

AS GOVERNMENT ASSISTANCE DECREASES, HOMELESSNESS INCREASES: A CLOSER LOOK AT WELFARE, HOUSING AND HOMELESSNESS

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INTRODUCTION

Homelessness is the result of a combination of factors. Cuts in welfare programs and a lack of affordable housing figure prominently among the factors which displace people from their homes. Cuts in public assistance mean less money to pay rent. A lack of affordable housing causes greater competition for housing among the poor. These two problems prompt a continued growth in homelessness.

Both problems are the direct result of conscious government policy portrayed as cost saving. However, the money saved by the federal government often results in higher costs elsewhere. Federal savings translate into increased costs for state and city governments, and increased costs for the people who lose their welfare and housing and end up on the streets. The cuts are not sensible public policy in light of these hidden costs.

This article examines the way cuts in public assistance along with a decrease in affordable housing has resulted in an increase in competition for fewer homes. A direct result of the intersection of cuts in welfare benefits and in affordable housing programs is the growth in homelessness we have seen over the past one-and-a-half decades. Part I of this article discusses the effects of welfare cuts on the poor. In part II, the decline in affordable housing over the past fifteen years is examined. The hidden costs associated with

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homelessness are discussed in part III. Finally, the conclusion suggests that an increase in affordable housing along with an increase in welfare would eliminate much homelessness.

I. INSUFFICIENT AND DIMINISHING WELFARE BENEFITS

A. Introduction to Welfare

Welfare is defined as "the state or condition of doing well or being well; good fortune, happiness, or well-being...; prosperity."¹ "Safety net" programs such as Aid to Families with Dependent Children (AFDC),² Supplemental Security Income (SSI),³ the Food Stamp Program,⁴ and Housing Assistance programs were originally established to keep the poor from going hungry or becoming homeless,⁵ and to enable children to maintain a normal family life.⁶ Access to the programs is limited to those who satisfy eligibility requirements and different programs provide different benefit levels.⁷

Qualifications for the various programs involve many factors in addition to income. As a result, several families with the same income may receive significantly different benefits. One family may receive a combination of food stamps, medical benefits, housing subsidies and a cash grant while another may obtain only food stamps, more limited medical benefits, and a limited cash grant for two months

1. RUTH SIDEL, *WOMEN & CHILDREN LAST 77* (Penguin Books, 1987) quoting *The Shorter Oxford English Dictionary*.

2. Title IV-A of the Social Security Act, 42 U.S.C. §§ 601-17 (1988).

3. 42 U.S.C. § 1381 (1993).

4. See 7 C.F.R. § 273.1 (1995).

5. See generally FRANCES FOX PIVEN & RICHARD A. CLOWERD, *REGULATING THE POOR, THE FUNCTIONS OF PUBLIC WELFARE* (1993).

6. See 42 U.S.C. §§ 601-615 (1988).

7. For example, there is one program exclusively for the elderly and disabled (SSD), and another largely for single parents (AFDC). Elderly and disabled individuals are entitled to higher grants under SSD than single parents receive under AFDC. See SIDEL, *supra* note 1, at 85.

every two years.⁸ A third family may receive no benefits at all, and a fourth, comprised of elderly or disabled members⁹, may receive much greater assistance than the other three.¹⁰ Individuals who do not fit into one of the categories of eligible recipients are not entitled to assistance.¹¹ For example, poor, childless, able-bodied persons are not eligible for any federal cash assistance, although they may be eligible for food stamps. Food stamp eligibility is much broader than eligibility for AFDC.¹²

B. *Shrinking Benefits and Enhanced Housing Costs*

Changes in governmental sources of income support in the 1970's and 1980's have decreased the amount of resources available to the poor.¹³ Housing costs rose as public assistance was cut, and as a result, poor households had more difficulty finding affordable

8. In Pennsylvania, for example, a single adult aged 18 or older who is deemed to be able-bodied is presently entitled to cash benefits for two months every two years and to food stamps. Act 49 of 1994, 62 PA. CONS. STAT. ANN. § 201 (1994).

9. See 42 U.S.C. § 1382 (1993).

10. The federal program for the disabled provides a much larger cash grant than the combined federal and state program for single parent families, which in turn is larger than the state program for single able-bodied adults. For example, in Pennsylvania, a single adult receives \$205 per month for two months every two years from the General Assistance (GA) program administered by the state. This contrasts sharply with the disabled individual receiving SSI from the federal government, who may live next door to the GA recipient, and have many of the same costs, but will receive \$478.40 per month *every month* of the year. The grant amounts for the single parent family and the single able-bodied adult are the same, but the single parent family receives grants year-round, while the single able-bodied adult does not.

11. Food stamps are available to everyone below a certain income. See 7 C.F.R. § 273.1 (1995).

12. Recourse for single able-bodied adults is sometimes available on the local level (sometimes referred to as general assistance, home relief, public assistance, or general relief). However, many communities have no general assistance programs, and those that do have such programs provide relatively low monthly payments, often restrict access in various ways, and require recipients to work or look for work in order to qualify to receive benefits. See Martha R. Burt, *The Income Side of Housing Affordability: Shifts in Household Income and Income Support Programs during the 1970s and 1980s*, in HOMELESSNESS - A PREVENTION-ORIENTED APPROACH 247 (Rene I. Jahiel ed., 1992).

13. See *id.* at 239; see discussion *infra* part I.B.2.

housing.¹⁴ When public assistance decreased, affordable housing became increasingly scarce for the extremely poor.¹⁵

1. *Inadequate Benefits to Cover Housing Costs*

AFDC grants, which were never intended to provide a family with more than a bare-bones existence, have been cut repeatedly since the program's inception. Present grant levels are too low to cover market rate housing, and therefore, AFDC recipients require housing assistance. Yet less than 25% of AFDC recipients receive housing subsidies from the government.¹⁶ As a result, families are forced to reside in substandard housing, to scrimp on essentials such as food and clothing, to pay part of the rent and owe the remainder, to share apartments with other families ("double-up"), or to work illegally ("off the books") in order to avoid becoming homeless.

AFDC is designed to cover basic food, clothing and shelter needs. However, the average monthly cost of a rental unit in this country is over \$300, while the median AFDC grant for a family of three is \$354.¹⁷ After paying the rent each month, the average family on AFDC is left with \$54 to cover food, clothing, and other needs. Decreases in AFDC are due to a failure to keep pace with inflation,¹⁸

14. *See id.*

15. Income plays a central role in obtaining housing regardless of whether housing costs rise or fall. If income falls more rapidly than housing costs, even if rents are dropping, some people will not be able to afford housing and thus, become homeless. Likewise, if income is rising, but housing costs are rising more quickly, people will be closed out of the housing market notwithstanding the fact that their income is rising. *See id.* at 238.

16. *See* Barbara Sard and Mary Ellen Hombs, Legal Services Homeless Task Force Memorandum to the Working Group on Housing Issues in Welfare Reform Regarding Homelessness and Housing-Related Proposals (Oct. 20, 1993) (on file with author).

17. *See* Linda A. Wolf, *The Welfare System's Response to Homelessness*, in HOMELESS CHILDREN AND YOUTH: A NEW AMERICAN DILEMMA 271, 272 (Julie H. Kryder-Coe et al. eds., 1991).

18. *See* Sylvia Law, *Symposium on Poverty and the Law*, 22 HARV. C.R.-C.L. L. REV. 75, 78 (1987); Sylvia Law, *Women, Work, Welfare, and Preservation of Patriarchy*, 131 U. PA. L. REV. 1249, 1322-28 (1983); Barbara Sard, Florence Roisman and Chester Hartman, *A Dialogue on Welfare and Housing Strategies*, in 23 CLEARINGHOUSE REV. 105, 106 (Rhoda Schulzinger ed., 1989).

cuts in benefit levels,¹⁹ and administrative and other cut-offs of families substantively eligible. The median AFDC grant level decreased 36% in value between 1970 and 1988.²⁰

2. Government Cuts to AFDC

Under the Reagan administration, AFDC was subjected to severe cuts. The first cuts came soon after Reagan took office when \$1 billion²¹ was slashed from the \$7 billion federal AFDC budget.²² Another \$1 billion was lost in state matching funds. Furthermore, the newly enacted legislation disqualified large numbers of recipients who formerly qualified for assistance.²³ As a result, almost 500,000 families became ineligible for AFDC and an additional 300,000 had their benefits cut due to a change in treatment of earned income under the new legislation. Together these families represented 21% of AFDC families. Families with a working parent were the most severely affected.²⁴

A second devastating cut was instituted the following year. This time an additional \$85 million was diverted from the AFDC budget.²⁵ Combined with the loss of state matching funds, \$170 million was lost in total. Furthermore, the federal government enacted new provisions requiring state compliance in order to receive federal monies.²⁶ In addition to the mandatory provisions, this legislation also contained

19. See discussion *infra* part I.B.2.; see Sidel, *supra* note 1, at 86.

20. See Burt, *supra* note 12, at 248.

21. This cut was contained within the Omnibus Budget Reconciliation Act of 1981 (OBRA), Pub. L. No. 97-35, 95 Stat. 357 (1981).

