

Comment on Susan J. Popkin, Mary K. Cunningham, and Martha Burt’s “Public Housing Transformation and the Hard-to-House”

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Abstract

I agree with Popkin, Cunningham, and Burt that public housing agencies (PHAs) must assume at least some responsibility for providing housing to those whom the article defines as hard-to-house. I provide some historical context for private and public sector efforts to support these vulnerable populations, as well as an overview of different operational definitions of the hard-to-house. However, I suggest that positive outcomes for the households in question also depend on the federal government and PHAs providing development and operational resources for supportive housing and helping private sector organizations provide housing and services.

However defined, this is a diverse group with diverse needs for both housing and supportive services. I consider the appropriate roles for public, private, and nonprofit sector actors in addressing those needs. Drawing on our experience at the Corporation for Supportive Housing, I outline what the optimal provision of these housing and services might be, as well as challenges impeding progress toward this goal.

Keywords: Federal government; Public housing; Urban policy

Introduction

Popkin, Cunningham, and Burt make a compelling case that public housing agencies (PHAs) must assume at least some responsibility for providing housing to those whom the authors define as “hard to house”—households that are least likely to make a successful transition to safe, decent housing under current federal policies. These policies have the effect of decreasing the number of public housing units available to those with the lowest incomes and the most significant barriers to stable housing.

While strongly endorsing the authors' recommendations, I suggest that a positive outcome for the households in question also depends on having the federal government and PHAs make policy and program decisions that (1) result in the delivery of significant resources for the development and operation of permanent housing for those defined as hard-to-house and (2) assist not only public agencies, but also private sector organizations, to provide this population with housing and services.

Supportive housing and the people who benefit from it

In 1990, the Pew Charitable Trusts launched an investigation to identify new opportunities for philanthropy to address homelessness. Julie Sandorf, formerly director of the Local Initiatives Support Corporation's New York program, traveled the country on Pew's behalf and discovered that in many communities in addition to New York, a blend of permanent, affordable housing with supportive services was proving especially effective in ending homelessness for those who had previously cycled through shelters, hospitals, jails, and other programs without ever becoming stable. These individuals and families share many of the traits noted by Popkin, Cunningham, and Burt as characterizing the hard-to-house.

While the concept of combined services and permanent housing that came to be known as supportive housing was simple, implementation was not. It required a mix of funding from many different public and private sources for construction, rent or operating subsidies, and an array of services. In addition, the delivery of supportive housing was just as complex because it often required partnerships among several organizations or demanded that an organization learn new things to develop and manage housing for people with significant barriers to stability and to deliver a wide range of health, social, and employment services.

The Pew Charitable Trusts, the Ford Foundation, and the Robert Wood Johnson Foundation joined forces to start a new organization called the Corporation for Supportive Housing (CSH), which began operating in 1991 with the goal of helping communities create much more supportive housing targeting homeless people who faced major challenges to stability—people who, by definition, had a hard time staying housed.

Over the next several years, these foundations were joined by, among others, the Rockefeller Foundation, the Conrad N. Hilton Foundation, the John D. and Catherine T. MacArthur Foundation, the Melville Charitable Trust, and the Oak Foundation nationally, and more state, regional, and local funders, such as the Minneapolis-based McKnight Foundation and The

California Endowment. These new resources stimulated successful efforts primarily by nonprofit organizations not only to create thousands more units of supportive housing, but also to increase the level of private and public sector investment. Evidence of the positive impact of supportive housing on tenant stability and health, and reduced costs for shelters, jails, and hospitals, led Congress to set aside 30 percent of McKinney-Vento Act funding (about \$300 million annually) for permanent supportive housing, and state and local governments also increased the attention they paid to this area.

Federal and private sector housing policy

Meanwhile, as Popkin, Cunningham, and Burt explain, the federal government was also increasing its investment in HOPE VI (Housing Opportunities for People Everywhere) and establishing new policies that were aimed at deconcentrating poverty and sought to diversify the public housing population, increase residents' average income, and ensure that people who had to leave public housing moved to mixed-income communities. Around the end of the 1990s, the housing policy interests of foundations and government gravitated increasingly toward these deconcentration efforts, as well as concurrent efforts to increase homeownership among low-income families as a form of deconcentration that had the additional benefit of building assets.

