

United Way's Three Strategies for Reducing Homelessness in our Community

Our community spends over \$11.5 million dollars of government and private funding on shelter-related costs. Despite this, there are nearly 500 homeless children served in Madison schools annually and there continue to be individuals and families who rely on emergency shelter availability. Much research has been done in recent years identifying strategies that can reduce homelessness and improve permanence and stability for individuals and families in our community.

Our community engagement efforts ranked homelessness and the lack of affordable housing as major priorities. Our Vision Council has adopted a vision to decrease homelessness and assure that more affordable housing is available. Supporting efforts to remove the barriers to permanent housing will improve the quality of life for everyone in our community.

As we move into 2005, we are working on three strategies based on a broad series of community conversations to address this vision. The three strategies are:

- **Removing barriers to obtaining available housing for homeless and at-risk populations**
 - Putting homeless families in housing quickly, then adding support and assistance to increase stability
 - Financial education and counseling to improve credit histories and create housing resumes
 - Avoiding displacement of at-risk families already in housing
- **Increasing supply of affordable housing**
 - Sustaining existing affordable housing stock
 - Creating newly affordable housing by improving older housing stock
 - Creating opportunities to build/maintain affordable units
 - Creating affordable home ownership opportunities
- **Increasing ways to subsidize housing costs**
 - Provide greater access to surplus food which increases income available for housing
 - Seek multiple community partners to work on promising strategies
 - Increasing comprehensive service availability for specific needs

Specific desired outcomes are: Reduction in demand for shelters (especially by families with young children), increased stability for homeless families and individuals; increase in access to the stock of available affordable housing.

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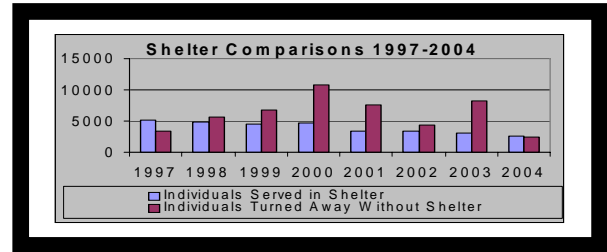


Market Analysis

• Structural factors

In 2000, an estimated 43,000 Dane County families had annual incomes at or below \$29,420. Using housing industry standards recommending that no more than 30% of household income should be spent on housing expenses, the maximum affordable monthly housing expense for a family of four at this income is \$735. Fair Market Rent for a 3-bedroom apartment in Dane County in 2000 was \$938. Nearly 3,000 individuals were turned away from Dane County shelters last year, more than half of whom were children. 42% of renters earning less than 80% of median family income paid 30% or more of their income to rent and 50% of them were families.

There are 2000 units in Dane County with expiring tax credits in the next three years that could be lost to affordability.



Source: City of Madison CDBG 2004 Annual Report on Homelessness

- **Inability to rent available affordable units:** 111 applications for rent were denied in the first quarter by one major affordable housing manager.

Major reasons for denials:

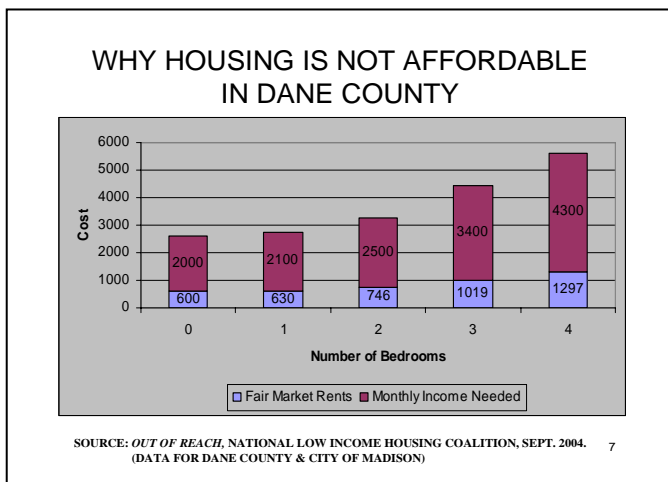
1. Unfavorable Credit: 56.7%
2. Inaccurate/incomplete information: 45%
3. History of rental agreement violations: 45%
4. History of non-payment of rent/utilities: 43.5%

- **Personal vulnerability factors**

Reasons people seek shelter:

- Threat or fear of violence: 34% of families, 15% of single women
- Family or Roommate conflict: 63% for teens, 19% of single women, 26% of single men
- In transit/transient: 14% of single women, 30% of single men
- Issues Homeless Present:
 - 17% of families have income from wages
 - 30% self report mental health issues (50% of single women, 22% of families, 25% of men)
 - 11% self report issues re. alcohol and other drug abuse
 - Nearly half have a family member with a disability
 - Living in their vehicles prior to shelter: (15% of families, 23% of single women, 20% of single men)
 - 6% of homeless adults are veterans, 12% of single men
 - 10% have household member on probation or parole
 - Teenagers: 67 total served

Reference: 2004 Annual Report on Homeless, City of Madison, CDBG Office



SOURCE: OUT OF REACH, NATIONAL LOW INCOME HOUSING COALITION, SEPT. 2004. 7 (DATA FOR DANE COUNTY & CITY OF MADISON)

• Public policy factors

The number of homeless households turned away has fluctuated greatly over the years. Economic conditions and the availability of low cost housing, shelter beds and support services are the major market factors. Some may be the due to changes in policy and procedures at shelter facilities.

“Affordable housing is not a zero sum game; it is a win-win for the total community.”

Antonio Riley, WHEDA Director

h o u s i n g

research guides strategic development

What Works

Local Research

Based on the DIGS program of Porchlight, Inc., a housing stability evaluation was conducted by Real World Research in Madison, Wisconsin. Housing stability rates were compared based on levels of support provided families with five levels of support identified. Families that received financial assistance and case management had the highest stability in both the twelve-month and eighteen-month analysis. The level of housing stability was significantly influenced by the degree of comprehensive support. This pattern was sustained when the interacting variables of families were held constant. The study affirms the critical value of quality follow-up with troubled families placed in housing. These findings indicate that, for families at risk of homelessness to succeed, it is critical that they receive long-term case management for locating and retaining affordable housing, managing personal assets, emergency financial assistance and training on how to be a better tenant. Also critical to success is the increased availability of housing units through making existing units more affordable and increasing housing stock.

National Research

Speedy replacement in permanent housing, avoiding eviction and increase the supply of supported, affordable housing

Affordable, usually supported, housing effectively prevents and reduces homelessness more effectively than other strategies. This is true for all groups of poor people, including those with persistent and severe mental illness and/or substance abuse.¹

Indicators suggest that success will require the revitalization of impoverished communities and the availability of sustainable sources of livelihood.

Include housing combined with services¹ requiring deep rent subsidies to sustain lowest income group. Vouchers are “the single best way” to reduce homelessness.² 80% of families moved into permanent housing retained their housing for at least one year³.

References:

- 1: Shinn, M., & Baumohl, J. (1999). Rethinking the prevention of homelessness. (In L. Fosburg & D. Dennis Eds.). *Practical lessons: The 1998 National Symposium on Homelessness Research* (pp. 13-1 - 13-36). Washington, DC: DHHS.
- 2: Popkin S. (2003). *The Gautreaux Legacy*. Washington, DC: The Urban Institute.
3. National Alliance to End Homelessness, March 2004.

utilizing the research

Taking Action

- **Support at-risk populations**
 - Expand financial counseling
 - Assist with eviction prevention
 - Support tenant landlord relationship building and early identification of issues
- **Increase supportive housing**
 - Pursue new sources of support
 - Enable community partners to expand in this area
 - Move existing resources into this area
- **Increase the supply of affordable housing**
 - Make existing units more affordable and habitable
 - Developing partnerships between communities of faith and not for profit developers
 - Fund strategies to increase number of units
 - Foster collaborative work to increase number of units
 - Maximize non-profit expansions in this area

h o u s i n g

multiple interested parties

The Stakeholders

United Way works with many partners in pursuit of this vision. Stakeholders include local and state government, developers and finance organizations, and individual not-for-profit organizations.

There are also several existing entities that are collaborative in nature and work in this area. They include, for example, Workforce Housing Fund, a task group of the Greater Madison Chamber of Commerce, and the Dane County Homeless Services Consortium.

Specific active partners include these agencies:

- Community Action Coalition
- Habitat for Humanity
- Independent Living
- Interfaith Hospitality Network
- Middleton Outreach Ministry
- Porchlight, Inc.
- Salvation Army
- Stoughton Area Resource Team
- Urban League of Greater Madison
- YWCA

And these entities:

- City of Madison and Dane County Community Development Block Grant (CDBG) Office
- City of Stoughton
- Dane County Human Services
- DaneFund
- Madison Metropolitan School District
- Wisconsin Partnership for Housing Development
- Workforce Housing Committee of Chamber

*Basic Needs Community Solution Team
and Housing Leadership Team*

Project Management

The Community Solution Team (CST) is a team of volunteers that includes community and business leaders, labor representatives, professionals in finance and service, two not-for-profit agency executives, and board leaders. It is led by United Way Board member Lau Christensen; Dan Matson is Vice-Chair.