22. See Sidel, *supra* note 1, at 86.

23. The federal government enacted new provisions, some optional and some mandatory, which disqualified large numbers of recipients who previously qualified for AFDC. Mandatory provisions included lowering the income level for eligibility, changing the calculations applied to working parents, step-parent deeming, eliminating benefits to pregnant women prior to the sixth month of pregnancy, and requiring monthly reporting by recipients. See *id.*

24. See Burt, *supra* note 12, at 248.

25. See The Tax Equity and Fiscal Responsibility Act of 1982, Pub. L. No. 97-248, 96 Stat. 324 (1982).

26. See *supra* note 23.

some provisions relating to the determination of eligibility and benefits levels which states had the option of adopting at their discretion.²⁷

3. *Effects of the Cuts to AFDC*

One out of four poor children previously covered by AFDC lost his benefits during the Reagan years.²⁸ In 1979, 88% of all poor families were receiving AFDC; by 1983 only 63% were receiving AFDC.²⁹ Today the figure is even lower. Homelessness has become more prevalent as benefit levels under AFDC have dropped.³⁰ Some scholars have suggested that the loss of AFDC has also resulted in a loss in medicaid (in 20 states), and that many families have also experienced a loss in food stamps and housing assistance due to these cuts.³¹

C. *No Welfare for the Homeless*

Many homeless people do not take advantage of welfare programs for which they could qualify.³² Current estimates indicate that no more than one-half of the homeless receive any form of

27. Optional provisions included permitting the counting of housing subsidies and food stamps when determining eligibility and benefit levels and requiring recipients to work off their AFDC grant ("workfare"). See Sidel, *supra* note 1, at 87.

28. See Burt, *supra* note 12, at 249.

29. See Sidel, *supra* note 1, at 87; CHILDREN IN POVERTY REPORT FOR THE COMMITTEE ON WAYS AND MEANS BY THE CONGRESSIONAL RESEARCH SERVICE AND THE CONGRESSIONAL BUDGET OFFICE at 192 (1985).

30. See THE UNITED STATES CONFERENCE OF MAYORS, A STATUS REPORT ON HUNGER AND HOMELESSNESS IN AMERICA'S CITIES: 1992, 71 (1992).

31. See Sidel, *supra* note 1, at 87. However, other scholars argue there is no direct link between the loss of the AFDC and the loss of medicaid, food stamps, and housing assistance. Interview with Amy Hirsch, Staff Attorney at Community Legal Services, in Philadelphia, PA (Apr. 12, 1995).

32. See F. STEVENS REDBURN & TERRY F. BUSS, RESPONDING TO AMERICA'S HOMELESS, 47 (Praeger, 1986); ROSSI, FISHER & WILLIS, THE CONDITION OF THE HOMELESS IN CHICAGO, 47 (Social and Demographic Research Institute, 1986); JAMES WRIGHT & ELEANOR WEBER, HOMELESSNESS AND HEALTH, (McGraw-Hill, 1987). Redburn's conclusions are limited to single white males in Ohio where he conducted his research.

entitlement.³³

There are a number of explanations for why homeless people do not receive the public assistance to which they are entitled. Some people are unable to wait on line for long periods of time, or to complete the lengthy paperwork required to obtain public assistance.³⁴ Others may not be aware that they are eligible for benefits.³⁵ People may not know where to apply for public assistance, or may be given improper application instructions, or may "not be persistent enough to extract from the system that to which they are entitled."³⁶ Others may lose benefits because of intermittent paid labor or frequent moves.³⁷ Bureaucratic errors also cause many people, including the homeless, not to receive public assistance benefits.³⁸ Those who are not homeless but have had their benefits cut due to bureaucratic error often become homeless.³⁹

Once one becomes homeless, obtaining public assistance is even

33. See PETER ROSSI, *WITHOUT SHELTER - HOMELESSNESS IN THE 1980's*, 75 n.2 (Priority Press, 1989). Some explain the low level of participation in public assistance by stating that those who do participate are less likely to become homeless because they will be able to afford some type of shelter. See *id.* at 47. However, it is unlikely that people receiving General Assistance (GA) payments for two months every two years, e.g., Pennsylvania residents, will be able to afford lodging in a Single Room Occupancy (SRO) hotel or a cheap apartment on an annual basis. While recipients may be able to afford accommodations for a brief period after obtaining their benefits check, when the money is gone they will again be without housing. In an interview with Roberto in a Philadelphia shelter in the spring of 1994, he described this scenario to me. He received SSDI, and would stay in a cheap hotel after receiving his check each month until the money ran out. Once the money was gone, he would go to a shelter or sleep in the streets for the rest of the month until he received his next check.

34. Redburn, *supra* note 32, at 47. The mentally ill are particularly susceptible to these types of problems. See JUDGE ROBERT C. COATES, *A STREET IS NOT A HOME - SOLVING AMERICA'S HOMELESS DILEMMA*, 290 (1990).

35. See Redburn, *supra* note 32, at 47.

36. See *id.* at 48 (noting that the process which precedes receipt of public assistance is lengthy and complicated).

37. See *id.*

38. See *id.* at 47.

39. See Anna L. Dehavenon, *Charles Dickens Meets Franz Kafka: The Maladministration of New York City's Public Assistance Programs*, 17 N.Y.U. REV. OF L. & SOC. CHANGE 231, 234 (1989-90).

more difficult.⁴⁰ Homeless individuals and families are often denied public assistance despite their eligibility to receive benefits under the regulations.⁴¹ Such a result is entirely inconsistent with the underlying goal of welfare. Welfare is supposed to protect people from economic destitution. When homeless people are denied welfare, the system has failed twice: initially, by allowing a person to become destitute enough to lose her home, and again by denying her assistance when she applies while homeless.

1. *No Address, No Welfare*

Problems obtaining benefits arise because homeless people generally don't have addresses.⁴² Almost all welfare programs require that recipients have an address. Benefits may be indefinitely denied solely on the basis of a lack of an address. Ironically, as long as benefits are denied, a homeless person's potential to obtain an address decreases because she will not have money for essentials, including rent.⁴³ Recent litigation has been successful in eradicating the address requirement in many jurisdictions,⁴⁴ and recent legislation has eliminated this requirement for recipients of food stamps and Medicaid everywhere; however, the requirement remains for many

40. In a Chicago study conducted among the homeless, more than 70% of those eligible for General Assistance (GA) reported applying, but most had been turned down or were accepted and later terminated. *See* Rossi, *supra* note 33, at 48. Ninety-six percent of those eligible for AFDC reported applying, yet only 7% were currently receiving benefits. The other applicants had either been turned down, or accepted and later terminated. *See id.* The reasons for termination listed in the welfare departments records were primarily technical violations such as failing to register at employment agencies or failing to keep appointments with caseworkers. *See id.*

41. *See* Gary L. Blasi, *The Role of Legal Aid Organizations in Helping Homeless People*, in *HOMELESSNESS: A PREVENTION-ORIENTED APPROACH*, 300 (Rene Jahiel ed., 1992).

42. *See* Redburn, *supra* note 32, at 47. The bar to obtaining public assistance if one does not have an address was lifted in 1987, but recipients still report that they are denied benefits for not having an address. *See id.* While conducting a client interview at the Public Housing Unit of Community Legal Services on January 24, 1995, a client reported to me that she had been denied AFDC because she was homeless and did not have an address.

43. *See* Blasi, *supra* note 41, at 301.

44. *See* Coates, *supra* note 34, at 290.

other programs.⁴⁵

2. *No Identification, No Welfare Benefits*

Another barrier to obtaining public assistance faced by the homeless is the requirement that recipients provide identification to the welfare department in order to receive assistance. Without documentary identification emergency assistance is often denied.⁴⁶ For homeless people, this barrier can block access to assistance for a considerable length of time. It is difficult to maintain one's possessions on the streets, where muggings and robberies are commonplace. Furthermore, identification replacement costs money, takes weeks or months, and requires extensive documentation.⁴⁷ This practice of requiring identification was successfully challenged in Los Angeles, where welfare applicants had to produce certified copies of their birth certificates to apply for the county's General Relief Program. Homeless people in Los Angeles sued the county welfare department to obtain relief from this requirement. The department had instituted this requirement to control intake for the General Relief Program. When too many people applied, the department would require certified birth certificates as a mechanism to decrease the case load. The court intervened and instructed the welfare department to end the practice.⁴⁸

For homeless mentally ill individuals, denial of assistance is commonplace due to an inability to complete the application and recertification processes.⁴⁹ The complex form, long wait, and other tasks associated with obtaining benefits are often overwhelming for those who suffer from mental or developmental disabilities.

D. *Welfare Reform is Not Really Reform*

Welfare reform is sweeping the nation. Reform is being initiated

45. See Blasi, *supra* note 41, at 301.

46. See *id.*

47. See *id.*

48. See Coates, *supra* note 34, at 290.

49. See Blasi, *supra* note 41, at 301.

at the local, state and national levels. On the whole, however, government proposals for "welfare reform" are not true proposals that reform the system; they are proposals to cut government spending to help the poor.⁵⁰ Welfare reform has become synonymous with cuts in government funding of public assistance programs. These proposals for reform ignore the needs of recipients. Recipients and their advocates are not consulted by "reformers."⁵¹ Ultimately, this type of reform will cost taxpayers more than the present system. The government may save money in the short run by trimming welfare budgets, but in the long run, more money will be spent on the side effects of these costs.⁵² There will also be tremendous effects on the lives of welfare recipients who find their already strained budgets further depleted.

Contrary to popular sentiment, cutting welfare will not necessarily save money. While cuts in public assistance grants may allow the government to decrease public assistance budgets, other programs will have to be expanded in order to rectify the damage done. For example, as welfare benefits diminish, homelessness grows.⁵³ As the number of people who are homeless grows, the government has to spend more money on programs to assist the homeless.⁵⁴ Re-housing the homeless and providing temporary shelter for families on the streets are extremely expensive endeavors. In addition to these

50. Webster's Dictionary defines reform as "to make better by removing faults and defects; correct . . . to make better by putting a stop to abuses or malpractices or by introducing better procedures . . ." See WEBSTER'S NEW WORLD DICTIONARY OF THE AMERICAN LANGUAGE 1194 (2d ed. 1982). When politicians speak of "ending welfare as we know it" and overhauling the welfare system, the image connoted is different than that conjured by the rhetoric of alleviating welfare programs, deleting budgets, and redlining programs which keep the poor from starving and freezing. Some of the proposals currently being debated do include elements of "true" reform, e.g., workfare and job training, but the goal is to remove people from the "welfare rolls," not to create a more rational, cost efficient, user-friendly system.

