

How to End Long-Term Homelessness in Rhode Island

By Eric L. Hirsch, Ph.D.
with Annette Mann Bourne





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Financial support for the publication of this report has been provided by:



**Rhode Island Coalition
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Founded in 1988, the Rhode Island Coalition for the Homeless (RICH) is a coalition made up of member organizations who have come together to promote and preserve the dignity and quality of life for men, women, and children by pursuing comprehensive and cooperative solutions to the problems of housing and homelessness.

How to End Long-Term Homelessness in Rhode Island

November 2018

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Foreword By Brenda Clement

Creating a stable home for people experiencing homelessness is the most vexing of all housing concerns. Whether a temporary fix for a sudden eviction or a longer term solution to a series of difficulties that lead to the experience of chronic homelessness,¹ safe and affordable housing is a necessity. Having suitable housing options for those with little or no income presents both a moral and practical dilemma for policy makers at all levels of government.

Most housing programs address the needs of households with incomes between 50 percent–80 percent of Area Median Income (AMI). In Rhode Island, that translates into annual incomes of approximately \$28,000 to \$72,000 depending on location and household size of one to four persons. Comparably, for the estimated 140,000 Rhode Islanders who have incomes below the Federal Poverty Level, it means an annual income of less than approximately \$12,000 - \$25,000. To be stably and affordably housed, these households would need rents of \$300 - \$600 a month, utilities included.

In 2012, Rhode Island updated its “Ten Year Plan to End Homelessness.” The resulting document, “Opening Doors Rhode Island: Strategic Plan to Prevent and End Homelessness,” put forth a detailed analysis and five-year plan covering the period 2012–2016 for housing assistance as well as the funds needed for capital and operating expenses as well as support services. The goal was housing and services for 2,118 households at an estimated cost of \$110 million for capital and \$19.6 million for operating and service costs, for an annualized cost of \$5,613 per year per household served.

The following brief by Eric Hirsch, Professor of Sociology at Providence College and long-time advocate for those experiencing homelessness, picks up at the end of the “Opening Doors” timeframe. While

the goals projected for 2016 were left unrealized, Eric puts forth policy recommendations that remain committed to moving from a shelter-based system to one focused on housing. This includes the production of a substantial number of deeply affordable homes so that no one need spend another night on a cot in a shelter or on the street when they find themselves without a home. Working with Eric, HousingWorks RI Research and Policy Director, Annette Bourne, took a deep dive into the budgets and resources across state and federal agencies to better understand the gaps that still exist. The production of this brief is also supported by our colleagues at RICH, who, for decades now, have led the advocacy efforts for the resources needed to end homelessness.

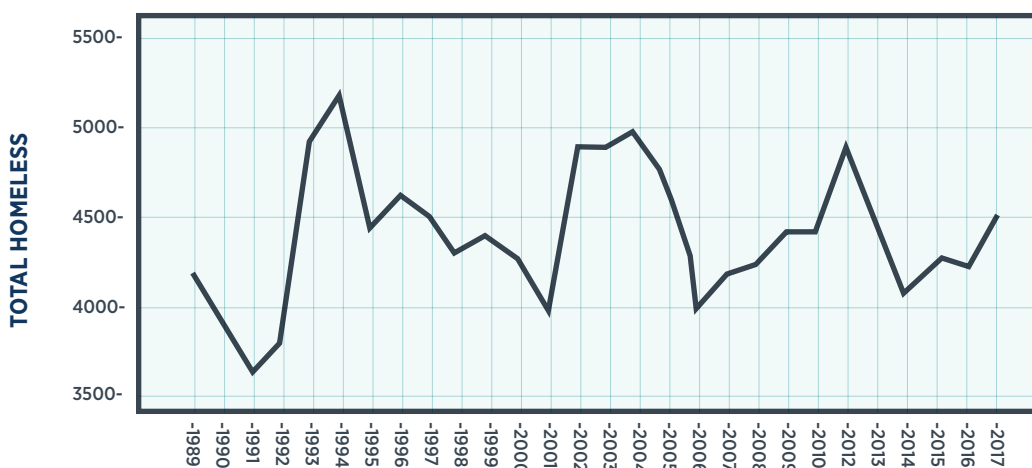
To begin dismantling a shelter-based system and build permanent supportive and deeply affordable rental homes requires not only an understanding of the true costs we face as a society to let the problem continue to grow, but also a political will to substantiate and fight for significant additional funding in our state’s budget—not just for these homes but across all income levels.

