

## **Income and Stability: Homelessness**

**Issue:** The most recent Point-in-Time Count (Jan. 27, 2015) yielded 27 chronically homeless persons, a 79% decrease since 2005. That benchmark year (2005) is the year before Montgomery County, the City of Dayton and the United Way of the Greater Dayton Area adopted the *Homeless Solutions Community 10-Year Plan to End Chronic Homelessness and Reduce Overall Homelessness*. (Note: To qualify as chronically homeless, an individual or member of a household must be disabled and be homeless either continuously for a year or for four episodes in three years.)

Despite the success in reducing (what HUD defines as) *chronic* homelessness, the need to address *overall* homelessness remains urgent. In each of the last several years, over 3,100 households have stayed at one of the local Gateway Shelters: Daybreak, Gettysburg Gateway for Men, St. Vincent Gateway for Women and Families, and the YWCA Domestic Violence Shelter. Figure 1 shows an analysis of the 3,238 households (comprising 4,403 people) who used a shelter in 2014.

The US Department of Housing & Urban Development's analysis of worst case housing needs finds that 80% of the problem is not housing inadequacy or overcrowding but affordability.

**Why It Matters:** First among all the reasons that homelessness matters is the cost of basic human dignity that it extracts from those affected. In addition, reducing overall homelessness would have a significant impact on all three focus areas: Income and Stability; Education and Life Skills; and Health and Safety.

- Housing stability increases the chances of maintaining stable employment;
- Housing stability improves the educational outcomes for children by reducing the mobility of low-income families; and
- Housing stability improves health by reducing exposure to environmental hazards and freeing up resources to pay for health expenses and more nutritious food.

### **Evidence Based Practice and Where I Can Learn More:**

Increasing the supply and geographic dispersal of affordable housing is a key strategy for reducing overall homelessness. Examples of strategies that have been successful in other communities include:

- Establishing a Housing Partnership Equity Trust, a social-purpose real estate investment trust that provides a ready source of long-term, low-cost capital for affordable multifamily housing. <http://hpequitytrust.com/>
- Developing Employer Assisted Housing, public-private partnerships where companies provide homeownership counseling and financial assistance to employees who purchase or rent homes in communities where they work. A study in Wisconsin found employees living in Employer Assisted Housing had retention rates 2-3 times greater than their average employee and regional retention rates. <http://portal.hud.gov/hudportal/HUD?src=/states/illinois/news/eah>
- Implementing Land Use and Regulatory Policies such as inclusionary or incentive zoning, which either requires a number of low- and moderate- units along with the development of market rate apartments or provides incentives for developers to include a mix of units, and fee reductions or expedited processing for developers of affordable housing. <http://furmancenter.org/research/area/land-use-regulation>

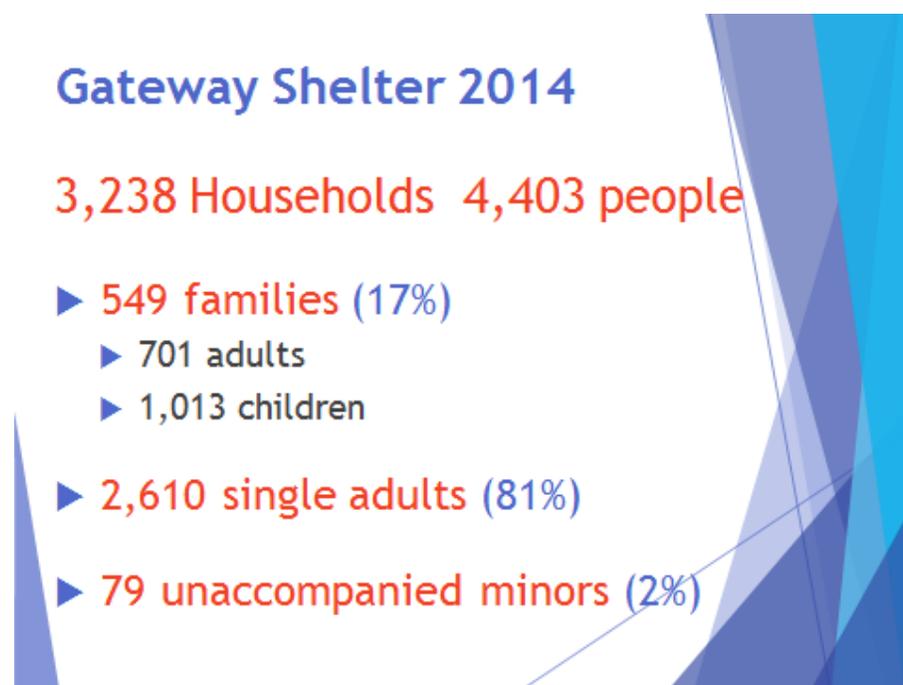
Income and housing stability are inextricably linked – income policy is housing policy. The solution to achieving both income and housing stability is two-fold and calls for both increasing the supply

and development of affordable housing and for increasing individual household's income so that housing is more affordable. Therefore, strategies that ensure that low wage workers have access to work supports such as childcare subsidies, health insurance, food stamps, and the Earned Income Tax Credit (EITC) are key to reducing overall homelessness. In addition to increasing job retention, thus reducing employer job turnover, research shows that these income supplements provide work, income, education, and health benefits to recipients and their children. In addition, recent research suggests the income from the Earned Income Tax Credits leads to benefits at virtually every stage of life – (that children in families receiving larger credits do better in school, are more likely to attend college, and can be expected to earn more as adults.)

But ... there is a “cliff effect” that occurs when a slight increase in worker wages eliminates work supports such as the child care subsidy, in effect, pushing the household back into poverty, creating a disincentive to work advancement, and imperiling housing stability. Strategies that could lessen this cliff effect include:

- Better taper benefits as earned income increases;
- Increase the income ceiling for eligibility
- Stagger upper limits of income eligibility for various work supports;
- Reduce the recertification frequency requirements; and
- Increase the income level for initial eligibility to allow families to qualify.

Some states, including Maryland and Michigan, have enacted a state renter's credit that provides limited tax credit to renters, similar to a homeowner's mortgage interest deduction or homestead exemption.



**Figure 1.** 59% (2,610/4,403) of the people using a Gateway Shelter in 2014 were single adults.