

# housingactionillinois

## **Housing Action Illinois Emergency Food and Shelter Program Service Provider Survey Results January 16, 2009**

### **Summary of Findings**

Homeless service providers in Illinois saw a marked increase in the need for their services during the last six months of 2008. This is a trend that is likely to continue as long as the economy continues to worsen.

During December 2008, 71% of state-funded providers of overnight and transitional shelter reported serving an increased number of people experiencing homelessness compared to six months previous. More than one-third, 35%, of agencies reported an increase of more than 10%.

These findings are in agreement with a number of recent studies completed in other parts of the country showing that homelessness is increasing due to the recession. For example, in a fall 2008 survey by the U.S. Conference of Mayors, 16 of the 22 cities that provided data on the number of homeless families with children reported an increase in 2008.<sup>1</sup>

One hundred percent of agencies responded that consumers' ability to obtain private market housing, supportive housing, employment, mental health services or substance abuse services stayed the same or became much worse between July and December 2008. Most dramatically, 50% of agencies said that opportunities to find employment had significantly decreased.

Service providers are also experiencing problems raising funds to operate their programs. When asked about state funding, 61% reported that their state funding has decreased by up to 10% as part of budget balancing efforts by Illinois Governor Rod Blagojevich. In regards to private support, 26% reported a decrease of up to 10% and 35% reported a 10% to 19% decline in private support.

### **Recommendations**

These trends make the case for 200,000 new Housing Choice Vouchers and a \$2 billion increase for homelessness prevention assistance through the United States Department of Housing and Urban Development's Emergency Shelter Grant (ESG) program to be included as part of any economic recovery package proposed by President-elect Barack Obama and members of Congress.<sup>2</sup>

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<sup>1</sup> "Number of Homeless Families Climbing Due to Recession," Center on Budget and Policy Priorities, January 8, 2009. Available at <http://www.cbpp.org/1-8-09hous.pdf>.

<sup>2</sup> On January 15, leaders of the U.S. House of Representatives released a draft of their proposed economic recovery legislation. The proposal includes \$1.5 billion for the Emergency Shelter Grant Program but no funding for Housing Choice Vouchers. Available at <http://appropriations.house.gov/pdf/PressSummary01-15-09.pdf>.

If this occurred, Illinois would receive approximately 8,622 new vouchers and \$95.4 million to enable approximately 18,644 households to avert eviction or obtain new housing with short-term assistance.<sup>3</sup>

These measures would not only help prevent an increase in homelessness but inject funds quickly into local economies and help bolster local housing markets. All or nearly all of the funds would be spent before the end of 2010, the time frame when additional spending is badly needed to help turn the economy around.

At the state level, Illinois needs to find a way to pass a fiscal year 2010 budget that provides an adequate safety net for people at-risk of or experiencing homelessness. Service providers are seeking \$12.4 million in funding for the Emergency Food and Shelter (EFS) Program for FY10—a 36% budget increase from FY09.

After a 3% budget cut from the previous year ordered by Illinois Governor Rod Blagojevich as part of attempts to balance the state budget, funding in FY09 is presently \$9.1 million. The increase would restore cuts in prior years to the FY03 level of \$9.7 million in inflation-adjusted dollars and add a one-year 5% cost of doing business increase. Funding has declined during that period as part of attempts to balance the state budget during Illinois' ongoing fiscal crisis.

The EFS Program is an essential part of the state's response to homelessness along with homelessness prevention, permanent supportive housing and other programs and deserves adequate funding to meet the needs of people experiencing a housing crisis.

### **About the Emergency Food and Shelter Program**

The State of Illinois' Emergency Food and Shelter (EFS) Program funds the City of Chicago Department of Human Services and 88 private agencies in other parts of the state to assist people to move from homelessness back into permanent housing.

The services provided through the EFS Program are:

- Overnight Shelters that provide people in crisis a place to stay.
- Transitional Shelters that provide up to 24 months of housing.
- Emergency Shelter, provided through voucher program, to pay for hotels and motels when shelters are full or not available.

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<sup>3</sup> "Number of Homeless Families Climbing Due to Recession," Center on Budget and Policy Priorities, January 8, 2009. Available at <http://www.cbpp.org/1-8-09hous.pdf>.

- Supportive Services, such as case management and counseling, in areas such housing location, employment, mental health and substance abuse are provided to all service recipients.

Many agencies funded by the EFS Program also use other funding sources to provide affordable housing, permanent supportive housing, and other social services.

