

A Bridge to Where?

Short-Term Housing Assistance for Homeless Families in Massachusetts



And the Ongoing Need for Affordable Housing and Emergency Shelter

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Introduction

Over the past two years, thousands of homeless families with children in Massachusetts have been placed in private market housing made affordable only by short-term housing subsidies. These subsidies are now expiring, leaving these children and their families at imminent risk of a return to homelessness.

Urgent action is needed to address this new aspect of the Commonwealth's family homelessness crisis.

In addition, policy makers should hesitate before dedicating more resources to short-term housing assistance – at least until more independent evaluation is done, the negative unintended consequences discussed in this paper are adequately addressed, and additional steps are taken to ensure that short-term housing assistance becomes a “bridge to permanent housing.”

Overview

The Emergency Assistance (EA) program – operated by the state Department of Housing and Community Development (DHCD) through its Division of Housing Stabilization (DHS)¹ – provides emergency shelter and rehousing services to children in very low income families who are homeless. Currently, the EA program provides emergency shelter each night to approximately 5,000 children in about 3,000 families. In addition, as many as 2,000 or more families with children are now temporarily housed with EA-funded short-term subsidies that will expire within 12 months, and hundreds more are currently in rental units with short-term subsidies funded by the federal government or other sources that will soon expire.²

These thousands of sheltered or temporarily housed children are only a subset of the more than 20,000 children who will be homeless in Massachusetts during the year.³ Many of these homeless children are not in shelter or in temporarily subsidized housing, but they lack a fixed,

¹ Administration of the EA program was transferred from the Department of Transitional Assistance (DTA) to DHCD in July 2009.

² The Massachusetts Legislature has recognized that, given the very short-term nature of these subsidies, the families temporarily housed with them are still technically homeless. St. 2010, c. 131, § 2, item 7004-0099 (families with temporary subsidies still entitled to priority for permanent subsidized housing).

³ National Center for Homeless Education, *Education for Homeless Children and Youths Program*, p. 7 (compiled April 2009), reports 12,449 homeless children enrolled in school in Massachusetts in 2007-2008; *available at* http://center.serve.org/nche/downloads/data_comp_04-07.pdf. Based on research that 42% of homeless children are ages 0-5, *see* Burt, M. et al., *Homelessness Programs and the People They Serve* (Urban Institute 1999), it may be estimated that in 2007-2008 there were approximately 9,015 homeless children ages 0-5 in Massachusetts, for an approximate total of 21,464 homeless children statewide. This number does not include more than 1,000 homeless, unaccompanied youth. *See* National Center on Family Homelessness, *America's Youngest Outcasts: State Report Card on Child Homelessness (Massachusetts)* (2009), which uses this methodology; *available at* http://www.homelesschildrenamerica.org/pdf/report_cards/long/ma_long.pdf. It also does not reflect increases in family homelessness since 2007-2008.

regular and adequate nighttime residence and therefore meet the federal definition of homeless.⁴ These children are not served by the EA program, either because their parents struggle to keep them sheltered without state aid – for instance, by doubling up with relatives or friends – or their families do not meet the restrictive EA eligibility rules.

There is universal agreement that a child is better off being raised in stable housing than in emergency shelter. But there can be little doubt that a child is better off with her family in emergency shelter than living in a car, on the streets, or in overcrowded or unhealthy conditions.

Over the past 10 years, family homelessness has increased dramatically and, as a result, so too have EA costs: from \$46.2 million in state fiscal year (FY) 2001 to \$151.7 million in FY 2010.

In an effort to address escalating EA costs, and based on the belief that even temporary housing is better than shelter, tens of millions of dollars have been and are being spent on short-term housing assistance,⁵ including time-limited rental subsidies. And some have proposed shifting substantial additional amounts of EA funds from shelter to such short-term housing initiatives.⁶

There is preliminary evidence that temporary housing assistance – though helpful in the short-term for many families – has not substantially reduced homelessness or the need for permanently affordable housing and traditional EA services. Moreover, there are serious concerns about how temporary housing assistance is being administered, causing negative unintended consequences. (See Concerns About Temporary Housing Assistance, below.)

As a result, a much more careful analysis needs to be done about the pros and cons of temporary housing assistance before more resources are invested. Certainly, temporary housing assistance should not be perceived as a stand-alone, long-term solution to family

⁴ 42 U.S.C. § 11302, <http://portal.hud.gov/portal/page/portal/HUD/topics/homelessness/definition>. A national survey of one night in January 2008 found that about 27 percent of homeless persons in families were unsheltered on the night of the count. U.S. Dep't of Housing and Urban Development, *The 2008 Annual Homeless Assessment Report to Congress* (July 2009), available at <http://www.hudhre.info/documents/4thHomelessAssessmentReport.pdf>. This count of unsheltered homeless families does not include families who are not actually on the street but do not have a fixed address and therefore meet the federal definition of homeless. These estimates do not include the thousands of children whose families are doubled up. The National Alliance to End Homelessness estimates that in 2008 there were 58,000 people in Massachusetts (individuals and persons in families) living in housing units with extended family, friends, and other non-relatives due to economic hardship, earning no more than 125 percent of the federal poverty level. <http://www.endhomelessness.org/content/article/detail/3153>. The number of doubled-up households has continued to increase. See New York Times, "Recession Raises Poverty Rate to a 15-Year High" (Sept. 16, 2010), available at http://www.nytimes.com/2010/09/17/us/17poverty.html?pagewanted=2&_r=2&hpw.

⁵ Such short-term assistance may include first and last months' rent, security deposits, moving expenses and utility arrearages.

⁶ Culhane, Dennis B. and Byrne, Thomas, *Ending Family Homelessness in Massachusetts: A New Approach for the Emergency Assistance (EA) Program* (May 2010); The Paul and Phyllis Fireman Foundation, *Reducing Family Homelessness in Massachusetts: Opportunities to End the Use of Hotels and Motels, Improve Results and Lower Costs through Reform of the Emergency Assistance (EA) Program* (2010).

homelessness or as a substitute for more long-term housing and an emergency shelter system for children and their families who are homeless.

The Massachusetts Legislature has recognized that temporary subsidies should “bridge families to permanent housing.”⁷ But for most families, this goal is not being realized.

As the recent Massachusetts experience shows, there are no quick or inexpensive ways to end family homelessness. Unless and until more long-term affordable housing is developed and temporary subsidies actually become a bridge to permanent housing, redirecting substantial resources from EA shelter to other forms of short-term assistance could have unintended negative consequences for homeless children.

Reasons for Dramatic Increase in Homelessness

Family homelessness and demand for EA and other homelessness services are on the rise because of the poor economy and the lack of long-term affordable housing.

The Poor Economy

Recently released Census Bureau data for 2009 confirm the alarming persistence of poverty and child poverty, reflecting the severity of the recession and the unusually high amount of long-term unemployment.⁸

One out of ten people in Massachusetts had incomes in 2009 below the federal poverty threshold (\$17,285 for a family of three).⁹ An estimated 186,513 children under age 18 in Massachusetts were living in poverty, 13.1% of all Massachusetts children.¹⁰

The level of unemployment is also an indicator of the economic crisis.

The Massachusetts unemployment rate rose from 4.6 percent in January 2006 to 9.5 percent in January 2010. The doubling of EA spending from FY 2006 to FY 2010 closely tracks this more than twofold increase in the unemployment rate (see graph below).

