

Issue Brief

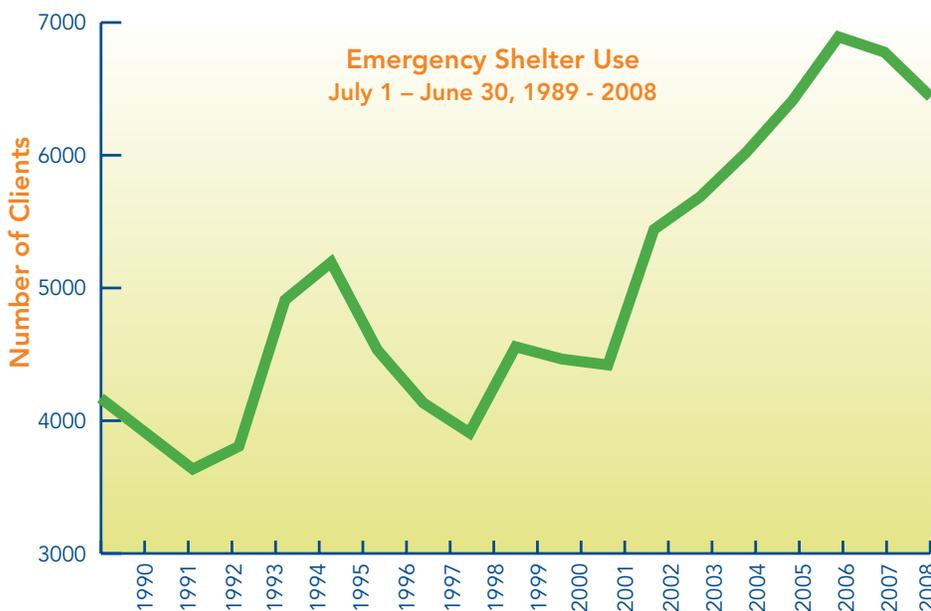
Homelessness in Rhode Island – Gains and Challenges

Rhode Island's lack of affordable homes and the state's economic crisis are closely intertwined. Rising unemployment, stagnant or falling incomes, and increasing numbers of foreclosures are having a significant impact on individuals and families in the state. Without a safe, affordable home, it is difficult to maintain or obtain a job or stay in school. This Issue Brief provides an update on the changing faces and numbers of homelessness in Rhode Island as well as some of the successful policies that are helping keep Rhode Islanders in their homes.

2008 Emergency Food and Shelter Board Report

Over the past 18 years, there have been significant increases in the number of individuals and families experiencing homelessness in Rhode Island. The Emergency Food and Shelter Board Report counts persons who have used a shelter at least one night during a particular year, from July 1 to June 30.

Over the past decade, shelter use climbed dramatically. From 1998 to 2006, the number of individuals staying in Rhode Island shelters increased from 3,911 to 6,889. This period coincides with the real estate bubble years. During 2007 and 2008 the Board Report showed some success in reducing the number of individuals experiencing homelessness, from 6,889 in 2006 to 6,423 in 2008. This reduction can be attributed to the success of state programs such as the Neighborhood Opportunities Program, Housing First Rhode Island and Rhode Island Housing RoadHome Program; and increased focus by the federal government on programs servicing the chronically homeless¹.



Source: Rhode Island Emergency Food & Shelter Board Report, 1990-2008

But in 2009....

- Shelter use increased 43% over the past nine months.
- When we look more closely at 2006-08, the number of homeless children and families increased (28% and 8%, respectively), while the total number of individuals experiencing homelessness decreased.