HousingWorks RI reports annually that Rhode Island’s per capita investment for affordable homes is the lowest in New England. Our neighboring states of Massachusetts and Connecticut devote nearly 12 times and 9 times more funds, respectively, to housing than Rhode Island does. As housing prices continue to climb in 2018 and our affordability crisis grows, so too will our long-term homelessness. Rhode Island must begin to seriously contend with the funding needed to house all our residents regardless of their income status.

The Homelessness Crisis

Prior to the 1980s, there were relatively few persons experiencing homelessness in the United States, with an estimated 125,000 persons homeless on any given winter night in 1980. That number tripled to 400,000 by 1987 and has grown to over half a million persons experiencing homelessness since then.² In Rhode Island, there are regularly more than 1,100 persons on a given night and between 4,000 and 5,000 persons experiencing homelessness annually, as illustrated in Figure 1. In 2017, there were 4,501 individuals who spent at least one night in a homeless shelter or transitional housing.³ Of those persons homeless, 2,689 were single adults and 539 were families with 998 children.

FIGURE 1 | Homelessness in Rhode Island 1989 to 2017



The rise of this “new homelessness” in the United States and in Rhode Island is due primarily to economic factors. Increasing housing costs combined with stagnant incomes and lack of living-wage jobs has exacerbated income inequality. For low- and middle-income households, housing cost burden is rising, causing market rate housing units to be unaffordable. In 1980, the average rent in Rhode Island was \$160 per month;⁴ rents for available two-bedroom apartments (including utilities) are now \$1,385 per month.⁵ This nearly ten-fold increase is three times the rate of inflation. Households need annual incomes over \$55,000 in order to afford the rent of \$1,385 a month using only 30 percent of their monthly income. This is nearly impossible for many people, as the median rental household income in the state for 2016 was \$31,519.⁶ If one is unemployed the risk of homelessness is elevated. The large increases in the shelter population shown in Figure 1 correspond to the beginning of recessions in July of 1990, March of 2001, and December of 2007.⁷

The private housing market struggles to meet the need of workforce housing for Rhode Islanders at the mid-to-low income levels. Adequate housing is out of reach for many residents and government supports for subsidized housing continues to decrease, creating a growing housing crisis across the state. There are 37,157 government-subsidized low and moderate-income housing units in the state,⁸ yet there are more than 64,000 households across the state that pay more than 50 percent of their income toward housing,⁹ which suggests a high level of housing insecurity. Only one-fifth of the Rhode Island households in need of housing support receive help.¹⁰

The Perils of Homelessness to Individuals and Communities

Access to stable, affordable housing is foundational to the quality of life for individuals and families. Housing insecurity and homelessness destabilizes all aspects of a person's life, negatively affecting their physical and mental health. In Rhode Island, those who experience a loss of housing, may turn to their personal networks to sleep on couches or other accommodations, live in their cars, try to get a bed in a shelter, or sleep outdoors. Living outdoors exposes people to high risk of hypothermia and even death. Shelters are overcrowded during cold weather months, lacking privacy and storage for personal belongings. Shelters have become homes to a disproportionately large number of persons with behavioral health and addiction issues. Those who have experienced an acute crisis leading to homelessness usually have very few supports to access adequate housing, and those who experience long-term homelessness can develop severe behavioral and physical health conditions.¹¹ While provision of suitable housing could also be considered a measure of compassion, leaving large numbers of Rhode Islanders without resources to being properly housed also undermines the well-being of our cities and towns.

According to the *2017 Rhode Island Kids Count Factbook*, homeless children are more likely to have asthma, ear infections, stomach problems, and behavioral health issues such as depression and anxiety. They are more likely to experience educational disruption and to exhibit aggressive behavior. Families experiencing homelessness suffer higher rates of premature mortality due to poor nutrition, increased birth defects, accidents, disease, and

mental illness.¹² Children experiencing homelessness are facing hunger at twice the rate of their peers who are housed. These families also experience higher rates of family separation and children from these families are 12 times more likely to be placed in foster care.¹³

In Rhode Island, it is typical for individuals and families to stay for long periods of time in emergency shelters at a high cost to the state. For families, a 2007 study concluded the average homeless service system cost for a typical family in a shelter was \$105 per day or \$38,325 per year,¹⁴ about four times the cost of a rental subsidy that could place a homeless family in permanent housing. Offering a family a rental subsidy to access permanent housing, not only stabilizes their housing, it positively impacts their health, reducing their exposure to congregate shelter environments or living outdoors. Research shows that children experiencing housing insecurity are less likely to have regular medical providers, increasing their use of emergency room care and rate of hospitalization for conditions that early treatment could have prevented.¹⁵ Families who remain homeless also increase overall child welfare costs; families who do not go to a family shelter or reside in an unsafe situation with their children may risk having their children removed from their care due to their living conditions.