Thus, several different policy and program approaches to affordable housing grew in scope and influence on parallel but distinct tracks. On one track, deconcentration and related strategies focused on public housing transformation and homeownership, and on another, the supportive housing movement grew to address the housing needs of people who had not successfully retained housing and were considered by PHAs and certainly by homeownership ventures as hard-to-house.

Popkin, Cunningham, and Burt report that transformation under HOPE VI resulted in mixed-income public housing and fewer units for very poor and multiple-barrier households. (The authors state that the number of deeply subsidized hard units decreased by 22 percent of occupied units and 49 percent of all units on the sites at the time of award.) Further, public housing transformation leveraged portable rent subsidies to address those displaced by the process.

The authors go on to report that the impact on homelessness and other results of deconcentration efforts on this population remain to be documented by the survey that will begin in the spring of 2005. However, it is already apparent that the hard-to-house face particularly serious problems in terms of unstable housing and difficulty paying rent and utilities.

In addition to the impact of HOPE VI, it is important to note that in 1992, the federal government limited the occupancy of nonelderly people with disabilities in Department of Housing and Urban Development–assisted housing that had previously targeted a mix of elderly occupants and nonelderly occupants with disabilities. This resulted in a dramatic and unprecedented decrease in the affordable housing available to adults with disabilities.

The authors’ definition of the hard-to-house and their housing needs

Noting that some may find the term “hard-to-house” pejorative, Popkin, Cunningham, and Burt also describe this population as having “characteristics that could place residents at risk” for housing problems (6). This description seems more accurate. The authors assert that this group consists of

1. Multiple-barrier households that have lived in public housing for more than 10 years, are unemployed but of working age, and may also have a drug, alcohol, or mental health problem and/or a criminal record
2. Households that include someone with a disability
3. Elderly households
4. Grandfamilies (a single elderly adult who is the primary caregiver for one or more children)
5. Large households
6. Households with one-strike problems

While the proportion of residents who fit into these categories varies by site, Popkin, Cunningham, and Burt state that between 37 and 62 percent of the public housing residents they surveyed fell into one or more of these categories. The largest group consisted of households that included a member with a disability, followed by multiple-barrier households.

The authors also note that different housing options are most appropriate for each group. For some, search assistance and postmove support, or counseling and support in the case of households with one-strike problems, are required. For others, transitional housing may be most useful. Other cases simply require large or accessible units or SRO units, while others would find permanent supportive housing the best alternative.

Popkin, Cunningham, and Burt state that permanent supportive housing—which they accurately define as “housing with no limit on length of stay and no requirement that tenants move out if their needs change” (18)—is most

appropriate for single elderly adults and adults with disabilities, but note that these options are not in place for grandfamilies or for families that include both adults with disabilities and children. The authors also suggest that HOPE VI developers could be asked to create multiple-bedroom units with services appropriate for these households and propose that transitional housing be made available to those who, after substantial support, could be expected to sustain themselves in housing without supportive services. These are identified as multiple-barrier families and one-strike households.

Although I agree with these recommendations overall, it is important to recognize several important caveats. I will also suggest other points based on CSH's experience.

The characteristics of those targeted by CSH and its definition of supportive housing

From CSH's perspective, supportive housing is effective for a wide range of people who are homeless or at risk of becoming homeless. CSH has focused on working with partners to create permanent supportive housing opportunities for people—men, women, youth, and families with children—who meet the following criteria:

1. They are poor, with most earning 20 percent of area median income or less.
2. They have chronic health conditions that are at least episodically disabling, such as mental illness, HIV/AIDS, and substance use issues, or other substantial barriers to housing stability (domestic violence, trauma, a history of out-of-home placements).
3. They are not able to obtain or maintain housing and do not live in appropriate and stable housing in the community.
4. They would not be able to retain stable housing without tightly linked services.

This group includes people who may be homeless (for any length of time) or are at risk of becoming homeless and those who may be leaving other systems of care without a place to live, such as young people aging out of foster care, people with mental illness or other disabilities leaving jail or prison, and some elderly people.

Within this target group, CSH has stepped up efforts to ensure that supportive housing is delivered to a priority population consisting of a subset of those defined: people who have been homeless for long periods and have

experienced repeated (three or more times) or extended (a year or more) stays in the streets, emergency shelters, or other temporary settings, sometimes cycling between homelessness and hospitals, jails, or prisons.

