State Legislative Initiatives for the Homeless

Michael A. O'Connor

Follow this and additional works at: https://digitalcommons.nyls.edu/journal_of_human_rights

Part of the Law Commons

Recommended Citation
Available at: https://digitalcommons.nyls.edu/journal_of_human_rights/vol3/iss2/3

This Article is brought to you for free and open access by DigitalCommons@NYLS. It has been accepted for inclusion in NYLS Journal of Human Rights by an authorized editor of DigitalCommons@NYLS.
The explosive growth in the numbers of homeless persons throughout the country, combined with continued attention from the media and persistent prodding from advocates, has caused a substantial increase in debate about homelessness at all levels of government. However, actual contributions toward eliminating, or even ameliorating this problem have been extremely limited. At the international level, the United Nations has declared 1987 to be the International Year of Shelter for the Homeless, but that organization has no funds to allocate, nor does it have a commitment of funding from its member governments. At the national level, Congress has appropriated $300 million for an Emergency Food and Shelter Program over the past three years, but the federal response has been generally characterized as "inadequate, disorganized and ineffective." Local government is most directly confronted with the problem of

* Director, Illinois State Support Center, a statewide legal services program.

1. See G.A. Res. 271, U.N. GAOR Supp. (No. 8), U.N. Doc. A/38 (1986). The International Year of Shelter for the Homeless (IYSH) is being administered by the United Nations Center for Human Settlement (Habitat). Inquiries may be addressed to:
   Ingrid Munro
   Director, IYSH
   P.O. Box 30030
   Nairobi, Kenya

   The United States has designated the U.S. Department of Housing & Urban Development as the lead agency for IYSH. Additional information is available from:
   Ms. June Koch
   Assistant Secretary
   U.S. Dept. of HUD
   Policy Development & Research Section
   Washington, DC 20523


homelessness, yet lacks the range of resources to respond in an effective manner.  

At present, the greatest potential for innovation in coping with homelessness appears to rest with state legislatures. It is the object of this paper to support this observation through a survey of state legislative responses to the problem of homelessness. This survey will review legislative actions in four categories: responses to immediate need for emergency shelter and food; adjustment of existing human service programs that restore previous cuts, improve efficiency, or remove barriers preventing delivery of services to the homeless; innovative programs intended to address the needs of the homeless and the causes of homelessness; and the exploration for new sources of revenue.

Emergency Shelter

Temporary, emergency shelter is provided in several ways, none of which are satisfactory. In urban areas with high concentrations of homeless persons, shelter is often provided in facilities ranging from church basements to armories, for numbers ranging from one dozen to one thousand single adults. Families

4. U.S. Gen. Acct. Off., Homelessness: A Complex Problem and the Federal Response, No. GAO/HRD-85-40, 43 (Apr. 9, 1985) [hereinafter Homelessness]. The GAO report notes that 80% of city and county governments provide some form of assistance to the homeless. However, the assistance noted is sporadic and limited. For example, only 20% of cities provide emergency shelter.

5. This paper is based in large part on information gathered from legal services programs and state coalitions for the homeless. A survey report listing much more information, including names and phone numbers of contact persons in 19 states, is available from the National Clearinghouse for Legal Services, 407 S. Dearborn Ave., Chicago, IL, 60605, phone number (312) 939-3830 (re: Clearinghouse document no. 39,726).

6. See generally U.S. Dep’t of Health and Human Services, Helping the Homeless: A Resource Guide (1984) (a 200 page survey of local emergency food and shelter programs), which is available from:
Superintendent of Documents
U.S. Government Printing Office
Washington, DC 20402
(202) 783-3238
Project SHARE
P.O. Box 2309
Rockville, MD 20852
(301) 231-9539
National Technical Information Service
U.S. Department of Commerce
STATE INITIATIVES

with children are generally housed in separate shelters, or may be assigned rooms in "welfare hotels." Rural areas have a much lower concentration of homelessness and social service agencies tend to offer shelter through voucher programs that provide temporary rooms in area motels.

A few states, such as New York, have funded emergency shelter for decades. More typically, state legislatures began to respond to the crisis of homelessness during the 1980s with modest appropriations to supplement the federal emergency food and shelter funds. Generally, state appropriations are authorized strictly for the operation of emergency shelter programs with very limited authorization for administrative costs.