51. See BETTY G. RUSSELL, *SILENT SISTERS: A STUDY OF HOMELESS WOMEN* 81 (1991).

52. Factors which will increase government costs include increased homelessness, a rise in crime, and additional health care costs.

53. See generally Sidel, *supra* note 1; Sard and Holmes, *supra* note 16; Wolf, *supra* note 17; Sard et al., *supra* note 18.

54. See Coates, *supra* note 34, at 245-65.

expenses, the government incurs costs for providing emergency food programs and transporting homeless children to school. If the government's goal is to save money, cuts in public assistance will not achieve this goal, unless the cuts are not accompanied by the funding of programs to help the people displaced by the cuts.⁵⁵

II. HOUSING: A LACK OF AFFORDABLE HOUSING

In 1949 the federal government pledged "a decent home and a suitable living environment for every American family" in the Federal Housing Act.⁵⁶

If something does not change soon, we will see unimaginable numbers of homeless women and children on the streets as our society shakes itself free of any pretense of caring about its poor huddled masses.⁵⁷

Most poor households in the U.S. pay extremely large portions of their limited incomes for housing costs.⁵⁸

Poor families are much less likely to receive housing assistance than to receive some other "safety net" non-cash assistance.⁵⁹ The reason poor families do not receive housing assistance is not due to a failure to qualify under program guidelines, but rather, it is because

55. Some of those committed to alleviating welfare have goals other than saving money. They advocate reducing illegitimacy and restoring "family values." See generally CHARLES A. MURRAY, *LOSING GROUND - AMERICAN SOCIAL POLICY, 1950-1980* (1984). This article does not attempt to respond to these arguments.

56. See PAUL LEONARD, CUSHING DOLBEARE & ED LAZERE, *A PLACE TO CALL HOME - THE CRISIS IN HOUSING FOR THE POOR*, 28 (Center on Budget and Policy Priorities, 1989) quoting The Federal Housing Act of 1949, 3 U.S.C. § 304 (1949).

57. See Mariana Moore, Commentary, *Proposition 165, We Won The Battle, But Are We Losing the War?*, 8 BERKELEY WOMEN'S L.J. 6 (1993).

58. See Leonard et al., *supra* note 56, at xi.

59. See *id.* at 27.

the resources allocated by Congress do not extend far enough to cover all those in need. While AFDC and food stamps are entitlement programs,⁶⁰ providing benefits to every eligible family automatically, housing assistance programs are funded differently. The federal government allocates a limited amount of money for housing programs, and the amount does not correlate to the number of families that need assistance. Once the resources are spent, no further housing benefits are provided and even applicants who meet the eligibility requirements do not receive assistance.⁶¹ Instead, their names are placed on a waiting list, assuming the local housing authority is still accepting applications and adding names to these lists. Some face waits of 20 years to receive housing assistance.

During the 1980's, there was a tremendous decrease in affordable housing.⁶² According to the Department of Housing and Urban Development (HUD), housing is affordable for a low income

60. This may not be the case much longer; the Speaker of the House of Representatives, Newt Gingrich, and several Republican legislators have proposed legislation which alleviates the entitlement aspect of these programs.

61. The practical effect is that two families who are equally qualified for housing assistance (e.g., same income, same number of persons, etc.) may end up with disharmonious results. One family may receive a subsidized housing unit and the other may receive nothing.

62. See JOHN R. BELCHER & FREDERICK A. DIBLASIO, *HELPING THE HOMELESS: WHERE DO WE GO FROM HERE?* 6 (1990); Leonard et al., *supra* note 56, at 15; Marta Elliott & Lauren J. Krivo, *Structural Determinants of Homelessness in the United States*, 38 *SOC. PROBS.* 113 (1991); Belcher at 16; Leonard at 15; *But see* Redburn, *supra* note 32, at 69 (high vacancy rate and low rents prevalent in Ohio); CHRISTOPHER JENCKS, *THE HOMELESS* 84 (1994). Redburn argues that homelessness is due to a lack of income, not an inadequate supply of low-cost housing. See Redburn at 69. Likewise, Jencks argues that "the alleged shortage of low-rent housing is a myth." See Jencks at 84 (basing this conclusion upon "persistently high vacancy rates in cheap housing . . ."). *Id.*

Some who agree that cheap housing has disappeared argue that it disappeared because no one wanted to live in it (i.e., because of its undesirability). See *id.* at 89. Members of this school of thought point to Census Bureau data reported by landlords which indicate that they had cheap units without tenants. See *id.* Opponents of this view argue that the units portrayed in the census data were not really available to tenants who wanted to rent them. See *id.*

Neither side of this debate addresses the issue of whether uninhabitable, vacant units should count when tallying affordable housing. If a unit has rats, faulty electricity, inadequate heat, or lead-based paint, and a landlord lists it as a vacant, low-cost unit, should it count as such? I would argue that it does not count as affordable housing. What about housing adjacent to crackhouses, or in extremely unsafe neighborhoods? Although units may be officially available for poor tenants, they are not necessarily habitable.

household when it costs 30% or less of a household's income.⁶³ Presently, "[a]vailable and affordable low income housing is virtually non-existent. . . ."⁶⁴ Data released in 1989 by the U.S. Bureau of the Census and by HUD revealed that five out of every six poor renter households paid more than 30% of their income for housing in 1985.⁶⁵ Therefore, most poor people spend more than they can afford on housing while other necessities are pushed out of reach. Given this precarious situation, any unexpected rise in expenses can lead to disastrous results, including homelessness. The government's primary response to the lack of affordable housing has been to provide short-term assistance to the homeless rather than to create housing programs to resolve homelessness.⁶⁶

Low income families have been forced to spend more of their income on housing because the federal government has decreased its funding for housing assistance over the past ten years.⁶⁷ Assistance has been decreased by providing fewer subsidies to people residing in market rate housing and by providing fewer federal units.⁶⁸ Rental subsidies have declined tremendously. The housing budget changed drastically when the Carter administration was replaced by the Reagan administration. The budget for subsidized housing assistance was cut by \$11.7 billion from Carter's last year to Reagan's first year, from \$24.9 billion to \$13.2 billion, and the number of assisted households dropped by 70%.⁶⁹

The dramatic decrease in funding in the initial Reagan administration budget was only a foreshadowing of larger cuts to follow. In 1983, and again in 1984, President Reagan sought to

63. See Leonard et al., *supra* note 56, at xi; see Kay Young McChesney, *The Growth of Homelessness: An Aggregate Rather Than an Individual Problem*, in HOMELESSNESS - A PREVENTION ORIENTED APPROACH, 309 (Rene Jahiel ed., 1992).

64. Andrea Brenneke, *Civil Rights for Battered Women: Axiomatic & Ignored*, 11 LAW & INEQ. J. 1 (1992).

65. See Leonard et al., *supra* note 56, at xi.

66. Susan Bennett, *Heartbreak Hotel: The Disharmonious Convergence of Welfare, Housing and Homelessness*, 1 MD. J. CONTEMP. LEGAL ISSUES 27, 30 (1990).

67. See *id.* at 34.

68. See *id.* .

69. See *id.*

rescind congressionally approved housing appropriations.⁷⁰ Cuts initiated by Reagan continued under President Bush. In 1990, the \$7.5 billion budget request for housing subsidies advanced by the Bush administration "eliminated all funding for construction of public housing, removed funding from the Section 8 existing housing subsidy,⁷¹ and doubled the funding allocated for housing vouchers."⁷² The request also significantly cut rural housing assistance,⁷³ and eliminated most of the programs under the McKinney Homeless Assistance Act.⁷⁴

As the number of new households receiving housing assistance declined, the number of eligible households to be denied assistance increased.⁷⁵ In 1979, four million households eligible for housing assistance received none. By 1987, the number had grown to 5.4 million.⁷⁶

While the federal government was cutting housing assistance to the poor, middle- and upper-income families were receiving increasing levels of assistance from the government.⁷⁷ The federal government provides billions to homeowners primarily in the form of tax deductions for mortgage interest payments and property taxes.⁷⁸ Federal subsidies to those with incomes above \$50,000 are more than three times the amount provided to those with incomes below \$10,000.⁷⁹

70. See *Homeless in America: The Need for Permanent Housing, Hearings Before the Subcommittee on Housing and Community Development of the House Committee on Banking, Finance and Urban Affairs*, 101st Cong., 1st Sess. 485 (1989).

71. Section 8 of the Housing Act of 1937, as amended by the Housing and Community Development Act of 1974, 42 U.S.C. § 5301 (1987), 24 C.F.R. § 882 (1988).

72. Bennett, *supra* note 66, at 44-5. The government withdrew money from new housing, and instead put more money into rental subsidies. Vouchers are subsidies which cover a portion of rent.

73. Rural housing assistance was reduced by 77.5%. See *id.*

74. Those not eliminated were reduced. See *Homeless in America*, *supra* note 70, at 490-491.

75. See Bennett, *supra* note 66, at 44.

76. See Leonard et al., *supra* note 56, at xvii.

77. See ARLENE ZAREMBKA, *THE URBAN HOUSING CRISIS - SOCIAL, ECONOMIC, AND LEGAL ISSUES AND PROPOSALS* 18 (1990); Leonard et al., *supra* note 56, at xvii.