CSH's focus would incorporate many of the groups that Popkin, Cunningham, and Burt define as hard-to-house. However, I would like to draw some distinctions. Notably, CSH's definition would also incorporate subsets of some of the populations that the authors say would be best served by transitional housing—such as some multiply challenged families with children. There are several successful examples of supportive housing targeted to these families. Also, while Popkin, Cunningham, and Burt state that people with disabilities are among those who would benefit from supportive housing, from CSH's perspective this is true for a subset of people who have disabilities and who also share the other characteristics posited earlier. Many people with disabilities can and do live quite successfully in housing that does not incorporate supportive services.

Also, Popkin, Cunningham, and Burt define hard-to-house in terms of people who live in public housing and may be displaced by HOPE VI development. Because CSH focuses primarily on those who are homeless or are likely to become homeless, our approach is aimed at providing supportive housing to *prevent* homelessness for this at-risk population. My comments therefore focus on the segment of those who are defined as hard-to-house and who also meet CSH's definition of those who are most in need of permanent supportive housing.

The very nature of supportive housing has depended on a willingness to take risks and experiment with new models, approaches, and strategies. Our principles and guidelines continue to evolve as we learn from those who actually deliver such housing. We frame these tenets in relation to ending homelessness, which is the focus of CSH's work, knowing that supportive housing also works well for some people who may not be homeless, but who share certain characteristics.

Definition of supportive housing

From CSH's perspective, a supportive housing unit is one

1. Available to and intended for a person or family whose head of household is homeless or at risk of homelessness and experiencing mental illness, other chronic health conditions including substance use, and/or multiple barriers to employment and housing stability

2. Where the tenant pays no more than 30 percent to 50 percent of household income toward rent, and ideally no more than 30 percent
3. Where the tenant has access to a flexible array of comprehensive services, including medical and wellness, mental health, substance use management and recovery, vocational and employment, money management, coordinated support (case management), life skills, household establishment, and tenant advocacy
4. Where use of services or programs is not a condition of tenancy¹
5. Where the tenant has a lease or similar form of agreement and there are no limits on length of stay as long as the conditions of the lease or agreement are met
6. Where there is a working partnership that includes ongoing communication between supportive services providers, property owners or managers, and/or housing subsidy programs

Range of supportive housing models

Although there may not be a single perfect model for supportive housing, there are a number of preferred models. The setting will vary dramatically and will be based on a number of factors, including the tenant's preference, the type of housing stock available, and the norms and history of a local community's real estate market.

Some of the housing models we typically help create are the following:

1. Apartment or SRO buildings, town houses, or single-family dwellings that house formerly homeless individuals and/or families exclusively
2. Apartment or SRO buildings or town houses that mix special-needs housing with general affordable housing
3. Rent-subsidized apartments leased in the open market
4. Long-term set-asides of units within privately owned buildings

While CSH has helped a handful of PHAs, most supportive housing has been

¹ This is probably the most controversial part of CSH's definition, and we acknowledge that supportive housing practitioners come down on very different sides of this issue. While CSH's perspective is that service participation should not be a condition of tenancy, we continue to engage in constructive dialogues on this issue with our partners in the supportive housing and disability rights communities around the country.

1. Developed by nonprofits
2. Created through the use of privately owned buildings that are master-leased by nonprofit or public entities
3. Created by targeting some units in privately owned apartment buildings or single-family houses through the use of rent subsidies and mobile service teams

Thus, while we agree that public housing is an important component of housing services for the hard-to-house, we argue that it is essential to recognize the full range of housing and supportive service providers for these populations.

Breadth of supportive housing providers

CSH has provided financial assistance to 445 providers undertaking 20,000 units, but this is neither the whole universe of providers that CSH has worked with nor the full panoply of groups that have developed or deliver supportive housing. Through the technical assistance, training, and collateral materials of our national resource center and our public policy efforts, we have worked with several hundred additional providers, and there are hundreds more that we have not worked with that develop or deliver supportive housing.