However, a closer look at the numbers shows a troubling trend over the past three years – **an increase in the number of families and children experiencing homelessness.**

Shelter use by Family Status, July 1 - June 30, 2006 - 2008				
Year	Single Men	Single Women	Families	Children
2006	3,290	1,242	882	1,378
2007	3,103	1,272	790	1,558
2008	2,288	1,096	953	1,770

Source: Rhode Island Emergency Food and Shelter Board, Annual Shelter Reports 2006-2008

Also troubling is that since the last Emergency Food and Shelter Board Report (July 1 - June 30, 2008), the number of homeless individuals and families appears to have increased. Data from the Rhode Island Homeless Management Information System² shows that **shelter use was 43% higher in February 2009 than that in February 2008.**

The reasons given for shelter use clearly reflect the impact of the economic crisis - higher unemployment and foreclosure rates.

Reasons for shelter use			
	Jul 07-Jun 08	Jul 08-Feb 09	Increase
Foreclosure	25	100	300%
Eviction	241	286	19%
Job & Income Loss	536	706	32%

Source: Rhode Island Homeless Management Information System

Over the last 8 years, the two most reported reasons for homelessness have been high housing costs and having no income. In 2007, half of renters in Rhode Island (69,047 persons) paid more than 30% of their income for rent.³ One quarter (34,763 persons) paid more than 50% of their income for rent. The average two-bedroom apartment in Rhode Island rented for \$1,142 per month.⁴ A family would have to earn \$45,700 per year to afford an apartment at that rent level. Median household income of Rhode Island renters that year was only \$28,049. **The state has 188,000 households making under \$50,000 per year, households that cannot afford private market rents – yet, there are only 36,000 low and moderate homes in the state.**⁵

Clearly, Rhode Island needs sustained investment in programs that help create affordable homes and promote economic development. Rhode Island currently has three successful programs that address housing affordability in the state – Housing First, Neighborhood Opportunities Program (NOP) and Building Homes RI. This issue brief will provide an update on Housing First and NOP. Our next issue brief will provide an update on Building Homes RI.

Proven Solution: Housing First

Housing First is a state program that targets chronically homeless individuals who have severe mental illness and/or substance abuse problems. Individuals are placed in homes within weeks of enrollment. The program is premised on the “housing first” philosophy: that interventions and social service supports are more effective if individuals are living in their own housing rather than in emergency shelters or transitional housing; and that once in permanent housing, people can begin to regain the confidence and control over their lives they lost when they became homeless.

In addition to not requiring that individuals “clean up” in order to qualify, the program provides individualized support services that address the particular issues that residents face. The program is also committed to providing continuous services – so that, even if an individual fails to abide by a lease and is forced to leave a particular home, he or she does not “fail out” of the supportive housing program as a whole.

The program was launched in 2006 with pilot funding from the United Way of RI, the Corporation for Supportive Housing and the State of Rhode Island. Housing First program funds are administered by the Housing Resources Commission (www.hrc.ri.gov). In the first year, 50 homeless single adults were placed in subsidized apartments and provided with supportive services. These adults had been homeless for an average of 7.6 years. Two years later, over 90% of the individuals who were interviewed during an evaluation of the program are still living in permanent supportive housing. Participants in the program were interviewed about their use of publicly funded services during the year before they were placed in permanent supportive housing as part of the program evaluation to determine cost savings to the state.

Cost Savings to the State		
	Prior to Housing First	After entering Housing First
Hospital overnights	\$917,946	\$235,503
Mental health overnights	\$94,900	\$75,400
Alcohol/drug overnights	\$118,360	\$16,500
Emergency room visits	\$96,640	\$51,840
Jail/prison overnights	\$84,780	\$20,520
Shelter overnights	\$205,000	\$9,600
Total	\$1,517,626	\$409,363

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

The total cost of services per individual while homeless was \$31,617 per person. Including the cost of supportive services (\$9,500 per person) and housing subsidies (\$5,643 per person), the Housing First program costs the state \$23,671 per person. In other words, the Housing First program saves \$7,946 per person who is no longer homeless.

The success of Rhode Island's Housing First program and the state's initial investment has yielded not just savings but also greater federal investment in Rhode Island. In October 2008, Riverwood Mental Health Services was one of 12 organizations in the country that received \$2 million in funding over 5 years from the Substance Abuse and Mental Health Services Administration for supportive services as part of the Housing First program.