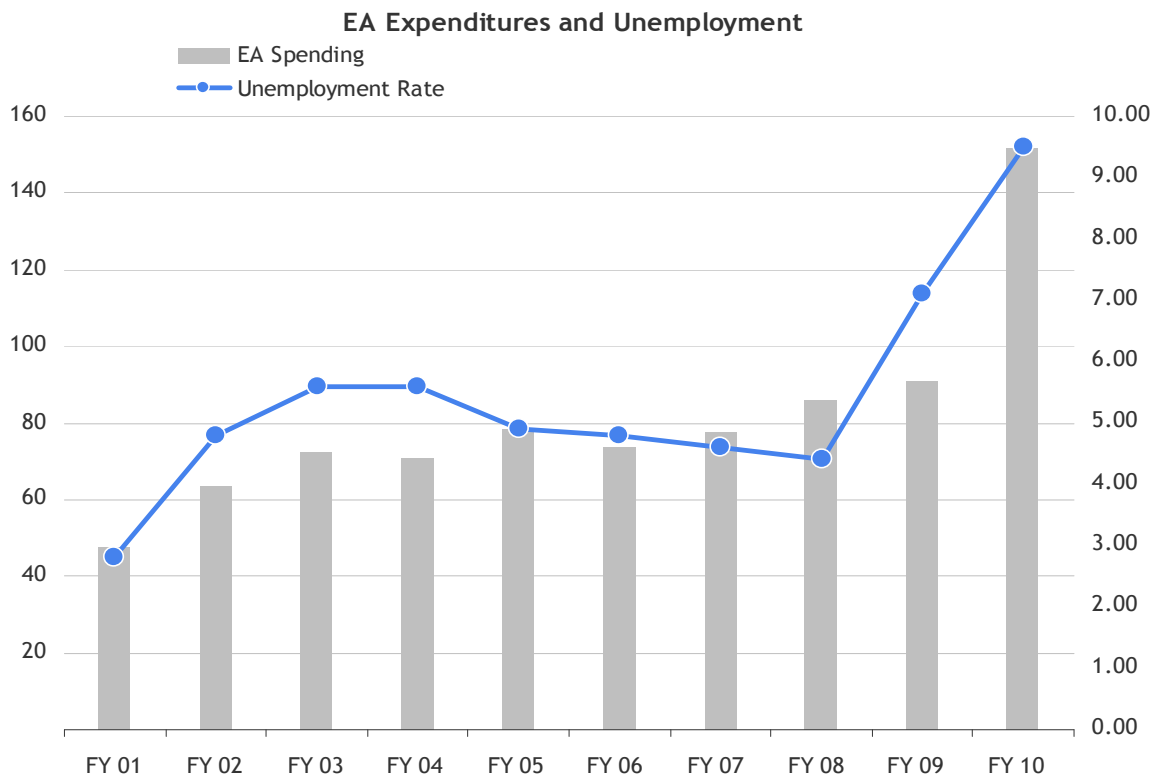
Without jobs, more families cannot afford private market housing in high-cost Massachusetts.

⁷ St. 2010, c. 131, § 2, item 7004-0101.

⁸ See, e.g., Center on Budget and Policy Priorities, “Statement by Robert Greenstein, Executive Director, on Census’ 2009 Poverty and Health Insurance Data” (Sept. 16, 2009).

⁹ U.S. Census Bureau, American Community Survey Briefs, “Poverty: 2008 and 2009” (Sept. 2010). Because the poverty measure is the same for the 48 contiguous states, it does not take into account the higher cost of living in Massachusetts. If the poverty measure were adjusted to account for Massachusetts’ higher costs, the poverty rate would be even higher.

¹⁰ U.S. Census Bureau, American Community Survey, Table B17024, available at <http://www.census.gov/acs/www/>. The poverty threshold is the Census Bureau threshold, available at <http://www.census.gov/hhes/www/poverty/data/threshld/thresh09.xls>. The federal Department of Health and Human Services uses a different, higher threshold. See <http://aspe.hhs.gov/poverty/09fedreg.shtml>.



Unemployment rate is shown for January of each fiscal year.

Source: Mass. Executive Office of Labor and Workforce Development; Mass. Budget and Policy Center

Lack of Housing Resources for the Lowest Income Families

There is also a strong correlation between the increase in EA spending and the housing crisis in Massachusetts. During the first seven months of 2010, nearly 9,000 foreclosure deeds were recorded in Massachusetts, an increase of 60 percent from the same period in 2009.¹¹ In August 2010, 1,207 Massachusetts homeowners lost their homes to foreclosure, an 83.2 percent increase from August 2009.¹²

Many of those displaced due to foreclosure are tenants in the foreclosed properties.¹³ Robert Pulster, associate director of DHCD's Division of Housing Stabilization, recognizes that foreclosures are causing more needy families with children to seek EA services. "We are hearing

¹¹ The Warren Group, *Banker & Tradesman*, Aug. 31, 2010.

¹² Boston Globe, "Foreclosures so far this year exceed '09 rate; August petitions up 82 percent in Massachusetts" (Sept. 24, 2010), available at http://www.boston.com/business/personalfinance/articles/2010/09/24/foreclosures_so_far_this_year_exceed_09_rate).

¹³ Tim H. Davis, the Mass. Housing Partnership Foreclosure Monitor, estimates very conservatively that as of July 1, 2010 there were at least 8,078 rental units in Massachusetts that were bank-owned or had foreclosure petition or auction activity in the last year. E-mail communication (Sept. 16, 2010).

about a lot of people coming to the front door with homeless issues related to foreclosure,” says Mr. Pulster. “We are seeing the effects of a tough economy.”¹⁴

The decline in the supply of affordable housing is yet another contributor to the homelessness crisis. Although the most effective homeless prevention tool is subsidized housing,¹⁵ federal and state resources available for long-term subsidized housing have decreased while the need has increased. As the Citizens' Housing and Planning Association (CHAPA) recently stated,

[d]espite the growth in affordability problems, State spending on housing programs is still below 1990 levels. Federal assistance has also declined dramatically since 1995.

Despite the growth in the number of extremely low income renters, state-funded rental assistance serves 14,000+ fewer households than in 1990 and 2,100 fewer than in 2000.¹⁶

Indeed, state funds for the operation, preservation and production of affordable housing programs declined between 1989 and 2010 by 31% (not even adjusting for inflation) and operating expenditures declined by 45%.¹⁷

As CHAPA points out, the state’s primary rental assistance program – the Massachusetts Rental Voucher Program (MRVP) – suffered funding cuts (in nominal as well as real dollars) in every fiscal year but one from 1991 to 2004.¹⁸ Small increases since FY 2004 leave the program able to fund only 5,200 vouchers, compared with 20,000 in 1990.¹⁹

The erosion of investment is also having a negative impact on state public housing, which is one of the most critical resources for the very low income people who are eligible for EA.²⁰ As a result of insufficient funding, many permanently affordable state public housing units are

¹⁴ Boston Globe, “Foreclosures.” Not only are low-income home owners and tenants directly affected by foreclosures, but as more homes are foreclosed the former occupants compete for the exiting pool of rental properties which puts an upward pressure on rents, making private market rental units less affordable.

¹⁵ See Citizens’ Housing and Planning Association (CHAPA), *The Massachusetts Rental Voucher Program: Maintaining the State’s Primary Homelessness Tool* (June 2009), available at http://www.chapa.org/files/f_1245275008MRVPreportJune09FINAL.pdf.

¹⁶ CHAPA, “CHAPA Policy Paper on State Housing and Community Development for the Gubernatorial Candidates” (Sept. 2010), Appendix 1, at 26, available at <http://www.chapa.org/pdf/2010CandidatesPaper.pdf>.

