

June, 2011

Book Review: How to House the Homeless.
Edited by Ingrid Gould Ellen and Brendan
O'Flaherty. New York: Russell Sage Foundation,
2010

Dennis P Culhane, *University of Pennsylvania*

role of policy and programmatic interventions, a number of important policy issues receive little attention throughout and are only briefly mentioned in several chapters. These include trade-offs between intervening early in childhood and supporting compensatory programs for older youth; whether there are particular areas in which each of these approaches may be most efficient; whether there are policy areas in which universal approaches may be most beneficial and others in which targeted programs may be preferred (e.g., Are mandatory schooling laws or interventions for youth at risk of dropping out the more efficient means of promoting educational attainment?); and the relevant costs and benefits of various policy approaches to these problems. Indeed, there is little effort to weigh the strengths and limitations of potential policies for both preventing disadvantage and combating its effects.

On the whole, the book exemplifies rigorous attempts to identify causal effects in a socially important and policy relevant arena. It does an excellent job of documenting many of the determinants and consequences of childhood disadvantage. Several chapters also shed light on the buffering effects of public policy and social institutions. No single volume can end the debate around any one of the problems facing disadvantaged youth, much less around the wide range of problems addressed by this particular volume. Nonetheless, the various chapters provide strong evidence regarding the causes and consequences of particular problems for particular groups of children, and some chapters have important policy or programmatic implications. Nonetheless, the volume is, for the most part, limited in the extent to which it draws strong policy lessons. When should policy and practice attempt to buffer the consequences of disadvantage and when should they try to address its root causes? Which programs are likely to be most effective and efficient, for which children, and under what circumstances? It is my hope that this distinguished group of authors reconvenes with Gruber in the near future to more explicitly address these questions.

Lawrence M. Berger
University of Wisconsin–Madison

Note

1. For excellent and accessible (nontechnical) summaries of the primary challenges to, as well as several empirical strategies for, identifying causal effects using observational data, see Greg J. Duncan, Katherine A. Magnuson, and Jens Ludwig, "The Endogeneity Problem in Developmental Studies," *Research in Human Development* 1, nos. 1–2 (2004): 59–80; Janet Currie, "When Do We Know What We Think We Know? Determining Causality," in *Work, Family, Health, and Well-Being*, ed. Suzanne M. Bianchi, Lynne M. Casper, and Rosalind Berkowitz King (Mahwah, NJ: Erlbaum, 2005), 279–96.

How to House the Homeless. Edited by Ingrid Gould Ellen and Brendan O'Flaherty. New York: Russell Sage Foundation, 2010. Pp. 184. \$37.50 (cloth).

For the past 2 decades, advocates for the homeless have maintained that homelessness is fundamentally a housing problem. However, the published literature on homelessness overwhelmingly focuses on the individual characteristics, vulnerabilities, and behavioral disorders associated with people who experience homelessness. Correspondingly, the field of practice was until recently domi-

nated by service delivery programs that function as the primary interventions to address homelessness; most of these attempt to treat the myriad health and social problems that beset people who present as homeless. Hence, the arenas of homelessness research and practice have long been oddly dissonant with the claims of professional advocates, including claims by one of their early voices, Robert Hayes, who famously asserted that the problem was about three things: housing, housing, and housing ("Hope for New York City's Homeless? The Issue Is Housing," *New York Times*, November 27, 1986, A25).

This discordance can be partly traced to the beginnings of the Stewart B. McKinney Homeless Assistance Act of 1987 (101 Stat. 482; later renamed the McKinney-Vento Homeless Assistance Act). In that legislation, advocates had their first opportunity to establish a formal federal policy around homelessness. Although they publicly argued for a solution centered on housing, the actual legislation focused on expanding emergency assistance to the homeless, especially on expanding emergency shelters. More service-enriched transitional shelters were soon to follow and now comprise about half of the nation's total shelter capacity. The Continuum of Care policy promoted by the Clinton administration in 1993 formalized this emphasis on services and transitional shelter by encouraging a staircase model of services through which people who were homeless would be made progressively "housing ready" (Naomi Gerstel, Cynthia J. Bogard, J. Jeff McConnell, and Michael Schwartz, "The Therapeutic Incarceration of Homeless Families," *Social Service Review* 70, no. 4 [1996]: 551). By the end of the 1990s, the U.S. Department of Housing and Urban Development (HUD), the federal agency charged with addressing America's housing problems, was spending 60 percent of the McKinney-Vento Act resources on service programs for people who were homeless; much of that support was spent on transitional housing (HUD, *Bridging the Gap: Homelessness Policy*, report in the series, Insights into Housing and Community Development Policy [Washington, DC: HUD, 2010]).