78. See Leonard et al., *supra* note 56, at xvii.

79. See *id.*

In addition to these cuts in government spending, a large number of affordable rental units disappeared from the rental market. Between 1973 and 1983, 4.5 million units, one-half of which were rented to low income tenants, disappeared from the rental housing market.⁸⁰ Some of these units were destroyed while others were converted to co-ops and condominiums. Another factor which further exacerbated the problem was the federal government's switch in emphasis from new construction to subsidizing rents on units already in existence.⁸¹ As existing housing disappeared, the government did not fund the building of new affordable housing. Another cause of the disappearance of low-income housing units was the expiration of twenty-year restrictions placed on low income housing constructed under § 221(d)(3) of the Housing Act of 1961⁸², and § 236 of the Fair Housing Act of 1968.⁸³ Once the restrictions expired, the buildings could satisfy their obligations to the government and begin charging market-rate rents.⁸⁴

80. See National Housing Task Force, *A Decent Place to Live*, at 6, reprinted in *Hearings before the Subcomm. on Housing and Urban Affairs of the Senate Comm. on Banking, Housing and Urban Affairs*, 100th Cong., 2d Sess. 134, 142 (1988).

81. See J.P. Mitchell, *Historical Overview of Direct Federal Housing Assistance*, in *FEDERAL HOUSING POLICY AND PROGRAMS, PAST AND PRESENT* 201, 203 (J.P. Mitchell ed. 1985) cited in Bennett, *supra* note 66, at 45.

82. Pub. L. No. 87-70, 75 Stat. 149 (1961) (codified as amended at 12 U.S.C. § 1715 (1988)).

83. Pub. L. No. 90-284, 82 Stat. 81 (1968) (codified as amended at 42 U.S.C. §§ 3601-31 (1988)); see Bennett, *supra* note 66, at 45.

84. The growth in the number of poor families between 1978 and 1985 was one reason for the increase in competition for low cost housing. See Leonard et al., *supra* note 56, at xiv, 15 (between 1978 and 1985, the number of poor households rose 25%, from 10.5 million to 13.3 million). Another factor which contributed to more intense competition for affordable housing was a decline in the median income among poor families. In 1978, the typical poor family had an income which was \$3,362 below the poverty line. By 1985, the figure was \$3,999 (these figures have been adjusted for inflation). See *id.* at 16.

There was also a reduction in the number of affordable housing units. In 1970, there were 9.7 million affordable housing units, compared to 7.9 million in 1985. This 1.8 million loss represents a 19% decline in affordable housing units. See *id.* at xiv, 16. But see Jencks, *supra* note 62, who argues that the Single Room Occupancies (SROs) were torn down in the 1960's and early 1970's. This reduction in the number of affordable housing units was attributable to the expiration of federal restrictions, low cost housing units left vacant, and structural deficiencies which rendered some units uninhabitable. See Leonard et al., *supra* note 56, at 16. Finally, an increase in rental prices played a role in the growth of the affordable

Another factor resulting in a loss of housing for those with low incomes was a shift in the economy. Beginning in the mid-1970's, manufacturing jobs began to disappear and were replaced by service-oriented jobs.⁸⁵ Many of the manufacturing jobs which employed unskilled individuals with little education at decent wages were eliminated.⁸⁶ Those who lost jobs during this period had limited success in regaining employment, while individuals who did find work had to take significant pay cuts in the service industry. As a result of this shift in the economy, wages and salaries for these workers were at approximately the same level in constant dollars in 1990 as they were in 1960 while prices had more than tripled.⁸⁷

These changes in the economy contributed to the increased demand for low cost housing,⁸⁸ which led to higher rents for even the least expensive housing. Owners could charge more because there was increased competition for low-income housing continued to soar while the number of units decreased. Families on fixed incomes, such as AFDC recipients, lost in the competition with marginally employed workers who could afford to pay higher rents. "The increasing number of AFDC families among the homeless is directly related to the decline in manufacturing jobs, the increase in low-wage service sector jobs, and an overall increase in the number of families who can only afford to live in low-income and substandard housing."⁸⁹

The federal government's self-removal from the business of constructing low cost housing has contributed to the dire situation where few indigent families (or individuals) are able to reside in

housing crunch. *See id.* at xiv; Jencks, *supra* note 62, at 67.

85. *See* Belcher, *supra* note 62, at 13; Redburn, *supra* note 32, at 6 (attributing the loss of manufacturing jobs in the United States to management's desire to reduce workers' wages).

86. Between 1981 and 1986, 10.8 million workers lost their jobs due to cutbacks and plant closings. By 1986, only 67% of them had found jobs, and many of those individuals were managerial and professional workers (75% more likely to find new jobs). Blue collar workers (operators, fabricators and laborers) were only reemployed in 66% of the cases, and those who found positions in the service industry earned up to 40% less than they did in manufacturing. *See* Belcher, *supra* note 62, at 13.

87. *Id.*

88. *See id.*

89. *See id.* at 16.

affordable housing. Fewer than one in three poor households that rented housing received any governmental housing subsidy in 1987.⁹⁰ In 1990, for example, only 20% of the poor received any type of federal housing subsidy.⁹¹ Families headed by young single parents are most vulnerable to high rent burdens⁹² and face the most serious housing problems.⁹³ The typical young single parent, in 1987, spent 81% of her income on housing.⁹⁴

For many poor households, governmental assistance in the form of subsidized housing programs is not available.⁹⁵ In 1990, less than 20% of the 3.7 million families on AFDC received housing subsidies. Sixty-three percent of AFDC families lived in private sector housing, 9.9% in public housing, and 9.8% in federally subsidized rental units.⁹⁶ Between 1974 and 1987, the number of families with an income below \$5,000 that rented housing and received no housing assistance increased by one million.⁹⁷

The ramifications of these data are quite significant. Only 20% of families who receive AFDC (and are thus poor by definition) will spend 30% of their income on housing. The remaining families must pay what the market dictates. The average rent burden in 1987 was 58.4% for single parent families, up from 34.9% in 1974.⁹⁸ When poor families spend a substantial amount of their money on housing,

90. See Leonard et al., *supra* note 56, at xvi.

91. See Bennett, *supra* note 66, at 46.

92. According to a Harvard study, rent burdens borne by single parent families, where the parent is under 25, are the most tenuous. These families have increasingly faced larger rent increases than have any other group. See William C. Apgar, Jr. and H. James Brown, *The State of the Nation's Housing*, 23-28 (The Joint Center for Housing Studies of Harvard University, 1988), *cited in* Leonard et al., *supra* note 56, at 63.

93. See Leonard et al., *supra* note 56, at 63.

94. See *id.*

95. See *id.* at xvi.

96. See FAMILY SUPPORT ADMINISTRATION, OFFICE OF FAMILY ASSISTANCE: CHARACTERISTICS AND FINANCIAL CIRCUMSTANCES OF AFDC RECIPIENTS, FY 1987, 35 (1987) *cited in* Bennett, *supra* note 66, at 46.

97. See JOINT CENTER FOR HOUSING STUDIES OF HARVARD UNIVERSITY, THE STATE OF THE NATION'S HOUSING, 1988, at 18 (1988), *cited in* Bennett, *supra* note 66, at 46.

98. See JOINT CENTER FOR HOUSING STUDIES AT HARVARD UNIVERSITY, *supra* note 97 at 14.

they have very little left to cover their other needs. Families are often forced to live on credit, in a precarious state, where any crisis will result in an inability to pay the rent, and consequently may lead to eviction.

A. *The Aggregate Housing Ratio*

The growth of homelessness can be viewed as an aggregate rather than an individual problem.⁹⁹ Of the 5.4 million renters who paid more than 60% of their income on rent, 95% of them had annual incomes under \$15,000.¹⁰⁰ Since there are more people below the poverty line than there are affordable low-income housing units, it is inevitable that some people will be left without an affordable place to live.¹⁰¹ Low income renters have great difficulty obtaining housing which qualify as affordable low-income housing under HUD's definition,¹⁰² and spend much higher percentages of their income on housing costs.

Federal and state funding has been rapidly diminishing. This has caused an increase in competition for very limited resources. In 1983, the gap between poor households and the number of housing units affordable to them was 14 million units.¹⁰³ In 1985, 11.6 million low-income renter households were competing for 4.7 million low-rent units. Thus, there were two and one-half times as many poor households as there were affordable housing units.¹⁰⁴ In 1991, two-fifths of the twenty-six states that appropriated funds for affordable housing cut their programs.¹⁰⁵ Since there is a lack of affordable housing, those who cannot locate housing or double-up with friends and family are left homeless.¹⁰⁶

99. See McChesney, *supra* note 63, at 309.

100. See CUSHING DOLBEARE, *LOW INCOME HOUSING NEEDS 2* (1987), cited in Bennett, *supra* note 66, at n.60.

101. See McChesney, *supra* note 63, at 309.

102. See discussion, *supra* part II.

103. See McChesney, *supra* note 63, at 309-310.

104. See *id.* at 310.

105. See Moore, *supra* note 57, at 9.

106. See McChesney, *supra* note 63, at 310.

1. *Some of the Ways People Become Homeless*

People become homeless in a variety of ways. It is useful to examine some of them in order to assess whether the loss of homes can be prevented. If the incidence can be prevented and will save money, misery, and societal harm, precautionary devices should be instituted. Present policy should be put to a cost-benefit test to determine whether it should remain in effect. Even if precautionary devices cost money, if it can be demonstrated that they cost less than the alternative of not instituting them, even those who are fiscally and politically conservative might agree to such measures.