¹⁷ CHAPA, Policy Paper for Candidates, Appendix 3 and Table 3, at 28-29.

¹⁸ CHAPA, *The Massachusetts Rental Voucher Program*, at 24. Until November 1992, the state-funded rental assistance program was called the Chapter 707 Program, after Chapter 707 of 1966, which created the program. In the FY 1993 budget, the Legislature ended the Chapter 707 Program effective October 31, 1992 and established the MRVP program with lower income limits and lower subsidy amounts.

¹⁹ CHAPA, *The Massachusetts Rental Voucher Program*, at 3.

²⁰ CHAPA, Policy Paper for Candidates, at 8 (“State public housing is an irreplaceable resource for households who have extremely low incomes because it provides housing that these families and individuals can afford. ... Very little new affordable housing to this income group is being produced today ...”).

offline or temporarily vacant because of needed repairs.²¹ And public housing authorities predict that more units will have to be taken offline without additional funding.²² The stock of public housing units has also declined due to decisions in recent years to empty out and tear down public housing units, including in Lowell and Fall River.

In light of all of these conditions, there can be no surprise that homelessness continues to be a major problem. And because these conditions are not a result of how the EA program is administered, they cannot be solved merely by rearranging how EA funds are spent.

Many EA Dollars Used for Short-Term Subsidies

Proponents of shifting EA funds from shelter to short-term housing assistance sometimes suggest that the EA program uses a “one size fits all” approach to helping homeless families.²³ This is not correct.

While a majority of EA funds are used to pay for shelter for homeless families with children (a service no other state or federal agency provides in Massachusetts²⁴), the cost of EA shelter includes the cost of employing trained staff who provide individualized social services to help families address the reasons for their homelessness – so that they have a better chance of success in their next housing situation. EA shelter providers also employ experienced staff to help families navigate the (unduly) complicated processes for applying for long-term affordable housing. Increasingly, they also help families find transitional housing and leave shelter for that housing as quickly as possible. These services are to be provided on an individualized basis, taking into account the differing circumstances of each family in developing a housing search strategy.

In addition, in recent years, first DTA on a pilot basis – and now DHCD on a much more expansive basis – have dedicated a significant portion of EA resources to providing financial

²¹ According to a 2006 Auditor’s Report, 407 units of state public housing in 53 housing authorities were offline because of significantly deteriorated physical conditions and another 837 units were temporarily vacant from 61 to over 180 days pending some degree of maintenance. *Independent State Auditor’s Report on the Physical Condition of and Resources Allocated for the Operation of State-Aided Public Housing in the Commonwealth of Massachusetts* (October 5, 2006), at 13; Appendix D, at 38; and Appendix I, at 48; available at <http://www.chapa.org/pdf/StatewideHousingSiteInspections.pdf>. Massachusetts Law Reform Institute’s analysis of DHCD vacancy data as of June 30, 2010 suggests that 1,737 state public housing units were vacant, including 728 family housing units and 1,009 units for persons who are elderly or disabled.

²² The FY 2011 budget enacted by the Legislature would have provided an additional \$2 million in the public housing operating account to bring vacant family public housing units back online, contingent on receipt of certain enhanced federal Medicaid reimbursements. Because the federal reimbursements were not forthcoming in the amounts initially anticipated, the Governor vetoed this funding and the Legislature has not yet re-appropriated more funding to bring much-needed family units back online.

²³ Culhane, Dennis B. and Byrne, Thomas, *Ending Family Homelessness in Massachusetts: A New Approach for the Emergency Assistance (EA) Program* (May 2010), at 5.

²⁴ The Department of Children and Families funds shelter for families who are survivors of domestic violence, but these shelter spaces are limited in number and are not available to other homeless families.

assistance to help pay for very short-term housing subsidies and related rehousing expenses, such as moving costs and rental or utility arrears. These resources are distributed in varying amounts based on individualized assessments of families' circumstances. DTA called its versions of this pilot program "Toolbox" and/or "Shelter to Housing (S2H)." DTA initially spent \$1.25 million for these purposes in FY 2004, increasing the amount to more than \$8 million in FY 2006, before budget shortfalls caused expenditures to decline to approximately \$3 million to \$4 million in each of FYs 2007, 2008 and 2009.²⁵

In FY 2010, DHCD dedicated approximately \$12 million to its successor to the Toolbox/S2H program, which it calls the "Flexible Funds" initiative, under which certain EA-eligible families received short-term (up to 12 months) subsidies to enable them to be placed in private market housing. In FY 2010, 1,500 families with children were aided in moving out of shelter into private market housing with EA-funded short-term subsidies that have expired or will expire during the current fiscal year.

For FY 2011, the EA line item in the state budget for the first time expressly allows funds to be used for temporary rental assistance and short-term housing assistance. **But, wisely, the Legislature provided that temporary rental assistance should be used to "bridge families to permanent housing."**²⁶

For FY 2011, DHCD has greatly expanded the Flexible Funds initiative. Indeed, DHCD's initial EA spending plan for FY 2011 allocated between \$21 and \$28 million for these services – a huge increase over what was expended for such services in FY 2010 or in any prior year.

According to DHCD's Administrative Plan,²⁷ in FY 2011 Flexible Funds:

- Provide families who are moving to market rate housing with a temporary subsidy that pays the difference between the full rent and 25% of the family's income for 12 months, with the possibility of an extension of no more than 6 months.²⁸

²⁵ Historical EA Expenditure Data provided by the Department of Transitional Assistance.

²⁶ St. 2010, c. 131, § 2, item 7004-0101. The line item also requires DHCD to track and report back to the Legislature what has happened to the families who receive these short-term subsidies. Specifically, the line item requires DHCD to report quarterly to the Legislature, including data on "[a] the number of families served with transitional housing or short-term housing assistance, [b] the nature of such assistance provided, [c] the average, minimum and maximum cost per family of such assistance, [d] the number of families served who required further assistance at a later date, [e] the type of assistance later required and provided, and [f] the current housing stability of each family who received transitional housing or short-term housing assistance within the prior 18 months." Such data, which are yet to be collected, must be analyzed with great care to evaluate to what extent, and in what relation to permanent housing resources, short-term subsidies should be used.

²⁷ Mass. Dep't of Housing and Community Development, *Emergency Assistance Flexible Funds Administrative Plan: Rehousing and Stabilization (including Extensions)* (Update, Aug. 2, 2010).

²⁸ Private market rents may not exceed the Fair Market Rent as determined by the U.S. Department of Housing and Urban Development. If utilities are not included in the rent, the families must pay them on top of the 25% of their income that goes for rent. *Id.*

- Help families who have been in shelter for 30 days and who are moving to housing with first and last months' rent, security deposit, up to \$150 moving expenses, essential furnishings, and payments towards utility arrearages needed to secure service.²⁹

Between July 1 and September 24, 2010, DHCD preliminarily reported 546 placements of families with short-term Flexible Funds assistance. Combined with the FY 2010 placements with Flexible Funds of approximately 1,500 families, this brings the increasing total to more than 2,000 families as of September.³⁰

In October 2010, faced with more children needing EA services, DHCD dedicated an additional \$5 million to Flexible Funds and “diversion” to provide more short-term subsidies to EA-eligible families.³¹

Hence, in recent years, there has been a substantial increase in the amount of EA dollars going to pay for short-term subsidies and other non-shelter benefits.

Significant Non-EA Funds Recently Spent for Short-Term Housing Assistance

Substantial non-EA state and federal resources have also funded many short-term subsidies and assistance over the past few years.