However, a number of state legislatures have approved or have under active consideration proposals for more ambitious programs for the provision of emergency shelter. For example, a bill in Ohio to appropriate funds for emergency shelter would allocate 30% for related services, including employment referral, case management, information and referral, and transportation. Maryland has gone several steps further by enacting a statute which, in addition to appropriating funds for emergency


shelter, requires the administering state agency to develop a plan for meeting the needs of the homeless and authorizes expenditure for food, shelter, case management, transportation, and follow-up services.\footnote{13} The Maryland legislation also creates an advisory board appointed by the Governor which is charged with advising the state agency on developing implementing regulations; monitoring state agency administration of the program; proposing an annual budget; and commenting on department plans and proposed allocation of funds.\footnote{14}

Local government resistance to the creation of emergency shelter does occur,\footnote{15} and at least one state has attempted to remove this potential obstacle. Legislation in California which created a fund for temporary shelter for homeless persons also included a prohibition against local government discrimination against shelters, and further required local public housing authorities to do needs assessments for emergency housing in their communities.\footnote{16}

Although the provision of emergency shelter may be an appropriate response to an immediate crisis, there is growing recognition that it falls far short of a permanent solution. Therefore, a number of states have begun to develop transitional shelter programs as an intermediate step between emergency overnight shelter and permanent housing. New York has established the Homeless Housing and Assistance Program with an appropriation of $50 million over three years to construct or rehabilitate housing for the homeless.\footnote{17} This program authorizes expenditures for capital costs such as acquisition, planning, construction, rehabilitation, and equipment but does not cover

\begin{footnotes}
\footnote{14}{Id.}
\end{footnotes}
ongoing service grants or operating subsidies. Eligible facilities include permanent housing such as single room occupancy (SRO) facilities, as well as transitional housing, emergency housing for families, and emergency housing for youth.¹⁸ The California legislature has a bill under consideration which would significantly amend its emergency shelter program to authorize transitional housing. Authorized projects would include supervised apartments for homeless mentally ill persons, congregate or single room occupancy units for homeless elderly persons, and independent living units for homeless disabled persons.¹⁹

Adjustment of Existing Programs

The crisis of homelessness has caused many state legislatures to review existing social service and income maintenance programs and to consider restoration of previous cutbacks, or adjustments to improve efficiency and remove barriers to providing services to the homeless. Income maintenance programs (e.g., Aid to Families with Dependent Children (AFDC) and General Assistance (GA)) have received a great deal of attention because the inflation during the '70s and early '80s significantly reduced the purchasing power of grant levels in most states. During 1985, advocacy in more than seventeen states resulted in increased home maintenance grant levels and generally those efforts have been tied to recognition of the problem of homelessness.²⁰ For example, in Alaska a bill was introduced early last year which called for a 50% increase in the general assistance grant level.²¹ The proposal was expressly based on a study which tied the extremely low grant level with the problem of homelessness.²²

¹⁸. New York State Dep't of Soc. Serv., Homeless Housing and Assistance Program, Request for Proposals 2, 5-7 (requesting bids under the Homeless Housing and Assistance Program, supra note 17, to be submitted by July 1, 1985).
²⁰. Children's Defense Fund, Nov. 1985 Report 3, 4. States which last year increased AFDC grant levels are: Arkansas, Arizona, Florida, Georgia, Iowa, Kansas, Minnesota, Mississippi, Missouri, New Jersey, New York, North Carolina, Ohio, Oklahoma, Utah, Virginia, and Wisconsin. Id.
Massachusetts, which last year enacted a 9% increase in its public assistance grant levels, also had under consideration a bill to make an additional 25% increase.\(^{23}\) Other proposed legislation would raise grant levels to the federal poverty level and would include an annual cost of living increase.\(^{24}\) In Illinois, the Campaign for Family Stability, a statewide coalition founded exclusively to advocate increased income maintenance grant levels, has worked closely with the Illinois Coalition for the Homeless. In September, 1985, following a meeting of representatives of those coalitions with the chairman of the Appropriations II Committee of the Illinois House of Representatives, the chairman scheduled a hearing on the two expressly connected issues of grant levels and homelessness.\(^{25}\) Such close collaboration between coalitions for the homeless and other advocacy groups has been reported in other states as well.\(^{26}\)

The crisis of homelessness has in a number of instances caused state legislatures to reconsider cuts in subsistence benefits programs that were previously enacted. In 1975, Massachusetts enacted significant cuts in its general assistance program by excluding virtually all non-disabled adults under the age of 45.\(^{27}\) One recent proposal in Massachusetts would restore benefits for any caretaker parent who temporarily lost custody of children and would thereby lose eligibility for AFDC.\(^{28}\) This pro-

\(^{25}\) Tapes of the hearing held September 26, 1985 are available from the Committee Clerks Office of the Illinois House of Representatives.
\(^{26}\) A monthly newsletter, the Safety Network, is published by the National Coalition for the Homeless, 105 E. 22nd St., New York, New York 10010. It is the best ongoing source of information about developing programs and policies around the nation; every issue contains reports of collaboration between local coalitions for the homeless and allied advocacy groups.