a. *Loss of Employment*

One cause of homelessness is the loss of employment. When an individual loses his or her job, and unemployment benefits expire, finances become precarious, and funds deplete rapidly. Once all funds have been drained, the individual will be unable to meet rent obligations, usually leading to an eviction for nonpayment of rent. Sometimes people in this situation can double-up with relatives for a period of time, but often will become homeless if they remain out of work.¹⁰⁷

b. *Family Breaks Up*

Another cause of homelessness is the breakup of a relationship, especially when the breakup is due to domestic violence. In such situations, women often leave their partners and their housing rather suddenly. When battered women's shelters are full, and there are no friends or family willing to provide housing, the streets or homeless shelters are the only recourse. Regardless of the level of skills, a single parent without child care cannot go to work. Although she can apply for AFDC while living in a shelter, high rents and move-in costs associated with new housing units are prohibitive.¹⁰⁸

107. See generally *id.*

108. See *id.* at 311.

*c. Failure of Public Assistance Benefits to Keep Up
With Rising Rental Costs*

Unlike those who lose a job or leave a relationship, many AFDC recipients lose their housing because their benefit levels fail to keep up with the rising cost of rent.¹⁰⁹ AFDC parents often find themselves, after the rent payment is made, with less and less money for other expenses, such as light, heat and telephone. When an emergency arises, money must be diverted from the rent to cover it. In a situation as precarious as this, attempts to make back rent payments are futile, and eviction is the ultimate result.¹¹⁰ When AFDC recipients lose their apartments, they often lose their benefits as well due to the lack of an address.¹¹¹ Once homeless, it becomes extremely difficult to acquire enough funds to move into another apartment,¹¹² in particular because of prohibitive start-up costs.

All of these avenues leading to homelessness share some commonalities. They demonstrate that becoming homeless is a process rather than based upon a single event.¹¹³ For individuals in any of these situations, homelessness is the result of a series of events occurring over a period of time. Most of these individuals are not employed, and all are impoverished. Additionally, many of these people, once displaced from their housing, have to contend with "the reality of the low-income housing ratio."¹¹⁴

109. Rent also increased at a faster rate than inflation. *See Jencks, supra* note 62, at 82.

110. *See McChesney, supra* note 63, at 311.

111. *See* discussion *supra* part I.C.1.

112. *See McChesney, supra* note 63, at 311.

113. *See id.* There are cases where a single event does cause homelessness. If a fire destroys a home, for example, the inhabitants of that home would become homeless.

114. *See id.* The reality is that there is not enough low-cost housing. There are many more people in need of low-income housing than there are low-income housing units available. Since many people can not afford the rental prices for market-rate housing, or, if they can afford the rent, are unable to pay the move-in costs associated with a new apartment (several months rent paid up-front), they either stay with relatives or friends, or become homeless. *Id.*

2. Policy Implications of the Aggregate Housing Ratio

The aggregate housing ratio provides evidence that homelessness is not caused by individual characteristics; rather, it is attributable to a lack of affordable housing.¹¹⁵ Since the aggregate housing ratio describes a scenario in which there will always be households without homes, it is inevitable that people will be homeless unless change is instituted. One conclusion which can be drawn from the aggregate housing ratio is that a highly effective method of dealing with homelessness is to reduce the number of poor people competing for affordable housing.¹¹⁶ This can be accomplished by reducing the number of people who are poor, through the creation of more jobs which pay decent wages, thereby decreasing the number of poor people in this counting. Increasing public assistance benefits would also provide people with more funds to contribute towards housing costs.

Homelessness can also be combatted by increasing the number of low-income housing units.¹¹⁷ This can be achieved in a number of ways. The government can build more low-income housing (i.e., housing projects). Alternatively, the government can allocate funds for the poor to cover their rent in market rate units. Additionally, the government can provide incentives to developers and landlords to allocate a number of new units to the poor at a reduced rent. Rehabilitating vacant housing units would also add more units to the existing stock.

One policy implication of the aggregate housing ratio is the illogic of opening emergency shelters to house temporarily dispossessed people.¹¹⁸ It is illogical because homelessness is an expensive situation and is not a temporary condition. There are different issues for different groups of homeless people. For example, homeless mentally ill people may have more difficulty remaining housed than others. While shelters may be humanitarian for providing short-term

115. See *id.* at 312.

116. *Id.*

117. *Id.*

118. *Id.*

relief to people on the streets,¹¹⁹ they do not change the fact that there are too few affordable units and too many people in need of low-cost housing.

Another policy implication is that transitional housing programs will not have much impact on the number of homeless.¹²⁰ Transitional housing programs which teach "living skills," e.g., budgeting, shopping, and home management, are designed to aid those with "individual defects." These programs are founded on the theory that homelessness is caused by personal defects which can be overcome with education. Advocates of this approach believe that after learning these "living skills," the homeless will be more successful in their next housing unit. The housing ratio, however, challenges the logic of this approach because it indicates that homelessness is not due to poor "living skills." Homelessness is a result of a lack of affordable housing units. Unless there are a sufficient number of affordable housing units for everyone who qualifies for low-cost housing, even the best skills cannot rectify homelessness.

Other transitional housing programs house people until they are able to find permanent housing.¹²¹ They are designed to bridge the gap between the streets and a permanent apartment. However, under the housing ratio, this type of transitional housing is also illogical because there is a shortage of affordable permanent housing. If those in transitional housing obtain permanent housing, it is likely they are replacing other poor people who have become homeless.¹²² Certainly they are displacing another poor household who would otherwise occupy the unit¹²³ given that there are a greater number of poor families than affordable units. Transitional housing serves to

119. *Id.*

120. *Id.*

121. These programs commonly last from three to eighteen months.

122. Of course, it is possible that in some instances, the family who lived there before has moved to a market-rate rental or a different size unit due to changes in family composition. However, the aggregate housing ratio statistics on the poor and the recipients of public assistance indicate that this is the exception rather than the rule. *See generally* McChesney, *supra* note 63, at 312; *see also* Bennett, *supra* note 66.

123. *See* McChesney, *supra* note 63, at 312.

provide more low-income housing; however, it does so only on a temporary basis with different families rotating through the units.¹²⁴

These policy implications do not necessarily mean emergency shelters and transitional housing programs should be eliminated. It does mean that this type of housing does not change the aggregate housing ratio.¹²⁵ A lack of affordable housing, and consequentially homelessness, will co-exist with these programs until more affordable housing is made available. Communities that spend a considerable amount of money on these types of programs should not assume they have addressed the homeless problem as best they can.¹²⁶ Only by building more affordable housing will the homeless problem be diminished.

III. THE INTERSECTION OF WELFARE, HOUSING AND HOMELESSNESS

There is no doubt that the much-diminished value of AFDC payments has contributed directly to the appearance and rise of female-headed households among the homeless population. Female-headed households dependent on AFDC would find it difficult or impossible to cover their housing and other expenses on payment levels that are clearly lower than the rents typically charged for small apartments. AFDC-dependent mothers live exceedingly close to financial disaster; any unanticipated expense could create a crisis. Given the current purchasing power of the average AFDC payment, it is no wonder that many young-female headed households often

124. *Id.* at 313.

125. *Id.*

126. For example, between 1980-1987, New York City pumped large sums of money into shelters and transitional housing, but the numbers of homeless families kept growing. By 1987, the city was spending \$305 million per year to shelter 28,000 people per night. Had this money been directed into building more affordable housing, the problem would have been moderated. Ultimately, the city opted to put the same amount of money into building permanent affordable housing. *Id.*

become literally homeless. Indeed, the Massachusetts courts have recently compared the average AFDC payment with the average rents in Boston and concluded that the payment level must be contributing directly to the rise of homelessness.¹²⁷

At the intersection of welfare, housing, and homelessness lies confused government policy. This policy (or lack thereof) fails to address adequately the lack of affordable housing and the paucity of welfare benefits (except to cut them further). Those who advocate this policy believe that the answer to the problems of the homeless lies in welfare hotels, gymnasium floors, and various other "temporary shelters."

Temporary shelters cost substantially more than rents at the low end of the housing market.¹²⁸ In 1987, New York City spent an average of \$1,612 per month per family to house families in hotel rooms which did not contain cooking facilities,¹²⁹ but did contain lead-based paint.¹³⁰ This money, or a fraction of it, could have been used to assist families in paying back rent in order to avoid evictions. Likewise the money could have been applied to the creation and preservation of affordable housing, or been used to create incentives for owners to rent to low-income tenants by providing tax breaks, one time grants, and other incentives. It was not. And for the most part, it is still going only to temporary emergency shelters.

While the government may profess to be saving the taxpayer money by cutting the budget of the housing agency, the taxpayer may be spending the same, or more money in other areas. When the federal government cuts housing subsidies, and more people lose their

127. See Rossi, *supra* note 33, at 42. The court ruled that in order for a family to avoid homelessness and live a minimally decent existence, AFDC payment levels would have to be doubled. *Id.* at 74, n.5.

128. *Id.* at 16.

129. Rooms cost as much as \$1800 per month. *Id.* at 16; See also McChesney, *supra* note 63, at 313.

130. See Sara Rimer, *Despite Pledge, Homeless Still in Hotel*, N.Y. TIMES, Nov. 11, 1989, at A29.

homes, costs to cities and states rise. In addition to the costs to feed, shelter, and rehouse the homeless, many other expenses are incurred at the local level by these "money-saving" budget cuts. Additional police, medical, and jail costs, and losses incurred by businesses are the results of increased homelessness in a discrete area.¹³¹

A. Welfare Policy as De Facto Housing Policy

HUD's budget was drastically cut in the 1980s, leading to a departmental policy of slashing programs, cutting grants, and refusing to assist more people. The number of homeless grew and the welfare department incurred many of the costs saved by the housing department. The welfare department pays for welfare hotels, and as the number of homeless grows, the bill for emergency shelters also increases. If sufficient affordable housing were available, there would not be a need for welfare hotels.