Chronically homeless individuals utilize a variety of government-funded services including shelters, emergency rooms, hospitals, mental health facilities, prisons, and drug/alcohol treatment facilities. The medical costs alone are prohibitive. From January 1, 2010 to April 30, 2012, 67 individuals who experienced homelessness for one year or more and had the highest Medicaid bills, with tallied total charges of \$9,325,375, or \$139,185 per person. The corresponding annual charge



Photo courtesy of Crossroads Rhode Island.

was just under \$60,000 per person. This is far higher than the typical \$18,096 per person per year for disabled adults on Medicaid, and \$9,240 per person per year for the average Medicaid recipient.¹⁶ Putting chronically homeless people into permanent housing with access to case management and services will reduce their use of other more expensive facilities.¹⁷

In 2005, the state of Rhode Island and the United Way of Rhode Island decided to test an approach called *Housing First*. The process of *Housing First* involves placing persons experiencing homelessness into permanent housing as soon as possible and providing them with on-demand, voluntary, and wrap-around supportive services.¹⁸ At the time they entered the program, clients had been homeless for an average of nearly eight years. Although based on self-reports, estimates showed that the program saved money for Rhode Island taxpayers. Clients were asked about their experiences the year before they were placed in permanent housing and then were interviewed again at 6-month intervals. The results for client use of emergency services showed a \$31,617 cost per client the year before entering the program, and \$23,671 cost per client for the first year in housing (including the housing subsidy and the cost of supportive services). Consequently, *Housing First* resulted in a savings of \$7,946 per client in stable housing with services as opposed to the high cost of chronic homelessness.¹⁹

National Strategies Toward Ending Homelessness

Over the last 10 years, we have seen an evolution in our understanding of how to end homelessness, particularly for those who experience multiple episodes. In order to return homelessness to a rare, brief, and non-recurring condition, many agencies and geographies have adopted the following strategies:

- 1) Divert** those potentially homeless persons with low physical, psychological and economic vulnerability away from the homeless service system. Help them to use their own existing resources such as doubling up with friends or family members.
- 2) Rapid Re-Housing:** Provide short-term rental assistance to individuals and families who are experiencing homelessness due to economic circumstances and who do not need intensive services.
- 3) Housing First:** Immediately and permanently house the most physically and psychologically vulnerable persons experiencing homelessness in low barrier settings. Give them access to wrap-around, on-demand medical, behavioral health, and other needed services to enable them to remain in permanent housing.
- 4) Eliminate** large shelters and transitional housing programs. Keep smaller shelters for short-term crises and for those fleeing domestic violence. Use assessment centers to implement *Diversion*, *Housing First*, and *Rapid Re-Housing* strategies to limit the length of time individuals and families spend experiencing homelessness.

While many organizations in Rhode Island are already utilizing these practices, the homeless service system as a whole does not yet have sufficient resources to house and provide services to all of those staying in our shelters and on the streets. Annual homeless counts for 2017 show that there were 718 chronically homeless persons in our shelter system, along with 310 veterans and 357 families. However, our system was only able to place 256 long-term homeless persons, 235 veterans, and 145 families in permanent housing in 2016.²⁰

The need for additional resources to advance toward our goal of ending homelessness is clear, particularly for families and for those experiencing long-term homelessness. Increasing investments in temporary and permanent rental subsidies, additional new or rehabilitated very low-income housing units, and funding for supportive services will decrease the need for high cost, emergency services. Figure 2 shows the current federal and state resources devoted to ending homelessness in Rhode Island.

Photo courtesy of Crossroads Rhode Island.