This team was created in 2001 as part of the United Way of Dane County transformation into an Impact United Way. Community Solution Team responsibilities include oversight and accomplishment of the vision to decrease homelessness and the programs and efforts that will provide measurable results to that end. The Chair and Vice Chair also are members of the Community Building Vision Council that oversees the work of all Six Community Solution Teams and all seven items on the Agenda for Change.

A new **Community Housing Leadership Team** has been formed to help the larger community deliver on a community vision to improve permanent housing for our residents. After significant community engagement and research on best practices, this group is establishing a mobilization plan to engage our community resources to address this vision. This group includes major stakeholders in the community and works in concert with the Community Solution Team.

the local numbers

Quantifying the Unmet Need

Households spending 30% or more of their income on rent face a housing burden.

- There are 19,460 households earning less than \$15,000. There are 4,644 units available for less than 30% of \$15,000. That leaves a gap of 14,816.
- There are 28,388 households earning between \$15,000 and \$28,000. There are 22,544 units available for less than 30% of 28,000. That leaves a gap of 5,844.

The total affordable housing gap for households earning under \$28,000 is 20,660 units. Only by changing this shortfall can we make measurable progress on decreasing the existence of homelessness in our community.

A significant statistic to keep in mind:

- There are 3,076 elderly and disabled in Dane County without affordable housing.

The Finances

HOW MUCH IS SPENT ON SHELTER

FEMA	\$90,000
State	\$ 1,244,000
County	\$ 4,546,000
School District	\$ 700,000
City	\$ 292,000
United Way&Private Donations	\$1,702,000
Client & Insurance Fees	\$2,654,000
Other	\$370,000
TOTAL	\$11,598,000

Source: City and Co CDBG and UWDC

BIG PICTURE HOUSING COSTS

Federal (Section 8 & HUD)	\$13,908,693
State	\$ 1,244,016
County	\$ 4,546,300
School District	\$ 700,000
City	\$ 292,135
United Way&Private Donations	\$1,702,100
Client & Insurance Fees	\$2,654,671
Rental Income	\$1,485,296
Other	\$370,625
TOTAL	\$26,403,729

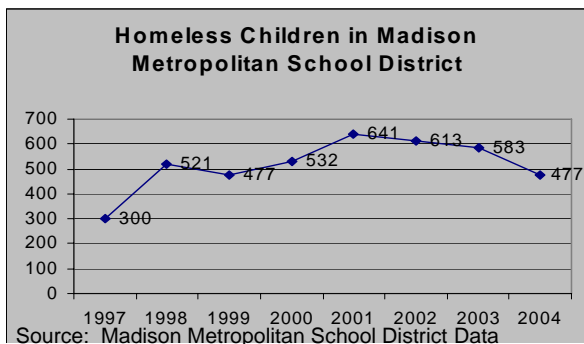
Source: City and Co CDBG and UWDC

application of resources

Investments

- **Financial**
 - Agency program funding
 - Request for proposals for financial counseling
 - Community-wide planning efforts
- **People**
 - Volunteer leadership and engagement
 - Staffing support and organization
 - Community energy and commitment

a means of measuring success:



the CST will monitor and measure its success using these indicators

Measurable Goals

- Decrease in homeless children in MMSD and in shelters.
- Decrease in shelter demand by people who have been in Dane County more than 6 months
- Increase in access to maintaining of existing affordable housing stock
- Increase in distribution of surplus food to increase access to funding for housing costs

• Data management and monitoring

The Community Solution Team receives regular reports on data related to these outcomes and individual outcome reports from programs funded through this team. Regular reports will also be available to the community.

timetable

Steps and Status of Implementation

1. Environmental Inventory: July, 2004
 - a. Identification of systems and individuals
 - b. Mapping those resources
2. Increase understanding and momentum: August, 2004
 - a. Interviewing principals
 - b. Participating in groups/systems
 - c. Research and analysis
3. Demonstrate United Way's efforts: 2004 funding decisions, announced April, 2004
4. Formal engagement of funding partners: Fall, 2004
5. Identification of Leadership and creation of Housing in Action Leadership Team, December, 2004
6. Exploration of Goals and Measures related to each strategy: Ongoing
7. Development of Financial Counseling System: June, 2005, Design Laboratory
8. Agreement of specific goals and strategies: For community: Spring, 2005
9. Development of implementation plan and timing benchmarks for Community, June, 2005
10. Implementation of Mobilization Plan, begins incrementally announced July 2005