Homelessness in America
A Public Concern & Moral Hazard

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Policy Briefing
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Introduction

The homelessness problem in some large American cities is continuing to grow even though it appears to be mitigating in other parts of the country and nationally.

What we're dealing with is a classic dilemma between individual rights and public property. On the one hand, those who defend the right of people to live on the street or in parks or other public places will reasonably say, "It's not a crime to be poor to the point of being homeless." Fair enough, but what about the right of other citizens to walk the streets or enjoy the parks without stepping over prone bodies, navigating a minefield of human feces, being accosted by aggressive panhandlers – in short, without fearing for their health and safety?

Make no mistake, homeless encampments are more than a mere assault on eyes and noses – they constitute a legitimate threat to public safety, ranging from health hazards (e.g., coronavirus or hepatitis C outbreaks) to crime (e.g., stabbing tourists or local residents, burglary to support alcohol or drug addictions).

There's an old expression that speaks to competing rights: "Your right to swing your fist ends where my nose begins." So, clearly, the rights of the homeless have to be weighed against the rights of all other citizens.

Many jurisdictions have public disorder laws on the books, though they're often not enforced. In late 1985, New York City Mayor Ed Koch, in anticipation of a winter cold snap, authorized the police to bring the homeless into heated shelters whenever the temperature fell below freezing.

Koch also “relaxed standards for committing the mentally ill homeless to institutions: Previously, only those who posed an immediate danger to themselves or others could be hospitalized; the Koch policy allowed commitment of those who posed such a danger in the foreseeable future. Teams of psychiatrists, nurses, and social workers were sent into the streets
to treat the homeless and identify those in need of hospitalization,” James Taranto and William A. Donohue explained in a *City Journal* article.¹

The New York Civil Liberties Union (NYCLU), the state’s ACLU chapter, fought back, instituting its own “freeze patrol,” which sent out volunteers untrained in psychiatry to inform the homeless of their right to stay put, as well as their right to shelter.² Advocates in other jurisdictions have also fought against vagrancy and public disorder laws. Sadly, some of their court ‘victories’ have resulted in homeless people freezing to death on the streets.

A number of cities, and some courts, subsequently came around to the common-sense idea that temporary compulsory sheltering during winter storms or cold spells can be justified on the basis of being the more humane and compassionate approach. However, leaders in some major cities seem intent on repeating the mistakes of the past.

In this report, we look at the current state of homelessness in America and how we got here. We don’t believe that policies centered on harm reduction and on the civil liberties of the homeless are morally acceptable or in the public interest.

Instead, national, state, and local leaders – in government and the private sector (including churches and other religious institutions) – should acknowledge the principal causes of homelessness (i.e., alcohol and drug addiction, mental illness, disabilities, economic distress).

Our conclusion is that homeless policy should be two-pronged. One, we need local law enforcement regimes that discourage rather than encourage homelessness. Two, we need social welfare policies that get to the core of the problem and work to solve it.

**Snapshot of Homelessness in America**

The number of homeless in the United States is derived from a point-in-time estimate done through the Department of Housing and Urban
Development’s (HUD) Continuums of Care. On one day, usually in late January, all localities receiving HUD assistance are required to do counts in their locality and report the results.

The totals for 2020 were:

- 580,466 nationwide
- 226,080 unsheltered (39 percent)
- 354,386 sheltered (61 percent)

The average rate of homelessness nationwide was 18 homeless individuals per 10,000 in the population.

Five states and the District of Columbia had the highest rates of homelessness:

- District of Columbia: 90.4/10,000, 5 times the national rate
- New York: 46.9/10,000, 2.6 times the national rate
- Hawaii: 45.6/10,000, 2.5 times the national rate
- California: 40.9/10,000, 2.3 times the national rate
- Oregon: 34.7/10,000, 1.9 times the national rate
- Washington: 30.1/10,000, 1.7 times the national rate

In California, 70 percent of people experiencing homelessness did so outdoors. Other states with high percentages of their homeless population counted in unsheltered locations included: Nevada (61 percent), Oregon (61 percent), and Hawaii (57 percent).

The homelessness problem is particularly pronounced in highly populous major cities (e.g., New York City, Los Angeles, San Francisco, Seattle, Washington, D.C., and Boston). However, it is also a problem in some small cities and rural areas. The Humboldt County Community of Care
in Northern California had the highest rate of homelessness of any jurisdiction in the United States, at 126 homeless per 10,000 in the population.  

**Who are the Homeless?**

One of the challenges in developing public policy on homelessness is the dearth of rigorous and consistent data characterizing this population.  