After a 3% budget cut from the previous year ordered by Illinois Governor Rod Blagojevich as part of attempts to balance the state budget, funding in fiscal year 2009 is presently \$9.1 million. In fiscal year 2003, funding was \$9.7 million. Advocates have been working for the last three years to get funding back to fiscal year 2003 levels, adjusted for inflation, and with a 5% cost of doing business increase. To achieve this for fiscal year 2010 (beginning July 1, 2009), would require a funding level of \$12.4 million.

Approximately 53% of the funds go the City of Chicago Department of Human Services, which subcontracts with private agencies to provide the services outlined above. Outside the City of Chicago, approximately 45% of the remaining funds go to transitional housing programs, 19% for overnight shelters and 10% for emergency shelters. The remaining 25% goes to agencies that operate more than one of the funded types of programs.

In fiscal year 2007, the last year for which program data is available from the Illinois Department of Human Services, the EFS program served 47,697 people. Approximately one-third of these people were below the age of 18.

### **About the Emergency Food and Shelter Grant Program**

The Emergency Shelter Grant (ESG) Program provides funds for emergency shelters — immediate alternatives to the street — and transitional housing that helps people reach independent living. Grantees use ESG funds to rehabilitate and operate these facilities, provide essential social services, and prevent homelessness.

Eligible Activities the provision of essential social services, including case management, physical and mental health treatment, substance abuse counseling, and childcare. ESG funds can also be used for the development and implementation of homeless prevention activities, such as short-term and first-month's rent, eviction or foreclosure assistance, utility payments, security deposits, landlord-tenant mediation, and tenant legal services.

### **About the Housing Choice Voucher Program**

The Housing Choice Voucher program is the federal government's major program for assisting very low-income families, the elderly, and the disabled to afford decent, safe, and sanitary housing in the private market. Since housing assistance is provided on behalf of the family or individual, participants are able to find their own housing, including single-family homes, townhouses and apartments.

Housing choice vouchers are administered locally by public housing agencies (PHAs). The PHAs receive federal funds from the U.S. Department of Housing and Urban Development (HUD) to administer the voucher program.

The PHA calculates the maximum amount of housing assistance allowable. The maximum housing assistance is generally the lesser of the payment standard minus 30% of the family's monthly adjusted income or the gross rent for the unit minus 30% of monthly adjusted income.

In 2007 there were currently 92,521 Housing Choice Vouchers approved for use in Illinois but another 52,969 households are on waiting lists for these vouchers.<sup>4</sup>

### Detailed Survey Results

#### Services Provided

Housing Action Illinois surveyed agencies funded by the Illinois Department of Human Services and the City of Chicago Department of Human Services about trends in their programs between July and December 2008. Of the 32 agencies that responded to the survey, 59% operate transitional shelter programs, 41% operate overnight shelters, 25% operate permanent housing, 13% operate voucher programs and 13% operate food programs. (The number of programs equals more than 32 and the percentage of agencies equal more than 100% because organizations often operate more than one type of program.)

**Table 1: Services Provided by Agencies**

Service	# Programs	% Agencies
Transitional Shelter	19	59%
Overnight Shelter	13	41%
Permanent Housing	8	25%
Voucher Program	4	13%
Food Program	4	13%

#### Funding

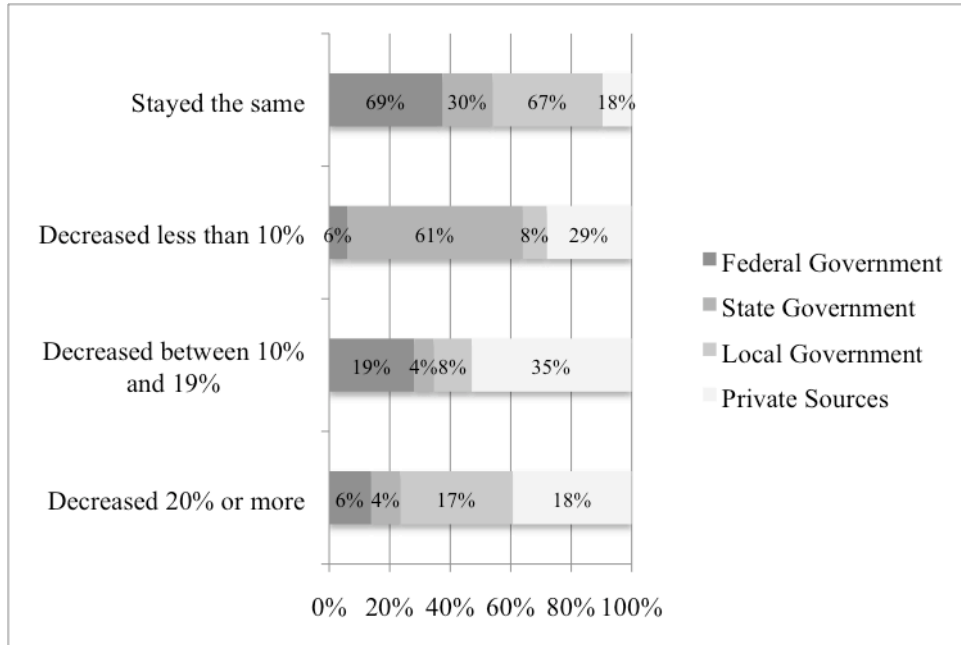
Of the 32 organizations surveyed, 25 receive funding directly from the Illinois Department of Human Services and 7 from the Chicago Department of Human Services.