Interestingly, this potentially misdirected emphasis on services and the behavioral health needs of persons who experience homelessness was largely consistent with the primary focus of the research literature. There was little housing-focused research on the causes and solutions to homelessness. A few researchers made heroic attempts to use limited national data to examine the structural correlates of homelessness (for a summary, see Steven Raphael's chapter in this volume), but their work represented a tiny proportion of the published output on the topic. A few studies examine the efficacy of supported housing for people who are homeless with mental illness. This research often appeared as part of national research demonstration projects (for a review, see Robert Rosenheck's chapter in this volume), but such efforts were few and far between.

Around the year 2000, these emphases in policy and practice began to shift. Some advocates, most notably the National Alliance to End Homelessness, argued against the focus on funding services through HUD's homelessness programs. The alliance argued that the nation's only housing agency should spend its resources more on housing solutions than on managing and servicing people while they are homeless ("A Plan, Not a Dream: How to End Homelessness in Ten Years," report [National Alliance to End Homelessness, Washington, DC, 2000]). The argument is that mainstream health and human services programs, not HUD, should provide the services people need. This argument was eventually embedded in federal law as a 30 percent set-aside within the 2000 appropriation for the McKinney-Vento Act; the law requires HUD to spend a minimum of 30 percent of its homelessness assistance budget on permanent housing for persons exiting homelessness (113 Stat. 1063 [1999]). This shift in emphasis grew further under the Bush administration, which adopted

several chronic homelessness initiatives with the goal of ending chronic homelessness in 10 years through permanent supportive housing programs (Office of Management and Budget, *Budget of the United States Government: Fiscal Year 2003* [Washington, DC: U.S. Government Printing Office, 2002]).

Subsequent increases in the McKinney-Vento appropriation and priority given these programs in the federal competition for McKinney-Vento grants led to a substantial expansion in permanent supportive housing over the rest of the decade. According to HUD, the federal government has funded 70,000 units under the initiative since 2004 (*The 2009 Annual Homeless Assessment Report to Congress*, June [Washington, DC: HUD, 2010]) and the number of persons experiencing chronic homelessness declined by nearly as many persons from 2005–9. In 2009, that number stood at about 112,000 persons nationwide. In the same year, the number of permanent housing units supporting formerly homeless persons through HUD's McKinney-Vento resources exceeded the number of emergency shelter beds for the first time. The Homelessness Prevention and Rapid Rehousing Program, established as part of the American Recovery and Reinvestment Act of 2009 (123 Stat. 115, 221), further expands this new housing emphasis in homelessness assistance by creating the first major national program (\$1.5 billion over 3 years) to focus on preventing and ending temporary homelessness through housing stabilization activities (Dennis P. Culhane, Stephen Metraux, and Thomas Byrne, "A Prevention-Centered Approach to Homelessness Assistance: A Paradigm Shift?" *Housing Policy Debate* 21, no. 2 [April 2011]). This program focus will continue under the recent McKinney-Vento Act reauthorization, which Congress passed last year as the Homeless Emergency Assistance and Rapid Transition to Housing Act of 2009 (123 Stat. 1663).

Among people close to policy and research on homelessness, this evolution has been exciting and energizing, if disruptive. One might not know from where this came or where it could be going if it were not for *How to House the Homeless*, the timely new volume edited by Ingrid Gould Ellen and Brendan O'Flaherty. Among books on homelessness research and policy, this is the first one to focus exclusively on the housing solutions to homelessness. It includes some important summaries of existing literature and some thoughtful prescriptions for public policy. These contributions are very much needed, as the policy, research, and practice fields seem more poised than ever to embrace collectively a housing strategy to address homelessness.

In part, the Bush administration embraced the supported housing approach to chronic homelessness because research demonstrates that such programs are highly successful in ending homelessness for people with a severe mental illness. Others argue that such programs are cost effective and yield no net costs because the expenses are offset by reductions in spending on acute care services. In his review chapter, Robert Rosenheck provides a corrective to this overgeneralization. Acknowledging findings that show supported housing efforts to be effective, he argues that the cost savings results are mixed; the findings often result from potentially biased samples and may only apply to the costliest segments of the population that experiences chronic homelessness. To the extent that cost neutrality or even nearly cost-neutral effects are necessary for a nationally scaled program, the onus is on the homelessness field to identify housing and service models that might yet yield similar or acceptably good outcomes at costs lower than those represented by the highly service-enriched models tested to date. Especially as efforts expand to house people experiencing chronic homelessness, attempting to reach lower-cost service users and people without severe mental disorders (many with substance use disorders, HIV, and other chronic diseases), it will be necessary to develop and test models with lower service intensity (and costs; Stephen R. Poulin, Marcella Maguire, Stephen Metraux, and Dennis P.