Developers of nonprofit housing. An eclectic group of nonprofit organizations is involved in supportive housing. In some areas where government has made significant investments, such as New York, some organizations focus on supportive housing as their primary or even sole line of business. Many of these groups develop buildings that focus primarily on people in need of ongoing services and affordable apartments—for example, people with a specific disability such as mental illness or HIV/AIDS or people with shared characteristics such as a history of homelessness. Some of these groups also create mixed settings housing substantial numbers of people who are most in need of ongoing support, in addition to others who simply need an affordable place to live. One of the better-known examples is the Times Square Hotel in New York, which is operated by Common Ground, with services provided by the Center for Urban Community Services. This property has more than 600 units, with some designated for people with mental illness, people who were formerly homeless, seniors, and people who have experienced domestic violence, as well as some set aside for artists and other people who simply want a low-cost place to live in midtown Manhattan.

In these areas and many others, some nonprofit affordable housing developers have made supportive housing a subspecialty, and while it is not their primary focus, they undertake at least a few such projects every year. In some cases, the lines between their traditional affordable housing and supportive housing blur. These developers may set aside some units in a multifamily development for people who need deeper rent subsidies and more services, such as those in the CSH target population. In other cases, a nonprofit developing affordable housing that offers deeper targeting with rent subsidies may offer services not only to the population that might need more intensive services over a longer period, such as people with mental illness, but also to other households that need support temporarily or periodically, such as multiple-barrier families (those defined by Popkin, Cunningham, and Burt as hard-to-house).

Nonprofit providers of supportive services. Sometimes, the nonprofit that takes on supportive housing may not be a developer at all, but is rather primarily a service provider. Some are agencies that have delivered emergency shelter to homeless people, while others provide mental health or alcohol or drug treatment. Groups that have focused their services on particular target populations such as veterans, young people, or the elderly are also engaged in supportive housing. Some of these groups actually develop housing, and others simply secure units or deliver services in buildings owned by other entities.

Further, there are instances in which a nonprofit or for-profit developer builds housing and then turns the operation over to another entity such as a service provider under either turn-key development or a sublease agreement.

The role of the public sector in supportive housing. Finally, there are some instances where public sector entities are engaged with nonprofits in creating and sustaining supportive housing. For example, in Columbus, OH, a PHA identified a property that was severely underutilized and deteriorating and, with CSH's assistance, formed a partnership with the YMCA to target the building to homeless people with disabilities. Together, they rehabilitated the building, subsidized the units, and leveraged funding for services.

In another case, the Oakland (CA) Housing Authority asked CSH to help it establish a team at a site that was applying for HOPE VI funding to service certain families that were failing to comply with their welfare-to-work requirements and seemed likely to be unstable once the HOPE VI process began: the hard-to-house, in other words. Once HOPE VI demolition began, the team continued to deliver services to some of the residents as they moved into scattered-site apartments.

In still another case, the City and County of San Francisco master-leases privately owned SRO buildings under two programs, one run by the public health department and one run by the social services agency, to provide supportive housing to homeless people exiting the emergency room at San Francisco General Hospital, those identified through street outreach programs, and others who have been homeless and receive public assistance.

How should public housing enhance the delivery of supportive housing?

Popkin, Cunningham, and Burt suggest that PHAs should be required to identify the percentage of their population that might be hard-to-house and need special housing or support as part of their HOPE VI application and set aside a meaningful portion of their award to serve these tenants. The article concludes by stating, “The federal government and local PHAs have an obligation to ensure that all families displaced by HOPE VI redevelopment end up in safe, stable housing options and do not join the ranks of homeless people” (19).

While I strongly agree with this statement, the role of the PHAs is perhaps not always, or primarily, that of a housing owner and manager, particularly for those most in need of permanent supportive housing. The first reason is that the public housing stock may be more sustainable in the current economic and political environment if tenants include a mix of people who have different incomes and pay rent, rather than a concentration of people at the lowest income level. The second reason is that, for those most in need of permanent supportive housing, flexibility and adaptability are critical for successful retention. Housing design, tenancy requirements, property management protocols, and supportive services delivery must all be modified, calibrated, and implemented with the explicit goal of keeping those who are least likely to retain housing under traditional conditions. Public housing may be less able to be flexible and adaptable due to one-strike policies, workforce requirements that preclude certain changes, or other protocols that make working partnerships with nonprofit service providers or access to funding more difficult.