When asked how revenue from funding sources has changed between July and December 2008, 61% reported that their state funding has decreased by up to 10%. Sixty-nine percent responded that their federal funding has remained the same and 19% reported that their federal support has decreased between 10% and 19%. In regards to local government support, 67% reported that their local government support remained the

<sup>4</sup> “Not Even A Place in Line”, Heartland Alliance for Human Needs and Human Rights, 2007.

same. Regarding private support, 26% reported a decrease of up to 10%, and 35% reported a 10% to 19% decline in private support.

**Chart 1: Funding Source Trends, July-December 2008**



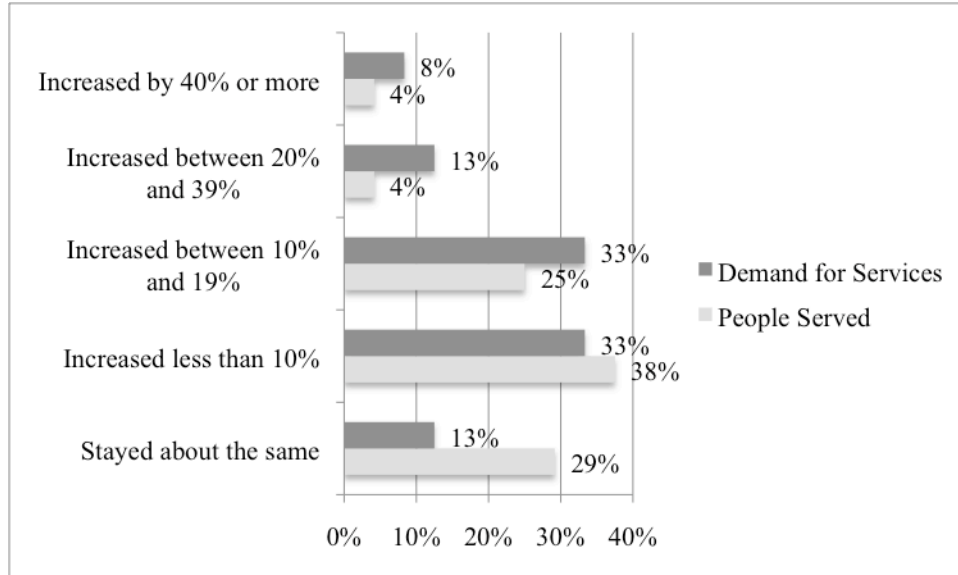
**People Served and Demand for Services**

Overall, between July and December 2008, 71% of agencies reported an increased number of people served, with 35% of agencies reporting an increase of more than 10%.

When asked about the demand for services, 87% reported an increased demand for services and 54% of agencies reported an increase of more than 10%.

The difference between the number of people served and the demand for services suggests that an increasing number of people are being turned away because programs are at capacity.