Federal welfare policy was transformed into housing policy because the government failed to detect and respond to the structural deficiencies in the housing market, and instead viewed homelessness as a short-term crisis.¹³² Funding for welfare hotels comes from AFDC and Emergency Assistance to Families with Children (EAFDC),¹³³ both under the auspices of the Department of Health and Human Services, rather than from federal housing agencies like HUD.¹³⁴ These emergency shelters are called "welfare hotels" because they house welfare recipients, albeit on a "temporary" basis,¹³⁵ and are funded by the welfare department instead of the housing department.

The primary reason the welfare department entered into the housing business was because homelessness was seen as a temporary aberration, not as a structural deficiency in the housing market.¹³⁶

131. Coates, *supra* note 34, at 256.

132. See Bennett, *supra* note 66, at 29-30.

133. Title IV-E of the Social Security Act, 42 U.S.C. § 670 (1988).

134. See Bennett, *supra* note 66, at 30.

135. The "temporariness" sometimes stretches for years. See McChesney, *supra* note 63, at 313.

136. See *id.*

As a result, public policy sought to cure this "temporary" problem with emergency grants. A more productive use of the money would be to build permanent housing or increase the income available to the poor, thereby allowing them to afford their own housing.¹³⁷ The welfare department should not be in the business of constructing housing for the poor. Building housing is within the province of the housing department. Whether the money is spent by the housing department on housing construction or by the welfare department on temporary shelters, it is still being spent. Pointing to savings in one area may provide a smoke screen for spending in another. It may be politically wise to take credit for budget reductions, but that does not necessarily translate into savings for the taxpayers.

Thirty states have adopted a "special needs" program, partially funded by the federal government, which compensates for the inadequacy and inflexibility of AFDC. The program provides cash to AFDC recipients when a "special need" arises. It is designed to meet unique circumstances on a case-by-case basis.¹³⁸ In a few states special needs funds are used to pay the shelter costs of welfare hotels,¹³⁹ although most states do not pay for welfare hotels with this funding.

More than half of the thirty state welfare agencies made use of a cooperative program, the Emergency Assistance (EA) program,¹⁴⁰ to help families meet emergency needs in 1988.¹⁴¹ Some of these states used EA funds to address the housing needs of welfare recipients. Similar to the special needs allowances, some states use the EA funds to cover the costs of welfare hotels, while others use the resources to prevent evictions, or to help families retain their residences.¹⁴² While using special needs allowances and EA funds

137. See Bennett, *supra* note 66, at 30. If the welfare department does not fund shelters and transitional housing, families that lose their housing will be left with no alternatives to the street.

138. See Wolf, *supra* note 17, at 273; Bennett, *supra* note 66, at 39.

139. See Wolf, *supra* note 17, at 273.

140. Authorized under Title IV-A of the Social Security Act, 42 U.S.C. § 601 (1988).

141. EA is funded partly by the federal government and partly by the state governments.

142. See Wolf, *supra* note 17, at 273.

to pay for emergency shelters prevent families from living on the streets, the program funds were originally earmarked for "special" and "emergency" conditions.¹⁴³ Homelessness is not an "emergency" unless an emergency is a "potentially infinitely recurring condition."¹⁴⁴ Furthermore, unless significantly less money is spent to provide shelter under the auspices of these programs than is saved by eliminating funding for procuring low-cost housing, the federal government is failing to achieve its goal.

Welfare hotels are "another result of inadequate benefits, inadequate housing stock, and a system forced to respond to a crisis beyond its capacity."¹⁴⁵ These "temporary shelters," which sometimes house families for as long as three years,¹⁴⁶ are often substandard and have innumerable code violations. Rats, lead-based paint, inadequate heat and ventilation, infestations of vermin, and locations within high crime and drug neighborhoods are commonplace.¹⁴⁷ Temporary shelters also cost significantly more than an apartment.¹⁴⁸ These "high-rent, low-service warehouses for society's castoffs"¹⁴⁹ are funded by the federal government, while a sufficient number of affordable apartments are not. The payment authorized under AFDC may be increased by 500% to house a family in a hotel,¹⁵⁰ but there is generally no counterpart permitting a family rental assistance to remain in their home, or move-in costs for a new apartment.¹⁵¹

143. *Id.*: Bennett, *supra* note 66, at 39.

144. *See* Bennett, *supra* note 66, at 48.

145. *See* Wolf, *supra* note 17, at 276-77.

146. *Id.* at 277.

147. *See generally* JONATHAN KOZOL, RACHEL AND HER CHILDREN (1988).

148. *See* Bennett, *supra* note 66, at 35. When rental rates are negotiated fairly, transitional housing does, at times, cost more than a temporary shelter. *See* Wolf, *supra* note 17, at 277.

149. *See* Wolf, *supra* note 17, at 277.

150. *Id.*

151. However, in limited instances, some states have used EA and special needs allowances to cover these costs.

B. Litigation at the Intersection

Some state laws and constitutions impose obligations upon states to provide minimum levels of subsistence.¹⁵² Advocates use these laws and constitutions in state courts to expand the supply of shelters for the homeless. Unfortunately, these methods are only successful in obtaining shelter, and not permanent housing.

The strategy of looking to welfare law as a basis for obtaining shelter is deficient because it guarantees only survival. Survival is achieved through temporary shelters, and therefore it is inappropriate for a court to order that affordable permanent housing be provided when the source of law is welfare law. Another problem associated with the litigation in this area is that most of the success achieved in court is contained in consent decrees. These decrees do not provide precedent which can be applied to future cases.¹⁵³ Thus, each time an attorney challenges homelessness utilizing welfare law, she reinvents the wheel.

Although the past strategy has been unsatisfactory, it is difficult to locate a better source of law which will yield success in obtaining permanent housing for the homeless. If litigators wish to avoid using welfare law as a basis for housing claims, it is unclear what other avenue will provide constitutional or statutory authority to stake a cognizable claim. The federal constitution is inadequate in the area of housing law. It does not contain any provision requiring the government to provide economic security, shelter, or housing.

One source of welfare law used to advance claims for temporary housing is Title IV-A of the Social Security Act, as previously discussed.¹⁵⁴ Title IV-A provides the basis to claim a statutory right to shelter. As a result, welfare hotel funding has been derived from this statute. Since Title IV-A is an entitlement, there is no monetary cut-off, and everyone in need should be entitled to shelter. The strategy of asserting a right to shelter under the AFDC and EAFDC programs of the Social Security Act has had mixed results. The

152. For example, the New York State Constitution so provides.

153. See Bennett, *supra* note 66, at 31.

154. See *supra* part III.A.; Bennett, *supra* note 66, at 32.

reason the results have not been consistent is because the Supreme Court has sent mixed messages about the validity of such claims,¹⁵⁵ and because litigating for permanent housing solutions under a temporary benefits program is inclined to have limited success at best.¹⁵⁶ Litigators must continue to search for better sources of law in which to ground litigation to obtain affordable housing for the poor. As new statutes and regulations are enacted, perhaps a source will arise. However, at present, litigation will likely continue to be brought under welfare law.

C. Cooperation Between Housing and Welfare Administrators

The most common problem seen among low-income renters is that too much of their income is spent on housing.¹⁵⁷ No major legislation has been introduced to rectify this problem despite the fact that inability to pay rent is a leading cause of homelessness.¹⁵⁸ Rather than provide rental assistance increases to the poor, cuts in housing assistance and legislation designed to "end welfare as we know it" pervade the present political agenda of many politicians. Serious consideration is not given to changing the welfare system to make it more responsive to the needs of the recipients. Suggestions that benefits to single-parent families and others be increased until they are large enough to cover the cost of shelter¹⁵⁹ are absent from the debate at the federal level, and would be unlikely to succeed in the present political climate.

In 1988, the administrators of the welfare system at the state and local levels sought to transform the welfare system. When they spoke of welfare reform, they were not using the phrase as a euphemism for budget slashing. They proposed sweeping changes to the philosophy, organization, delivery system and benefit levels of the welfare system.

155. *Id.* at 33.

156. *Id.*

157. Michael A. Stegman, *Remedies for the Homelessness: An Analysis of Potential Housing Policy Programs and Responses*, in HOMELESS CHILDREN AND YOUTH 225, 251 (Julee H. Kryder-Coe et al. eds., 1991).

158. *Id.*

159. *Id.*

These changes became the touchstone for federal reform legislation contained in the Family Support Act of 1988.¹⁶⁰ The administrators sought to replace welfare dependency with self-sufficiency, and delved into housing policy and economic entitlement. They found that a

prerequisite for strong, self-sufficient families is the ability to live in safe, decent, affordable housing. Today steadily rising housing costs and steadily diminishing resources - both wages and the value of cash assistance - force many American families into housing that is neither safe nor decent. Where safe, decent housing is available it is often not affordable. Federal housing assistance for low-income families has dropped precipitously while the number of homeless individuals and families has grown, a circumstance that marks the urgent need for new policies to address the housing needs of poor Americans.¹⁶¹

The administrators laid out a number of recommendations to reduce family poverty. In formulating these recommendations, they stepped beyond their usual roles to touch upon housing policies and programs,¹⁶² in response to the homelessness problem.