- The Interagency Council on Housing and Homelessness received a one-time allotment of \$8.25 million in FY 2009 as seed money to create a system of regional networks and to provide short-term rental assistance and other services to homeless and at-risk families and individuals. With these funds, hundreds of families were temporarily placed in private market housing made affordable only due to short-term subsidies that will expire over the course of the next year.³² These one-time funds ran out in September 2010, but the

²⁹ The amounts are capped at \$2,000 for families moving to subsidized housing and \$1,500 for furniture, moving expenses and utility arrearages for families moving to market rate housing. Flexible Funds will also pay up to \$200 per family member to relocate out of state. *Id.*

³⁰ DHCD terminates from shelter families who decline housing that is affordable due only to a short-term subsidy if it concludes that they did not have a good enough reason for doing so. A family's concern that the housing will not be sustainable after the subsidy expires is not generally considered a good enough reason. Memorandum dated March 18, 2010, from Robert Pulster, Associate Director of Division of Housing Stabilization, “Clarification of the Use of Short Term Rental Supports.”

³¹ Although DHCD has not made publicly available materials describing the scope of this “diversion” assistance, in this context it apparently refers to providing EA-eligible families with temporary subsidies or other short-term assistance for housing to prevent them from entering the shelter system. Concerns about how these funds are being spent are discussed more below at note 41.

³² The ICHH has indicated in response to a public records request that a total of 210 families were rehoused from shelter by ICHH networks and, although detailed data has not yet been provided, it seems likely that many if not most of them were rehoused with short-term subsidies. ICHH networks also presumably helped place some

Lieutenant Governor recently announced that another \$1.56 million will be provided from a state trust and private donors to continue the work of these networks at least until the end of FY 2011.³³

- The American Recovery and Reinvestment Act of 2009 (ARRA) included funding for an initiative called Homelessness Prevention and Rapid Rehousing (HPRP). \$44.6 million of these funds were distributed to Massachusetts, \$18.4 million to the state and \$26.2 million to 19 localities,³⁴ and are being used for homelessness prevention, short-term assistance to prevent the need for shelter and temporary subsidies of no more than 18 months for both individuals and families. These funds must all be committed by December 2011 but in many regions of the state are likely to be exhausted in the next few months. One agency administering these funds in the Greater Boston area reports that its state HPRP allocation will be exhausted in the fall of 2010 and that between January and October 2010, it and partner agencies will have placed approximately 350 families in housing that is affordable only due to a 12-month HPRP subsidy. These and hundreds of other HPRP-funded subsidies issued around the state have already begun to expire and many more will expire in 2011.
- ARRA also included one-time additional funds for the Community Services Block Grant (CSBG) that resulted in about \$5.3 million that were used by the Massachusetts Community Action Programs (CAPs) to prevent the need for shelter and for rapid rehousing, including for very short-term subsidies of less than 3 months. The authorization for these resources expired at the end of September 2010.
- ARRA also included a variety of other one-time infusions of resources through various funding streams that could be used to help prevent or address homelessness but that have now expired.³⁵

Thus, over the past two years, tens of millions of dollars flowed into Massachusetts to provide short-term assistance, with an emphasis on short-term subsidies, to try to address the problem of homelessness.

families in longer-term subsidized housing but, in response to the public records request, the ICHH indicated that it is not collecting data on how many. Email response to public records request (September 22, 2010).

³³ Office of Governor Deval Patrick, "Patrick-Murray Administration Announces \$1.56 Million to Support Plan to End Homelessness" (Sept. 23, 2010), *available at* http://www.mass.gov/?pageID=gov3pressrelease&L=1&L0=Home&sid=Agov3&b=pressrelease&f=100923_homeless_support&csid=Agov3.

³⁴ See http://portal.hud.gov/portal/page/portal/RECOVERY/programs/homelessness_resources/hrp-notice.pdf.

³⁵ <http://www.endhomelessness.org/content/article/detail/2179>.

Short-Term Assistance = Short-Term Results

Based on reports from providers and families, as well as common sense, many if not most families housed with temporary supports still do not have stable housing and continue to need EA or other housing assistance once these short-term resources expire. Given high rents in Massachusetts, the unavailability of jobs particularly in the present economy, and the very low incomes of most of those who are being placed with these subsidies,³⁶ it is no surprise that most families who have been housed with only temporary subsidies will need additional housing assistance after the subsidy ends. In some sense, these families are not in a much different position than families in scattered-site shelters, except that they now have leases in their names. Certainly, there is no basis to believe that these families generally are in any better financial position now than when they were in shelter or at shelter's door. Indeed, with all the additional expenses associated with maintaining housing, they are likely under even greater financial stress.

According to DHCD data, approximately 1,150 families are scheduled to have their initial EA-funded short-term subsidies expire in the 7-month period of August 2010 through February 2011, an average of close to 165 families per month. Another large wave of EA subsidies will expire later in 2011. Although some of these families will qualify for short-term, one-time extensions of their subsidies (up to a maximum of 6 months),³⁷ many if not most of these families will, within months, lose their subsidies, be unable to afford their current housing, and be at extremely high risk for becoming homeless and needing shelter or other services again. Hundreds of additional families have reached or are reaching the end of temporary subsidies funded by the other non-EA sources discussed above, with no chance for an extension. These families too are at immediate risk.³⁸

³⁶ The EA income limit for a family of 3 is \$1,755 per month and the average income of families receiving EA is only \$701 per month. DHCD's March 2010 quarterly report to the Legislature (the most recent available). The income limit for HPRP is 50% of Area Median Income, which for a family of 3 is \$3,445 in Boston and \$2,933 in Springfield, although many HPRP and other non-EA short-term subsidies were targeted to the even lower income families who are EA eligible.

³⁷ As of September 29, DHCD reported that about 44% of those whose subsidies expired or were set to expire during the period August through October received an extension. Data have not yet been made available as to what happened to the other families. (See note 56 for further information on DHCD extension policies). Some percentage of these families likely gained access to longer-term affordable housing, since they were in shelter for some substantial period of time prior to receiving the short-term subsidy and so had time in a supportive environment to get applications submitted to a variety of affordable housing providers. As families are given short-term subsidies earlier in or prior to a shelter stay, it will be important to track whether a smaller percentage have access to permanently affordable housing after the subsidy ends.

³⁸ This risk of instability and recurrent homelessness is occurring notwithstanding that most temporary subsidies discussed in this paper have been directed at families that were identified as having the fewest barriers to maintaining housing, so-called "Tier 1 and 2" families. Massachusetts Commission to End Homelessness, Report of the Special Commission Relative to Ending Homelessness in the Commonwealth, dated December 28, 2007 but released on or about January 9, 2008, available at <http://www.onefamilyinc.org/cgi-script/csArticles/uploads/567/Final%20homelessness%20commission%20reportJan9.doc>, at x and 12.

Policy makers should be aware that temporarily subsidized housing is not the kind of stable, permanent housing that is the long-term goal or that will end homelessness.³⁹ And they should be aware of the serious issues raised by temporary subsidies as currently administered. (See Concerns About Temporary Housing Assistance, below.)