Remaining Challenges:

Over 6,000 people are still homeless in Rhode Island. Housing First currently serves only 150 persons. **The construction of apartments for the Housing First program and provision of supportive services can help us end homelessness in Rhode Island, create jobs in the homebuilding and service sectors and save the state money.**



Neighborhood Opportunities Program: Affordable homes in Pawtucket for families who were formerly homeless.

Proven Solution: Neighborhood Opportunities Program - not funded in proposed FY2010 state budget

The Neighborhood Opportunities Program (NOP) is a unique state-funded program that subsidizes the cost of affordable rental homes. NOP was designed to provide homes for families working at minimum wage and individuals with disabilities. Started in FY2001 with a \$5 million appropriation, NOP was the first state-funded program for affordable housing in Rhode Island. In FY2005, state funding was increased to \$7.5 million. By FY2008, funding had been reduced to \$2.5 million and kept at that funding level in FY2009.

The program provides funds to cover the difference between the rental cost affordable to very low-income Rhode Islanders (generally 30% of their income) and the cost to owners of actually operating the rental unit. Essentially, NOP funding allows rents to be set at a level that is both affordable for renters and sustainable for owners. Prior to 2007, NOP provided subsidies for housing development as well as for rental costs.

As of FY2008, NOP funds can only be used for operating costs of the apartments.

Since its inception in 2001, NOP has contributed \$41.5 million in gap funding for the development and operation of 1,217 homes. This investment has leveraged \$375.4 million – or \$9 for every dollar invested by the State of Rhode Island.

Remaining Challenges:

The Governor's proposed FY2010 state budget provided no funding for NOP, but legislation (H-5987) has been introduced to restore funding to the program. **With more families facing difficult economic times, programs such as NOP become key to recovery – by keeping families out of homelessness, providing investments in our homebuilding industry, and increasing the number of safe, affordable homes in our state.**

United Way's Fund to Prevent Homelessness in Rhode Island

In January 2009, United Way of Rhode Island announced the creation of the Fund to Prevent Homelessness with an initial grant of \$100,000 to match donations to the fund. When the initial \$100,000 was raised in the first thirty days, United Way announced a second \$100,000 match for contributions made by March 31st. To date the fund has distributed over \$200,000 to keep people in their homes. The fund enables nonprofit agencies to make small grants to people who need assistance with rent, mortgage, utilities, and other household expenses. Since

the announcement of the Fund, United Way 2-1-1, the state's information and referral telephone line, has seen a 50% increase in call volume and is taking up to 160 calls a day from people who are inquiring about how to receive assistance from the Fund. To learn how you can give to the Fund to Prevent Homelessness in Rhode Island, go to www.LIVEUNITEDri.org.



United Way of Rhode Island

¹ Chronically homeless is defined by the federal government as an unaccompanied homeless individual with a disabling condition who has either been continuously homeless for a year or more, or has had at least four episodes of homelessness in the past three years.

² Rhode Island Homeless Management Information System - a shared homeless database with the goal of expediting intake and referrals, as well as helping provide accurate information on the demographic trends and utilization of services by families and individuals experiencing homelessness. The database adheres to federal standards and is administered by the Rhode Island Coalition for the Homeless and only authorized agencies can access the system.

³ U.S. Census Bureau - American Community Survey 2007.

⁴ Rhode Island Housing Rent Survey, 2007.

⁵ U.S. Census Bureau - American Community Survey, 2007; Rhode Island Housing - Low and Moderate Income Housing by Community, 2007.

⁶ Eric Hirsch and Irene Glasser, "Rhode Island's Housing First Program Evaluation," United Way of Rhode Island, November 2008.

Photo courtesy of Rhode Island Housing.
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HousingWorksRI
Quality affordable homes for all