Such a program, intended to support parents temporarily to keep families together, would be the complete opposite of the nineteenth century practice of forcing parents to surrender their children to orphanages to obtain temporary support for their children. The orphanages often made the arrangement permanent by sending the children to foster families in the midwest who often used them as farm labor. See Jackson, \textit{It took trains to put street kids on the right track out of the slums}, \textit{Smithsonian} 95 (August
proposal would provide eligibility for general assistance in order to
insure retention of shelter and thereby keep alive the possibility
of reuniting the family. Another proposed restoration to the
Massachusetts General Assistance (GA) program would be
targeted on homeless individuals and persons recently dis-
charged from mental health facilities.

In reviewing existing social service and income maintenance
programs, legislatures have also taken steps to improve effi-
ciency in the delivery of services to persons who are homeless or
are at risk of becoming homeless. A package of bills introduced
last year in the Illinois General Assembly demonstrates an ambi-
tious effort in this direction. Three bills were directed at three
state agencies: the Illinois Department of Public Aid, Illinois De-
partment of Mental Health and Development Disabilities, and
Illinois Department of Corrections. The general objective of
the bills was to assure that persons eligible for public assistance
benefits upon discharge from mental health or correctional facil-
ities would receive such benefits immediately upon discharge.

In their original version, the bills would:

(1) establish the date of eligibility for public assistance
as the date of release; (2) require suspension of aid
rather than termination during the initial 60 days in an
institution (this would significantly ease the administra-
tive burden incurred in restoring benefits); (3) prohibit
reduction in benefits for any recipients institutionalized
15 days or less (this would permit retention of an apart-
ment during a short hospitalization); and (4) require de-
velopment of written interagency agreements implement-
ing all of the statutory requirements.

1986); M.Z. Langsam, Children West: A History of the Placing-Out System of the
New York Children's Aid Society 1853-90 (1964); C.L. Brace, The Best Method of
Disposing of Our Pauper and Vagrant Children (1859).
29. Id.
2669.
(1985).
32. The original version of SB 1014 provided:

AN ACT to amend sections 3-1.4 and 12-4.7 of the Public Aid Code.

Be it enacted by the people of the State of Illinois, represented by the
General Assembly:
The Department of Mental Health would be expressly re-

Section 1. Section 3-1.4 of the Public Aid Code is amended to read as follows:

(Ch. 23, par. 3-1.4)

3-1.4 Residents of public institutions. Residents of municipal, county, state or national institutions for the mentally ill or for the tuberculous or residents of a home or other institutions maintained by such governmental bodies when not in need of institutional care because of sickness, convalescence, infirmity, or chronic illness, and inmates of penal or correctional institutions maintained by such governmental bodies, may qualify for aid under this Article only after they have ceased to be residents or inmates, but they may apply in advance of their discharge.

Applications received from residents of such institutions shall be processed by the Department in an expeditious manner. For persons whose applications are approved, the date of eligibility shall be the date of release from the institution.

A person shall not be deemed a resident of a state institution for the mentally ill within the meaning of this Section if he has been conditionally discharged by the Department of Mental Health and Development Disabilities and is no longer residing in the institution.

Recipients of benefits under this Article who become residents of such institutions shall be suspended for a period of up to 60 days; if residency in an institution extends beyond 60 days, the Department may terminate eligibility. Benefits shall be restored, effective on the date of discharge or release, for persons who are residents of institutions less than 60 days. If a person eligible for benefits under this Article is a resident of an institution for 15 days or less, there shall be no reduction in benefits.

If federal law or regulations governing grants under this Article permit the inclusion of persons who are residents of institutions designated in this Section beyond the period authorized herein, the Illinois Department, upon a determination that the appropriations for public aid are sufficient for such purpose, and upon approval of the Governor, may provide by general and uniform rule for the waiver of the provisions of this Section which would otherwise disqualify such person for aid under this Article.

Section 2. A new section 4-1.11 of the Public Aid Code is added to read as follows:

(Ch. 23, par. 4-1.11)

4-1.11. Residents of public institutions. Residents of municipal, county, state or national institutions of the mentally ill or for the tuberculous, or residents of a home or other institutions maintained by such governmental bodies when not in need of institutional care because of sickness, convalescence, infirmity, or chronic illness, and inmates of penal or correctional institutions maintained by such governmental bodies, may qualify for aid under this Article only after they have ceased to be residents or inmates, but they may apply in advance of their discharge.