It may be more important for PHAs to play a direct role in housing those who need particularly large or small units, rather than long-term supportive services.

Another critical role for PHAs is administering funding for the rent subsidies and services that can make nonprofit or other privately owned housing

affordable and available to those who face the greatest challenges to housing stability and are displaced by HOPE VI. PHAs should identify opportunities and funding to subcontract with community-based organizations that know the local rental housing market, understand particular populations, and have a track record of providing hands-on assistance in locating private housing and helping tenants with logistics and moving costs. PHAs should work in partnership with nonprofit service providers and supportive housing developers and owners to establish the kinds of policies and procedures that maximize the chances that particular populations will make a successful transition. Although PHAs control relatively small grants for services, they should seek out opportunities to offer these funds to nonprofit and public sector service providers in a way that maximizes the leveraging of other funds for services to tenants displaced by HOPE VI development.

PHAs are sometimes uniquely qualified or designated as applicants for new federal rent subsidies or services funding. For example, PHAs are the entities qualified to apply for the rent subsidies set aside for people with disabilities. When such opportunities present themselves, PHAs should take steps to apply for funds and seek to partner with local nonprofit service providers and housing developers in designing their application.

PHAs also play a critical role in controlling the use of project-based vouchers and can choose to project-base a certain percentage of their vouchers. Federal policy on project-based vouchers is evolving and has been intended to further deconcentration, while at the same time providing a mechanism for delivering housing to some of those with characteristics that have prevented access to stable housing. For example, policies limit the use of project-based vouchers to only 25 percent of the units in a building, but permit greater concentration when supportive services are also offered, thus making it more likely that a building will target the hard-to-house. And while the use of these vouchers in high-poverty neighborhoods is generally limited, waivers are provided when developers can demonstrate that the building contributes to community revitalization. Having PHAs maximize the use of project-based vouchers, particularly in supportive housing, is an important way to deliver more housing to those with significant barriers.

Sometimes, PHAs, in partnership with nonprofits, undertake real estate development beyond HOPE VI projects. When possible, PHAs should seek out service partners and set aside some units in new developments for those likely to face the most significant barriers to stability.

Opportunities for and barriers to the optimal provision of supportive housing

What is the optimal provision of housing for those with the most significant barriers to stability? Simply put, a diverse array of housing choices, with access to the supports that help ensure stability. This conclusion is based on a review of what deconcentration has accomplished so far, as well as other factors such as our own observations and tenant preferences.

Deconcentration. The authors restate the federal goal of deconcentrating public housing and achieving a greater income mix. While they cite studies that have shown the positive benefits of deconcentration, the authors note that there have also been some negative repercussions. In particular, some households “vouchered out” of public housing find navigating the housing markets difficult. The result is negative outcomes with regard to stability and ability to cover rent and utility costs, particularly among the hard-to-house. For some people, then, the jury is still out on deconcentration.

Moreover, deconcentration has taken place against a backdrop of efforts by activists for people with disabilities. For many years, people with disabilities and their advocacy organizations have fought diligently for fair housing: They have opposed widespread housing discrimination against people with disabilities and pressed for changes to architectural requirements to provide universal access. Many disabled rights activists have also fought for housing policies and options that break the link between housing and services, to give people with disabilities greater access to affordable housing without concurrent requirements to participate in or pay for services to maintain eligibility. These activists have fought for the deconcentration of people with disabilities throughout the housing market.

CSH has learned from these efforts, from our 13 years of working with nonprofits and other private and public sector organizations around the country to create supportive housing, and from tenant observations and input. Here, then, are what we see as the issues.

Tenant preferences. First, one of the top priorities for the vast majority of tenants with the greatest challenges is access to decent, affordable housing without accompanying service requirements, but with support when they need it. Some tenants prefer a setting where there are sobriety requirements, and others prefer housing with no such requirements—more in line with most rental housing in the United States. Few prefer a setting where services are mandatory or where failure to access them leads to losing the unit or the

subsidy. Moreover, there is little evidence that such requirements result in greater tenant stability or other positive outcomes.

