



# Homelessness prevention in New York City: On average, it works



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## ABSTRACT

This study evaluates the community impact of the first four years of Homebase, a homelessness prevention program in New York City. Family shelter entries decreased on average in the neighborhoods in which Homebase was operating. Homebase effects appear to be heterogeneous, and so different kinds of averages imply different-sized effects. The (geometric) average decrease in shelter entries was about 5% when census tracts are weighted equally, and 11% when community districts (which are much larger) are weighted equally. This study also examines the effect of foreclosures. Foreclosures are associated with more shelter entries in neighborhoods that usually do not send large numbers of families to the shelter system.

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## 1. Introduction

Homelessness exacts a high cost on wellbeing and health (Aronson, 2000; Astone and McLanahan, 1994; Salit et al., 1998). Its toll on children is particularly severe, leading to developmental delays, cognitive impairment, and increased mental health problems (Bassuk et al., 1997; Buckner, 2004; Haveman et al., 1991; Mohanty and Raut, 2009; Shinn and Weisman, 1996; U.S. Department of Housing and Urban Development, 2012a). Johnson and Scutella (2014) find that entry into homelessness causes psychological distress, and this distress is greatest on entry. This result suggests that reductions in homeless population

caused by reducing entries might be better than equivalent reductions achieved by shortening spells.

Most homeless people are single adults; however, approximately 40% are members of families with children (Shinn et al., 1998). Substance abuse and mental illness may be the driving forces for homelessness among single adults, but not for families. Adults in homeless families are no more likely than poor-but-housed families to experience behavioral health problems (Culhane et al., 2007; Culhane and Metraux, 2008). The factors that distinguish homeless families from their housed counterparts—domestic violence, housing instability, strained social networks, and lack of housing and social welfare assistance—suggest a process of becoming unhoused, precipitated by episodic housing emergencies, which are distinct from the chronic conditions associated with single adult homelessness (Culhane et al., 2007).

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The temporary shelter system is the primary U.S. response to housing emergencies. For many families, temporary shelter stays last many months (Culhane et al., 2007; Goodman et al., 2014). Culhane and Metraux (2008) point out that sole reliance on emergency shelter systems is an inequitable and seemingly inefficient way to help families with housing emergencies and call for experimentation with a broad range of community support programs. The research on community-based homelessness prevention programs to date outside New York City has largely consisted of uncontrolled studies that cannot estimate credibly how many participants would have become homeless without these programs, or how long they would have stayed homeless (Apicello, 2010; Apicello et al., 2012; Burt et al., 2005; U.S. Department of Housing and Urban Development, 2012b).

In New York City, there is good reason to explore whether community-based programs can avert family shelter entries. Because of litigation and subsequent settlements, New York City provides single units with private bath and kitchen facilities for most families with housing emergencies (Culhane et al., 2007). Hence, family homelessness in NYC is essentially about entry into and length of stay in its large and costly family shelter system (U.S. Department of Housing and Urban Development, 2012a). The average family stays in the shelter system is over a year at a cost of over \$30,000. Devoting resources to low-cost community-based programs that keep families in their homes, if successful, might avoid the disruptive effects of shelter entry on the lives of family members and produce substantial cost savings to the governments that fund shelters.

To explore whether a community-based program that targets services to families in housing emergencies could reduce shelter entries, the NYC Department of Homeless Services (DHS) started Homebase (HB) in November 2004. As the largest, and among the earliest, community-based homelessness prevention programs in the United States, HB served approximately 11,000 families during the four years we studied the program, and currently serves around 10,000 households a year.

In this paper, we examine the effectiveness of Homebase during its first four years of operation. We produce estimates for the community impact of Homebase, i.e., whether the total number of entries from neighborhoods that Homebase served decreased, regardless of whether those entries were Homebase participants or not. This net figure is the bottom-line question for an agency. Our estimates imply Homebase decreased shelter entries by 5–11%.

Ours is one of two evaluations of this program's goals. Rolston et al. (2013) report on a small controlled experiment conducted in 2010 that followed individual families, comparing 150 families who were offered HB services to 145 families who were not. They found that HB families were less likely to enter shelters than control families. We discuss this report in more detail in Section 9. The presence of both a controlled experiment and a natural quasi-experiment provides an opportunity to highlight the strengths and weaknesses of each method.

The question we ask—how did Homebase affect shelter entries in the communities it served?—is different from

the question Rolston et al. asked. Their experimental setting required action on the part of families at risk (i.e., they needed to show up at Homebase centers for services), and thus they identify the effect of treatment on the treated within this group. Such an estimate cannot be used to assess the general equilibrium effects of the program, e.g., whether “musical chairs” effects merely divert resources to program participants and change the names of shelter entrants but not their numbers; whether network effects turn one averted entry into several by setting an example or providing helpful information; whether anticipation of assistance leads families to take greater risk and therefore need Homebase assistance more when those risks turn bad (ex ante moral hazard); whether families who were never actually enrolled gain enough helpful information and advice in a short visit to avert homelessness sans formal Homebase services.

Furthermore, no single experiment should be taken as the last word in deciding policy on community-based prevention programs. Potential variation in type and implementation of interventions combined with unique features of local context will likely produce different results in different times and places. The question of whether and why community-based programs prevent family homelessness will rest on accumulating a large evidence base from many types of intervention studies. Quasi-experimental designs are likely to loom large in answering this question, since administrative data on homelessness and shelter entries are easier to collect than setting up a randomized design and pose fewer ethical problems about denying services to communities hard pressed for stable housing.

However, quasi-experiments, such as ours, come with a cost. The analysis is complicated, as more work is required to model plausible counterfactual conditions; the major advantage of the randomized experiment is the simplicity of the ready-made counterfactual. In other words, one weakness of our study is that communities were not randomly assigned to treatment and control groups, which thus requires assumptions about how treated communities might have fared were they not assigned to treatment. (There are also specification issues that we discuss in Section 5.)

Because, in our setting, the true counterfactual is unknowable, we construct several plausible counterfactual conditions and triangulate an HB effect from multiple estimates. For instance, we use two different geographic partitions of New York City's neighborhoods: community districts (CDs) and census tracts (CTs). Census tracts are more plentiful and exhibit greater variation in intensity of HB services, but community districts have cleaner definitions of when HB was operating and because they are larger than census tracts, allow us to net out at least some of the potential role that HB might play in increasing or decreasing entries by non-participants.

Besides estimating the effects of HB, we also examine the impact of foreclosures on entries to homeless shelters. These are the first results we are aware of that attempt to link foreclosures to homelessness at a community level. Lazaryan et al. (2014) attempt an analysis at the individual level. Specifically, we consider *lis pendens* (LP) filings, the first step in the lengthy foreclosure process in New York.

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