Moreover, in spite of the *substantial* infusion of one-time, non-EA resources for short-term solutions,⁴⁰ as well as persistent reports of families wrongly being denied access to EA, the number of families in EA shelter did not substantially decline from the all-time high point in January 2010 to October 2010.⁴¹ And, as discussed above, many of those who, over the past several months, left shelter or avoided the need for shelter with short-term subsidies will need additional help when, if not before, their temporary subsidies expire.⁴²

So, while short-term housing assistance may be a useful tool as part of an overall strategy,⁴³ and welcomed by many families as an alternative to living in a restrictive shelter setting, if such

³⁹ The Massachusetts Commission to End Homelessness highlighted throughout its Report the need to provide stable “permanent housing.” *Id.*

⁴⁰ Some of this increased, short-term funding is offset by the defunding of former state homeless prevention initiatives. For instance, prior to July 2002, the state had a rental arrears program that helped very low income families who had fallen behind pay up to four months of past due rent and stay housed. The rental arrears program was funded through an account separate from EA. It was funded at just over \$9 million in FY 2002. Another homeless prevention program, RAFT (Residential Assistance for Families in Transition), created in FY 2005, helps eligible homeless and at-risk families keep housing or get new housing and provides money for security deposits, first and last months' rent, moving expenses, rent, mortgage and utility arrears, and other housing-related expenses. At its height in FY 2009, RAFT was funded at \$5.5 million. For FY 2011, RAFT funding is only \$260,000. And, until July 2007, some EA dollars were used to provide assistance to families who were not yet homeless but at high risk for becoming homeless soon. DTA ended the use of EA funds for homeless prevention effective October 1, 2007 in order to redirect the funds to trying to move families in shelter out more quickly. DTA Field Operations Memorandum 2007-46 (Sept. 12, 2007).

⁴¹ The average number of families in shelter in January 2010 was 3,390. Historical DHCD EA Shelter Caseload data, email from Robert Pulster (September 28, 2010). On October 5, 2010, there were approximately 3,150 families in shelter, based on daily DHCD data about the number of families in motels added to the 2,188 shelter units reported in DHCD's March 2010 report to the Legislature (although this number may fail to reflect some additional shelter units added since March). These data reflect a decline of only 200 or so families over this period of heavy investment in short-term assistance. *See also* Boston Globe, “Foreclosures,” note 10 above, discussing fluctuating numbers. (Note: EA caseload data regularly distributed by DHCD cover only the number of families in shelter. But the true size of the EA system should now be measured including all those with temporary rental assistance.)

⁴² Just since early October, the EA shelter numbers have been reduced by close to another 200 families. There are serious concerns about how this is being accomplished. Since DHCD decided to dedicate an additional \$5 million of EA to Flexible Funds and “diversion,” families in shelter have reported being pressured to sign leases for apartments that may not be appropriate, in some cases for apartments they have not even seen. Some families applying for EA have been told that they will not be placed in shelter and must instead look for an apartment to rent with a short-term subsidy, even though they have no place to stay pending that housing search and will not be able to afford the apartments after the subsidy ends. Some of these situations have been resolved with the assistance of legal services or other advocacy organizations, but other families undoubtedly have not found their way to such assistance.

⁴³ Temporary subsidies may be particularly useful for those who will soon have access to permanently affordable housing, e.g., a Section 8 certificate, an MRVP voucher, or public housing, and can use the temporary subsidy to bridge them to that permanent housing without the need for an extended shelter stay.

assistance is not a “bridge to permanent housing” it will not in and of itself end or substantially reduce family homelessness or eliminate the need for a strong shelter safety net.

Concerns About Temporary Housing Assistance

While much more independent evaluation is needed with regard to the longer-term impact on families and on the EA system from the use of short-term subsidies, there are several grounds for concern about short-term subsidies, at least as currently administered, based on what is already known.

Initial DHCD Evaluation

An initial evaluation by DHCD conducted in 2009 indicated that the vast majority of families who had received and reached the end of an EA-funded one-year subsidy needed additional assistance after the initial subsidies expired.⁴⁴ As discussed above, this is not surprising given the low incomes of families qualifying for EA assistance, the poor economy, and the extremely high cost of housing in Massachusetts. Although DHCD and the ICHH have not yet provided data on post-short-term subsidy outcomes, providers, advocates and families report that, without additional assistance, many families will become and are becoming homeless again when the temporary subsidies end. Compounding their problems, some of these families have been or will be evicted from that housing due to an inability to pay without the subsidy. This will leave them homeless once again *and* with a worse rental history than before they received the short-term subsidy. Yet, guidance is lacking about what families are supposed to do once their temporary subsidies end.⁴⁵

The New York City “Boomerang” Experience

The recent, well-documented experience of New York City provides more detailed evidence that short-term subsidies do not produce the desired long-term results and can aggravate rather than ameliorate homelessness. In 2005, the City adopted an aggressive rehousing

⁴⁴ Department of Housing and Community Development, Division of Housing Stabilization, Shelter Provider Meeting, PowerPoint slide, “Outcomes of Families at End of 1st Year of Lease” (December 11, 2009). Indeed, according to administrators of HPRP funds, many families need additional assistance *during* the short-term subsidy period since the families’ portion of the rent is more than they can manage while meeting other ongoing and emergency expenses given their very low incomes.

⁴⁵ The ICHH apparently has not collected information concerning how many of the families served by ICHH entities have been evicted since receiving a short-term subsidy or other ICHH resources. Email response to public records request (September 22, 2010). DHCD has not yet released data on what has happened to families whose EA-funded subsidies have expired and not been extended. And, as of this writing and notwithstanding that hundreds of short-term subsidies have already expired, neither the ICHH nor DHCD has yet implemented policies to ensure that families whose short-term subsidies end and who cannot afford the rent without them can terminate their tenancies and avoid an eviction while retaining eligibility for additional help from the EA program. This lack of guidance increases the likelihood that families will end up with a blot on their housing record and that landlords who have agreed to accept tenants with only a short-term subsidy will be forced to assume the cost of eviction proceedings.

program that provided five-year rental subsidies for families in shelter, which were reduced by 20 percent each year in the expectation that families would increase their employment and make up the difference.⁴⁶ Even though the program was initiated well before the current recession, the program stalled quickly when families were unable to pay their required share of the rent. By 2007, the program was discontinued and replaced with a 100 percent rental subsidy for up to two years. Preliminary data show that the replacement program is also failing to achieve the goal of moving families to permanent housing. Projections for 2010 indicate that 40 percent of families found eligible for shelter this year in New York City will be “boomerang” families who previously received shelter and were moved out with time-limited subsidies. “These boomerang families experience a cycle of being shuffled off to housing only to eventually return to where they started – the shelter.”⁴⁷

In Massachusetts, some suggest similarly aggressive use of short-term rental assistance coupled with and funded in part by “savings” from making it harder to get through the door to shelter. Preventing families from accessing shelter will of course reduce shelter costs, but there is no basis for predicting that fewer children will be homeless or in need of EA services as a result of such “reforms.”

Indeed, as the New York experience shows, such policies may actually exacerbate long-term homelessness for families who are moved with short-term subsidies into private housing that they cannot sustain once the subsidies expire.

Negative Effects on Housing Resumé and Access to Longer-Term Housing

A stated goal of aggressive reliance on short-term subsidies is to allow families “to begin to develop a positive housing resume.”⁴⁸ But, particularly in the current economic climate and without policies in place to ensure a transition to long-term affordable housing, families are being evicted for nonpayment of rent after their temporary subsidies expire. As a result, they will have a blot on their housing records that did not exist previously. This in turn will make it harder to find new landlords who will rent to them, causing longer future homelessness and shelter stays.⁴⁹

With proper guidance and assistance, these results could be avoided, e.g., by helping families and landlords terminate unaffordable tenancies without the need for an eviction and helping

⁴⁶ Institute for Children, Poverty & Homelessness, *Boomerang Homeless Families: Aggressive Rehousing Policies in New York City*, Summer 2010.