Further, there is little unanimity on the question of whether it is best to concentrate tenants with a similar set of disabilities (such as mental illness) or characteristics (such as homelessness) in a single apartment building or house or to mix people with different income levels or different characteristics or disabilities. Over the years, we have observed that some people appreciate the sense of mutual support and community and strongly prefer to live in settings that include others with similar disabilities or characteristics and services tailored to their needs. Others, however, articulate an equally strong preference for mixed communities.

Tenant choice. The unfortunate reality is that tenants with extremely low incomes and significant barriers to stability rarely have a choice between housing that requires sobriety and housing that does not, or housing that targets people with a mix of characteristics or incomes and housing that targets a particular population. To improve the chances that those with the greatest barriers will stay housed, CSH has focused on creating enough diverse models in a particular community that there is some choice.

Developers' choices and constraints. The sponsors of supportive housing in any given community vary. In some communities, there are few or no nonprofit developers, and it is either the PHA or private for-profit companies that develop and own affordable housing. Even in communities with large numbers of nonprofit affordable housing developers, these organizations may not always choose to incorporate supportive housing. They often face the same pressures as PHAs to deconcentrate poverty and create housing for a range of incomes. They also operate on a relatively thin financial margin; supportive housing generates little or no profit, and deals require more time and effort to put together because of the complexity of financing and the need to deliver supportive services. Predictable financial supports and other direct incentives could be provided to make supportive housing a more attractive option for developers.

Financial constraints. The report *Priced Out in 2002* notes that in almost all areas of the country, people who have disabilities and depend on supplemental security income cannot afford a modest, market-rate housing unit (Technical Assistance Collaborative, Inc., 2003). Rent subsidies are thus critically important to make housing affordable in all markets.

Housing market constraints. In tighter markets, there may be more opportunities to create housing that mixes people with different incomes and includes some with significant barriers because rental units are in such great demand that higher-income people will not be deterred by the inclusion of others in a particular building. In softer markets, people have more choices, and so it may be more difficult to market higher-income units if a building has some units for the hard-to-house.

Conclusion: How can we improve our support for those with the greatest barriers to housing stability?

All elements of the market must be mobilized if we as a nation are to provide for those with the most substantial barriers to housing, including some of the households that will have to move as public housing is transformed into mixed-income housing, some homeless households, and others that share similar characteristics. The leaders of every community should encourage the active participation of PHAs, nonprofit developers, and for-profit owners and developers to create as many opportunities as possible for those with the greatest challenges to housing stability. This will include mixed and targeted settings, structured partnerships and programs that offer clear pathways to help those with the greatest barriers, and a strong emphasis on providing and funding strong property management and supportive services in conjunction with housing. PHAs and developers will need to seek out partnerships with organizations that fund and deliver supportive services.

States and local communities can encourage this kind of development through incentives such as bonuses or competitive preferences for the allocation of low-income housing tax credits. They can provide carrots to people who incorporate this kind of development into community revitalization projects and reward those who do not stand in the way. Communities must also do all they can to remove barriers through modifying land use requirements, simplifying and targeting financing, and enforcing fair housing laws.

The federal government must provide adequate resources for the capital, operating, and service costs of supportive housing.

In addition, the private sector has a critical role to play. Financial institutions, as well as philanthropy, can provide the low-cost predevelopment funding and capital investments that enable nonprofits to compete for real estate in tight markets and to get projects under way. Philanthropy can help start-up services, provide gap funding for services and operating costs, and support the additional staffing housing and service organizations require to establish

working partnerships, while at the same time supporting technical- and policy-related efforts to obtain long-term public financing and educational and marketing efforts to increase public acceptance and understanding.

In this sense, it is possible to build a bridge between the two tracks of housing policy—helping to meet deconcentration goals, while allowing for the creation of communities that include, embrace, and provide the dignity and stability of home to everyone, even those with the toughest challenges to overcome.

PHAs do have an important role to play, but it is a diverse role that includes advocating for resources, setting priorities to deliver resources in a way that maximizes the opportunities for those with the greatest barriers to stable housing, and ensuring that PHAs themselves create a broad array of unit types with universal access.

To provide the housing opportunities needed for hard-to-house populations, we need diverse housing developers and supportive service providers; adequate and reliable funding sources for capital, operation, and services; and leadership at the local, state, and federal levels that encourages communities to embrace housing solutions that work for those who otherwise would find themselves without a stable home.

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Reference

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