In their 2019 report “The State of Homelessness in America,” President Trump’s Council of Economic Advisors (CEA) cited a 2018 report from the Department of Housing and Urban Development that provided the following characteristics (sometimes intersecting) about the homeless population:

- Mental illness – 20 percent
- Substance abuse – 16 percent
- Disability – 44 percent

However, the CEA also cited a 1999 report with the following findings:

- Mental illness – 39 percent
- Substance abuse (drugs) – 26 percent
- Alcohol abuse – 38 percent

Economic distress is another commonly accepted explanation for homelessness. The reasoning is that people are in the street because they can’t afford housing. Various academic studies correlate housing costs and rent increases with homelessness, but not all policy analysts agree.

**Homelessness Problem Transcends Economic Distress**

Christopher Rufo, formerly a research fellow at the Discovery Institute and now a senior fellow at the Manhattan Institute, is highly skeptical of the housing costs argument. He says the following about the homeless situation in Seattle:
“According to King County’s point-in-time study, only 6% of homeless people surveyed cited ‘could not afford rent increase’ as the precipitating cause of their situation, pointing instead to a wide variety of other problems – domestic violence, incarceration, mental illness, family conflict, medical conditions, break-ups, eviction, addiction, and job loss – as bigger factors.”

“Further, while the Zillow study did find correlation between rising rents and homelessness in four major markets – Seattle, Los Angeles, New York, and Washington, D.C. – it also found that homelessness decreased despite rising rents in Houston, Tampa, Chicago, Phoenix, St. Louis, San Diego, Portland, Detroit, Baltimore, Atlanta, Charlotte, and Riverside. Rent increases are a real burden for the working poor, but evidence suggests that higher rents alone don’t push people into the streets.”

Manhattan Institute scholar Heather MacDonald expresses similar views in a profile of the homeless situation in San Francisco:

“An inadequate supply of affordable housing is not the first thing that comes to mind when conversing with San Francisco’s street denizens. Their behavioral problems – above all, addiction and mental illness – are too obvious. Forty-two percent of respondents in the city’s 2019 street poll of the homeless reported chronic drug or alcohol use; the percentage is likely higher.”

In a separate analysis of San Francisco’s homelessness policies, Rufo says, “San Francisco currently spends more than $255 million per year on mental health and substance abuse programs, many of which cater to the city’s homeless. In an audit of the behavioral health system, the city’s budget and legislative analyst found that 70% of all psychiatric emergency visits involved a homeless individual and that 66% of all visitors had co-occurring mental health and substance abuse disorders.”

Rufo further notes that the homeless are substantial contributors to San Francisco’s crime problem: “According to the San Francisco County Jail, the homeless account for about 40% of all inmates – despite being less than 1% of the city’s overall population, and even after San Francisco decrimi-
nalized many quality-of-life crimes associated with homelessness. Inmates with co-occurring mental health and substance abuse disorders are more likely to be homeless and more likely\textsuperscript{12} to be charged with a violent crime compared to the general jail population.\textsuperscript{15}

Although public policy should be such to optimize the supply of housing at the best possible prices, to attribute inadequate supply of housing as the driving cause of homelessness is like attributing inadequate supply of oxygen as the driving cause of asthma. The core of the problem is on the side of the consumer and not on the side of supply.

What public policy do we need to deal with homelessness?

**Policy to Date**

Public policy for homelessness has mostly embodied the characteristics of other public policy prescriptions for various social ills – bigger government and more public expenditures.

HUD spending on Homeless Assistance Grants in 2021 was $3 billion and President Biden’s Fiscal Year (FY) 2022 budget proposed to spend $3.5 billion,\textsuperscript{14} an increase of $1.6 billion (84 percent) from a decade earlier.\textsuperscript{15} President Biden’s FY 2022 Budget for the Veterans Administration would provide another $2.2 billion for homeless veterans.\textsuperscript{16}

Urban areas with pronounced homelessness problems have been spending considerable amounts of funds.

Reported annual expenditures in major cities and counties included $3.5 billion for New York City;\textsuperscript{17} $167 million for Seattle\textsuperscript{18} and $126 million for King County;\textsuperscript{19} $950 million for Los Angeles\textsuperscript{20} and $527 million for Los Angeles County;\textsuperscript{21} and $672 million for San Francisco.\textsuperscript{22}

Yet, between 2010 and 2020, homelessness increased by 40 percent in San Francisco, by 30 percent in Seattle, by 49 percent in Los Angeles, and by 47 percent in New York.\textsuperscript{25}
Nationwide over this period, the number of homeless is reported to have dropped by 11 percent, with an increase of 49 percent in HUD Homeless Assistance Grants spending.