⁴⁷ *Boomerang Homeless Families*.

⁴⁸ Memorandum dated March 18, 2010, from Robert Pulster, Associate Director of Division of Housing Stabilization, “Clarification of the Use of Short Term Rental Supports.”

⁴⁹ Data on the number of short-term subsidy recipients who have been or are being evicted has not yet been collected or made available. See note 45. But families in this position have contacted legal services and other community groups seeking assistance. These evictions are occurring even though short-term subsidy providers are expected to provide stabilization services. Data are also not currently available as to how many of the families whose short-term subsidies are expiring will meet the strict EA eligibility requirements discussed below. And DHCD has not updated its regulations to address the pervasive reliance on short-term subsidies.

the families move to another affordable unit. At a minimum, these families should be allowed to return to the EA shelter system prior to an eviction. But so far there is a lack of guidance for families, as well as for the providers who helped place families with these resources, about what the families are supposed to do as they face the end of their short-term subsidies, possible eviction and a return to homelessness. In the absence of such guidance, a well-intentioned stabilization worker recently advised an anxious family to pray.

Receipt of a short-term subsidy may also cause families to lose their chance for long-term subsidized housing. Some families who qualify as homeless receive a priority for such housing which speeds up the wait time,⁵⁰ but housing providers sometimes deny the priority to otherwise homeless families who are in housing with only a short-term subsidy that will soon expire. Fortunately, in the FY 2011 budget the Legislature mandated that DHCD issue regulations clarifying that receipt of a temporary subsidy does not impair a priority for *state* subsidized housing or rental assistance.⁵¹ Unfortunately, those regulations will not prevent the loss of access to *federal* public housing and rental assistance, which comprises the largest portfolio of subsidized housing resources in Massachusetts.⁵²

In addition, families who do not qualify for a homeless priority, who have spent years on a waiting list, who are housed outside their home community with a temporary subsidy, and who come up to the top of the waiting list during the short-term subsidy period may then be denied a residency preference and lose their chance for long-term affordable housing for which they have waited so long.

Families placed in apartments with temporary subsidies also report that they have lost their chances for permanent housing because they have not received and therefore have not responded to notices that their names have come to the top of a waiting list. In these cases, the notices were sent to the family's prior shelter placement instead of to their temporarily subsidized apartments and not forwarded to the family on a timely basis.⁵³

⁵⁰ A priority for certain categories of homeless families applies in state public housing. There is no such general priority in federal public housing, although many of the largest federal public housing administrators in the state, including Boston, Cambridge, Somerville and others, apply such a priority. Boston Housing Authority has indicated that it will preserve that priority for temporarily housed families for a period of only one year. Families who receive a 6-month extension of the EA-funded subsidies may therefore lose their BHA priorities, and DHCD's written extension policies do not yet address this situation.

⁵¹ St. 2010, c. 131, § 2, item 7004-0099. These regulations, which have not yet been promulgated in spite of a September 1 statutory deadline, but are reportedly in the pipeline, will put into law the policy contained in DHCD's Public Housing Notice 2010-3 (February 23, 2010).

⁵² CHAPA, Policy Paper for Candidates, Appendix 3: Sources for Affordable Housing.

⁵³ References in this paper to reports from families are based on information obtained in cases in which families contacted legal services or other advocacy organizations for help. These reports are from only a small minority of the thousands of families who have been housed with or offered temporary subsidies or other short-term assistance and no claim is made that they constitute a representative sample. But their experiences highlight the need for prompt action by policymakers and program administrators to prevent these scenarios from happening to other families and to address the needs of all the families in similar circumstances.

Better coordination between DHCD, its providers and housing agencies is needed to address these problems. The promise of such coordination was a leading reason that the EA program was transferred to DHCD in 2009.

Many families with short-term subsidies also report a lack of meaningful assistance during the subsidy period in looking for housing that they can sustain after the subsidy ends. Although they are paid to deliver such stabilization services, providers report that the level of reimbursement may be insufficient for meaningful engagement and that the priority is to move additional families into temporary subsidy arrangements, due in part to pressure from the state to reduce the number of families in shelter in the short-term. Lack of such housing search assistance, along with the lack of reliable information about when and whether families who once again become homeless can return to EA shelter, can result in a temporary subsidy being more of a “gangplank” than a “bridge to permanent housing.”

Conditions Issues in Temporarily Subsidized Units

Some families placed in temporarily subsidized units report serious conditions issues with their apartments. Cockroach and rodent infestations – which trigger or exacerbate asthma and allergies – and criminal break-ins are among the concerns repeatedly raised. More investigation is needed about the prevalence of conditions issues.

Faced with these conditions issues, families find themselves confused about what action they can take. Although most of the rent is being paid by a provider, the lease is solely in the family’s name and the family will be responsible for 100% of the rent if the provider decides to terminate the subsidy. In some cases in which conditions issues persist after notice to the landlord and the family has asked a provider for assistance in relocating, families have been told that they cannot move during the subsidy period. And DHCD has not clarified whether families who leave an intolerable situation and seek to re-enter shelter will be allowed back in.⁵⁴ As a result, families with children are left in unsafe and stressful situations.

Lack of Accountability, Due Process and Transparency

Those who advocate for short-term housing assistance as an alternative to shelter and rehousing services often call for maximum “flexibility” for providers in determining who should receive what form of assistance. But a serious concern with respect to short-term housing assistance is the lack of due process and transparency for families with regard to the distribution of these resources. Also lacking is accountability with regard to how the resources have been distributed and rigorous analysis about the actual results.

With respect to temporary subsidies funded with EA dollars, providers have been given broad discretion to decide which families are to be offered Flexible Funds subsidies or “diversion”

⁵⁴ DHCD regulations provide for an exception to the general rule that a family cannot return to shelter for 12 months where the family left for “permanent” housing that ended up not meeting the Sanitary Code or otherwise not being safe. 106 C.M.R. § 309.040(A)(4)(b). But DHCD has not clarified whether it intends this protection to apply to those who were moved from shelter into housing supported only by temporary subsidies.

assistance and under what conditions. In recent weeks, as shelter numbers re-approached an all-time high, families in shelter have been pressured to accept Flexible Funds or diversion subsidies for apartments that are not necessarily appropriate for their families and in some cases apartments they have never seen. Families applying for shelter have been offered thousands of dollars in subsidies but denied prompt access to shelter even when they have nowhere safe to stay pending location of apartments in which to use the subsidies. And, in spite of reassurances to advocates that families who accept “diversion” resources would not be rendered ineligible for shelter or other EA services when those short-term resources end, desperate families have been told that they cannot come back for help after the temporary assistance expires.⁵⁵

EA shelter providers also have been given broad discretion to determine what activities families placed with a temporary subsidy can be required to pursue as part of their housing stabilization plans and to decide whether to terminate a subsidy or whether to recommend families for 6-month extensions of their subsidies. Little or no guidance has been given to providers making these decisions about their obligation to make reasonable accommodations for the disabilities that are common among these families.⁵⁶ Although additional guidance has been promised, including procedures for families with Flexible Funds subsidies to ask for an extension and appeal a denial, no such guidance has yet been provided, even though these subsidies began expiring in August 2010. Meanwhile, families are left with or being evicted from housing units that they can no longer afford.⁵⁷

The ICHH and HPRP delivery systems similarly have lacked basic elements of due process. Families and organizations that advise these families, but who were not part of the networks, were provided with little or no information about how to access these resources⁵⁸ and no procedures for appealing denials or terminations of assistance to independent arbiters were ever created. Compounding the lack of due process, critical information is not available about the specifics of how these resources were distributed and what has since happened to the families served. Instead, only conclusory data based on provider claims as to how many families had their homelessness “prevented” or how many were “diverted” from shelter are available. Much more detail is needed to determine what has happened to these families.

