Homelessness in New Orleans

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Table of Contents

EXECUTIVE SUMMARY

New Orleans has a 4% homeless rate, the highest in the nation. A severe lack of affordable

housing, particularly post hurricane Katrina, has perpetuated this staggering percentage.

Other cities similar to New Orleans have implemented various policies to alleviate their

challenges with homelessness. Birmingham, Alabama established a method of counseling for

those without shelter. Jackson, Mississippi implemented a 10 year plan which plans to combine

increased housing, counseling for the homeless, as well as surveying areas for homeless people.

Atlanta implemented the HUD's recommended Continuum of Care program and has seen an

exponential decrease in homelessness. Because of these programs, levels of homelessness have

decreased in all three cities, and more affordable housing has emerged.

Because of similar demographics in Atlanta, the best plan to implement in New Orleans would

be the Continuum of Care program. So far, the plan has been a success in Atlanta with an

increase in affordable housing, better access to public services specifically intended to assist the

homeless, and a better awareness around the city of the causes and effects of homelessness.

INTRODUCTION

New Orleans has the greatest percentage of homeless in the United States. Nearly 4% of the city

sleeps on the street or in a shelter. New Orleans' percentage is more than quadruple the national

average. Atlanta, the second highest homeless rate, has a percentage of 1.4%.[i] The homeless

population doubled since the storm. New Orleans also has one of the highest poverty rates in the

nation, about 28%.[ii]

A majority of former affordable housing was destroyed during the storm and has not been re-

established. The poorer parts of the city are on lower ground. The majority of major flood

damage was in the most impoverished parts of the city. Many find it difficult to make ends meet

because of a lack of affordable housing. About 58% of renters in the city pay more than 35% of their household income towards rent. It is unaffordable to pay more than 30% of household income because households have to cut back on other necessities.[iii]

Mental illness and other health issues plague the homeless. It is hazardous for people to live under the conditions of homelessness. Often, health complications arise from living under these circumstances. In some cases, homeless people need to receive medical attention, which can be a burden for emergency response and taxpayers. Homelessness can also affect tourism and property values.

I. Causes

Homelessness causes are split into two categories: macro and micro. Macro describes structural causes that create a population in poverty who are at risk to become homeless. Micro causes are those that are a result of personal vulnerability, institutional experiences (i.e. foster care, prison, treatment facilities), and lack of resources.

The main macro cause of homelessness is the "housing squeeze," which is the over demand for affordable housing. "Rates tend to be greater in areas where access to affordable units (indicated by high rents, few vacancies, etc.) is problematic, consistent with the housing squeeze explanation."[iv] In addition, societal trends, such as veterans coming back from war, and epidemics, like HIV/AIDS, have plagued the poor and ill fortuned forcing them into homelessness. Demographic trends such as the baby boom, has caused serious competition in job market. In fact, 30% of the homeless in America have a job (part-time, seasonal, or minimum wage) but still cannot afford to provide for themselves and their family. Other structural causes include the crack epidemic and the increase in single parent and single person households.[v] Due to the recent economic downturn, homelessness has skyrocketed all over the nation. A

combination of job loss, a lack of affordable housing, and decreased housing income has increased this problem between 2008 and 2009.

Micro causes of homelessness are individual issues and struggles. The path to homeless, in general, starts in childhood. Physical and sexual abuse, neglect, housing instability, poverty, and alcohol and drug use are all contributing factors to homelessness that begin during the early stages of life. Specifically, 19.5% of homeless people experienced violence and/or abuse as a child. [vi]

Even adults that were previously social successful can plunge into poverty and eventually homelessness with the diagnosis of a mental illness, the death of a spouse, and in the case of women, domestic violence. Approximately 23% of homeless people suffer from mental illness and 50% suffer from drug addiction.[vii] Therefore, 73% of the homeless on the streets in America are there for micro reasons.