FIGURE 2 | Actual Program Year Expenditures Toward Ending Homelessness and Increasing Supportive Housing²¹

STATE & RI HOUSING

Thresholds	\$ 1,063,519.00
State Rental Assistance	\$ 982,010.00
RI Homelessness Funding	\$ 2,871,368.00
RoadHome Service Enriched Rental Assistance Program	\$ 2,000,000.00
Neighborhood Opportunities Program	\$ 800,000.00
TOTAL	\$ 7,716,897.00

FEDERAL

Emergency Solutions Grants Program - Entitlement Communities	\$ 718,236.00
Emergency Solutions Grants Program - Statewide	\$ 668,699.00
Social Service Block Grant - Title XX	\$ 1,272,385.00
CDBG Homeless Setaside	\$ 84,142.00
Supportive Housing Program - Continuum of Care	\$ 5,093,517.00
HUD Section 811 Project - Based Rental Assistance Program	\$ 208,713.00
TOTAL	\$ 8,045,692.00

GRAND TOTAL

\$15,762,589.00

Increasing investment in temporary and permanent rental subsidies, additional new or rehabilitated very low-income housing units, and funding for supportive services will decrease the need for high cost, emergency services.

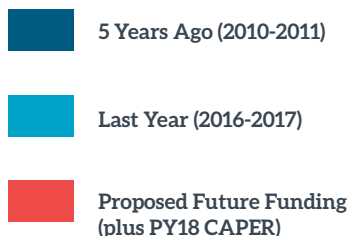


Moving from a Shelter-Based System to a Housing-Based System²²

The figures on these pages demonstrate past funding and what the funding needs to be in order to address this problem.

The Proposed Funding level includes both assumed level funding and the suggested new funds needed to address this very serious problem.

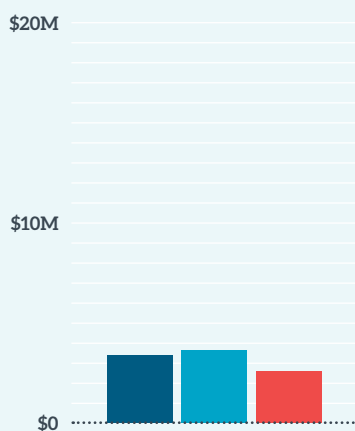
A reliable stock of permanent and deeply affordable homes can then begin to replace the current shelter-based system and ensure people have access to permanent, stable, and safe housing.



SHELTERS

Shelters meet the minimum needs of housing by providing a place to sleep indoors. There are 726 year-round beds in Rhode Island spread across 29 shelter programs, as well as an additional 139 seasonally available through another seven programs.

FUNDING



While there was a nearly 9 percent increase in shelter funding from 2010 to 2016, the movement toward a housing-based system projects a nearly 28 percent decrease of \$1M as a first step with the closing of Harrington Hall. A future housing-based system would need even less funding as more permanent housing units are made available.

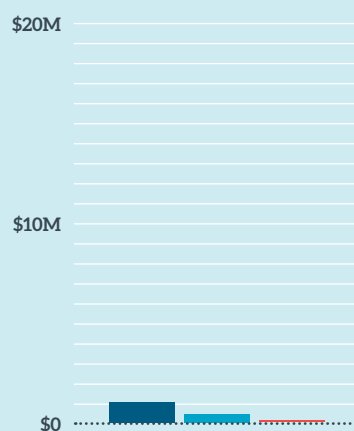
[These figures do not include the cost of "System Support Programs," noted below, that provide outreach, day services, and maintains the Homeless Management Information System.]



TRANSITIONAL HOUSING

Transitional housing provides basic housing for a period of time no longer than 24 months. These programs are being phased out in favor of more permanent programs. There are still 343 transitional beds in Rhode Island, 73 of which are for veterans and 16 for youth.

FUNDING



Funding for transitional housing has dropped nearly 60 percent since 2010 from more than \$1.1M to less than \$500K. No new federal funding was received in the 2017 program year, and a future systems' change projects a full departure from this approach.

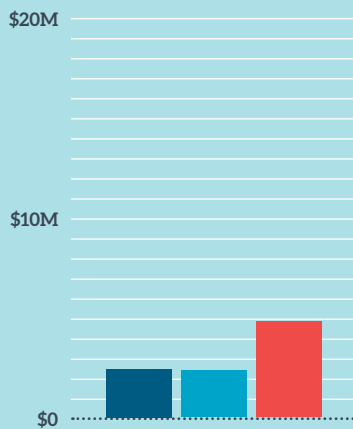
2016-17 System Support Programs at \$1,475,989



DIVERSION & RAPID RE-HOUSING

“Diversion” seeks to recognize and access the resources that may already exist to divert people away from the homeless services system,²³ “Rapid Re-Housing” seeks to ensure permanent housing opportunities as quickly as possible, Rhode Island has a total of 328 year-round units funded as Rapid Re-Housing, including 55 units for families and 107 units for veterans.

