Homelessness
A System Perspective

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## Part 2 - The emergence of system perspectives on homelessness

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There is little joy to the imaginary mind in the enjoyment of abundance, while other people are in want. - Edward Amherst Ott, Drake University, 1917.

I don’t think you can have a thriving community when you have lots of people who experience homelessness. - Beth Sandor, Community Solutions, 2021.
The 1960s – Wars on poverty we can’t win...

We constantly underestimate difficulties, overpromise results, and avoid any evidence of incompatibility and conflict, thus repeatedly creating the conditions of failure out of a desperate desire for success. More than a weakness, in the conditions of the present time it has the potential of a fatal flaw.²

In 1917, Edward Amherst Ott, a scholar at Drake University, offered a list of policy principles that he called “Hot Shots” in support of fighting a productive “War on Poverty”. Ott was optimistic that the world was sufficiently enlightened and capable, so that “Poverty [...] can be eliminated. There is little joy to the imaginary mind in the enjoyment of abundance, while other people are in want.”³ Almost 50 years later, on 8 January 1964, President Lyndon B. Johnson announced his own war on poverty to build a “Great Society” in his State of the Union Address⁴. “Let this session of congress be known as the session which did more for civil rights than the last 100 sessions combined. [...] As the session which declared all-out war on human poverty and unemployment in these United States.” And thus, the war on poverty should become “America’s longest war”⁵, a war it is still fighting on many fronts, new and old, today.

President Johnson set extremely high expectations from the beginning. He announced the “most federal support in history for education, for health, for retraining the unemployed, and for helping the economically and the physically handicapped.” Johnson saw it as a collective duty to fulfill the basic hopes of every citizen that in his own words included the following: “a fair chance to make good”, “fair play from the law”, “a full-time job on full-time pay”, “a decent home for his family in a decent community”, “a good school for his children with good teachers”, “security when faced with sickness or unemployment or old age”.⁶

Johnson explicitly integrated the problem of homelessness as part of his war on poverty: “We must, as a part of a revised housing and urban renewal program, give more help to those displaced by slum clearance, provide more housing for our poor and our elderly, and seek as our ultimate goal in our free enterprise system a decent home for every American family.”⁷ On August 10, 1965, President Johnson signed the Housing and Urban Development Act and established the US Department of Housing and Urban Development (HUD) that would become a central federal agency for addressing homelessness until today. Johnson correctly anticipated housing as a dominant challenge in the next decade: “In the next 35 years we will need to build a second America, putting in place as many houses and schools and

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³ Ott, E.A. (1917) Hot shots in the war on poverty. Educational Extension Services, Byron, N.Y.
⁶ Ibid.
⁷ Ibid.
apartments and parks and offices as we have built through all the time since the pilgrims have arrived on these shores.”

Contemporary frames of poverty
Johnson framed poverty primarily as a problem of individual competence and opportunity: “Very often a lack of jobs and money is not the cause of poverty, but the symptom. The cause may lie deeper, in our failure to give our fellow citizens a fair chance to develop their own capacities, in a lack of education and training, in a lack of medical care and housing, in a lack of decent communities in which to live and bring up their children.” The principal economic calculus was that his war on poverty would pay for itself. If people could be equipped to take care of their lives as an integral part of a healthy social and economic system, this result would support his ambition “not only to relieve the symptom of poverty, but to cure it and, above all, to prevent it.” This framing of poverty as a problem of individual capability and competence rather than a result of systemic or structural factors, illustrates the “culture of poverty” perspective, a prominent perspective in social science and policy circles at that time. The culture of poverty perspective assumed that “personal defects” in the form of norms and values caused people to enter and to remain in poverty. The poor lacked motivation and skills and these deficiencies perpetuated a “cycle of poverty.” Policy decisions rested on the “assumption that dependent people were mainly helpless and passive, unable, without the leadership of liberal intellectuals, to break the cycles of deprivation and degradation that characterized their lives.”

Challenges of addressing complex social problems
The war on poverty to build a “Great Society” is an important opportunity for reflecting on the many obstacles that can derail ambitious efforts of providing solutions to society’s problems. President Johnson’s war on poverty illustrates the limitations of even presidential power in the face of complex social problems. Discussing several of the challenges his initiative faced, helps to focus the attention of readers of this case study on core issues relevant for understanding potential “solutions” for homelessness. One obstacle that undermined President Johnson’s efforts was a rigid bureaucracy with an attitude of channeling efforts in a politically opportune and controlled manner. This structural obstacle stifled evidence- and performance-based resource allocation, creativity and innovation, and the necessary contextualization by decentralized efforts. Another obstacle was a decoupling of spending power and operational capacity. In August of 1965, Senator Abraham Ribicoff in a conversation with the President expressed grave concerns about the administration’s inability to implement the legislative package on poverty. He remarked: “But the greatest mess in the country, Mr. President, is the poverty program, believe me”. Ribicoff spoke about an “indigestion” in the system: “We’re pushing money out

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8 LBJ Presidential Library. Signing of the housing and urban development act, accessed on 15MAY20 at: http://www.lbjlibrary.org/mediakits/hud/index.html
too fast. I’m voting the money you’re asking for, all of it, but we’re pushing it faster than we got people who are ready to use it.” This episode illustrates a key concern of social policy: what are the potentials and limits to capacity and scale of collaborative action of public-sector and civil-society organizations implementing complex solutions? This case study on recent efforts around addressing the complex problem of homelessness is an opportunity to explore the fruitful but also fragile dynamics of collaborative action at various levels of scale, from communities to large cities, states, and nationally.

Another obstacle for effective policies towards creating a “Great Society” arises from the fact that social problems are neither a finite set nor are their dynamics predictable. Any political decision faces uncertainty over how the set of urgent challenges that compete over limited attention and resources evolves over time. During Johnson’s presidency, for example, the fiscal demands of the Vietnam war and the eruption of strong civil rights and antiwar protest movements started to dominate the political and media agendas. These developments created critical tensions for the president about whether to allocate funds to “guns or butter”. Johnson lamented toward the end of his life: “That bitch of a war killed the lady I really loved - the Great Society.” Of equal importance is the unpredictability of fundamental policy priorities and attitudes that arise from temporary political majorities. The history of homelessness is an important reminder of the vulnerability of solution providers to severe fluctuations in available resources and the legitimacy of approaches. The current presidency of Donald Trump and budgetary decisions and appointments of federal agencies responsible for homelessness services is a powerful reminder of the importance of this dynamic.

Johnson’s war on poverty exposes an additional challenge for those who address complex social problems such as poverty and homelessness: What are appropriate and effective ways to communicate objectives and to manage expectations? Ginsberg and Solow reflecting on Johnson’s presidency concluded “that especially if the issues are complex, and especially if they have been ignored or minimized earlier, it is important that the leadership’s promises of results from intervention be realistic rather than extreme. A public which has been encouraged to expect great things will become impatient, critical, and alienated if the progress that is achieved falls far short of the rosy promises.” The political scientist Aaron Wildavsky in his essay in the New York Times in 1968 that he wrote amidst race riots and anti-war protests agreed with this view: "A recipe for violence: Promise a lot, deliver a little. Lead people to believe they will be much better off, but let there be no dramatic improvement. Try a variety of small programs, each interesting but marginal in impact and severely underfinanced. Avoid any attempted solution remotely comparable in size to the dimensions of the problem you are trying to solve.” In a more recent article on the ambitions of philanthropists to move beyond solving problems towards adopting bold “system change” and “big bet” strategies, Seelos and Mair also warn about the gap between ambitions and competencies. Growing a program’s or an organization’s ambitions is easy. But developing the competencies to achieve these ambitions is hard and takes time, focus, and effort. The authors conclude that this decoupling of ambitions and competencies is a predictable recipe for disaster and that “steering system change requires that we nurture and develop our levels of competence and

ambitions in sync.”