In many cases, people who are released from institutions often succumb to homelessness. Examples of these institutions are prisons or jails, foster homes, and treatment facilities. Approximately one-tenth to one-third of people who are let out of these institutions become homeless. [viii] Former inmates are often thrown into homelessness due to in-adequate prerelease preparation, lack of financial funds, friends or families, and inability to get a job because of their criminal record.

Causes of Homelessness

Macro Causes	Micro Causes
Housing Squeeze	Physical/ Sexual Abuse
Epidemics	Neglect
Veterans Coming Home from War	Poverty
Lack of Adequate Employment	Mental Illness
Single Parent/ Single Income Homes	Drug Abuse
Economic Downturn	Release from Public Institutions with Little Preparation for the "Real World"

II. Effects

With constant exposure to the elements and unsanitary conditions on the streets, the homeless are more likely to contract life-threatening diseases. Common diseases are Tuberculosis and HIV, and AIDS. In fact, 5-11% of all homeless are known to be HIV positive.[ix] These are diseases that can kill you very quickly if they are not treated correctly.

The effect of homelessness is even worse on children. One in ten children experience homelessness every year. Children will experience poor health, as well as depression and anxiety.[x] Almost as importantly, homeless children perform poorly in school and have poor attendance, for obvious reasons.

Homelessness also has a negative effect on society. The cost of eight different homeless aid programs in Dallas was $4,329,913 between 1999 and 2000.[xi] Providing shelters, housing, and

services is expensive on the city and therefore expensive on taxpayers.

Homelessness in cities can decrease the amount of tourism dollars coming in to the local economy. Panhandlers and homeless people on the street can scare off tourists and encourage people not to visit.[xii] This effect of homelessness on tourism is directly related to New Orleans, a city that thrives off of tourism.

Finally, homelessness can negatively affect property values in cities. Again, in 2003, a study of Dallas homeless showed that the "average real property values came to only $47.23 per square foot in the southern sector compared with $63.30 in the north."[xiii] The study goes on to describe how the southern sector of the city, with the drastically lower property value, is where the majority of homeless congregate. Thus, the more homeless there is on the streets the lower property values will go because of undesirable conditions and appearance.

III. Similar Cities

In order to analyze homelessness in New Orleans more extensively, comparisons to reputable and effective programs in other cities must be considered. These similar cities were chosen based on a criterion of similar region, population, ethnic breakdowns within the population, and comparable percentage of poverty. The programs highlighted in this section are present in one or more of the similar cities, but were chosen to represent a specific city due to effectiveness in that city or the pertinence to the specific causes and effects of homelessness in New Orleans.

3.1 **Atlanta, Georgia**

Continuum of Care

An operation seen prominently in Atlanta, but also prevalent in all of the cities listed is Continuum of Care. The US Department of Housing and Urban Development provides money and strategies to local governments, but almost always, local governments find additional sources whether it's private, from the local government itself or fundraising. In Atlanta, 49% of funding came from public sources, 35% from private organizations, and 16% from fundraising.[xiv] Continuum of Care is composed of three different programs. The first component is the Supportive Housing Program (SHP). This program focuses on housing development with the intent to move people into independent residences. Funds are also used to educate homeless in house management and work. Shelter Plus Care gives rental assistance to people with disabilities and their families. Assistance could vary from individual units to group homes. Single Room Occupancy (SRO), the final program, pays the rent for SRO units so homeless people can reside in them. SRO units are single room dwellings that often don't have bathrooms or kitchens.[xv] The aim for Continuum of Care is to get the homeless to self-sufficiency. In some situations, funds are used to take preventative measures. In Atlanta, the Continuum of Care operation uses between $1.5 and $1.75 million annually of funding for an emergency assistance fund to assist homeowners/renters with mortgage/rent.[xvi] For building SRO facilities with 50 or more units it cost about $4-5 million per building plus maintenance.[xvii]

Since its implementation in 2005, Atlanta has received the highest level of funding from the federal government through grants in aid due to the city's increase in supportive housing and temporary occupancy buildings. Though the cost looks daunting in numbers, when it is supported by almost 50% of federal funding, the price becomes much more manageable.