Applications received from residents of such institutions shall be processed by the Department in an expeditious manner. For persons whose applications are approved, the date of eligibility shall be the date of release from the institution.

A person shall not be deemed a resident of a state institution for the men-
required to screen for the need for public benefits as part of dis-

tally ill within the meaning of this Section if he has been conditionally dis-
charged by the Department of Mental Health and Developmental Disabilities
and is no longer residing in the institution.

Eligibility of Recipients of benefits under this Article who become resi-
dents of such institutions shall be suspended for a period of up to 60 days; if
residency in an institution extends beyond 60 days, the Department may ter-
minate eligibility. Benefits shall be restored, effective on the date of discharge
or release, for persons who are residents of institutions less than 60 days. If a
person eligible for benefits under this Article is a resident of an institution for
15 days or less, there shall be no change in benefits.

If federal law or regulations governing grants under this Article permit the
inclusion of persons who are residents of institutions designated in this Section
beyond the period authorized herein, the Illinois Department, upon a determi-
nation that the appropriations for public aid are sufficient for such purpose,
and upon approval of the Governor, may provide by general and uniform rule
for the waiver of the provisions of this section which would otherwise disqualify
such persons for aid under this Article.

Section 3. Section 6-1.9 of the Public Aid Code is amended to read as
follows:

(Ch. 23, par. 6-1.9)

6-1.9. Residents of public institutions, residents of municipal, county, state
or national institutions for the mentally ill or for the tuberculous, or residents
of a home or other institutions maintained by such governmental bodies when
not in need of institutional care because of sickness, convalescence, infirmity,
or chronic illness, and inmates of penal or correctional institutions maintained
by such governmental bodies, may qualify for aid under this Article only after
they have ceased to be residents or inmates, but they may apply in advance of
their discharge.

Applications received from residents of such institutions shall be processed
by the Department in an expeditious manner. For persons whose applications
are approved, the date of eligibility shall be the date of release from the
institution.

A person shall not be deemed a resident of a state institution for the men-
tally ill within the meaning of this section if he has been conditionally dis-
charged by the Department of Mental Health and Developmental Disabilities
and is no longer residing in the institution.

Eligibility of Recipients of benefits under this Article who become resi-
dents of such institutions shall be suspended for a period of up to 60 days; if
residency in an institution extends beyond 60 days, the Department may ter-
minate eligibility. Benefits shall be restored, effective on the date of discharge
or release, for persons who are residents of institutions for 15 days or less,
there shall be no change in benefits.

§ 12-4.7 Co-operation with Other Agencies.

Section 4. Section 12-4.17 of the Public Aid Code is amended to read as
follows:

(Ch. 23, par. 12-4)

Make use of, aid and co-operate with State and local government agencies,
and co-operate with and assist other governmental and private agencies and or-
organizations engaged in welfare functions.
charge planning, provide assistance in filing applications for benefits prior to discharge, prepare medical records in support of federal disability claims, and insure payment of 30 days of benefits to a person released prior to approval of a pending application for benefits. Similar requirements would be imposed on the Department of Corrections. At the end of the regular 1985 legislative session, the three bills were amended and combined into one bill, and sent to the Governor who signed it into law.

Still another proposal to improve the efficiency in providing services to the homeless was the addition of non-discrimination requirements to cover those services. An agency would be barred by law from providing fewer services or no services to an individual solely because of the person's homeless status. The rationale for such an amendment is that it would require the state agency to look for and remove barriers which arbitrarily prevent the delivery of services to homeless persons. Also, such an amendment would provide a remedy to redress an arbitrary

The Department shall, not later than December 1, 1985, enter into a written agreement with the Illinois Department of Mental Health and Developmental Disabilities which shall provide for interagency procedures to process and expedite applications for benefits authorized by Public Aid code which are filed by, or on behalf of patients awaiting discharge from facilities operated or licensed by the Department of Mental Health and Developmental Disabilities. The interagency agreement shall also implement requirements set out in Section 3-1.4, and shall provide for reimbursement by the Department to the Department of Mental Health and Developmental Disabilities for advances pursuant to § 15(b) of the Mental Health and Developmental Disabilities Act, as amended, of benefits made by the Department to persons found eligible for such benefits.

The Department shall, not later than December 1, 1985, enter into a written agreement with the Illinois Department of Corrections which shall provide for interagency procedures to process and expedite applications for benefits authorized by the Public Aid code which are filed by, or on behalf of persons awaiting release from facilities operated by the Department of Corrections. The interagency agreement shall also implement requirements set out in Section 3-1.4, and shall provide for reimbursement by the Department to the Department of Corrections for advances pursuant to § 3-314-1 of the Corrections Code, as amended, of benefits made by that Department of Corrections to persons found eligible for such benefits.