During Johnson’s war on poverty, the dominant “culture of poverty” aspect funded primarily ideas in line with traditional mainstream anti-poverty programs. Between 1965 and 1968, over a thousand more traditional community action agencies coordinated locally customized antipoverty initiatives. “This direct funding mechanism allowed the federal government to work around de facto exclusion of the poor from designing programs to address their own poverty and de jure racial segregation that had restricted the political participation of African Americans. CAPs [Community Action Programs] aimed to empower the poor themselves to change their communities—to fight poverty while reforming local social institutions and undermining entrenched racial segregation.”

Other observers shared his sentiment: “Many of us who shared in the formation and the running of local community action agencies have been both frustrated and dismayed. What was to have been a ‘grass roots’ war on poverty, sensitive and responsive to local need, emerged instead as a rigid program, directed all too frequently by inexperienced and arrogant bureaucrats who couldn’t care less about local conditions and problems.”

Only slowly, did a novel and controversial approach emerge in the form of “Community Action Programs” (CAPs). Near the end of the 1960s, it appeared that Johnson himself had become alienated from his war on poverty and in particular from this aspect of CAPs. This turn of events is vividly illustrated in a remarkable conversation in December of 1968, with Bertrand M. Harding, director of the Office of Economic Opportunity. Johnson was concerned about accusations of nepotism due to the involvement of Lady Bird Johnson’s niece in the community organization Urban League. The Ford Foundation announced a 1 million USD grant to Urban League to “build ‘ghetto power’ through new African American–controlled economic institutions.” In this conversation the president showed a remarkable level of frustration with the direction that his war on poverty took: “And this is not what I set up poverty. I set up poverty for people to just work like hell and get paid so they’d have something to eat. [...] All this theoretical stuff, a bunch of goddamn social workers going out and shoveling money through a bunch of half-baked organizations. The biggest, crappiest thing that I ever saw. And I don’t think it’s worth a damn.” Johnson remarked that he would not give forty cents to the management of Urban League and that he revealed in a recent interview that his poverty program was the most disgraceful thing of his political agenda.

And so, the 1960s ended with little concrete inspiration for a fundamental shift in the troubling realities of poverty and homelessness. This introduction serves as a mental scaffolding for supporting a journey of inquiry into the remarkable story of civil sector organizations that addressed homelessness in the US in the last 50 years. This case study also strives to serve as an illustrative example in support of deeper reflections on several important questions on poverty and homelessness: Who defines a situation as a

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legitimate social problem and who defines appropriate action? How should we evaluate programs that address the complexities of poverty? What outcomes can we expect and what might be realistic time frames? Who defines success and how should success be defined in lieu of outright solutions of such complex social problems? How should federal and local approaches, public-, private-, and civic-sector approaches be balanced and coordinated? Can we expect public servants to have the motivation, ambition, passion, and empathy required to commit to sustained, difficult, and often unrewarding work? Are terms such as “poverty” and “homelessness” useful for aligning resources and actions or are they naïve simplifications of a complex and bewildering number of social forces at various levels individual, family, community, municipality, national and the characteristics of political and economic institutions such as laws or markets? Do these simplifications lure us to naively assume that such complex phenomena can be “solved”? And what might be relevant competencies that justify more recent discourses around “systems” and “systems change” as the panacea for addressing such complex social ailments?
The 1970s – Setting the course for homelessness

At the time when President Johnson shared his frustration about the war on poverty and its community action aspect with Mr. Harding, a girl from the suburbs of Hartford, CT, Rosanne Haggerty, celebrated her 7th birthday. She would later fight her own war against poverty focusing on homelessness. According to information provided by Ashoka, young Rosanne was strongly influenced by her parents’ practice of Catholicism. Rosanne observed how her parents reached out to and befriended elderly people who lived in local “rooming houses”, single-room occupancy hotels for disadvantaged citizens. Rosanne later shared with reporters that “I grew up in a constellation of extended family members in old hotels in Hartford. My parents were very devout Catholics, and they would take us to mass on Sunday, and then march us to one of the single-occupancy hotels where older or disabled people were living alone.” But at that time, the homeless were not perceived as a social problem that demanded organized collective action. The visible aspects of street homelessness reduced the problem in the public’s eye to a hopeless group of single men with alcohol and mental problems who slept on the streets in so call skid rows, geographically bound places that people avoided.

Less visible was a disturbing trend of homelessness amongst families. By August of 1970, the numbers of homeless families in New York City had risen by 300% within a year. About a thousand families were housed in 40 so called welfare hotels. Their average stay had increased from a few weeks to several months and often years. Observers called these welfare hotels a “modern horror”. Despite welfare programs paying between $600 and $1200 per month in rent to hotel owners, “Children are jammed five and six in a room, sleeping on mattresses dropped on the floor, on broken sofas, crowded beds. Dingy rooms and dark hotel corridors are their playgrounds, shared with roaches and mice. Ceilings are peeling, and walls have holes as large as two feet high and four feet wide.” The administration of New York City mayor John Lindsay was able to move many families from welfare hotels to permanent housing. By 1972 only about 365 families were still living in hotels.

The undeserving poor: Framing the problem of homelessness

Homelessness was strongly associated with poverty and thus inherited earlier ideas of the “cycle of poverty” and the “culture of poverty”. These perspectives from the 1960s war on poverty also dominated the public discourse on poverty in the 1970s. Zimmerman and colleagues remarked that explanations of poverty and homelessness were grounded in viewing the poor as lacking skills, being lazy and unmotivated and suffering from defects of moral character. The authors were concerned that: “To restrict explanation of their poverty to citing individual defects can degenerate into passing of moral judgments. This is largely what happens when many Americans speculate on the causes of poverty. When individualism becomes a cultural fetish, each person becomes morally responsible for his or her circumstances. The result is that we seem compelled to find fault with the able-bodied poor, to blame them for the poverty they suffer. The concept of the immoral or ‘sturdy’ poor lives on in the United

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22 http://povertyhistory.org/#welfare-hotels
States even though the terminology may be forgotten.”

Joel Blau argued that homelessness was an interesting test for the hypothesis that poor people are somehow responsible for their own poverty. The rapid growth of homelessness in the 1970s and 1980s “requires believers to argue that for some mysterious reason, a sizeable group of citizens suddenly became irresponsible at the very same time.”