However, CEA’s 2019 report questioned the reliability of reported declines in the national homelessness numbers.

Per the CEA, “a more likely explanation for the reduction in homeless counts from 2007 to 2018 is that they are largely artificial, a result of (1) transitional housing being defined as ‘homeless’ but similarly time-limited rapid-rehousing not being defined as ‘homeless,’ and (2) miscounting of unsheltered homeless people.”

In contrast to the policies employed by cities like San Francisco and Seattle, Christopher Rufo has proposed a plan that he claims will dramatically reduce public camping, drug consumption, and street disorder within 30 to 60 days of implementation. Rufo says it is modeled on best practices from cities that have delivered cost-effective and rapid results:

- Modesto, California, moved 400 people into a “safe ground” emergency shelter within 30 days and reduced quality-of-life crimes by 83 percent.

- Burien, Washington, completely eliminated camping in public parks within 30 days through a low-cost policy of “compassionate enforcement.”

- San Diego, California, built an emergency shelter and moved 700 people off the streets within 60 days through a public-private partnership.

The Focus On ‘Housing First’

The main thrust of federal homeless funding for more than a decade has been permanent supportive housing and rapid rehousing. Transitional housing has been de-emphasized.

According to a 2018 report by Homestretch, a non-profit organization whose mission focuses on the homeless, “over the last few years, HUD homeless services funding for families has shifted almost exclusively to
rapid rehousing and permanent supportive housing. In many locations across the nation . . . transitional housing has been all but eliminated.”

The operative guideline for permanent supportive housing has been “Housing First.” This policy, as characterized in the CEA report, entails that “homeless individuals are provided supportive housing with no pre-conditions, and do not face requirements as a condition for retaining housing even after they have been stabilized.”

While Housing First was launched under President George W. Bush, it was greatly expanded under President Obama. Critics argue that the emphasis on rapid rehousing and permanent supportive housing ignores the root causes driving homelessness, and that by supplying unconditional housing the policy merely encourages the dysfunctional behavior that led to the problem in the first place.

Michele Steeb, former CEO of the Sacramento-based Saint John’s Program for Real Change, and Andrew C. Brown, director of the Center for Families and Children at the Texas Public Policy Foundation, argue that under Housing First, “nonprofits requiring their clients to abide by accountability measures, such as pursuing sobriety or attending regular job training classes, are barred from receiving state and federal grants.”

Overall, according to the CEA report, Housing First performs no better than other alternatives and costs more. Steeb and Brown cite a study published in the “Journal of Housing Economics” which says the cost-benefit impact of permanent supportive housing on the overall homeless population is that “10 additional permanent supportive housing beds reduces the homeless population by about 1 person.”

Per Homestretch, the measures of success of rapid rehousing are deeply flawed because they ignore what has happened to families after they exit the program. Studies that examine where families are six months after they have exited show dismal results. In one study, for instance, “only 53% of
families rapidly rehoused between 2009 and 2012 remained housed after their rental assistance ended.”  

Homestretch says that “rapid rehousing can trap families in a generational cycle of poverty. Just as long as the families are being rehoused, rapid housing is satisfied with keeping them reliant on government support, even in perpetuity, and even if their return to homelessness at some point is all but guaranteed.”

What Should We Do?

As Stephen Eide of the Manhattan Institute notes, “Most would agree that any policy response requires both social-welfare and law-enforcement dimensions.”

That is, homeless policy must be two-pronged.

One, we need local law enforcement regimes that discourage rather than encourage homelessness.

Two, we need social welfare policies that get to the core of the problem. What are the social, economic, and psychological dynamics that drive an individual to a homeless existence?

Undermining Law Enforcement

Regarding law enforcement, there is much that should be of concern.

Heather Mac Donald’s 2019 portrait of San Francisco paints a picture of a local regime that empowers rather than discourages homelessness and anti-social behavior.

San Francisco District Attorney Chesa Boudin has stated, “Crimes such as public camping, offering or soliciting sex, public urination, blocking a sidewalk, etc., should not and will not be prosecuted.”

According to the Manhattan Institute’s Stephen Eide, “Between 2010 and 2018, annual misdemeanor adult arrests in New York City fell by 49% (250,299
to 128,194). From 2010 to 2017, annual adult misdemeanor arrest fell 21% in Los Angeles (211,639 to 167,261) and 25% in San Francisco (10,460 to 7,831).”

**Social Drivers of Homelessness**

The individual realities of the half million homeless in America are diverse and complex. A one-size-fits-all government spending program is a disservice both to the homeless and to U.S. taxpayers.