⁵⁵ These aggressive policies, along with other frequent unlawful denials of access to shelter, may explain the recent drop in the number of families in shelter discussed in text at note 42 above.

⁵⁶ Many children and parents experiencing homelessness are “victims of family violence or grappling with child welfare or mental health issues.” *Boomerang Homeless Families*.

⁵⁷ On October 28, an email was sent to providers from DHCD informing them that, pending establishment of such procedures, all families should be provided with extensions of their temporary subsidies. A copy of this email was sent to some advocates. This was an important interim step. But no instruction has been provided with respect to families whose subsidies have already expired, and no written notice of this interim policy has been sent by DHCD to families or other members of the public who may be assisting these families.

⁵⁸ The Western Massachusetts network recently published a resource guide that sets forth what is available within the region, along with eligibility criteria. See <http://westernmassrcn.files.wordpress.com/2010/11/wmn-comprehensive-resource-directory-11-5-10.doc>. This is a positive step toward greater transparency.

Cost Comparisons

Proponents of short-term housing assistance as an alternative to shelter often cite the fact that, per family per month, temporary subsidies cost less than shelter and related rehousing services.⁵⁹ But these cost comparisons often fail to recognize that the cost of “shelter” includes funding for shelter agencies to provide social services that are vital to helping homeless families address barriers to successful rehousing, as well as housing search services. On the other side of the ledger, calculations of the cost of short-term subsidies often neglect to take into account administrative expenses associated with temporary subsidies and the costs of stabilization services during the temporary subsidy period.⁶⁰ So the cost comparisons are often “apples to oranges.” Indeed, experiences with short-term subsidies so far show that *more* stabilization is needed for many families, which will further increase costs. And, as the evidence mounts that, in order to prevent a recurrence of homelessness, temporary subsidies will need to be provided for longer than originally thought and for much longer than the average length of stay in shelter, the cost-saving argument is further eroded.

Relevant to the cost argument, an evaluation needs to be done to determine, among other things, if families within the EA shelter system for somewhat longer periods of time are more likely to obtain or to obtain more quickly access to *permanently* affordable housing than are those who have been immediately served only with temporary rental subsidies.⁶¹

For all these reasons, a thorough and independent evaluation of the benefits and downsides of short-term subsidies should be undertaken before a greater percentage of EA funds are committed to these initiatives.

⁵⁹ The average monthly cost of family shelter with rehousing services is \$3,000 per month, while a temporary subsidy often costs approximately \$1,000 per month, not including administrative overhead and stabilization services.

⁶⁰ Nonprofit providers are paid to disburse temporary subsidies and to provide stabilization and rehousing services to families with temporary subsidies. These costs are in addition to the direct rental subsidy provided on behalf of families.

⁶¹ As noted above, some with temporary subsidies are losing their chance for permanent housing during the temporary subsidy period. In addition, families moved more quickly into temporarily subsidized housing do not have as much support completing applications for permanently affordable housing as do families in shelter for some period of time. Moreover, providers charged with delivering stabilization services to families placed with short-term subsidies report that some percentage of these families are hard to engage in housing search activities once they have left shelter and entered housing with a temporary subsidy. This may be due in part to competing demands on the time of low-income parents who are struggling to make ends meet and in part on the mixed messages sent to families, e.g., that, on the one hand, they are housed and no longer homeless once they have an apartment with a temporary subsidy and, on the other hand, that they are still in a position to need to keep doing permanent housing search.

Risks of EA Eligibility Restrictions

Dedicating more EA resources to short-term rental assistance that is not a true “bridge to permanent housing” could lead to more EA eligibility restrictions that will deny even more homeless children a safe place to stay.

When funding for EA is inadequate to meet the need, additional eligibility restrictions may be imposed and even more innocent children denied access to this vital safety net. In early 2009, a projected deficit in the EA account of approximately \$3.4 million (an additional \$23.8 million was covered by a one-time transfer of funds from other accounts) triggered proposals to restrict access to EA benefits. While some of the more drastic proposals were withdrawn or softened as a result of an outcry by the public and members of the Legislature,⁶² a variety of new restrictions were adopted.⁶³

There is an even larger projected deficit in the EA account for FY 2011. In FY 2010, EA was funded at \$151.7 million, including several supplemental appropriations during the year. The current appropriation for FY 2011 is substantially less – \$135.4 million⁶⁴ – while the need for services has not declined. Thus, there is now a projected deficit in the account of more than \$15 million. And this projection may be very conservative given the large numbers of families whose temporary subsidies will soon be expiring, many of whom will likely become homeless again, and who should be eligible for additional EA assistance.⁶⁵

⁶² Boston Globe, “Homeless Families Face Strict New Rules: Firm standards for work, behavior; Some say many will be forced into the streets” (February 17, 2009), *available at* http://www.boston.com/news/local/massachusetts/articles/2009/02/17/homeless_families_face_strict_new_rules.

⁶³ Modification to Emergency Assistance Regulations, 106 CMR 309 (March 27, 2009), <http://www.mass.gov/Ehed/docs/dhcd/hs/summary106cmr309.pdf>. *See also* Boston Globe, “State Revises Regulations on Homeless: Aim is to keep families from losing shelter” (March 28, 2009), *available at* http://www.boston.com/news/local/massachusetts/articles/2009/03/28/state_revises_regulations_on_homeless.

⁶⁴ The initial FY 2011 appropriation was \$113.4 million. St. 2010, c. 131, § 2, item 7004-0101. A supplemental appropriation of \$22 million was enacted on October 15. St. 2010, c. 359, § 3, item 7004-0101.

⁶⁵ In conversations, DHCD has acknowledged that families whose HPRP or other non-EA-funded temporary subsidies are expiring are eligible to access EA services if they are financially eligible. But it has not provided any public written acknowledgment of that fact. And DHCD has proposed to bar families who received EA-funded short-term subsidies from re-entering shelter for 12 months from the end of the subsidy period if a determination is made that the family did not substantially fulfill the terms of their rehousing and stabilization plans during the subsidy period. Although what is meant by substantial compliance has not yet been clarified, this policy would have dire consequences for children in families who would have been forced to take a temporary subsidy when all involved knew that the family would likely need additional assistance after the subsidy expires, where some of the expectations in rehousing plans were simply not reasonable (e.g., failure to make reasonable accommodations for persons with disabilities), where there are no uniform standards governing what kinds of requirements housing search providers can reasonably include in such a plan, and where there are no promulgated standards for judging what constitutes lack of substantial compliance. The policy is also illegal under DHCD’s own regulations that say that the 12-month period during which a family who received EA in the past can be barred runs from the last day the department paid for “shelter” – as opposed to other EA benefits. 106 C.M.R. 309.040(A)(4).

Some argue that the EA program has “broad” eligibility requirements, implying that EA shelter is available on demand to almost any homeless family that seeks it.⁶⁶

The truth is that very many extremely low income children experiencing homelessness are ineligible for EA services because their families do not meet the extremely restrictive EA eligibility rules that are currently in place. For example,

- Gross family income must be no more than 115 percent of the federal poverty limit – \$1,755 a month for a family of 3 – and most families in shelter have much less income than this.⁶⁷
- Family assets must be below \$2,500.
- The family must have no current housing at all or housing that is not “feasible” because the family cannot stay more than a week, the landlord has a judgment for possession, there are severe code violations, or a family member was mistreated or abused in that housing situation.⁶⁸
- The family must not have been in EA shelter (or approved for it) within the past 12 months, with certain limited exceptions.