Robert Bendiner, a political commentator, writing in 1968 in the New York Times Magazine opined: “Today’s poor [...] are viewed by most politicians with impersonal detachment. Congress evinces no qualms whatever about taking a stern, even self-righteous, attitude regarding welfare, showing a keener interest in controlling riots than in controlling rats”. Bendiner agreed with the concerns of Zimmerman and colleagues: “Altogether it is reasonable to suggest that the current drive against poverty is neither politically nor economically inspired, then, but essentially a ‘cause’, a moral crusade.”

The dominant “culture of poverty” discourse in the 1960s and 1970s had important consequences for how the homeless and their situation were perceived. Perceptions at different ends of the political spectrum determined whether the poor and homeless were considered as “deserving” or as “undeserving”, how the causes of homelessness were articulated, and thus how priorities were set and decisions made for allocating resources towards changing their situation. Blau added another important psychological dimension to this discussion. He argued that poor people being constantly stigmatized and rejected learned to accept the views society held on them. As a result, homeless people lost self-confidence and started to doubt that they could be agents for changing their situation. This limiting self-image also lowered their political efficacy. “The message is a simple one: someone without a home is an inconsequential person, and the actions of an inconsequential person cannot have political consequences.”

The term “homelessness” in the 1970s was ambiguous and not widely used. Writing in 1984, researchers Kim Hopper and Jill Hamberg remarked: “It is only in the past few years that this clumsy Victorian era word – ‘homelessness’ - has crept back into prominence, snatched from oblivion by a public made increasingly uneasy by the presence of large number of fellow citizens living on the streets. The term succeeds a host of others, generally terms of derogation - words like ‘vagrant,’ ‘derelict,’ and ‘bum’ - that, but a scant decade ago, were regularly used when describing this sector of the disenfranchised.”

In the 1970s, it was mostly missionaries and church-based organizations that addressed the needs of these “unworthy poor”, that the media referred to as drifters, vagrants, bums, or transients. Homelessness services lacked coordination and were mostly aimed at allaying the pain associated with the circumstances of homelessness. One consequence of these relief efforts was that homelessness was not a very visible problem. “For the most part, skid row men were housed - wretchedly to be sure - but

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29 Blau, J. (1992)
quartered nonetheless, in the missions, flophouses, jails and municipal lodging houses that catered to their numbers. They were not, in significant numbers, a street-dwelling population.”\footnote{Ibid, p.20} These charitable activities may have slowed a proper public engagement with the characteristics and dynamics of the problem and reflections about the individual and structural factors that caused it. “Still, there remains the gnawing misgiving that despite the flurry of activity - indeed, in part because of it - the question of what really is going on hasn’t received close enough scrutiny. The palpable, acutely felt nature of the distress, and the imperative to act accordingly, have impeded the recognition that something has gone grievously wrong with the fundamental needs-satisfying structures of our society. Urgent charity, not arduous justice, remains the watchword of the relief efforts that have been mounted. It is not mere cynicism to suggest that the deeper lesson they have to teach may well be their failure.”\footnote{Hopper, K., Hamberg, J. (1984), p.3.}

**A troubling situation but not a social problem**

Nan Roman, CEO and President of the National Alliance to End Homelessness speaking at their 2014 annual conference reflected on the situation: “When I began working in the 1970s, there was not widespread homelessness the way we know it today. That did not mean that people did not lose their housing. It did not mean that people did, at some times, have nights when they did not have a place to stay. It did not mean that everyone had enough money to live on or could afford and apartment or had all the services that they needed. I can promise you that none of that was true. There was plenty of poverty and unemployment, untreated illnesses, all kinds of things. But the most significant difference between now and then, was that then there was enough affordable housing available. So that if you lost your housing, which people definitely did, you could get back into another apartment right away. You did not spend days or weeks or month or years homeless while you were trying to figure out how to get back into another place to live.”

Homelessness may not have been recognized as an important social problem in the 1970s. Nevertheless, this decade would dramatically change the face of homelessness. The 1970s ended a long cycle of growing prosperity since the end of World War II. Incomes had roughly doubled in inflation-adjusted terms without widening income inequality. These trends were abruptly reversed during the 1970s. Between the mid-1960s and the end of the 1970s the Dow Jones Industrial Average stock market index fell from a level of about 7800 points in 1965 to about 2800 points in 1979\footnote{Macrotrends, Dow Jones - DJIA - 100 Year Historical Chart, accessed on 25MAY20 at: https://www.macrotrends.net/1319/dow-jones-100-year-historical-chart}. Economic stagnation was coupled with a sharply widening income gap. Only the top incomes continued to grow strongly. This development resulted in a dramatic accumulation and concentration of wealth, a household’s property, and financial assets.\footnote{Center on Budget and Policy Priorities. A Guide to Statistics on Historical Trends in Income Inequality, accessed on 24MAY20 at: https://www.cbpp.org/research/poverty-and-inequality/a-guide-to-statistics-on-historical-trends-in-income-inequality}

Other factors that influenced the dynamics of homelessness in the 70s were a growing population and a dramatic process of urbanization. Perhaps to some extent, these effects were balanced by historically unprecedented levels of growth in housing units. Between 1970 and 1980, the US national housing stock

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\footnote{Ibid, p.20}
\footnote{Hopper, K., Hamberg, J. (1984), p.3.}
\footnote{Macrotrends, Dow Jones - DJIA - 100 Year Historical Chart, accessed on 25MAY20 at: https://www.macrotrends.net/1319/dow-jones-100-year-historical-chart}
increased by 19.7 million units, a growth rate of almost 30%\textsuperscript{34}. However, house prices in many places grew at an even faster rate. This development resulted in the emergence of what researchers termed “superstar cities”\textsuperscript{35}. The term referred to cities that had persistently large housing price growth rates over the last 50 years. Data for real house price appreciations between 1950 and 2000 for 280 US metropolitan areas showed huge variance in the average annual increases that ranged between 0.2% to over 3.8% “with an especially thick right tail of growth rates above 2.6%”\textsuperscript{36}. On the top of this list were superstar cities such as San Francisco and Oakland, with annualized growth rates of 3.6% and 2.8% over 50 years, respectively. At the lower end were cities such as Buffalo and Syracuse with growth rates of 0.5% and 0.7%, respectively. These developments created a dramatic scarcity in affordable housing in many metropolitan areas and crowded out lower income residents. In New York City in the late 70s, single-room occupancy (SRO) units were amongst the only sources of housing in NYC that were available to low income adults.

According to the Coalition for the Homeless, one of the oldest US homelessness advocacy organizations, health policy decisions severely exacerbated the situation: “In the 1950s the State began to adopt a policy of ‘deinstitutionalization’ for thousands of patients of State facilities who were living with mental illness. The policy was adopted largely due to the development of psychotropic medications and new approaches to providing therapeutic treatment in the community instead of in institutional settings, but also because of the scandalous mistreatment of patients in some facilities. Deinstitutionalization led to the discharge of tens of thousands of mentally ill individuals from upstate facilities to New York City communities. Between 1965 and 1979 alone, the number of resident patients in State psychiatric centers fell from 85,000 to 27,000 patients”. \textsuperscript{37} The coalition also pointed out that the situation was further exacerbated by a dramatic loss of SROs, the only affordable housing source in New York City. Due to demolition and conversion, the stock of SROs fell from approximately 129,000 in 1960 to just 25,000 in 1978.