The National Association of Housing and Redevelopment Officials (NAHRO) and the American Public Welfare Association (APWA) united in an endeavor to bridge the gap between the two systems. A joint report was released containing a number of recommendations to change the response of the welfare system to housing and homelessness issues. Additionally, the Council of State Community Affairs Agencies (COSCAA) joined forces with NAHRO to address welfare-housing linkages at the state level. These acknowledgements

160. Pub. L. No. 100-485, 102 Stat. 2343 (1988) (codified in various sections of 42 U.S.C.); see Wolf, *supra* note 17, at 278.

161. See Wolf, *supra* note 17, at 279 (quoting American Public Welfare Association 1989, at 6).

162. *Id.*

that neither the housing nor welfare systems can effectively address the issues without the other is encouraging because it is the only way self-sufficiency and equitable housing for the poor can be achieved.¹⁶³

Unfortunately, however, current welfare reform discussions fail to recognize the links between housing and welfare. They focus primarily on cutting grant levels, increasing eligibility requirements, and capping the amount of time a recipient is eligible to receive benefits. The result of the present policy, combined with the current political climate, is that families currently residing in emergency shelters and transitional housing are unable to improve their living arrangements because welfare benefits are too small to cover the cost of rent,¹⁶⁴ and there is a paucity of new affordable housing on the market. On average, neither AFDC, SSI nor GA provide shelter payments that equal the cost of standard quality housing as measured by HUD's Fair Market Rents: AFDC shelter payments represent only 49% of the applicable FMR, while SSI and GA allowances hover around 66% of FMR.¹⁶⁵

When a homeless family enters the shelter system, the probability that they will obtain affordable housing is actually enhanced because they are advanced to the top of the waiting list for housing assistance and are categorized as first priority. If, however, they stay with friends or family or spend 80% of their income on rent, they do not receive a higher priority for housing assistance.

D. The Expenses Involved in Providing Emergency Housing

There has been little discussion among federal legislators concerning the prevention or elimination of homelessness. Providing rental assistance to the poor, or providing assistance in rehousing the homeless is not politically savvy because it would cost \$10 billion a year to raise welfare allowances to meet Fair Market Rent

163. *Id.* at 282.

164. *See* Stegman, *supra* note 157, at 251.

165. *Id.* Many states pay a flat AFDC grant regardless of shelter costs. This author describes the converse - grants tied to shelter costs. SSI benefits are more generous than AFDC and GA.

standards.¹⁶⁶ Major welfare programs would have to raise shelter allowances by 50% to 100% to meet these standards.¹⁶⁷ These costs are not as extreme as they appear on their face because the expense of "emergency housing" would disappear if the standards were met.

In 1987, New York City spent an average of \$125.86 per day, on the average, to house a family of four in a barracks-style shelter, and an average of \$91.95 per day to house a family in a hotel room.¹⁶⁸ A single room in a hotel in Westchester County, New York for a family came to \$3,750 per month.¹⁶⁹ The District of Columbia paid \$10 million to one hotel over the course of seven years for temporary shelter for the homeless.¹⁷⁰

1. *Where Does the Money Come From?*

Emergency housing is paid for in a variety of ways. Some states cover the cost of emergency hotel placements by making use of the extraordinary outlay provision in AFDC for "special needs," and states which participate in EANFC fund hotel bills through this program.¹⁷¹ Some local social service agencies fund temporary shelters through other federal funding sources authorized under the Stewart B. McKinney Homeless Assistance Amendments Act of 1988.¹⁷² These sources include money allocated to local boards through the Emergency Food and Shelter Grant Program under the Federal Emergency Management Agency (FEMA), and the Emergency

166. *Id.* at 252.

167. *Id.*

168. See U.S. GOVERNMENT ACCOUNTING OFFICE, WELFARE HOTELS: USES COSTS AND ALTERNATIVES, at 32 (citing New York City Mayor's Advisory Task Force on the Homeless); Bennett, *supra* note 66, at 48.

169. See Henry, *Homeless Families in "Welfare Motels" Want Them Closed*, 10 YOUTH L. NEWS 12 (July-Aug. 1989), cited in Bennett, *supra* note 66, at 48-9.

170. See *Requiem for a Hellhole*, WASH. POST, Dec. 2, 1989, at A18, cited in Bennett, *supra* note 66, at 48.

171. See discussion, *supra* part III.A.

172. Pub. L. No. 100-628, 102 Stat. 3259 (1988). The amendment re-authorized funding created in the Stewart B. McKinney Homeless Assistance Act of 1987, Pub. L. No. 100-77, 101 Stat. 482 (1987).

Shelter Grants Program.¹⁷³ Additional local agency funding is obtained through the Community Services Block Grant Program.¹⁷⁴

Since funding for emergency housing is derived from so many different sources, the total expenditures are often camouflaged. It makes good political sense to spread these costs, making them less noticeable, than it is to pump billions of dollars into housing construction. Yet it might well be cheaper to construct new housing. Furthermore, construction would provide jobs, and possibly benefit the economy.

*E. Rising Rent, Rising Inflation, Static AFDC
No Predictability for AFDC Recipients
as Housing Costs Rise*

The elimination of federal housing subsidies not only results in rents that are unaffordable, but also undermines the predictability of rent.¹⁷⁵ For families on fixed incomes, this is extremely crucial because when market forces drive rents up by 300%,¹⁷⁶ they are unable to make their rent payments. AFDC does not provide cost of living adjustments. "Accompanying this rapid increase in rents is a significant decrease in the ability of welfare-dependent families to pay for them,"¹⁷⁷ because benefits fail to increase along with inflation.¹⁷⁸ For AFDC families, rent-subsidized housing is the only

173. Administered by HUD.

174. 42 U.S.C. § 1397 *et seq.* (1991).

175. Bennett, *supra* note 66, at 46.

176. During this time period from 1970 to 1983, the national median rent rose by over \$200, (it went from \$108 to \$315), while the number of units renting for below \$80 fell from 5.5 million to 650,000. Wright & Lam, *Homelessness and the Low Income Housing Supply*, 17 SOC. POL. 48, 49 (1987); Bennett, *supra* note 66, at n.72.

177. Bennett, *supra* note 66, at 46.

178. Between 1970 and 1989, only two AFDC jurisdictions had increases in payment levels in adjusted dollars. In contrast to these two atypical states, the median state decreased its AFDC payments between 1980 and 1989 by 37%. STAFF OF HOUSE COMMITTEE ON WAYS AND MEANS, BACKGROUND MATERIAL AND DATE ON PROGRAMS WITHIN THE JURISDICTION OF THE COMMITTEE ON WAYS AND MEANS, 101ST CONG. 1ST SESS. 546-47 (1989), *cited in* Bennett, *supra* note 66, at 46.

solution for obtaining stable and affordable housing.¹⁷⁹

1. AFDC and FMR

Fair Market Rents, or FMRs, are used by HUD to gauge housing costs. They are set up at the 45th percentile of market rents.¹⁸⁰ In several states, AFDC grants are far below the FMRs. When an AFDC family does not receive a housing subsidy, and lives in a city where the FMR is higher than their AFDC grant, locating affordable housing is a very daunting task. Only the worst apartments in the worst neighborhoods are attainable. A comparison of 1987 AFDC grants to FMRs for a few cities illustrates the extent of the problem: in Massachusetts the maximum AFDC grant for a family of three was \$539, while the FMR for a two-bedroom apartment ranged from \$488 to \$810 depending on its location; in Washington, D.C. the AFDC grant was \$393, and the FMR \$695; in Alabama the AFDC grant was \$118, the FMR ranged from \$237 to \$410.¹⁸¹

F. Housing for the Poor in the Future

1. Conversion of Units to Market Rate Rental Units

Predictions for the future are bleak. It is projected that the number of low income households will continue to grow,¹⁸² while the number of affordable housing units will continue to decline.¹⁸³ Many low income housing commitments¹⁸⁴ are due to expire in the near future.¹⁸⁵ The owners are thereafter uninhibited from raising rents to market rates. Many private owners who entered into contracts

179. See Bennett, *supra* note 66, at 46.

180. 54 Fed. Reg. 39866 (1989).

181. Figures cited in Bennett, *supra* note 66, at 47.

182. See Leonard et al., *supra* note 56, at xvii.

183. See *id.*

184. I refer here to commitments made by borrowers of government money at subsidized rates who agreed in return to house low income tenants for a fixed number of years.

185. See *id.* at xviii; see Bennett, *supra* note 66, at 45.

with the government under Section 8 certificate and vouchers programs committed themselves to housing the poor for periods typically ranging from 5 to 15 years. By 1997, 25% of these federally-assisted rental units commitments will expire.¹⁸⁶ Upon expiration, the owners of these properties will be able to raise rents, offer the units as condominiums, or convert the units for non-housing uses.¹⁸⁷

Public housing, the housing of last resort, is not likely to provide any additional relief in the future. Appropriations for new public housing were eliminated under President Reagan,¹⁸⁸ and have not been restored. Waiting lists for public housing and for units provided under Section 8 are decades long. As of 1990, the New York City Housing Authority had a waiting list of 200,000 households for 190,000 units, all of which were occupied.¹⁸⁹ The average length of time a non-priority household would have to wait to obtain housing was more than 35 years.¹⁹⁰ Across the river in Jersey City, New Jersey the situation was bleak as well. The wait was over 10 years and there was an occupancy rate of 115%.¹⁹¹ These types of waits are commonplace.¹⁹² Turnover rates average 1% per year, and the number of units is decreasing as units are demolished, closed, and rendered unusable.¹⁹³ Unless a family is homeless, the likelihood of gaining entry into public housing is virtually non-existent. Many housing authorities are no longer accepting applications, and all housing authorities operate on a priority system whereby homeless families move to the top of the list and thus, other families are unable

186. See Leonard et al., *supra* note 56, at xviii; Bennett, *supra* note 66, at 45.

187. See Leonard et al., *supra* note 56, at xviii. Non-housing uses might include storage or other commercial uses.

188. See Peter Marcuse, *Homelessness and Housing Policy*, in *HOMELESS IN AMERICA* 138, 148 (Carol L.M. Caton ed., 1990).