34. Act of Sept. 23, 1985, 1985 Ill. Legis. Serv. 918 (West). In its final version, the requirement of paying benefits upon discharge and the prohibition against reducing benefits of recipients institutionalized less than fifteen days were dropped.
36. Id.
refusal by a state agency to remove such barriers.

Innovative Programs to Address the Needs of the Homeless

A number of states have jumped several steps beyond the provision of emergency shelter and transitional shelter and have proposed or adopted innovative proposals addressing homelessness. For example, the Pennsylvania Homeless Intervention Program,37 introduced last year in that state's legislature, will provide housing assistance for the chronically mentally ill, rental assistance for persons threatened with eviction and unable to obtain affordable housing and funding for the preservation of single room occupancy.38 New Jersey took an early lead in the area by enacting the Prevention of Homeless Act39 in 1984 which authorizes rental assistance grants to low-income persons where necessary to prevent eviction and/or homelessness. The New Jersey statute also amends that state's landlord/tenant law by requiring that notices of eviction include notice of available rental assistance benefits. In Massachusetts the problem of eviction has been addressed by a bill that would require "just cause" as a basis for eviction. The bill setting out twelve express bases for "just cause" provides that a tenancy may not be terminated except on "one of the grounds listed" and further requires that notice of termination of any tenancy must specify in plain language one of the specific just causes.40

38. Id.
40. Mass. S.B. 964, Mass. Gen. Court, 1985 Reg. Sess. The twelve "just causes" for terminating a tenancy under S.B. 964, section 2, are as follows:

Section 10A. Determination of Residential Tenancies:

Grounds.

No tenancy of residential premises shall be limited to one or more of the following causes:

(1) the tenant has failed to pay rent to which the owner is entitled pursuant to an oral or written rental agreement;

(2) the tenant, after having received written notice from the owner to cease, has himself continued to be or has allowed others using the premises to continue to be so disorderly as to destroy the peace and quiet of the occupants or other tenants living in the same or any adjacent building;

(3) the tenant has willfully or by reason of gross negligence caused or allowed substantial destruction, damage or injury to the premises;
Advocates for the homeless have joined with tenant advo-

(4) the tenant has been convicted of using the premises, or permitting the premises to be used, for the commission of felony or other violent crime, or for any illegal activity which may subject the owner to possible prosecution, fine, forfeiture or other penalty;

(5) the tenant has violated a substantial obligation or covenant of his tenancy of lease other than the obligation to surrender possession upon proper notice; and has failed to cure such violation within a reasonable time after receiving written notice thereof from the owner; provided that the tenancy may not be determined for the tenant's failure to comply with any of the owner's rules and regulations governing said premises unless such rules and regulations have been accepted in writing by the tenant or made part of the lease at the beginning of the term

(6) the tenant occupying the premises pursuant to a written lease or rental agreement the term of which has expired has refused, after written request by the owner, to execute a written extension or renewal thereof on the same terms and conditions or with reasonable changes of substance in the terms and conditions;

(7) the tenant has, after receipt of reasonable notice, refused the owner access to the unit at reasonable times for the purpose of making necessary repairs or improvements required by law;

(8) the tenant has, after reasonable notice, refused the owner access to the unit at reasonable times for inspections required by law, or for the purpose of showing the premises to a prospective purchaser or mortgagee; providing that such inspections or showings are not requested for the purpose of circumventing this act;

(9) the person occupying the premises at the end of a lease is a subtenant not approved by the owner;

(10) the owner seeks to recover possession in good faith for use and occupancy by himself or his children, parent, brother, sister, father-in-law, mother-in-law, son-in-law, or daughter-in-law, and the term of any written lease or rental agreement has expired, provided that such use and occupancy by the owner or his relations is necessary to prevent substantial hardship to the designated occupant, and provided further that determination pursuant to this subsection shall be considered an unfair and deceptive act within the meaning of Section two of chapter ninety-three on the part of the owner if, within one-hundred twenty days after the tenant vacates the premises, the premises are rented to someone other than the designated party unless the owner shows that such rental was undertaken in good faith and was not reasonably foreseeable at the time of termination;