\textsuperscript{34} US Census Bureau, Census History Staff. "Urban and Rural Areas - History - U.S. Census Bureau", accessed on 20MAY20 at: www.census.gov
\textsuperscript{36} Ibid.
\textsuperscript{37} Coalition for the homeless. Why are so many people homeless? accessed on 28APR20, at: https://www.coalitionforthehomeless.org/why-are-so-many-people-homeless/
The 1980s – Homelessness emerges as a social problem

As homelessness suddenly emerged on the scene in the 1980s, several characteristics of homelessness turned it into a complex problem that challenged efforts to understanding it, evaluating its importance, and finding effective solutions. Amongst these characteristics was the lack of a clear definition of homelessness from both theoretical and empirical perspectives. Joel Blau noticed a theoretical vacuum in the social sciences that resulted from disagreements about the social factors that contributed to homelessness. For example, research remained ambiguous about explaining why some people became homeless and others did not. Progress in homelessness research was limited by a lack of clear and shared definitions of fundamental terms such as “shelter”, “temporary”, or “mental illness”.  

Hopper and Hamberg writing in 1984, pointed out that some of the empirical challenges from understanding homelessness can be explained by the observation that “In the last fifteen years, homelessness has undergone a transformation of a scale and complexity not seen since the worst days of the Depression.” The authors provided a vivid account of the phenomenon: “Grizzled veterans of the rails and flophouses have had to make way for unfamiliar cohorts of new arrivals: men and women of all ages and colors, the hale and the disabled, the newly jobless and the never-employed. In some places, whole families on the road or in emergency accommodations outnumber the single homeless; many others are poised just short of homelessness, scraping by at a level few would grace with the term ‘decent.’ Still others slip periodically into homelessness as meager benefits meted out on a monthly or biweekly basis invariably give out before the next check’s arrival. Indeed, the cautious imprecision of the word homelessness itself implies a reluctance to categorize, a prudent reminder that the only sure thing these people have in common is the one thing they all lack.” Hopper and Hamberg provide the following list to illustrate the diversity of the homeless population that emerged in the 1980s:

- Single-parent households, many living on public relief at the time they became homeless, who have been burned out, removed on vacate orders, evicted for failing to meet rent, or ejected from residences in which they had been doubling up with friends or family (as in New York City, Detroit, Washington, D.C., Seattle);
- Formerly working families, either intact or broken up in the interest of making use of what emergency shelter exists; they tend to be especially prevalent in areas where industries have suffered massive layoffs (Detroit, Youngstown, Pittsburgh), or in regions where the promise of new jobs still lures potential applicants in greater numbers than the dwindling demand for labor (Houston, San Diego);
- Single men, either indigenous (Boston, Washington, D.C., New York) or on the road (Seattle, Sacramento, Phoenix), out of work, increasingly ethnic and racial minorities, and often with either nonexistent or outmoded skills;
- Single women of all ages, who have lost husbands or long-term roommates, have been turned out by friends or family, have lost menial jobs, or simply could not keep up with rising rents;
- Victims of domestic violence, which sometimes occurs in the wake of the hardship and strain attendant upon loss of work;
- Psychiatrically disturbed individuals - some of whom were once hospitalized, others who have never been - who have lost whatever precarious accommodations they once had, and who lack

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38 Blau, J. (1992)
39 Hopper and Hamberg, p.1-2
the resources or wherewithal to acquire substitute dwellings; to what extent their disability is a consequence rather than a cause of living on the streets is not always easy to determine;
• Ex offenders released to fall back on their own meager or nonexistent resources, and who are unable to find work;
• Youths, who are especially subject to the depredations of the street; today, they are less often runaways than they are "throw-aways" (ejected by families who are either unable or unwilling to support them), victims of abuse at home, or recent graduates of foster-care programs;
• The elderly and near-elderly, housed until recently, but finally unable to make rent and feed themselves on what were once just subsistence-level incomes;
• Legal and undocumented immigrants, as well as Native Americans fleeing "reservations" suffering from high unemployment and federal cutbacks, all of whom are finding that demand for unskilled labor has dried up (Miami, the Southwest).\(^{40}\)

Homeless numbers-games and convenient explanations

For Joel Blau, the lack of theoretical and empirical clarity and definitions reinforced a tendency for counting the homeless to provide objective and quantifiable data. This effort created another layer of complexity and uncertainty. Depending on who was counting, estimates of the size of the problem varied widely. Martha Burt called this variance the “homeless numbers game” illustrated by the three most frequently cited estimates of homeless people in the US during the 1980s:\(^{41}\)

- 250,000-350,000 was the HUD estimate of 1984
- 500,000-600,000 was the Urban Institute’s estimate of 1987
- 2-3 million was the number used in a 1980 congressional testimony by homelessness activists Mitch Snyder and Mary Ellen Hombs that was later adjusted in their 1983 book Homelessness in America\(^{42}\).

An additional characteristic that challenged understanding and defining effective policy action towards homelessness was the complexity of potential causes for homelessness. While the traditional economic causes were still relevant, Joel Blau pointed out a disturbing puzzle: “Homelessness was always present in economic downturns – but this time it kept growing during an economic recovery”.\(^{43}\) This causal uncertainty and complexity resulted in a focus by researchers and policy makers on "proximate rather than ultimate causes [...] on the homeless individual rather than on the larger social structures and norms that sustain, tolerate, and justify homelessness and other severe kinds of deprivation."\(^{44}\) Unfortunately, this attitude sustained earlier tendencies of blaming the victims for their own misery, the “culture of poverty” argument of the 1960s and 1970s. This convenient and plausible narrative saw individuals make a series of bad life decisions, slip into alcohol and drug abuse, lose their jobs and become homeless. But what if the causality was reversed? What if becoming homeless led to alcohol

\(^{40}\) Hopper and Hamberg, 1984, p.9-11
\(^{44}\) Blau, J. (1992), p.35.
and drug abuse and kickstarted a negative feedback process that was hard to escape? Research would eventually provide some plausible arguments for this reversed causality, and so did emerging practical experience in the 1980s and 90s. And thus, two competing logics the “Continuum of Care” (first treat, then house) and “Housing First” (first house, then support) eventually emerged in the 1990s. But during the 1980s, the attitude of blaming the victims and thus prioritizing “treatment” prevailed.

Some observers clearly saw this attitude reflected in the defining policy decisions of the 1980s: “The election of Ronald Reagan as president in 1979 marked a significant change not only in attitudes toward the homeless, but also in many governmental programs and missions. Reagan, in 1984, said: ‘One problem we’ve had, even in the best of times is the people who are sleeping on the grates, the homeless who are homeless, you might say, by choice’. The policies of the Reagan administration contributed to what was already becoming a growing national crisis. A common pattern of blaming the victim by attributing homelessness to poor choice or other personal characteristics such as drunkenness or mental illness characterized the comments made by members of his administration.”