Culhane, "Service Use and Costs for Persons Experiencing Chronic Homelessness in Philadelphia: A Population-Based Study," *Psychiatric Services* 61, no. 11 [2010]: 1093–98).

Because of Medicaid expansions under the recently enacted health care reform (124 Stat. 119 [2009]), all adult homeless persons will soon be eligible for Medicaid; states will have the option of creating housing relocation and move-in programs potentially reimbursable by Medicaid through the home and community-based services waiver option. Research on cost offsets will become increasingly important as states decide whether to adopt these options, and the offsets may yet make it possible to scale up some of the services needed for a permanent housing solution to chronic homelessness.

Readers not yet familiar with the theoretical rationale for supported housing efforts to address chronic homelessness, and with the "Housing First" (38) approach in particular, may find that the chapter by Sam Tsemberis provides a welcome overview. Tsemberis summarizes the critique of the "linear continuum" (39, or staircase) models as they operate in practice (i.e., ineffectively) for persons experiencing long-term homeless. He contrasts those models with the underlying principles that guide the Housing First model. Tsemberis also describes the core practices associated with Housing First programs and the results of research that establishes Housing First as an evidence-based practice. Adoption of Housing First approaches will surely create challenges for practitioners trying to remain faithful to the model, especially as it is implemented in diverse policy and practice settings throughout the United States, Canada, Europe, and Australia. Thus, the chapter provides a valuable overview of the approach and its bases in theory, research, and practice.

Even given these successes in addressing chronic homelessness, a broader housing policy solution is needed to accompany the expansions in Medicaid and Housing First programs. The current approach, by which HUD allocates and prioritizes subsidies for permanent supportive housing in its annual McKinney-Vento grant competition, is not robust enough alone (yet) to address the housing needs of people experiencing chronic homelessness, let alone the large, at-risk population in unaffordable housing. Two chapters in the edited volume address the gap in housing subsidies and propose policy strategies that could establish the housing solution to the homeless problem.

Jill Khadduri's chapter is a particularly noteworthy contribution to the literature. She takes a thorough look at the policy options that would face the federal government if it were to consider retooling its voucher and other assisted housing programs to address homelessness. Khadduri's analysis recommends a number of strategies to accomplish this goal. Among these is the recommendation to expand the number of housing vouchers. Because just five states (California, Texas, Florida, New York, and Washington) account for half of the nation's homelessness, she proposes increasing geographic targeting of vouchers to areas with high rates of homelessness (HUD, *The 2009 Annual Homeless Assessment Report to Congress*, June [Washington, DC: HUD, 2010]). She also advocates an expansion of targeting to reach the poorest households, including nonelderly single-adult households and families with multiple, ongoing housing barriers. In addition, Khadduri addresses the need to prevent housing loss and homelessness. She recognizes the role of newly expanded homelessness prevention and rapid rehousing programs as major new thrusts in federal homelessness policy. She also offers a timely discussion of the issues that underlie decisions about the role that transitional housing should play in this new array of housing solutions, particularly given transitional housing's costliness relative to direct subsidies. Khadduri notes that these new strategies may reduce the need for some emergency and transitional shelter programs, or at least the duration of time that

people spend homeless, but she concludes that these programs are unlikely to supplant entirely the need for some emergency accommodations for people without immediate housing.

A similar but more "fundamental" (89) strategy for reform of federal housing programs is advocated in Edgar Olsen's chapter. From this perspective, subsidizing housing through the use of emergency and transitional shelters is simply a special (and perhaps egregious) case of project-based assistance, in which the potential impact of the subsidy is diluted by the high fixed costs of the facility. Project-based programs in general carry high capital and overhead costs that limit the reach of scarce subsidy dollars. Olsen argues persuasively that subsidies could reach many more households, and indeed meet the annual demand for housing subsidies among households seeking homelessness assistance, if the project-based programs were effectively cashed out. Olsen does not fully consider exactly how one would target these subsidies or how to address the latent demand that might emerge from a homeless-targeted permanent subsidy program, but those issues are also not the author's main focus.