189. See *id.*

190. See *id.*

191. See *id.* at 158, n.26.

192. In Baltimore, 13,000 persons are waiting for 17,000 units and in Chicago, there are 44,000 waiting for 49,000 units. See *id.*

193. See *id.*

to obtain housing units.¹⁹⁴

Under § 221(d)(3) of the Housing Act of 1961¹⁹⁵ and § 236 of the Fair Housing Act of 1968,¹⁹⁶ both federal housing programs, the federal government gave mortgages to private developers who agreed to lease units to low and moderate income tenants for 40 years. Both programs provided the developers with the option to pre-pay the mortgage and discharge themselves of their obligation to the government after 20 years. The twenty-year restriction will soon expire for a number of these units.¹⁹⁷ There is a strong possibility many of them will be converted to housing for higher income tenants. In the immediate future, 243,000 units of low-income housing are likely to be removed from the subsidized housing stock.¹⁹⁸

2. *Loss of Units Due to Disrepair*

Lack of maintenance is another serious threat to the existing affordable housing stock. Public and privately owned affordable units which are not subsidized will be lost in the future because they are not being adequately maintained. Unless the units are rehabilitated and provided with the necessary maintenance,¹⁹⁹ they will become uninhabitable. A study conducted for HUD discovered that "more than half of the public housing households now live in projects needing moderate to substantial rehabilitation just to meet HUD's mandatory quality standards."²⁰⁰ The study found that it would take more than \$20 billion to complete the backlog of major capital repairs needed. Federal funding allocated for these repairs in 1989 was \$1.6 billion, and the Bush Administration had proposed reducing funding in 1990

194. Interviews with Peter Schneider and Mike Donahue, Attorneys at Community Legal Services, Public Housing Unit, in Philadelphia, PA (Jan. 1994 - Jan. 1995).

195. Pub. L. No. 87-70 § 101(a), 75 Stat. 149 (1961) (codified as amended at 12 U.S.C. § 1715 (1988)).

196. Pub. L. No. 90-284, 82 Stat. 81 (1968) (codified as amended at 42 U.S.C. §§ 3601-31 (1986)).

197. In 1995, 331,705 of the units are subject to expire, and an additional 727,878 are due to expire in 2025. See Bennett, *supra* note 66, at 45.

198. See *id.* at 45; see Leonard et al., *supra* note 56, at xviii.

199. See Leonard et al., *supra* note 55, at xviii.

200. See *id.*

to \$1 billion, a decrease of more than one-third.²⁰¹

G. Homelessness Costs More than Affordable Housing

The economic impact of homelessness on a community is extremely high. There are many hidden costs associated with homelessness. In addition to shelter expenses and costs associated with soup kitchens, there are a number of other costs related to the presence of a homeless population in a city.²⁰² Some of these "hidden costs" include: police, eviction of the homeless from parks and streets; remodeling, re-tooling, iron-plating in parks; ambulance services; costs associated with the criminal justice system including jail, court costs, public defenders and prosecutors; burial costs; mental health services; medical costs; social work; legal aid; costs to school districts; costs to local businesses including guards, lighting, thefts, cleaning and painting, lost business, increased insurance, and arson; tax losses including sales, property, and hotel/motel occupancy taxes; risk of epidemics; risk of major fires; and loss of labor and capital.²⁰³ The deepest impacts cannot be quantified - the moral and societal damage visited upon the homeless. People usually take notice when "their pocketbooks are threatened." This observation may be useful in selling low cost housing programs and increases in public assistance to the American public.²⁰⁴

By examining the costs of jailing homeless people, an illustration of indirect costs spent on the homeless can be ascertained.

201. See *id.* at xix.

202. See Coates, *supra* note 34, at 254.

203. *Id.* at 254-255.

204. Homelessness as an economic problem is costing our communities millions of dollars in added police, jail and court costs, lost tax revenues from properties devalued by the presence of the homeless, rising insurance costs because the presence of the homeless poses an increased threat of arson, petty burglaries, accidental fires, and vandalism. In addition, there are increased maintenance costs for areas in which the homeless congregate, the frequent loss to the general public of the use of swaths of public parks and recreational areas because the homeless have "taken over," and lost sales and tourist-oriented revenues suffered by businesses in areas frequented by the homeless. The citizens who are the most difficult to motivate to join the fight against homelessness for moral reasons may be the easiest to motivate for economic reasons. *Id.* at 256.

Furthermore, jailing the homeless provides a striking example of how the homeless are perceived and treated in our society.²⁰⁵ Jails cost significantly more than apartment rents, yet many homeless individuals can often be found in jail. In some cases the police jail the homeless to appease area residents, businesses in particular, who do not want the homeless in their neighborhoods.²⁰⁶ In other cases, homeless people seek out jails as a more favorable alternative to life on the streets.²⁰⁷ Individuals who are homeless are less likely to be released on their own recognizance because they have "insufficient community ties" to ensure their return to court.²⁰⁸ The jail related costs to the government would suggest that finding affordable housing is a preferable solution for everyone.

In New York, it costs taxpayers \$162 a day to incarcerate an individual at Rikers Island.²⁰⁹ The cost for a 90 day sentence is \$14,580.²¹⁰ This same amount of money would cover the annual rent on a low cost apartment in New York City.²¹¹ In 1984-85, 10-15% of all the inmates incarcerated in the San Diego County jail system were homeless. They had been incarcerated for "crimes" such as sleeping in a restricted area, and public drunkenness. These individuals would not have been in jail if they had a home since it is

205. Most scholars who study the homeless fail to take account of those who are in jail because they are part of the "invisible homeless."

206. Redburn, *supra* note 32, at 36-37, 50-51. Homeless people are arrested for "crimes" such as loitering, vagrancy, public drunkenness, and disorderly conduct. *Id.* Loitering and vagrancy are no longer considered crimes, but police still arrest people for these behaviors and then charge the homeless with other charges, such as simple assault for refusing to move along when ordered to do so by the police. *Id.* at 54, n.5.

207. *Id.* at 50-51; Rich Bragg, *A Thief Dines Out, Hoping Later to Eat In*, N.Y. TIMES, May 19, 1994, at A1. "A survey conducted in New York City during the early 1980's found that those who had spent time in both shelters and jails rated the jails superior to the shelters on cleanliness, safety, privacy, and food quality. Shelters ranked ahead of jails only on personal freedom." *Id.* Furthermore, shelters are more dangerous today than they were in the 1980's. See Jencks, *supra* note 62, at 45, citing Rossi, DOWN AND OUT IN AMERICA.

208. Based upon my experience representing people arrested in Brooklyn, N.Y.

209. See Bragg, *supra* note 207, at B4.

210. See *id.*

211. See generally Real Estate Section, N.Y. TIMES and Apartment Listings Section, THE VILLAGE VOICE (Oct. 1995 - Apr. 1996).

not illegal to sleep or become inebriated in one's home.²¹²

Jailing the homeless is also costly because of medical, dental, and psychiatric costs associated with incarceration.²¹³ Jails are legally bound to provide these services to inmates, whereas many homeless people are not entitled to such services from social service agencies. The homeless, in many cases, must wait until they are incarcerated before they gain access to these services. As a result, their health conditions become more complicated and more expensive to treat than would have been at the onset of their illnesses.²¹⁴

IV. CONCLUSION

When an examination of current welfare and housing policies is conducted, it is apparent that the number of homeless will continue to grow. The trend in welfare policy is to cut benefit levels and make eligibility standards more stringent. The trend in housing policy is to decrease funding and allow the number of affordable housing units to diminish. Each of these policies would by itself cause an increase in homelessness. The combined effect of the two policies operating simultaneously is evident to anyone who visits a large city in the United States. The number of people forced out of their homes and into the streets has been growing through the 1980's and 1990's.

Rhetoric about welfare reform pervades the media. Discussions focus on cutting public assistance and "ending welfare as we know it." Cuts in public assistance leave the poor with fewer resources to purchase indispensable commodities. One of the most costly of these commodities, housing, will be pushed further out of reach if benefits continue to decline. Families presently spending 80% of their cash grants on housing will not be able to pay their rent if their benefits are further decreased.

Housing policy is seriously misguided. The federal government has substantially cut funding for affordable housing. There is little construction of new housing units, and existing affordable units are

212. See Coates, *supra* note 34, at 258.

213. See *id.*

214. See *id.* at 259.

rapidly disappearing from the low-income market. As a result, there are fewer units available but increasingly greater competition for these units. Large numbers of people are being housed in expensive "temporary" housing. Welfare hotels, transitional housing units, and shelters are more costly in the long run than to increase the funds allocated to generate additional affordable housing units.

Providing more funding for welfare and affordable housing is, in the long run, economically more sensible and more humane for the homeless, the low income individuals, and the public in general. No one enjoys the task of explaining homelessness and poverty to a child, and no one enjoys stepping past the homeless men and women sleeping on the streets.

In order to convince the populace to support increased government spending on housing and welfare, information on the hidden costs must be disseminated. Taxpayers need to be informed that while their federal taxes may be cut, the savings may well be counterbalanced by increased state, city, and local taxes. Furthermore, voters should to be apprised of the many unwritten policies associated with homelessness which exist in their communities, such as incarceration of the homeless at \$30,000 a year per inmate. If the public becomes aware of how expensive welfare reform and present housing policy are, they may strongly advocate a policy reversal. Only then will the trends toward greater funding cuts be reversed.