According to Dreier and Appelbaum, the federal budget decisions in the 80s reduced annual housing assistance from about $33 billion to less than $8 billion within a decade. In the 1970s, 200,000 federally subsidized apartments were built per year. In 1990 that number was reduced to about 15,000. “To put this in perspective, in 1981 the federal government is spending seven dollars for defense for every one dollar it spent on housing. By 1989, it spent over forty dollars on defense for every housing dollar.” The authors noted that “The single housing subsidy that did not fall to the Reagan (and now Bush) budget axe is the one that goes to the very rich. The federal tax code allows homeowners to deduct all property tax and mortgage interest from their income taxes. This cost the federal government $34 billion in 1990 alone - more than four times the HUD budget for low-income housing.” The authors also pointed out that rates of homeownership started to fall after a steady rise for three decades. This development was particularly troubling for young families leaving their parent’s homes. Renting was also becoming problematic. As a result of these developments, two-thirds of poor people were paying at least half of their income just for housing. “The typical young single mother pays over 70 percent of her meager income just to keep a roof over her children’s heads. Perhaps the most important statistic is this: Only one-quarter of poor households receive any kind of housing subsidy - the lowest level of any industrial nation in the world. The swelling waiting lists for even the most deteriorated subsidized housing projects are telling evidence of the desperation of the poor in the private housing market. Is it any wonder that the ranks of the homeless are growing?”

The awakening of homelessness activism
The constellation of all these factors created a new face of homelessness: “During the 1980s, a new ingredient was added to the landscape of America’s cities - millions of people sleeping in alleyways and subways, in cars and on park benches. The spectacle of homeless Americans living literally in the shadow of luxury condos and yuppie boutiques symbolized the paradox of the decade: It was a period of both

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47 Dreier and Appelbaum, p.49
48 Ibid.
outrageous greed and outrageous suffering. The media gave us ‘lifestyles of the rich and famous,’ but they also offered cover stories about homeless families. And while the 1980s were often characterized as the ‘me decade’ - an orgy of selfishness and self-interest – more Americans were involved in social issues, as volunteers and activists, than at any time in recent memory.”

The visible reality of homelessness was fueling grassroots activism. Local homelessness advocacy and activism had begun in the mid 1970s, “But the local advocates of those years – and I was one of them – had little sense of how to capitalize on provincial gains” said sociologist Jim Baumohl. He remarked that “Homelessness remained a latent social problem, a growing but little-remarked phenomenon awaiting promotion to public view by more talented organizers, more strategically placed.” And there were many talented organizers emerging in the 1980s.

Four types of activities helped promote homelessness to public view and thus converted the troubling situation of a few poor bums into the recognized social problem of homelessness: i) radical activism by individuals and smaller groups; ii) research and documentation; iii) litigation; and iv) establishing dedicated organizations.

**Radical activism**

In November 1978, the activist group Community for Creative Nonviolence (CCNV) occupied the Washington-based National Visitor’s Center. This occupation was identified by several observers as the key triggering event to homeless activism. CCNV demanded more housing and resources for the poor. “Throughout the 1980s, CCNV remained the nerve center of political theater, organized street vigils and punishing fasts, disruptive mischief, and determined evangelizing.” One CCNV activist, Mitch Snyder from Brooklyn, rose to national prominence. Just before the presidential election in 1984, he pulled off a 51 day fast demanding that President Reagan fund the renovation of a government-owned building in Washington D.C. for use as a homeless shelter. And “Mr. Snyder fasted twice more, when $6 million in promised money for renovations failed to materialize on time.” But while grassroots activism was able to address some issues it may not have put a dent into the larger problem of homelessness. Five years after his victory in Washington, Snyder, age 46, hanged himself in the very shelter that he had obtained from the federal government. The New York Times reported that Snyder who was troubled by personal problems “had expressed frustration with what he called waning public interest in the problems of the homeless.”

**Research and documentation**

“A flood of reports, broadsides, newspaper articles, and scholarly publications ensued, all with the common intent of taking the measure and showing the face of the new homelessness. If there was an implicit premise to such work it was that houseless poverty was so alien to the American tradition of

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52 Hopper (2003), p178
54 Ibid.
poor relief that evidence of the betrayal of that legacy would suffice to prompt corrective action. Needless to say, it didn’t work out that way.”

In New York, two PhD candidates at Columbia University, Ellen Baxter and Kim Hopper, finished up their field research of identifying, observing, interviewing, and closely engaging with New York’s homeless population. Their 129-page report “Private Lives/ Public Spaces: Homeless Adults on the Streets of New York City” was released in March 1981 and made the front-page of the New York Times. The Times had asked Robert Trobe, deputy administrator for family and adult services of New York City’s Human Resources Administration to comment. Trobe claimed limits to how much money the city could spend on the homeless problem. He was adamant that no one would be turned away from the city’s shelters but that some people chose not to come to the shelters.

In retrospect, Hopper felt that the report did focus the public’s attention “on a scandal of major proportions”. But the disturbing reality that the report documented was largely dismissed by city officials:

“In the wake of the report’s appearance, Ellen [Baxter] and I made scores of appearances on television and radio news shows, often debating city officials. Predictably, they attempted to dismiss its findings as myopic and biased. In part, this was the reflexive response of bureaucrats to outside criticism. In part, it was a refusal to admit that the dimensions of homelessness had qualitatively changed and that city policy should be overhauled accordingly. And in part, it was a political choice to deny that the growing shortage of low-income housing had anything to do with the burgeoning ranks of the homeless, so as to forestall the day the city would have to confront a residential neighborhood (not one on the Bowery or on an island) with the news that a shelter was coming.”

However, Hopper also felt that some of the report’s findings had practical utility and influenced subsequent intervention designs. One of these findings was a different interpretation of the widely assumed “service resistance” of many homeless people speaking to their pathological behavior and decision making. But Baxter and Hopper interpreted the resistance towards support as an understandable choice by the homeless. Making their own decisions on the street was deemed preferable when “support” meant receiving only inadequate and even dangerous “help” as was the case in shelters where people got robbed or physically harmed. Anyone helping the poor would thus also need to confront a deep distrust, a deeply ingrained suspicion of homeless people towards do-gooders.

In September of 1980, when Baxter and Hopper pursued their PhDs, Melvin Herman, professor at the school of social work at Columbia University, set up an interdisciplinary curriculum development and outreach program. The program was called Columbia University Community Services (CUCS) and Herman hired Tony Hannigan to supervise the effort. Herman intended to help “eliminate the ‘adversarial relationship’ that is said to exist between the university and the neighborhood. Too often in the past, Herman said, ‘the community has seen Columbia as a big goliath concerned with students and

55 Hopper (2003), p.178
58 Ibid.
faculty and not with its neighbors’."\(^{59}\) Hannigan remembered “the thinking at the time being: the elderly had a constituency, family and children had a constituency, but single poor people? What was that about? Why not just get a job and pull yourself up by your bootstraps?”\(^{60}\) Hannigan with a first-year budget of 450k USD mainly from state government and about 50 students from various schools developed both the outreach and research dimensions of CUCS. But where do you meet poor single people? Hannigan got started by setting up an office in a 110 unit privately owned SRO hotel on Central Park North in New York City. “These were the places where many people [with mental health problems] after deinstitutionalization went because the promise of the 1963 Community Mental Health Act never really materialized.”\(^{61}\) Hannigan describes these SROs as “pretty tough places”. But the owner was intrigued by the idea that CUCS would bring in a law student focusing on entitlement benefits. Maximizing people’s entitlement benefits was important for ensuring that rents got paid.

