

\$3.3 MILLION IN FEDERAL FUNDING CUTS HARM CHICAGO'S PLEDGE TO END HOMELESSNESS

THE CUTS

In June 2014, homeless service providers in Chicago learned that the worst-case scenario had come to pass: 12 of the 15 supportive services programs that help homeless and at-risk Chicagoans had all of their federal funding cut by the U.S. Department of Housing and Urban Development (HUD). This \$3.3 million cutback triggered summer closures of much-needed programs – in the coming year, more than 3,400 vulnerable Chicagoans will lose access to life-saving support services, a 75% cut in capacity citywide.

THE SOLUTION

To respond to these cuts, the homeless services community is calling on the Mayor's Office to include in the 2015 budget proposal to be announced October 15, a 50-cent (.1%) transfer tax on the sale of homes over \$1 million. This would only impact less than 3% of sales. This luxury tax could generate \$4.5 million.

For each \$1 million generated by this surcharge, 300 homeless households could receive critical services to help them reach permanent housing.

BACKGROUND

Closed down were supportive services programs that targeted specific, often hard-to-reach homeless populations in Chicago, helping people to obtain and maintain permanent housing. Specialized flexible services were provided to outreach, engage, assess, link, treat and house homeless families and adults with complex needs. Best practices and federal strategies support the effectiveness of utilizing this model to end homelessness. It is also cost-effective, costing about \$5,000 per person who reaches permanent housing.

These service programs tend to focus on engaging the most vulnerable families and adults, including those without insight into their condition, those whose disabilities are so severe that they are unable to access basic services, and families that experience multiple barriers to being re-housed. As a result of the cutbacks, the capacity of Chicago's homeless service system was greatly reduced. Individuals are being forced to rely on costly emergency services or return to the streets.

CUTBACK IMPACTS

MENTAL HEALTH SERVICES

1,170 families with children, single adults and people recovering from violence lost mental health care

SUBSTANCE ABUSE COUNSELING

75 households lost substance abuse counseling

COMPREHENSIVE SERVICES

TO FIND AND MAINTAIN HOUSING (INCLUDING JOB TRAINING)

2,188 people lost assistance to find and keep permanent housing and employment



SUPPORTIVE SERVICES LEAD TO STABILITY AND SELF-SUFFICIENCY

Chemka, a 29-year-old African American mother of four, entered the shelter system with her family in April 2013. It was her family's first time in a shelter, triggered by an eviction when Chemka's income was too low to keep up with rent. The family was referred to Inner Voice by a shelter case manager who assessed the family's needs, including eligibility for low-income housing. A good working relationship was developed through regular communication, enabling Chemka to feel comfortable enough to discuss her problems candidly and ask for help. Inner Voice provided the family with services to improve their situation, including employment assistance through which she obtained a job, child-care assistance, and short-term rental assistance for a new apartment.

But after three months in new housing, extensive safety code violations in the apartment building forced the family to move out with only 10 days notice. At the same time, the family's rent subsidy expired. With winter approaching and worried that her family might have to return to an emergency shelter, Chemka contacted her case manager. Inner Voice staff procured emergency assistance funds for the family to relocate. Chemka was able to continue working and maintain stable housing for her family. Today she maintains adequate and affordable housing, enjoys a good working relationship with her employer, and is thankful to Inner Voice for her expedited assistance.

CHICAGO LAGS BEHIND OTHER CITIES

The city of Chicago is not spending its fair share on homeless services. Compared to other large cities, Chicago lags far behind in local funding for homeless services. Looking at per capita spending, LA spends more than two times what Chicago spends, Denver spends 2.5 times, and New York spends more than eighteen times. In addition, the \$8 million the city spends has not increased since 2005.

| SPENDING ON HOMELESS SERVICES (2014) | | | | |
|--------------------------------------|----------|--------------|--------|---------|
| CITY | NEW YORK | LOS ANGELES* | DENVER | CHICAGO |
| EXPENDITURE (IN MILLIONS) | \$451.78 | \$72.90 | \$5.28 | \$8.02 |
| PER CAPITA SPENDING | \$55 | \$7 | \$8 | \$3 |

Sources: City of New York, County of Los Angeles, City of Chicago, Denver's 10 Year Plan to End Homelessness—2013 Update.

*The County of Los Angeles, not the city, takes primary responsibility for homeless services.



Report prepared by CCH in collaboration with: Beacon Therapeutic and Diagnostic Treatment Center, Center for Changing Lives, Center for Housing and Health, Inner Voice, Goldie's Place, North Side Housing and Supportive Services, and Thresholds



CHICAGO COALITION FOR THE HOMELESS