(11) the owner, having been cited by local or state housing inspectors for substantial violations affecting the health and safety of tenants, seeks to recover possession in good faith (a) to permanently board up or demolish the premises because it is economically unfeasible for the owners to eliminate the violations or (b) to comply with said inspections and it is unfeasible for him to so comply without removing the premises from rental housing use for a period of not less than 90 days and the owner has made specific plans and commitments to do so, and the term of any written lease or rental agreement has expired, provided that termination pursuant to this subsection shall be considered an unfair and deceptive act with the meaning of section two of
icates and community-based developers to lobby for new state housing programs directed at very low income persons. One recent example is the Housing Opportunities for Maine Program (HOME) enacted last year in that state. That legislation increased the state real estate transfer tax and directed the new funds, estimated at $2.3 million for 1986-87, to the State housing authority for a variety of low income housing programs.41

In most states, the primary responsibility for responding to housing needs at the state level is vested in state housing finance agencies (SHFAs) which sell tax free bonds to finance low and moderate income housing.42 Those agencies have had a spotty

chapter ninety-three A on the part of the owner if within 90 days the owner has failed to demolish the premises or has rented the premises for housing use unless the owner shows that such rental or failure to demolish was undertaken in good faith and was not reasonably foreseeable at the time of termination;

(12) the owner has requested in good faith, and the tenant has refused or failed to pay an increase in rent, provided that (1) such increase in rent is requested by means of a written notice received by the tenant at least thirty (30) days prior to effective date of the requested increase; (2) such increase is not otherwise in violation of any state or federal statute or regulation or municipal bylaw or ordinance; (3) such increase is not contrary to any other oral or written agreement between the owner and tenant. Any owner who, within 90 days after termination of tenancy pursuant to this section, rents the premises at less than the highest rent demanded of the previous tenant shall be guilty of an unfair and deceptive act and practice within the meaning of section two of chapter ninety-three A.

Any notice of termination of any tenancy shall specify therein in plain language the specific reasons for and effective date of such termination and the amount of rent due, if any; in any subsequent summary process action brought pursuant to such notice, the owner shall be limited to the grounds stated in the notice of termination. A notice of termination shall not be sufficient to constitute the notice an owner must give a tenant under clauses two, five, six, seven, and eight.

This section shall not be construed to limit, impair or otherwise affect any prerequisites for, or restrictions on, the termination of any tenancy otherwise required by law. Any waiver of any of the benefits of this section shall be void and unenforceable.


track record in responding to the housing needs of very low income persons, especially single individuals who are neither elderly nor disabled. However, because of the decline in federal subsidies advocates are increasingly looking to SHFAs for assistance in responding to the problem of homelessness. The Illinois General Assembly last year directed that the Illinois Housing Development Authority set aside $1 million per year in its bonding authority over the next 4 years to be used for rehabili-

---


It appears that the Pennsylvania Housing Finance Agency's current multi-family rental housing program may be problematic in enabling the Agency to fulfill its legislatively mandated objective of providing housing for low and moderate income persons. Id. at 24.

tation of single room occupancy units. In California, a bill sought to allocate a newly discovered surplus reserve of $97 million to low income rental housing; the compromise that was passed and signed by the governor commits the California agency to spend the interest from that reserve on low income housing initiatives. A second bill sought to change the traditional 80-20 split between market rate and subsidized units by increasing the subsidized portion to 30%.

Housing trust funds have been receiving increased attention as potential vehicles for the creation of low-income housing. The North Carolina legislature is considering a proposal to create a trust fund with revenues drawn from interest charged on mortgage escrow accounts for taxes and insurance that are maintained by lenders. California last year approved a housing trust fund which will finance a newly created farm labor housing rehabilitation loan program with $20 million allocated from tidal land oil revenues. Iowa has adopted a housing trust fund with funding from interest earned on escrow deposits for a title indemnity fund and New York has established a housing trust fund with a $25 million state revenue appropriation.

Not all housing trust fund proposals, however, have met with success. A New Jersey housing trust fund derived from an increase in the real estate transfer tax was vetoed by the state’s governor last year and an Oregon housing trust fund proposal based on interest from escrow accounts was defeated in that

53. Fair Housing Act, 1985 N.J. Sess. Law Serv. 222 (West) (with the Governor’s Reconsideration and Recommendation Statement).
state's legislature.\textsuperscript{44} However, it appears likely that during 1986 efforts will be renewed in those states, and that housing trust fund proposals will be initiated in many other states as well.