Research on homelessness was difficult because people were afraid to speak up. Jonathan Kozol in his influential book “Rachel and her children” described the grim reality of SRO hotels in New York with the following words: “Homeless people in this book are not identified by their real names. This decision is dictated in part by the wishes of the people interviewed. It is commonly believed by residents of homeless shelters, including hotels, that they render themselves subject to retaliation or eviction by authorities if they speak with candor to a writer or reporter. For this and other reasons, many have asked me to disguise sufficient details (time, date, place of interview, hotel room, floor number, physical features, exact ages of children in a family, and other identifying details) to assure their anonymity.”\(^{62}\)

**Litigation**

At the start of the new decade, New York city officials faced legal developments that would force an unprecedented response to the problem of homelessness. The ripple effects of homeless legislation from the 1980s can be felt even today. On 5 December 1979, a State Supreme Court justice in Manhattan had ordered the city and the state to create 750 new beds for the “helpless and hopeless men of the Bowery.”\(^{63}\) In October 1979, the first class-action lawsuit on behalf of three homeless men from New York was filed by Robert Hays, a 25-year-old lawyer with a habit to chat with people on the street. In an interview in 2015, Hays remembered: “Most people in New York either ignored homeless people or just figured they were out there by choice,’ Hayes said. ‘Free-thinkers, free-livers or down-and-out drunks.’ Instead, the men told Hayes that living on the streets was their only choice in the absence of city shelters. The ‘flohouses’ that catered to needy men were dirty, degrading and dangerous.”\(^{64}\) The New York Times portrayed Mr. Hayes, whose law firm approved of his pro-bono efforts, as a man working in two worlds: “By day he would tread on soft beige carpeting in the hushed offices of his firm and work on antitrust and securities cases. At night he would walk the Bowery, talking to his newfound clients, the bedraggled men who check in at the Men’s Shelter and are sent to cheap

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60 Hannigan interview, 27APR20.
61 Ibid.
hotels in the area or to the city’s large shelter on Wards Island. His colleagues have chided him that his uneven red beard helped him look more ‘homeless.’ ‘Personally it’s very troubling to go from large corporate offices to a flophouse,’ he said. ‘It’s schizoid. You see the affluent people and the utter poverty of others. It requires a lot of long walks at night to try to understand.’”\(^{65}\)

New York City officials initially opposed the Dec 1979 ruling and this legislation in several rounds of negotiations that raised several objections. It is worth reproducing the introductory statement of the March 1980 complaint of the plaintiffs against the objections of the New York City officials. The document details the grim situation of homeless men in New York City in 1979/80\(^{66}\).

This class action seeks damages, as well as declaratory and injunctive relief to redress the deprivation of services and support due the named Plaintiffs, and the class they represent - homeless men without Income or property who live in New York City and who are unable to provide for themselves - under the United States Constitution, the New York Constitution, the New York Social Services Law, the New York City Charter, the New York City Administrative Code and Titles 14 and 18 of the New York Code of Rules and Regulations.

There are approximately 10,000 homeless men living in New York City, the overwhelming majority of whom are incapacitated due to physical and mental disabilities, often exacerbated by alcohol and drug addictions. At the commencement of this action, the only public facility in New York City providing regular services to homeless men was the Shelter Care Center for Men (the "Men's Shelter"), located on Manhattan's lower eastside. On December 17, 1979, Defendant BREZENOFF opened an emergency shelter in the Keener Building on Ward's Island, located in the East River. This building, which has a capacity to shelter 180 men, presently is scheduled to be closed on March 31, 1980. In addition, Defendants provide shelter to approximately 800 homeless men at Camp La Guardia which is located in Chester, New York, a two hour bus ride from New York City.

The only service which the Men's Shelter makes available to all homeless men on a consistent basis is three meals a day. In addition, the Men's Shelter dispenses anywhere from 750 to 925 lodging vouchers, redeemable in one of several dangerous and unhealthy Bowery lodging houses. During winter, 1,200 to 2,000 men seek lodging from the Men's Shelter each night. When the Men's Shelter exhausts its supply of lodging vouchers, the remaining homeless men are permitted to sleep with several hundred other men on a concrete floor in the "big room" at the Men's Shelter or, during the winter of 1979—1980, are bussed to Ward's Island. Once the "big room" is filled to capacity, the remaining men are turned back into the street.

During the winter of 1979—80, any man who declines to go to Ward Island after the supply of vouchers for lodging houses has been exhausted is turned into the street, regardless of the weather. The "big room" is opened only after midnight. Up to 100 men then spend the night on the floor and in plastic chairs in the "big room."

Most of the homeless men living in New York are physically and/or mentally disabled. As a result, they are particularly vulnerable to, and fearful of, violence. The violence and brutality associated with the Men's Shelter and the Bowery lodging houses used by Defendants to shelter some homeless men is well-known to New York's homeless men, many of whom have experienced such violence.


Because of this long-standing and well-known pattern of violence, many homeless men are afraid to seek assistance at the Men's Shelter. A large number of New York's homeless men, fearful of conditions at the Men's Shelter, live in the streets, in subways, in doorways, on ventilation grates and in steam tunnels.

Although the Men's Shelter is the only public social service facility for homeless men in New York City, it is understaffed and unable to provide the hygienic, rehabilitative and other social services which Defendants are required by law to provide Plaintiffs. Further, due to severe understaffing at the Men's Shelter, Defendants fail to provide sufficient security in and around the Men's Shelter to make it a reasonably safe environment for members of Plaintiffs' class who do seek assistance at the Men's Shelter. No security is provided by Defendants in Bower lodging houses.

No services are provided to men in the Keener Building on Ward's Island where the men live virtually under house arrest. No man is allowed to leave the Keener Building for any reason except to leave Ward's Island. Then a uniformed guard places a man on a bus leaving Ward's Island. Further, some men are denied the fifty cents needed to leave Ward's Island thereby coercively detained in the Keener Building.

The legal process seemed to have been an important learning opportunity for both plaintiffs and defendants. Robert Hays recalls an interesting anecdote: “After the first court order came down, the municipality got the state government to cede the Keener Building, an abandoned psychiatric hospital under the Triborough Bridge on Wards Island. We, young idealists, thought this was abhorrent: to create a shelter on the grounds of a psychiatric institution, on an island in the middle of the East River, shoving humanity out of sight. And we were ready to try to block that, arguing that the operation was basically a sham: the building was inaccessible, and nobody would go there. But talking to some homeless individuals then living at the Bowery, I learned that those sheltered at the Keener Building were relieved to get away from the pressure and the stress of the hard-living conditions of the Lower East Side. They were welcoming the Keener Building as a refuge, from which they could walk across the bridge from Wards Island right onto Third Street in Manhattan. So sometimes our idealism did not converge with the actual demands of our clients.”

In August 1981, the case was finally settled as a consent decree. “By entering into the decree, the City and State agreed to provide shelter and board to all homeless men who met the need standard for welfare or who were homeless ‘by reason of physical, mental, or social dysfunction.’ Thus the decree established a right to shelter for all homeless men in New York City, and also detailed the minimum standards which the City and State must maintain in shelters, including basic health and safety standards.”

