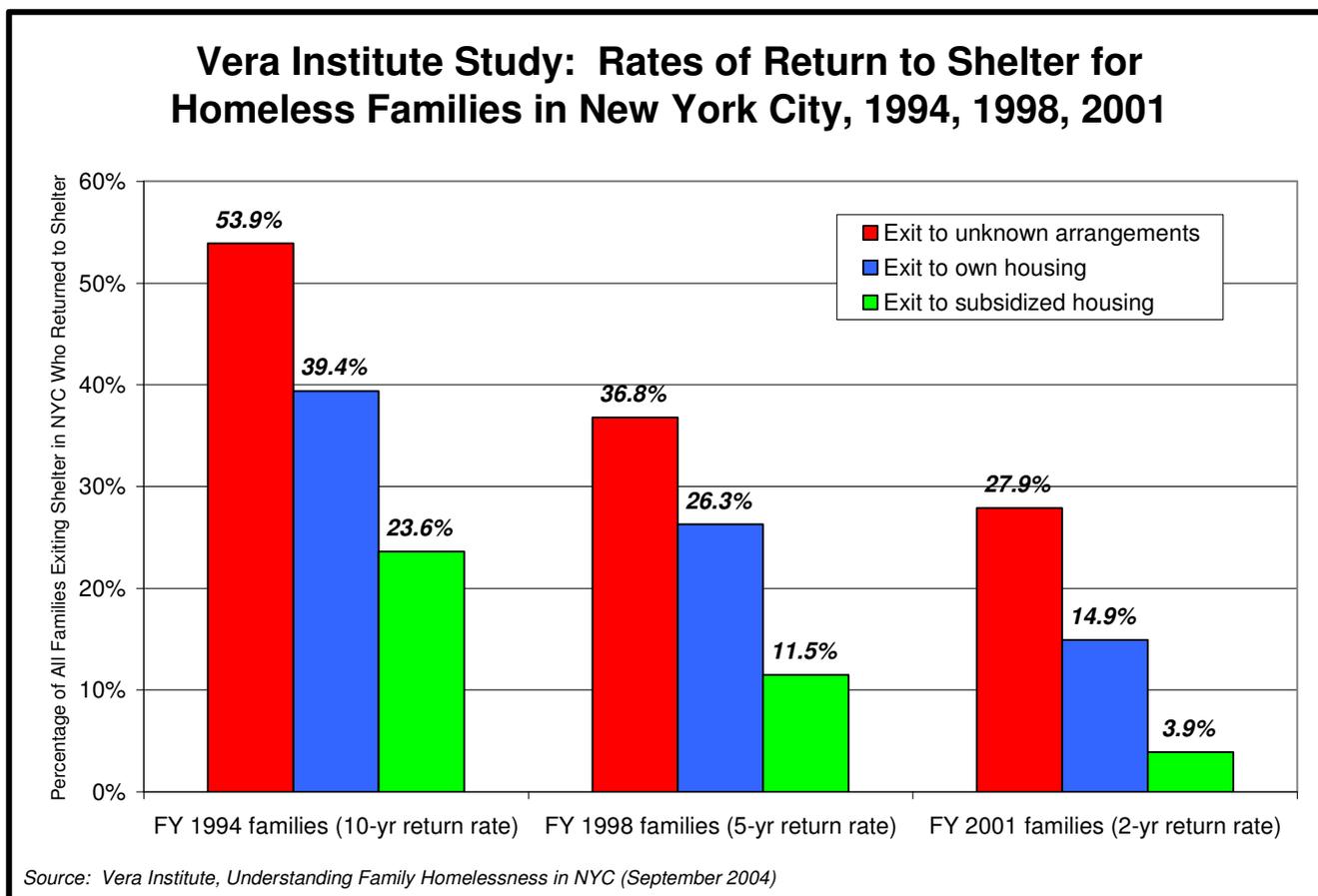
The following is a summary of several research studies that analyze the extensive evidence that Federal housing programs help homeless families leave homelessness and remain stably housed, including one study that debunks many of the myths behind the Bloomberg administration’s current policies.