FUNDING



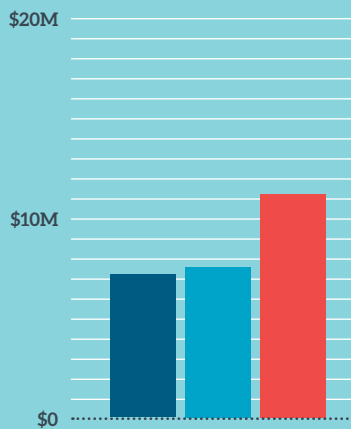
There was a 5 percent decrease in funding for Diversion and Rapid Re-Housing from 2010 to 2016 due to a reduction in the federal funding. A housing-based system approach projects a doubling of the current commitment of nearly \$2.5M to approximately \$5M, including approximately \$1M of federal funding.



PERMANENT SUPPORTIVE HOUSING

Permanent supportive housing (PSH) combines access to long-term housing with social services. Research demonstrates the cost-savings associated with PSH, such as health care, crisis services and public safety. Rhode Island currently supports 1,239 PSH units, of which 436 are specifically used for housing those who have been chronically homeless, 321 for veterans, and 12 units for youth.

FUNDING



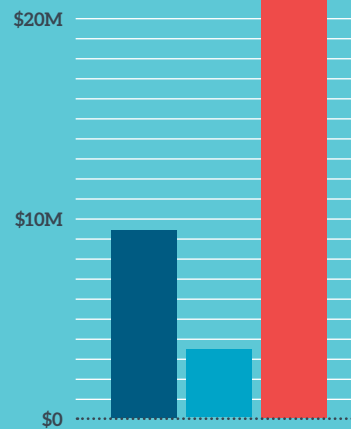
PSH is foundational to a movement toward a housing-based system. Although there was a slight increase of 5 percent in funding for PSH from 2010 to 2016 to \$7.6M, a fully operational housing-based model anticipates a need for an additional \$3.5M a year until the program is fully built out. This presumes private investment of \$2.5M a year for four years and a state commitment of \$1M annually for five years.



DEEPLY AFFORDABLE HOUSING

Deeply affordable housing meets the needs of those with no income or incomes below the Federal Poverty Level. While funded at nearly \$9.5M in 2010, the loss of one federal and one state program dropped funding to under \$4M.

FUNDING



In addition to PSH, a move to a housing-based system will require a substantial number of permanent deeply affordable homes. To build a stock of 2,500 deeply affordable rental homes over five years would cost an estimated \$20M annually, or a doubling of the funding commitment of previous years.

Policy Recommendations for Rhode Island

Efforts to end homelessness in Rhode Island have not reached the scale needed to solve our housing crisis. While the following policy recommendations, which are reflective of the strategies being adopted across the United States, will not resolve Rhode Island's crisis, they would be a meaningful start toward the goal of ending long-term homelessness for individuals, veterans, and families, while creating budget savings over time.

1) Create a cabinet level Department of Housing and Community Development. This would provide strong centralized leadership to ensure a continuing focus on the job at hand. It could also lead to a greater emphasis on the economic development/job growth impact of building and rehabilitating housing in our state.

2) Take steps to close Harrington Hall, the state's largest homeless shelter, and provide permanent supportive housing for those in need. As suggested in the national strategies, the intention is to move away from a system of large emergency shelters. There is a proven cost savings in transitioning people into long-term housing as well as an improvement in destination outcomes.

3) Double the state's Rapid Re-Housing funding from \$2 million to \$4 million annually. This is particularly important for Rhode Island's homeless families who are especially in need of short-term rental assistance to avoid homelessness.

4) Fund 100 low restriction permanent rental subsidies. The state currently funds 10 permanent rental subsidies for chronically homeless persons and 10 for veterans at a cost of \$200,000 per year. The needed 100 subsidies will cost \$1 million annually.

5) Support Pay for Success program to fund rental subsidies and supportive services for 125 chronically homeless persons over four years. Socially conscious private investors would invest approximately up to \$10 million (\$2.5 million a year over 4 years).