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Dedicated organizations

In March of 1981, several activists including Ellen Baxter and Kim Hopper incorporated the Coalition for the Homeless as a 501(c)(3) organization. The coalition and its partners, in particular the Legal Aid Society, continued legal activism on behalf of the homeless. The coalition filed several lawsuits that extended the right to shelter to women (Eldredge v. Koch, 1982) and to families (McCain v. Koch, 1983). Several similar organizations emerged in other parts of the US. Robert Hayes quit his job and became director of the newly established National Coalition for the Homeless. In subsequent years, several other national advocacy organizations were formed: The National Low-Income Housing Coalition, the National Housing Law Project, the Legal Services Homelessness Task Force, the National Alliance to End Homelessness, Students to End Homelessness, and self-organizing efforts by homeless people such as the National Union of the Homeless. The net effect of these lawsuits was substantial: “[…] a combination of mutually reinforcing incremental changes produced a nonincremental change: an operational right to shelter for both singles and families, with detailed quality specifications, that would empower the advocates of the homeless to drive policy for years to come.” Eventually, New York City mayor Koch adapted his strategy to these new legal realities. In his 1985 state of the city address, mayor Koch announced an ambitious plan for supporting affordable housing. And two years later, Koch officially announced that $4.2 billion in public financing would be used to build or rehabilitate 250,000 apartments for low- and middle-income people over the next 10 years. Half of these apartments were intended to be allocated to families with annual incomes below $15,000.

Hopper outlined how several organizations started to collaborate around more ambitious legislative efforts at the national level: “In 1986, CCNV and the National Coalition for the Homeless joined forces with nine other groups to draft a comprehensive relief bill, the ‘Homeless Persons’ Survival Act,’ to guide and give substance to a federal role in ending homelessness. The following spring, Congress approved a version of Title I of that act—essentially, the emergency relief provisions—and that summer it was signed into law by a reluctant President Reagan as the ‘Stewart B. McKinney Homeless Assistance Act’ (McKinney Act). It was the first significant piece of federal legislation to address homelessness in fifty years. Appropriated funding for programs sponsored under the McKinney Act increased steadily, from $189 million in fiscal year (FY) 1988 to nearly $1.8 billion in FY 1994, and then dropped to just over $1 billion in FY 2001.” The McKinney act also established the Interagency Council on the Homeless (ICH). The ICH at that time described its mission to act “as an ‘independent establishment’ within the executive branch to review the effectiveness of federal activities and programs to assist people experiencing homelessness, promote better coordination among agency programs, and inform state and local governments and public and private sector organizations about the availability of federal homeless assistance.”

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69 Hopper (2003)
Innovations in supportive housing - New York

In 1983, Ellen Baxter, co-author of the influential ‘Private Lives’ report, established the organization Committee for the Heights Inwood Homeless which was later renamed to Broadway Housing Communities. Baxter wanted to demonstrate that alternative forms of housing coupled with services could provide the homeless with much more desirable, effective, and much less costly alternatives to the shelter system. Ellen traced her inspiration for this idea to a 1975 fellowship that she had spent in the small Belgian village of Geel. Geel had become famous for refining a successful system of community care for the mentally ill in the last 700 years. "The town has for centuries integrated mentally ill people into the families of townspeople. ‘In Geel, stigma do not exist because a tolerance had evolved over the years,’ Ellen explains, ‘and it was there I learned that, if given the chance, the mentally ill and destitute can co-exist in community with others.’" 

One local inspiration in New York City that influenced Ellen’s ideas was the St. Francis Residence, an experimental SRO building conceived by two Franciscan priests, Father John Felice and Father John McVean, who were fondly referred to as the “Johns”. The duo had successfully tested a prototype supportive housing model at the Aberdeen Hotel to address the problem of the many thousand mentally ill patients that were discharged from psychiatric institutions with nowhere to go. “There was no community to receive them. A few had families who took them in, but most ended up living on the streets. Some who could afford it found refuge in the SRO hotels,” remembers Father John McVean.

But in 1979, with increasing real estate prices, the hotel owners sold The Aberdeen to developers. This episode encouraged the Johns to convince the Holy Name Province, the largest community of Franciscan friars in the US, to fund the purchase of the Beechwood Hotel, that had about 100 simple SRO rooms. Says Father McVean, “When you own a building, you have greater control over everything. You eliminate the profit motive, so right there, you can do more. You can make sure the bathrooms are kept clean. If a wall needs to be painted you can get it painted. It’s all very basic, but it makes an enormous difference in the environment of a place.” In 1981, after spending roughly 550k USD for the purchase of the hotel and another 100k USD for renovating the rooms, the hotel was renamed to St. Francis Residence. The residence became the first nonprofit-owned and -operated permanent supportive housing residence for mentally ill homeless people that also provided social, medical, and psychological support. “The support program ‘strongly urged tenants to be medication compliant,’ but if a tenant refused services or medication, he or she was allowed to remain housed. With the help of formal linkages to specialists in outside medical and psychiatric programs, the residence staff would reengage the person on their own terms until he or she could once again be stabilized. Often, noncompliant tenants would need to be hospitalized until stable, but almost always returned to the residence once they were capable of maintaining themselves in the housing. One activities specialist at the St. Francis Residence summarized the program’s service philosophy best when she said simply, ‘We are a family here’.”

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76 St. Francis Friends of the Poor, accessed on 21JUN20, at: https://stfrancisfriends.org/who-we-are/our-story/
78 Ibid.
The Residence became a model for Ellen’s first experimental supportive housing project, “The Heights”, located in New York City’s Washington Heights area that opened with 55 units in 1986. Tony Hannigan remembered: “Around 1981, 82, we were really starting to feel the force of the Callahan decree, which established the right to shelter in New York. There was a lot of pressure on the city to get people out of shelters because there was such a demand for shelter. Up until that point, if you had a mental illness and you were reliant on the public sector for housing. Your only option was - what was most commonly known as - a group home, where there were only other mentally ill people. It was licensed by the state. But at that time - and this figure might be a little rough - at the time when homelessness was really starting to be all over the place, you could see it, the community residences were running a very high vacancy rates, something like 15%. Homeless people felt like: ‘I’m not going to go there with all those rules’, while the community residences felt like: ‘Well these are not compliant people’. And so, there was a disconnect.”

Importantly, at the St. Francis Residence people had a legal right to tenancy. “In a community residence or a group home, if they didn’t like you, you were out. And also [in the St. Francis Residence] you were not expected to move on. Community residences were time limited. You were supposed to leave in three years and get placed and you were done.”

However, instead of having only people with mental illness, The Heights was designed to integrate people with and without mental illness. And the team working on it also wanted permanent housing like the St. Francis Residence had instead of the limitations of the state licensed community residences or group homes. Modeled after privately-run SROs, The Heights had shared kitchens and bathrooms and access to quality services to overcome the problem of personal isolation. Services were voluntary, people did not have to use them. This design decision meant that services needed to be made attractive to motivate their use. Hannigan called it a “Hippy model, if we didn’t have to have a rule, we didn’t want to have a rule.” To identify tenants, on Friday nights Hannigan and Baxter would invite homeless people from a nearby bus station for dinner into a rented apartment to see how they were doing. And so, they ended up with a mixture of homeless people. Fifteen units were reserved for people with severe mental illness. But they also wound up with eight drug dealers and thus had to adapt their “hippy model”.