Although we can list characteristics that generally define the homeless (e.g., mental illness, alcohol or drug addiction, family breakdown, disability, economic distress), most in the country who have these problems are not homeless in the street. There is an extra reality layered onto these problems that ultimately drives an individual to a homeless existence.

Christopher Rufo quotes the following from Alice Baum and Donald Burnes’s landmark book on homelessness, *A Nation in Denial: The Truth About Homelessness*:

“Homelessness is a condition of disengagement from ordinary society – from family, friends, neighborhood, church, and community . . . Poor people who have family ties, teenaged mothers who have support systems, mentally ill individuals who are able to maintain social and family relationships, alcoholics who are still connected to their friends and jobs, even drug addicts who manage to remain part of their community do not become homeless. Homelessness occurs when people no longer have relationships; they have drifted into isolation, often running away from the support networks they could count on in the past.”

**Recommendations**

1. The goal of homeless policy should be to get individuals off the streets and out of public spaces – for their sake and the maintenance of social order – and into temporary facilities where individuals are screened and their problems defined, and where they are transitioned for further care to the proper next stage (e.g., drug/alcohol/substance treatment, psychological care, economic or work counseling).
2. Establish “safe ground” facilities that can accommodate the unsheltered population. Christopher Rufo, now a senior fellow at the Manhattan Institute, points out that in Modesto, California, “city officials and private charities worked together to quickly build a fenced ‘safe ground’ facility with uniform 10X10 blue tents, 24/7 security, portable bathrooms and showers, food service provided by nonprofits, and access to extensive public services.” Abandoned military bases and other public facilities may also provide “safe ground” options.

3. Pass “conservatorship laws” for the dangerously mentally ill. The public has a legitimate interest in taking charge of situations where the homeless present a danger to themselves or others and have no capacity to take care of themselves.

4. Eliminate laws and regulations that hamper the ability of religious institutions to work with the homeless.

5. Housing deregulation, as recommended by the Council of Economic Advisors (CEA), can help increase the supply of housing and thereby reduce its cost. This could help mitigate the economic distress that contributes to some people’s homelessness.

6. State attorneys general and non-profit legal organizations should aggressively defend common-sense government policies – all the way up to the U.S. Supreme Court, if necessary – to move homeless people out of public spaces, into temporary facilities, and into a treatment regimen that seeks to cure – not just marginally reduce – the afflictions that caused their homeless condition.

7. Encourage policies at the national, state, and local levels that restore respect for the importance of family and traditional values.
notes

2 Ibid.


9 Performance Audit of the Department of Public Health Behavioral Health Services, Prepared for the Board of Supervisors of the City and County of San Francisco by the San Francisco Budget and Legislative Analyst, April 19, 2018, https://sfbos.org/sites/default/files/041918_SF_MA_Behavioral_Health_Services.pdf?mc_cid=d2bdbc3059&mc_eid=bcd551366f.


13 Christopher F. Rufo, “Blighted San Francisco Diagnoses Its ‘Perilous Trifecta.’”


24 Ibid.


35. Ibid., 5.


41 Christopher F. Rufo, “Compassion with Results.”
About the
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Star Parker
Founder & President

CURE was founded by Star Parker in 1995. Parker holds a bachelor’s degree in Marketing and International Business from Woodbury University and has received numerous awards and commendations for her work on public policy issues. In 2016, CPAC honored her as the “Ronald Reagan Foot Soldier of the Year.” In 2017, Star was the recipient of the Groundswell Impact award, and in 2018, Bott Radio Network presented Star with its annual Queen Esther award.

Serving on the National Religious Broadcasters Board of Directors and the Board of Directors at the Leadership Institute, Star is active in helping other organizations that impact the culture, particularly for younger generations. To date, Star has spoken on more than 225 college campuses, including Harvard, Berkeley, Emory, Liberty, Franciscan, UCLA, and University of Virginia.

Marty Dannenfelser

**Director of Governmental Relations**

Marty Dannenfelser is Director of Governmental Relations for CURE. He tracks proposals from the White House, executive branch agencies, Capitol Hill, and the policy community—particularly as they relate to culture, race, and poverty—and shares CURE’s ideas on free markets, religious freedom, personal responsibility, and other policy matters.

Dannenfelser previously served as the presidentially-appointed Staff Director of the U.S. Commission on Civil Rights, and as Senior Policy Advisor at the White House Office of Public Liaison. He has served in senior policy, government relations, and external relations positions with the Department of Health and Human Services and the Department of Energy. Dannenfelser has also served as Senior Policy Advisor and Coalitions Director for the House Committee on Energy and Commerce, and as Legislative Director for a Member of Congress.
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