Continuum of Care in Atlanta from 2005 to 2009[xviii]

Increased Transitional Housing in Atlanta

	Family Units	Family Beds	Individual Beds	Total
2005	327	1,701	4,727	6,755
2009	597	2,236	4,996	7,829
Increase				1,074

Decreased Homelessness in Atlanta

Number of Homeless	2005	2009	Decrease
	27,162	20,360	6,802

3.2 **Birmingham, Alabama**

Birmingham Housing Options

An organization run by the city, Birmingham Housing Options provides one-on-one counseling with homeless and impoverished people. The program also allows homeless people to live in hostels and other housing options owned and operated by the local government.[xix] The goals of the project are for the homeless people they help to: enjoy a high quality of life, be healthy, be economically active, be safe, and make a contribution to society.[xx] These goals are accomplished through the provision of housing, proper health care, and benefits and career resources.[xxi]

Exhibit 2: Annual Costs Before and After Entering Supportive Housing
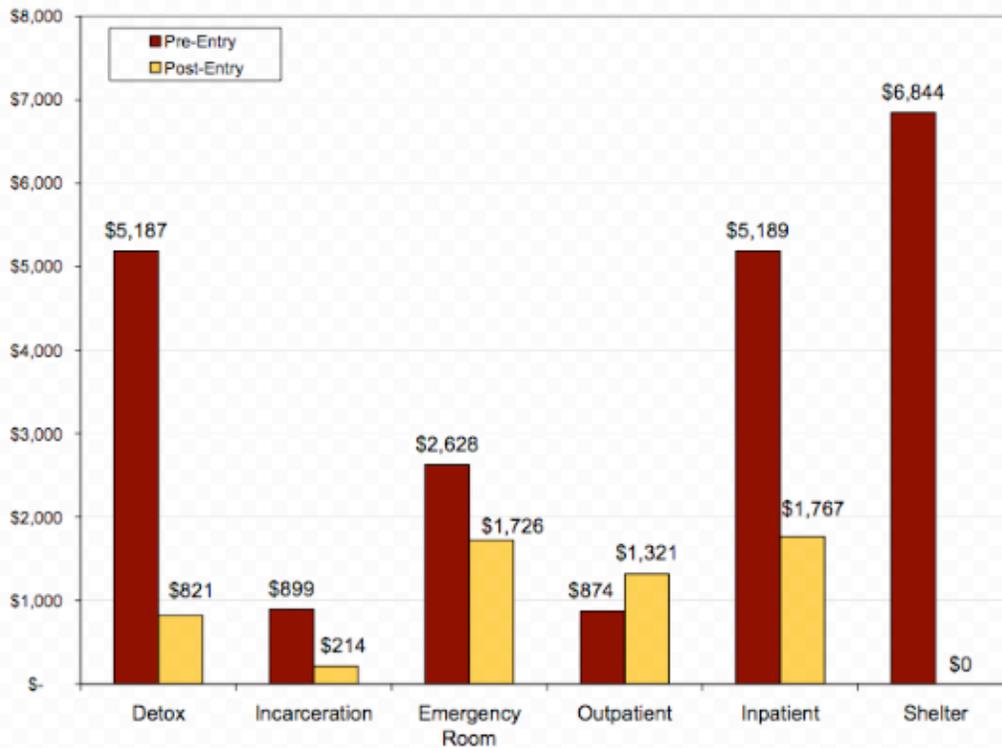
Source: Denver Housing first Collaborative: Cost Benefit Analysis and Program Outcomes Report. Jennifer Perlman, PsyD, and John Parvensky. Colorado Coalition for the Homeless. December 2006.

3.3 Jackson, Mississippi

Jackson Ten Year Plan for Ending Homelessness

Part of a national initiative, Jackson Mississippi's Ten Year Plan for Ending Homelessness is an in-depth look at homelessness in the city and how the local government plans to reduce it. With similar circumstances due to the hurricanes of 2005, Jackson's plan has many programs that are cohesive with the rebuilding of a city. In this plan, the city talks about the current attempts to identify and catalog the homeless, how to determine who should get housing first, and the responsibility of the development of low income housing between the local government and giving government land to non-profit organizations to help housing development.[xxii]

Because of the relatively recent development of this project, results for the 10 year program are not altogether conclusive. Though the plan seems very promising, and strides have been made [xxiii] there is simply not enough evidence supporting the implementation of this program.