While Hannigan was signing the service contract for The Heights, Ellen Baxter managed to orchestrate an elaborate financing scheme that became an inspiration for later efforts. An article from 1986 in the New York Newsday provides a fascinating perspective of the complexities and logics behind this financing effort:

The old five-story tenement in the final stages of rehabilitation, which is to shelter 55 homeless men and women, was financed in large part as a tax shelter for a group of affluent investors. It should be quickly added that the financiers of the project, which include six partners of the Wall Street banking house Goldman, Sachs & Co., and a lawyer at Sullivan & Cromwell, will receive relatively modest tax savings, based mostly on operating losses, mortgage interest and depreciation. […] And its developers hope that The Heights, as the building is called, will become a model for developers and politicians, including Mayor Edward I. Koch, who say they are searching for ways to house the poor. John Nolan, a Tarrytown lawyer and housing specialist who developed

79 Tony Hannigan interview, 27APR20.
80 Ibid.
the financing plan, explained: ‘This project shows what is possible. And the possibility exists that investors in housing for the poor and the homeless can get rates of return consistent with other kinds of real-estate investment.’ The purchase and rehabilitation of The Heights, an abandoned building owned by the city, is expected to cost about $1.2 million. In addition to foundation grants for operating the building and tending to the needs of its residents, the state has granted the developers, the Committee for the Heights-Inwood Homeless, $283,000, and the city has furnished a $366,000 loan at 1 percent interest. Another loan, at 14.5 percent interest, came from the Community Preservation Corp., a consortium of banks. Many of these grants and loans were extended because the committee for the homeless, through a limited partnership it was required to set up, got $300,000 in ‘equity capital’ from a group of investors.\(^{81}\)

Baxter believed that The Heights may have been the first project to use tax-shelters to shelter homeless people. She also noted that “it has taken more than four years just to house 55 people. In that time thousands have become homeless. Private efforts can do so much. Only the government can do what really needs to be done. But the city and state with their regulations, made it very difficult at times. It was like pulling teeth,” she said. “And sometimes there were spurts of malevolence.”\(^{82}\)

The St Francis Residences and The Heights helped to mobilize resources from a variety of sources, public and private. But the supported housing innovations also helped rethink – what many commentators perceived as – a flawed economic calculus of the public shelter system. According to the New York Times, the Koch administration under pressure of earlier court orders that had established a right to shelter felt a need to limit the public’s efforts. “Making the shelter too comfortable in a city starved for housing, the Mayor worried, could stimulate so much demand as to break the bank.”\(^{83}\) But the Times argued that projects such as The Heights were proof that superior services could be provided at less than half the costs of public shelters. “With tenants organized to help with daily management, the operating cost, including salaries for a general manager and social workers, comes to only $15 per day per resident. All the tenants have some income: with The Heights for an address, they are able to apply for Social Security, veterans’ and other public benefits. Some now hold jobs. The residents pay rent, buy their own food and cook for themselves. Such a setting makes it easy to provide medication for the mentally ill.”\(^{84}\)

Other projects were developed by Baxter and Hannigan. One was the 28 unit “Stella”, named after Stella Levine, who according to Hannigan was “the oldest heroin addict Ellen and I had ever met and she was charming.” Some of the original tenants ended up living at the Stella until today.\(^{85}\) Another project was the “Rio” that was intended to include families for the first time. Ellen Baxter as CEO of Broadway Housing Communities would continue to develop the supportive housing model over subsequent decades with several buildings in Washington Heights and projects such as the Dorothy Day Apartments in West Harlem or The Sugar Hill Project in Upper Manhattan’s Sugar Hill historic district.

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82 Ibid.
84 Ibid.
85 https://www.broadwayhousing.org/affordable_housing/stella/
The late 1980s also saw the emergence of supported housing models in other parts of the US. For example, Tanya Tull in 1989 in Los Angeles, started a program focusing on getting homeless families into permanent housing. “We help families overcome the barriers to housing: negotiating leases, overcoming bad credit histories. We offer landlords a case agent for each family that will help them solve problems that might interfere with paying their rent.” By 1994 she had moved 600 families into permanent homes and was convinced that the principle of Housing First rather than treatment first was effective for all kinds of homelessness. By 2010, Beyond Shelter had helped close to 5,000 primarily single-parent families to move into affordable permanent housing in residential neighborhoods throughout L.A. County.

Rosanne Haggerty finds her calling

Meanwhile, Rosanne Haggerty had graduated from Amherst College in 1982 and volunteered at Covenant House. Covenant House “served a population that had previously fallen between the cracks: homeless teen-agers who either had run away from home or been kicked out. Many turned to drugs and prostitution and met grisly fates.” Covenant House had been founded and run by Father Bruce Ritter, a Franciscan priest. The charity offered young people shelter, food, clothes, community, training, and education to steer their lives in a better direction. It operated in several US states, Canada, and Central America. Covenant House resided in Times Square next door to the dilapidated bankrupt Times Square hotel that had earned the nickname “homeless hell”. “For a year she lived with about sixty other volunteers in a complex in Times Square whose quarters reminded her of the rooming houses she had seen in her childhood. Though she lived in such accommodations by choice rather than necessity it reinforced to her how little space a person needed in order to feel secure.”

Overnight, once a week, Rosanne also volunteered at a church basement shelter for homeless women. And she remembers thinking naively: “We’ll be enough volunteers and shelters—we can nail this!”

Moving on from Covenant House, Rosanne started working as a coordinator of housing development at Brooklyn Catholic Charities. The Charities, established at the turn of the 20th century, enacted Catholic teachings with a strong focus on the personal dignity of the most vulnerable members of society, social justice, and human development. The Catholic Charities became one of the largest faith-based providers of affordable housing. During that time, Rosanne developed skills in applying a new legislation that was put in place in 1986, the Low-Income Housing Tax Credit.

Rosanne was also interested in The Heights and the ongoing planning of the Rio and she met with Hannigan and Baxter. Hannigan remembers: “About four or five months after this meeting, Rosanne called and she said: ‘I know this might sound kind of crazy. But there is a hotel in Times Square called the

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89 https://www.ashoka.org/en/fellow/rosanne-haggerty
Times Square hotel. It's seven hundred and something units. Would you be interested in working on that, to do the services?’ So I’m like ‘Seven hundred units, really?’ Because [at that time] Ellen and I were thinking about the Rio. The Rio had 82 units and it would be the largest supportive housing residence then. So, she was talking about 700 units. And I said: ‘Well, let me think about that.’ I was intrigued by it and figured it was either going to be the largest crack house in the world or it would become the beacon for supportive housing, which it did.”

91 Tony Hannigan interview, 27APR20.
Part 2 - The emergence of system perspectives on homelessness

The 1990s – Innovation and scaling of affordable housing models

*Part 2 contains several original data that we want to use as a basis for a peer (blind) reviewed research paper. Therefore, we will published this part sometime in early summer 2021.*
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