Olsen's argument that project-based assisted housing programs are too costly relative to direct subsidies (and may have too long of a development time frame) is also salient in the policy discussion around the permanent supportive housing strategy to address chronic homelessness. While federal efforts to address chronic homelessness expanded substantially in recent years, capital-intensive solutions are slow relative to solutions centered on private-sector lease agreements and tie up considerable resources that could be used to house people. Large, multifamily housing models that formed the basis of the early, permanent supportive housing movement may continue to be applicable in some settings. This is particularly true in large urban markets like New York and Los Angeles, where the housing stock is primarily comprised of large, multifamily buildings, and vacancies are scarce. But in most areas of the country, vacancies in private scattered-site rental housing offer quicker and more cost effective alternatives. Such private housing types also are more consistent with the normalized housing models that consumers generally prefer over buildings that function like special needs housing facilities. Federal policy makers would do well to consider Olsen's arguments not only as they apply to the "mainstream" (100) assisted housing programs but to the specialty homelessness sector as well.

Gould Ellen and O'Flaherty's volume does not provide much in the way of new primary research. But in addition to the empirical summaries provided by Rosenheck and Tsemberis, the book includes two chapters intended to inform and expand the literature on homelessness by exploring and staking out new areas for research. One of these chapters is Stephen Raphael's analysis of local housing regulations and their potential relationship to homelessness rates. The other, by O'Flaherty, is a theoretical discussion of how best to understand and conceptualize homelessness risk.

Over the past 2 decades, several efforts have been made to model homelessness rates across cities by looking at intercity factors in housing and labor market conditions. These studies are hamstrung by weak and unreliable dependent measures of city-level homelessness rates. That is starting to change as communities adopt standardized data collection systems. Use of Homelessness Management Information Systems (HMIS) is now required as a condition of HUD homelessness funding, and funding recipients are required to complete a standardized biannual enumeration of the street homeless and other people in unsheltered locations. These new data and reporting standards greatly improve local and state measures of homelessness, creating new opportunities for empirical research on local, state, and regional factors that vary with rates of homelessness, both sheltered and unsheltered. Raphael's chapter specifically explores

the role of variations in state housing market regulations on homelessness rates, and he considers whether those rates are mediated by constrained development of affordable housing. While the evidence is largely cross-sectional and correlational, Raphael makes a compelling case that state homelessness rates are correlated inversely with housing affordability and that housing affordability and development are adversely affected by regulatory factors. Raphael also develops some explanatory statistical models, again based on state homelessness rates, that reinforce this finding. The analysis greatly improves upon previous efforts; he makes a much more thorough case that regulatory reforms may be a key ingredient in expanding affordable housing development and, thus, in reducing rates of homelessness.

As local data become increasingly available, reliable, and consistent through HUD's annual homelessness assessment reports to Congress and the deployment of HMIS, one can expect research on an even broader range of factors that may be related to the incidence and prevalence of homelessness.¹ Predicting homelessness is a complex task, but it could be undertaken with samples from cities (the intercity approach) or subareas within cities (e.g., from tracts or block groups). Other analyses might model rates of homelessness or shelter admission over time in a given city. Using a pooled time series analysis across multiple jurisdictions might enable researchers to forecast the likely effects of economic or other social changes on shelter requests and on the duration of homelessness spells.

Indeed, researchers may well begin to explore whether homelessness spells can be predicted at an individual level. Predictions might consider some known risk factors as well as knowledge about triggering life events. Such investigations would be well informed by O'Flaherty's chapter, which considers some of the theoretical issues that arise in attempting to predict risk for homelessness. A variety of factors influence this risk, and some factors are more predictable than others. So too, a variety of options open to households may mitigate or direct behavior in ways that affect the expression of homelessness. The variety of factors that influence the risk of homelessness at an individual level is an area that has not been well explored, but these considerations will become increasingly important to policy makers, program planners, and evaluators, particularly as policy shifts toward early intervention and prevention. O'Flaherty provides a very useful discussion of a broad range of factors that might be considered as one models risk either at the community or individual level, and he also examines the related policy concerns.

As homelessness policy moves into a new phase of maturation, informed by more thoughtful theoretical frameworks and a much-improved empirical knowledge base, one would hope to see declines in rates of homelessness and the durations of homelessness spells. New programs and policies hold great promise that those aims can be achieved, but lasting achievements will not be possible without a much more concerted effort to expand knowledge of the housing aspects of the homelessness problem. The edited volume by Gould Ellen and O'Flaherty is an important collection that begins to fill this need.

Dennis P. Culhane
University of Pennsylvania

Notes

Special thanks to Thomas Byrne, who provided editorial assistance with this review.

1. For HUD's annual reports, see *The Annual Homeless Assessment Report to Congress*,

February (Washington, DC: HUD, 2007); *The Second Annual Homeless Assessment Report to Congress*, March (Washington, DC: HUD, 2008); *The 2008 Annual Homeless Assessment Report to Congress*, July (Washington, DC: HUD, 2009); and *The 2009 Annual Homeless Assessment Report to Congress*, June (Washington, DC: HUD, 2010).