Exhibit 1: Annual Cost of Supportive Housing vs. Homelessness
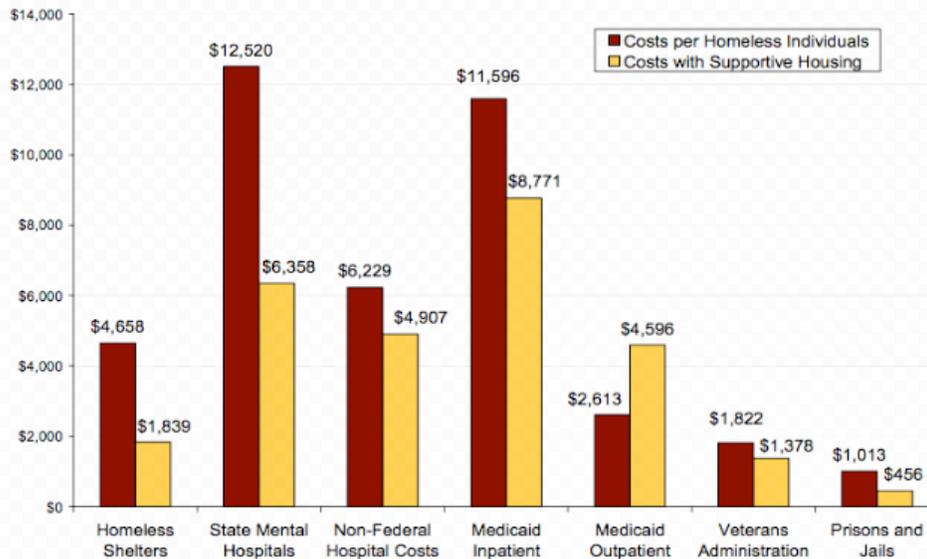
Source: The Impact of Supportive Housing on Services Use for Homeless Persons with Mental Illness in New York City. Dennis Culhane, Ph.D., Stephen Metraux, M. A., Trevor Hadley, Ph.D., Center for Mental Health Policy & Services Research, University of Pennsylvania. Data from 4,679 NY/NY placement records between 1989-97.

IV. Policy Options and Recommendations for New Orleans

Homelessness is rooted by many complex factors and has plagued societies throughout time. Homelessness is a problem with no simple answer or quick fix. Through the analysis of effective practices in other similarly structured cities, Continuum of Care program has proven most effective in that it has gotten many homeless people off of the streets, saved tax-payers money, and provided various types of education to the homeless and the community as a whole, leading to positive results throughout the city.

4.1 **Continuum of Care**

If New Orleans enacts Continuum of Care, there is great potential for a decrease in homelessness. Some elements of this plan that should be enacted are as follows:

- **Centralization of Services**

A centralized office or organization to regulate the services provided to the homeless population proves to be effective in other cities by making the process more organized, efficient, and less intimidating. The organizations are able to communicate with one another and more easily provide a homeless citizen with the appropriate services. In a system such as this one, it is easier for a person's needs to be dealt with instead of just redirected to another organization or program because more resources would be in one location.

- **Single Room Occupancy**

In order to get more people off the streets, the city will need to immediately begin by building temporary housing that will allow the homeless to transition to a life off the streets. The basic purpose of this part of the plan is to help the homeless realize that there are other options, and that the city is trying to help.

- **Shelter Plus Care**

This part of the plan not only provides housing to the homeless, it also teaches the how to maintain and keep a home, how to take care of hygienic needs, and how to function in typical society. In addition, resources are discussed for employment.

- **Supportive Housing Program**

The final element of the Continuum of Care program provides housing for families and offers some monetary assistance with rent. By this point in the program, residents are typically on their way to independent living.

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