#### Vera Institute study, September 2005:

The Vera Institute study, “Understanding Family Homelessness in New York City,” which was commissioned by the New York City Department of Homeless Services (and can be found on the agency website), is the most recent comprehensive study of shelter re-entry among homeless families.<sup>3</sup>

The study analyzed return rates for all homeless families who exited the New York City shelter system in City fiscal years 1994, 1998, and 2001 over two-, five, and ten-year follow-up periods. It also broke out the families based on those leaving to unknown arrangements, those leaving to their own housing, and those leaving to subsidized housing. (The report further analyzed return rates for various types of housing subsidies.)

The study concluded that, “Across all cohorts and follow-up periods, those families exiting to subsidized housing exhibited the lowest rates of reentry. Subsidized housing appears to be associated with better protection against shelter return than exiting to one’s own housing, other destinations, or unknown arrangements.... NYCHA public housing placement seemed to offer the best protection against shelter reentry, at least in the short term. Not counting Mitchell-Lama placements, families placed with NYCHA public housing demonstrated the lowest two- and five-year return rates in this study. However, families placed in Section 8 Non-EARP housing in 1994 showed the lowest ten-year rate of reentry.”



Cragg and O’Flaherty study, June 1997:

This study, entitled “Does Subsidized Housing Increase Homelessness?: Testing the Dinkins Deluge Hypothesis,” was co-authored by two economists, Brendan O’Flaherty of Columbia University and Michael Cragg of the Milken Institute.<sup>4</sup> They analyzed the Dinkins administration’s early 1990s “Alternative Pathways” program, which re-directed Section 8 vouchers away from homeless families and which ultimately resulted in a surge in the number of homeless families in municipal shelters.

Cragg and O’Flaherty closely examine the claim that the availability of Federal housing assistance – in particular, Section 8 vouchers – for families in shelter had increased the family shelter population. Their analysis found that, while the availability of housing subsidies does have some minor impact on

attracting families to the shelter system, this effect is far outweighed by the large and positive impact of moving families from shelters to permanent housing.

They summarize their findings in this way: “We test the conventional wisdom and reject it. Better prospects of subsidized housing increase flows into the shelter system, but this incentive effect is not nearly large enough to offset the first order accounting effect – taking families out of the shelters reduces the number of families in them.”

Khadduri research brief, January 2008:

Jill Khadduri, a researcher at Abt Associates and former senior official at the United States Department of Housing and Urban Development, prepared a survey of recent academic and government research entitled “Housing Vouchers Are Critical for Ending Family Homelessness.”<sup>5</sup> The research survey emphasizes the findings common to many of the growing number of studies: that Federal housing vouchers help to mitigate many of the risk factors associated with episodes of family homelessness.

Khadduri concludes her research survey as follows: “An extensive body of careful research has demonstrated that housing vouchers are critically important both for preventing families with children from becoming homeless and for helping those who do enter the shelter system to leave it for permanent housing and not become homeless again....For families who do become homeless, housing vouchers are an extensively tested and demonstrably effective tool for moving to permanent housing and remaining stably housed.”

Shinn and Weitzman study, November 1998:

An early landmark research study by Marybeth Shinn and Beth C. Weitzman, professors at New York University, was one of the first to confirm that Federal housing subsidies curtail return episodes of homelessness.<sup>6</sup> Shinn and Weitzman followed two cohorts of families – 266 homeless families seeking shelter, and 298 welfare-recipient families – over five years, and found that at the end of that period 80 percent of families with long-term housing subsidies remained stably housed, while only 18 percent of families with no housing subsidy were stable.

Shinn and Weitzman concluded, “For the last six years, government and private foundations have worked under the assumption that behavioral disorders are the root cause of homelessness and that an individual cannot be stably housed until these disorders have been addressed. Our research refutes that assumption. We found that subsidized housing succeeds in curing homelessness among families, regardless of behavioral disorders or other conditions. Whatever their problems – substance abuse, mental illness, physical illness or a history of incarceration – nearly all of the families in our study became stably housed when they received subsidized housing.”