In addition, there are many exclusions from shelter because of a parent’s past conduct, including:

- The family is homeless because it was evicted from public or subsidized housing for nonpayment of rent or certain other reasons,
- An adult in the family quit a job or reduced work hours in the past 90 days without “good cause,”
- The family is found to have not cooperated sufficiently with EA housing search activities at some time.

Families who fail to meet these rigid eligibility criteria are ineligible not only for shelter but for EA-funded rehousing services.

In addition, DHCD can terminate shelter for a host of reasons, including:

⁶⁶ Culhane, Dennis B. and Byrne, Thomas, *Ending Family Homelessness in Massachusetts: A New Approach for the Emergency Assistance (EA) Program* (May 2010), at 5, 7-8.

⁶⁷ As discussed at note 36, the average income of families receiving EA services is only \$701 per month.

⁶⁸ DHCD contracts with the Department of Children and Families (DCF) – the agency also responsible for taking custody of children away from parents deemed unfit – to verify that a family has *no feasible, alternative housing* before the family is determined eligible for shelter. Families who have allowed otherwise homeless families to stay with them for a short time but then ask the homeless families to leave – often because having visitors jeopardizes their own tenancy – are visited by DCF workers who try to determine if in fact the homeless family can stay longer. Families who are applying for EA but refuse to authorize a DCF assessment out of fear of DCF involvement for themselves or their former hosts are denied access to shelter.

- Declining one offer of housing, regardless of whether it is in an unsafe neighborhood or far from community supports;
- Violating strict shelter rules;
- Not saving the required amount of a family's limited income (generally 30 percent of net income);
- Not participating in work, education, or other approved activities for 30 hours per week; and
- Increasing income to above the low EA income limit.

Access to EA shelter is denied and terminated even when the children have no other place to go.

In addition, the more than 70% of families in shelter who depend on cash assistance (Transitional Aid to Families with Dependent Children) as either their sole income or as a supplement to other earned or unearned income are, in effect, required to reimburse the state for some of the cost of their shelter. Their TAFDC benefits, which are a maximum of \$593 a month for a family of three with no other income, are reduced by \$148.50 a month while they are in shelter.

Against this backdrop, committing more EA resources to short-term subsidies and other short-term, non-shelter assistance – particularly before there is evidence of reduced need for EA shelter benefits – will increase pressure on DHCD to propose additional EA eligibility restrictions, leaving more needy children and their families with no safe place to go.⁶⁹

EA ≠ General Source for Housing Funds

There is a real need for more long-term affordable housing and more homelessness prevention resources in Massachusetts to help prevent and reduce homelessness and to fill the gap left by the expiration of so many state and federal resources.

But it is unreasonable to expect that such resources should come from an EA program that is already overstretched and in projected deficit, which has yet to evaluate and address adequately the problems with short-term subsidies and other short-term housing assistance, and which is the only source for the vital safety net of shelter and rehousing services for children whose homelessness cannot be prevented.⁷⁰

⁶⁹ It would be perverse if the state chose to deny eligibility for future EA services to families who have been encouraged or required to participate in the largely unevaluated experiment with the use of short-term subsidies and predictably need additional help to keep their children safe. It would be equally troubling, and leave many innocent children in the most vulnerable families with no safe place to stay, if the EA system were “reformed” so as to leave insufficient resources to provide meaningful assistance to the many families who, because of complex issues in their lives, are recognized as not likely to benefit from a short-term subsidy even in the short term.

⁷⁰ Some imply that EA funding should be used not only for more short-term subsidies but also to expand funding for MRVP, to restore funding for RAFT, to replace lost prevention resources, and to serve families with incomes

There is also a need for much more analysis about the forms that additional homelessness prevention resources should take. Should the rent arrears program at DTA be restored? How can funding for RAFT be restored? Should the Tenancy Preservation Project that tries to prevent evictions of persons with disabilities be expanded? Should legal services receive more funding to help families prevent evictions? Should new funding be provided to the CAPs to continue their previously ARRA-funded prevention work? What ongoing role is appropriate for the ICHH regional networks?⁷¹

But even without deeper analysis, the recent experience in Massachusetts already shows that spending significant additional amounts on short-term subsidies and other short-term assistance does not by itself lead to a substantial reduction in family homelessness or the need for a substantial shelter safety net for our most vulnerable children. And, as demonstrated above, it creates a new set of problems that must be addressed.

Long-Term Affordable Housing Is the Answer to Homelessness

The recent experience in Massachusetts also confirms what has long been known: the answer to family homelessness is more housing that is affordable to very low income families for the long term.

As recently stated by CHAPA:

[S]hort-term shallow subsidies are unlikely to succeed for a majority of families who face significant barriers to accessing permanent housing, particularly in the regions of the state with the highest housing costs. ... The State must acknowledge that longer term success will depend on the continued availability of state and federal funds for this strategy and on the availability of sufficient longer term permanent affordable housing and/or rental assistance. ... In short, Massachusetts will only make significant progress in reducing homelessness and in realizing savings by making a significant investment in housing and assistance that is targeted to households who make less than \$25,000 annually, those with extremely low incomes.⁷²

over 115% of the poverty limit *without any additional resources being added*. One Family Campaign, Emergency Assistance Reform Dialogue Session, PowerPoint presentation, September 2010.

⁷¹ In response to the recent public records request discussed in notes 32 and 45, the ICHH indicated that it has also not collected or analyzed data on the numbers of families who sought services from the regional networks but were turned away or for what reasons, the number of families who received services but have since applied for EA, the number of families who have been served by the entities and are now in long-term subsidized housing, or how and to where families were “diverted” from shelter.

⁷² CHAPA Policy Paper for Candidates, at 15.

Reversing the erosion of longer-term housing resources is a critical part of ending family homelessness. So too is reducing barriers that homeless families face in accessing long-term affordable housing.⁷³ More progress on these fronts is urgently needed.

In the immediate term, families who were able to maintain their tenancies with short-term subsidies – and who therefore developed a positive housing resume – should be allowed to transition directly to long-term affordable housing through a priority for public and other subsidized housing. Such action, among others, is warranted to ensure that temporary subsidies truly “bridge families to permanent housing,” not back into homelessness.

Conclusion

For the reasons discussed above, temporary housing assistance standing alone will not end family homelessness. While such assistance, appropriately administered, can perhaps be a valuable tool in the efforts to address homelessness, the myriad problems caused by temporary subsidies must be acknowledged and addressed with urgency.

As the recent Massachusetts experience shows, unless and until necessary investments in long-term housing infrastructures are made and temporary assistance becomes a “bridge to permanent housing,” homelessness among children and their families will continue at high levels and a substantial emergency shelter safety net will continue to be needed to keep our children safe.

⁷³ Commission to End Homelessness, at xi-xii and 15. DHCD could amend its existing regulations to address some of the barriers. In addition, as noted by the State Auditor at page v of the 2006 report discussed at note 21 above, there is a need for a centralized list of public housing vacancies and waiting lists to allow for more efficient access. DHCD has said that it used a centralized process to identify vacant units that were made available to house displaced victims of Hurricane Katrina. Expansion of such efforts is needed to address the homelessness crisis among the children of Massachusetts.