Because of a growing awareness that deinstitutionalization of mental health care and the failure to provide adequate community mental health facilities has made significant contributions to the problem of homelessness, a number of state legislatures have responded with programs targeted on this specific population. New York has appropriated supplemental state aid to local communities for residential services to the mentally ill.\textsuperscript{55} This may be supplemented by additional legislation under consideration that would authorize residential care centers for adult mentally ill persons\textsuperscript{56} and legislation that would establish an informal care-giver program intended to insure receipt of medical, social, mental health, and other services for persons suffering from mental illness and living in the community.\textsuperscript{57}

California also has under consideration a number of proposals to improve services for the mentally ill who are homeless or at risk of becoming homeless. One California proposal undertakes a comprehensive view of the needs of the mentally ill homeless by providing for social support agencies serving no fewer than 1,000 mentally ill homeless adults. The social support agencies would be charged with coordinating medical care and mental health treatment with case management services. The agencies' service responsibilities would be to provide clients with housing, food and clothing, crisis intervention, social and vocational skills development, and appropriate mental health and treatment services.\textsuperscript{58} Another option under consideration in California is a proposal to establish a special user housing rehabilitation program. The proposal would authorize funding of $10 million for deferred payment loans for rental housing developments specifically for the mentally ill homeless, and would require a local government commitment of resources for case man-

\textsuperscript{54} Or. H.B. 2949, 63rd Or. Legis., 1985 Reg. Sess.
\textsuperscript{56} Act of July 18, 1985, 1985 N.Y. Laws 351.
\textsuperscript{57} Act of July 24, 1985, 1985 N.Y. Laws 480 (codified at N.Y. MENTAL HYG. LAW §§ 1.03(24), and 5.07(b)(1)(g) and (b)(1)(h) (McKinney 1978 & Supp. 1986)).
Veterans represent another segment of the homeless whose needs may be considered by state legislatures. In California, a portion of the 1985 homeless recovery package was directed at emergency housing and job training for veterans. That bill would establish a state office of volunteer assistance to aid in coordination of services to homeless, would establish homeless housing and employment pilot projects, and would allocate funds from the federal Job Training Partnership Act for use in job training of homeless veterans. Still another California bill would authorize Vietnam veteran outreach programs in six counties. The program would utilize peer counselling to reach Vietnam veterans residing in emergency shelters who have exhibited emotional difficulties from posttraumatic stress disorder.

New Sources of Revenue

State legislatures have been casting about, with varying degrees of success, for alternative sources of funding to finance emergency shelter programs as well as new programs for the homeless. In Illinois, the Food and Housing Assistance Act of 1984 established a system of voluntary contributions from Illinois taxpayers in the form of a deduction from the taxpayer's refund. For 1985, the first year of this program, there were six funds eligible for such contributions, including the Food and Housing Fund, but each fund must attract $100,000 in contributions to remain on the form from year to year. This approach

61. See 29 U.S.C.A. §§ 1501-1781 (West 1981). State Job Training Coordinating Councils propose plans which must be accepted by state governors, id. at § 1532, which must be approved by the Secretary of Labor, id. at § 1531, as meeting the requirements of the program, id. at § 1551, before federal money will be expended.
64. Id. at § 5-509. See also Ill. Dept't of Revenue, Form IL-1040, Individual Income Tax Return, line 11 (1985). Taxpayers may contribute a maximum of $10 to each of the funds listed this year: (a) Quincy Veterans Home Fund, (b) Illinois Non-Game Wildlife
raises several inherent problems: first, a checkoff contribution on a state income tax return is essentially a charity rather than the establishment of public policy; second, the number of potential checkoffs on state income tax forms is limited only by the number of special interest groups in the state. Therefore, increasing competition from other interests will further limit potential funding for emergency shelter.

The various housing trust fund proposals discussed above represent imaginative and often successful searches for new sources of state revenues that can be committed to financing low income housing. During 1986 and beyond housing trust fund proposals will most likely rapidly increase in number, and in variety as well.

States are also leaning toward partnerships with the private sector as a route toward leveraging capital for transitional and permanent housing for the homeless. New York's Governor Cuomo has endorsed a proposal to raise $100 million from real estate developers, businesses and private citizens to build transitional shelter for 2,000 families. The facilities would be constructed on government-owned property, and would reduce reliance on "welfare hotels." In Illinois, the General Assembly last year passed a large bond authority, known as "Build Illinois,"

Conservation Fund, (c) Child Abuse Prevention Fund, (d) Illinois Food and Housing Assistance Fund, (e) Mental Health Education Fund, and (f) Alzheimer's Disease Research Fund.

As of Sept. 2, 1986, $77,224 had been donated to the Food and Housing Assistance fund, and no significant increase was expected. Three of the funds had surpassed the $100,000 level required for a fund to be eligible for next year's returns (telephone conversation with Brenda Smith, Financial Office, Ill. Dep't of Revenue on Sept. 23, 1986).