Wong, Culhane, and Kuhn study, Autumn 1997:

This study, conducted by Yin-Ling Irene Wong, Dennis Culhane, and Randall Kuhn of the University of Pennsylvania, was the first major research study to analyze homeless client database information to measure rates of shelter re-entry among homeless families.<sup>7</sup> The findings of this study are echoed in the later studies. The University of Pennsylvania researchers found that “hazard rates” of returning to shelter were much higher among families who left to unknown destinations or to their own housing, compared to those who left to subsidized housing. They also looked at two-year rates of re-entry among families exiting shelter and found the following: “The rate of re-entry is highest among families who were discharged to their own housing (37%) and lowest among those who were discharged to subsidized housing (7.6%).”

## Moving Forward: How the City of New York Can Successfully Reduce Family Homelessness

The implications of these research studies for City policy are very clear: Stable, long-term housing assistance reduces family homelessness and reduces return rates for formerly-homeless families. Coalition for the Homeless urges City officials to adopt the following policies:

- Repeal current City policies that restrict Federal housing assistance to homeless families: The City should once again target a significant portion of scarce Federal housing subsidies (including both Section 8 vouchers and public housing apartments) to those families most in need – homeless families residing in shelters – by once again providing priority status to homeless families and individuals seeking Federal housing aid.
- Reform local rental assistance programs to make them work like Federal housing vouchers: Rental assistance for homeless families must be stable and long-term – that is, it should not include arbitrary, one-size-fits-all time limit. The value of the subsidy must not arbitrarily decline, but, rather, should be adequate to bridge the gap between income and the real cost of rental housing. The Bloomberg administration should reform its homeless rent subsidy programs to eliminate arbitrary, one-size-fits-all time limits.

*For more information, please visit our website [www.coalitionforthehomeless.org](http://www.coalitionforthehomeless.org).*

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<sup>1</sup> The Bloomberg administration policy was implemented in two stages: (1) in October 2004 the New York City Department of Homeless Services halted referrals of homeless families to the top priority category for waiting lists administered by the New York City Housing Authority for the Section 8 voucher program and public housing; and (2) the following year the New York City Housing Authority reduced the priority classification for homeless people who submitted applications for both Federal housing programs – effectively removing homeless New Yorkers from the so-called “emergency category.” In 2004, the Bloomberg administration also introduced a replacement rent subsidy program targeted to homeless families, the time-limited “Housing Stability Plus” program. This program was abandoned in 2007 and replaced with new subsidy programs, including another time-limited (to a maximum of two years) program called “Work Advantage.”

<sup>2</sup> City of New York, Office of the Mayor, “Mayor’s Management Report FY 2008.”

<sup>3</sup> Vera Institute, “Understanding Family Homelessness in New York City” (September 2005), available at [http://www.vera.org/project/project1\\_3.asp?section\\_id=6&project\\_id=68&sub\\_section\\_id=38](http://www.vera.org/project/project1_3.asp?section_id=6&project_id=68&sub_section_id=38).

<sup>4</sup> Cragg, Michael and Brendan O’Flaherty, “Does Subsidized Housing Increase Homelessness? Testing the Dinkins Deluge Hypothesis,” Milken Institute (June 1997)

<sup>5</sup> Khadduri, Jill, “Housing Vouchers Are Critical for Ending Family Homelessness” (January 2008), Homelessness Research Institute of the National Alliance to End Homelessness, available at <http://www.endhomelessness.org/content/article/detail/1875>.

<sup>6</sup> Shinn, Marybeth, Beth C. Weitzman, et al, “Predictors of Homelessness Among Families in New York City: From Shelter Request to Housing Stability,” *American Journal of Public Health*, Volume 88, Number 11 (November 1998), pp. 1651-1657.

<sup>7</sup> Wong, Yin-Ling Irene, Dennis Culhane and Randall Kuhn, “Predictors of Exit and Reentry Among Family Shelter users in New York City,” *Social Science Review* 71, Number 3 (1997), pp. 441-462.