6) Build or rehabilitate additional very low-income housing units. Currently an allocation of approximately \$2 million per year from the latest Building Homes Rhode Island bond builds or rehabilitates 50 very low-income units. The need is for \$20 million and 500 units annually for the next five years to address those with no income or incomes below the Federal Poverty Level (e.g., \$12,140-\$25,100 for household sizes from one to four).

Given the political uncertainties at the federal level and the state's structural budget deficits, the big question concerns where these additional funds would come from. We must look to all possible funding sources including Pay For Success Investments, private and public foundations, and private corporations in order to attempt to make up the funding gap. Ending long-term homelessness for individuals and families needs to be an urgent priority for all Rhode Islanders.

ENDNOTES

¹ Chronic homelessness is defined as having been homeless continuously for a year or more or having had four episodes of homelessness in the last three years.

² Christopher Jencks, *The Homeless*. Harvard University Press, 1994.

³ Rhode Island Emergency Food and Shelter Board Reports, 1989-2003; Rhode Island Homeless Management Information System (HMIS), 2003-2017.

³ State of Rhode Island Consolidated Plan, 1995-1999. Prepared by Rhode Island Housing.

⁵ Rhode Island Housing, Annual Rent Survey, 2017.

⁶ U.S. Census Bureau, American Community Survey, 5-Year Estimates, 2012-2016.

⁷ National Bureau of Economic Research, 2012.

⁸ Rhode Island Housing, Low and Moderate Income Housing by Community, 2017.

⁹ HousingWorks RI analysis of US Census Bureau, American Community Survey, Public Use Microdata Sample, 1-Year, 2015.

¹⁰ U.S. Census Bureau, American Community Survey, 5-Year Estimates, 2012-2016.

¹¹ National Alliance to End Homelessness. Accessed at <https://endhomelessness.org/homelessness-in-america/what-causes-homelessness/health/>.

¹² Rita I. Morris, "The Impact of Homelessness on the Health of Families," *The Journal of School Nursing*, Volume: 20 issue: 4, page(s): 221-227. Issue published: August 1, 2004.

¹³ *2017 Rhode Island Kids Count Factbook*, p. 28.

¹⁴ Dennis Culhane et al., "Testing a Typology of Family Homelessness Based on Patterns of Public Shelter Utilization in Four U.S. Jurisdictions: Implications for Policy and program Planning," *Housing Policy Debate*, Vol. 18, Issue 1, May 2007.

¹⁵ Morris, 2004.

¹⁶ Executive Office of Health and Human Services, *Rhode Island Annual Medicaid Expenditure Report*, State of Rhode Island, 2013.

¹⁷ Dennis Culhane et al., "The Impact of Supportive Housing on Services Use of Homeless Persons with Mental Illness in New York City," University of Pennsylvania, 1998.

¹⁸ Sam Tsemberis, *Housing First: The Pathways Model to End Homelessness for People with Mental Illness and Addiction Manual*. Hazelden, MN, 2010.

¹⁹ Eric Hirsch and Irene Glasser, "Rhode Island's Housing First Program Evaluation," United Way of Rhode Island, 2008.

²⁰ Rhode Island Homeless Management Information System (HMIS), 2016.

²¹ Rhode Island Consolidated Annual Performance and Evaluation Report, March 1, 2016 through June 30, 2017; Prepared by Rhode Island Housing.

²² The figures used for 2011 and 2017 are culled from the Rhode Island Consolidated Annual Performance Evaluation Report (CAPER), the state's Consolidated Homeless Fund (CHF) Funding Recommendations, and the U.S. Department of Housing & Urban Development's Continuum of Care Program Funding Awards. Care has been taken to not double-count program dollars across program years.

The Proposed Future funding assumes level funding of some of the federal programs, in addition to the new funding suggested. Some of the suggestions are investments of four to five years, at which time a reliable stock of permanent and deeply affordable homes can then begin to replace the current shelter-based system.

²³ "Diversion" draws a distinction from the more common reference to "homelessness prevention" programs, which assumes a predictive property that does not sufficiently target resources to a specific population. Diversion captures that population who is already seeking services and provides assistance to prevent entering the homeless system altogether. For more information, see National Alliance to End Homelessness, <https://endhomelessness.org/the-three-cs-of-diversion/>.



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HousingWorksRI 
at Roger Williams University

One Empire Plaza
Providence, Rhode Island 02903
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Design: Lakuna Design