65. See supra notes 43-56 and accompanying text. Two organizations track legislative activity in this area:
   Conference on Alternative State and Local Policies
   2000 Florida Avenue, N.W.
   Washington, D.C. 20007
   National Conference of State Legislatures
   1125 17th Street
   Denver, Colorado 80202

66. Housing Trust Funds essentially represent a method of targeting new sources of revenue. Identifying those new sources is a crucial part of the process. Some additional areas under preliminary discussion include new taxes on health club membership and video cassette rentals. Both represent rapidly growing economic activity that may slip past current state and local tax schemes. Housing trusts set up as revolving funds might also look to state pension funds as a source of capital.

which included funding for the Illinois Housing Partnership Program. The program requires the city of Chicago to apply its $5 million in state funds to leverage $12.5 million in private financing.

The federal government is a much deeper pocket for the states to look to for funding. Although federal appropriations for emergency shelter are likely to remain limited, states do have opportunities to expand existing federal programs in a manner that would increase the flow of federal dollars for emergency shelter programs. For example, a number of states have amended the emergency assistance component of the AFDC programs to include emergency shelter. Under federal law, emer-

69. Municipal Agenda for Build Illinois: Don't Cut Chicago Out 4-7 (Oct. 23, 1985), available from:
   Elizabeth Hollander,
   Director of the Dep't of Planning
   City Hall
   Chicago, Ill. 60602
70. In 1983, Massachusetts amended its AFDC program to include emergency shelter. 1983 Mass. Acts 450. Relevant portions of the statute state:

   (D) The department shall administer a program of emergency assistance to needy families with children and pregnant women with no other children, subject to and in accordance with the provisions of the Social Security Act of 1935, as defined in 42 U.S.C. 606(e), to provide benefits to avoid destitution or to provide living arrangements in a home. The Commonwealth shall accept matching funds from the appropriate federal authorities for said program.

   Said program of emergency assistance shall assist eligible families to prevent destitution or to provide living arrangements in the home.

   The department shall promulgate rules and regulations to establish the levels of benefits available under the program and to ensure simplicity of administration in the best interest of needy recipients. Such benefits shall include, but not be limited to, the following:

   (a) for the prevention of the loss of housing, the actual liability up to four times the monthly rental or mortgage liability;

   (b) for the prevention of utility shutoffs or for the resumption of utility services, up to four months of actual service liabilities;

   (c) for the provision of home heating assistance, up to four months of the actual fuel liabilities;

   (d) for the prevention of homelessness, temporary shelter as necessary to alleviate homelessness when such family has no feasible alternative housing available, up to the maximum period subject to federal reimbursement; storage of furniture for up to thirty days; moving expense of up to one hundred and fifty dollars; advance rent payments of one month's rent; and security deposit not to exceed one month's rent.

   The department shall establish procedures, consistent with federal law, to require applicants for the program to also submit an application for federal en-
ergency assistance is available to all AFDC recipients for periods of up to 30 days in one calendar year. Such benefits may also be available to families with children even though they are not eligible for AFDC benefits. By expanding their state emergency assistance program, states have the opportunity to obtain federal matching funds for emergency shelter. Other benefits aimed at preventing homelessness, such as security deposits, first month’s rent, and moving expenses, may also bring in federal matching funds through inclusion in a state’s emergency assistance program.

CONCLUSION

The incidence of homelessness continues to increase with no abatement in sight. Despite compelling public pressure at all levels of government and in the private sector, responses to date represent a patchwork of Band-Aids. The prognosis is that this trend will continue.

The challenge for human service advocates lies in ensuring that public pressure remains unabated, in strengthening and expanding advocacy coalitions, and in developing imaginative and innovative proposals that rely on new sources of revenue. Although advocacy should be directed at all levels of government,

energy assistance where appropriate. No benefits for a particular emergency shall be provided to an applicant family under the emergency assistance program when benefits are available within seven days of application under the federal assistance program to meet such particular emergency.

A needy family shall be eligible for assistance under the emergency assistance program if its income is within the income limits for the program of aid to families with dependent children established pursuant to chapter one hundred and eighteen.


Unlike AFDC, eligibility for EA is not limited to “dependent children.” Instead the term “emergency assistance to needy families with children” is broadly defined in § 406(e) to include money payments and other types of aid provided on a temporary basis “to avoid destitution . . . or to provide living arrangements” for a “needy child under the age of 21 who is . . . without available resources.” 42 U.S.C. § 606(e)(1). Thus under the EA statute, federal matching funds are available for emergency aid to intact families with children if threatened with destitution, regardless of the cause of their need.

Id. at 729. See also Blum v. Bacon, 457 U.S. 132, 138 (1982).
and the private sector as well, many of the greatest opportunities for change, for the present, are in state government.