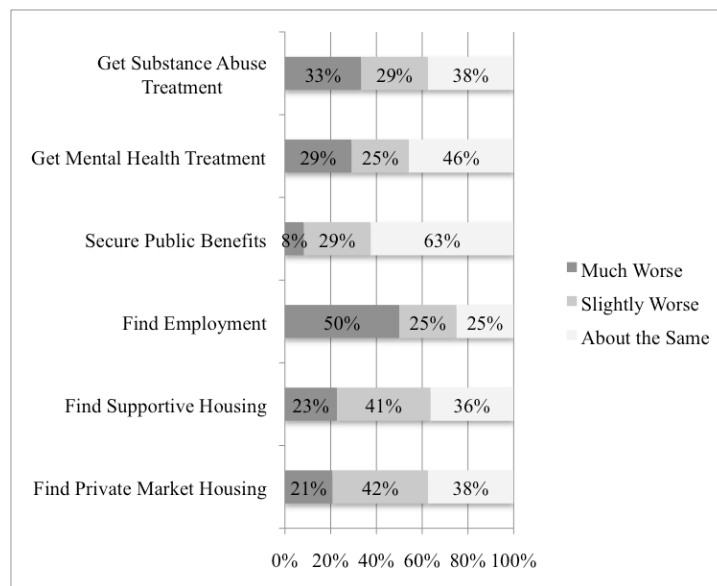
**Chart 2: People Served and Demand for Services**



**Ability of Consumers to Secure Housing and Services**

Agencies were asked to rate changes in their consumers’ ability to find private market housing, supportive housing, employment, mental health services or substance abuse services between July and December 2008. One hundred percent of the organizations rated their consumers’ ability to obtain these services as having stayed the same to having become much more difficult since July 2008. Most dramatically, 50% of agencies said that the opportunities to find employment had become much worse.

**Chart 3: Ability of Consumers to Secure Housing and Services**



## Conclusion

Homeless service providers in Illinois saw a marked increase in the need for their services during the last six months of 2008. This is a trend that is likely to continue as long as the economy continues to worsen.

The results from this survey suggest acceleration in program trends since fiscal year 2004 regarding the number of people served and turned away due to lack of space and other reasons. Data compiled at the end of each fiscal year by the Illinois Department of Human Services (IDHS) comparing program statistics between fiscal years 2004 and 2007 shows that the demand from people experiencing homelessness has been increasing, both in terms of people served and people turned away.

At the same time, the IDHS data also shows that programs were more successful in helping people move onto a more positive housing situation as soon as possible. Unfortunately, this survey suggests that economic conditions are reversing this positive trend.

**Table 2: Program Statistics from Fiscal Year 2004 and Fiscal Year 2007**

<b>Statistics from State-Funded Programs</b>	<b>FY04</b>	<b>FY07</b>	<b>Change</b>
People Served	39,939	47,697	23% Increase
Turn-Aways Due to Lack of Space and Other Reasons <sup>5</sup>	17,642	31,676	80% Increase
% Households with Positive Housing Outcome <sup>6</sup>	41.55%	53.47%	12% Increase

During the foreclosure crisis, the EFS Program serves vulnerable populations and supports state priorities, such as:

- **Keeping Renters Impacted by the Foreclosure Crisis Housed:** In 2007, over 35% of foreclosure filings in Chicago involved 2- to 6-unit multifamily properties.
- **Providing Health Care:** People experiencing homelessness have all the same health problems as people with homes, but at rates three to six times greater. In FY06, agencies delivered more than 262,000 health-care related supportive services.
- **Supporting the Education of Children:** In FY06, 35% of individuals served were under the age of 21. In the 2005-6 school year, public schools in Illinois served 17,769 students who were known to be homeless. Stable housing helps children stay in school.

<sup>5</sup> This figure does not include the City of Chicago, which does not keep track of the number of people turned away.

<sup>6</sup> Households with known housing outcomes. Includes households moving to private housing, subsidized housing, public housing, family/friends or other shelter.

- Taking Care of Veterans: 26% of people experiencing homelessness are Veterans, although veterans make up only 11% of the adult civilian population. In 2006, 2,197 veterans in Illinois experienced homelessness.
- Helping People Find Employment: In FY06, 38% of households served by the EFS Program cited a lack of income as the primary cause of their homelessness. Agencies assist people with job searches, adult basic education, and job training.

The EFS Program is an essential part of the state's response to homelessness along with homelessness prevention, permanent supportive housing and other programs and deserves adequate funding to meet the needs of people experiencing a housing crisis.

### **About Housing Action Illinois**

Housing Action Illinois' mission is to increase and preserve the supply of decent, affordable and accessible housing in Illinois, particularly for households with the lowest incomes, through three program areas: Education and Organizing; Public Policy Advocacy; and Training and Technical Assistance. We have more than 150 organizational members statewide, including homeless service providers, nonprofit housing developers and housing counseling agencies.

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