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Self-Sufficiency Optimization Scale for the Organizations Serving Homeless Texans

Key Points

- By adopting a self-sufficiency optimization scale for the homeless, the state of Texas would refute HUD-defined success—the placement of a homeless individual in subsidized-for-life, no-strings-attached housing for six months.
- Local governments and nonprofits would be required to measure and report on individual progress based on the self-sufficiency optimization scale to obtain non-HUD funding, thereby incentivizing all entities to work and measure beyond housing placement only.
- The self-sufficiency optimization scale would create local-level transparency and accountability that does not exist today. Its data will be useful to the state and to local community members to hold homeless-serving organizations accountable beyond permanent housing placement.

Purpose

Homelessness in Texas is rising rapidly. Between 2016 and 2020, the number of homeless Texans increased by 17.8% according to the Department of Housing and Urban Development (HUD) Annual Homeless Assessment Report (AHAR; [HUD, 2021](#) and calculations by the Foundation). The Legislature must seize the opportunity to reverse this trend before homelessness reaches the levels it has in states such as California.

Background

HUD is the federal agency responsible for national policy to address America's homeless population. It is also the largest provider of homelessness assistance funding. The majority of this funding is distributed via counties and Continuum of Cares (CoCs; [HUD, n.d.-b](#))—regional bodies established and empowered by HUD to coordinate and allocate its funding. The agency explains that, “HUD’s Continuum of Care program makes grants to states, local governments and community agencies that allow each of these entities to tailor a program to meet their community’s needs” ([HUD, n.d.-a, “What is HUD doing”](#)).

In 2013, HUD implemented a major shift in U.S. homeless policy: the prioritization of the Housing First approach. Using government-subsidized housing vouchers without preconditions or service requirements, housing recipients are housed with the choice of whether they want services such as mental health treatment and employment training. However, also as of 2013, HUD no longer funds such services ([U.S. Interagency Council on Homelessness, 2020, p. 11](#)).

Under the Housing First model, HUD’s primary goal for the homeless is “rapid placement and stabilization in permanent housing” ([HUD, 2014, p. 9](#)). HUD’s primary metric of success is whether the housed individual remained in their housing over a six-month period. More specifically, two of the metrics used by HUD ([2006, p. 26](#)) include the following:

- Percentage of residents of permanent supportive housing programs for formerly homeless people who stay in that housing facility for at least six months.
- Percentage of formerly homeless persons that remain in any permanent housing for six months (or other designated period).

Because of the financial heft of HUD's contribution at the local level, the agency typically drives local homelessness policy by requiring local governments to use permanent housing placement as their primary metric of success. By default, the state of Texas aligns with HUD's "success" metric as the state does not require any additional metrics be measured.

Entire books have been written on the importance of measuring results, such as *Measure What Matters* by successful venture capitalist John Doerr (2018). When we do measure what matters, weaknesses in a system are made clear. Given Texas' 17.8% homeless population increase—over three times higher than the nation's overall homeless population increase over the same period ([HUD, 2020](#) and calculations by the Foundation)—measuring results is especially important for the state.

Texas must develop its own definition of success for the homeless—a definition that indicates progress on overall health, life skills, and financial independence—and must measure such metrics accordingly.

A 14-year-long Boston study completed last year underscored the need for this. It revealed that the focus on housing rather than on treatment and recovery saw impressive early results. But by year five, only 36% of the housing recipients remained sheltered and nearly half of the cohort died due to a "tri-morbidity" combination of medical, psychiatric, and substance-use disorder ([Roncarati et al., 2021](#)).

By contrast, nonprofits such as Haven for Hope (San Antonio, TX) and Homestretch (Fairfax, VA), measure their success using metrics, including addressing the root causes of homelessness ([Steeb, 2022, pp. 5–6](#)), which then allows individuals to progress toward self-sufficiency. Such metrics include regular attendance in school and other educational activities; abstinence from negative behavior, including criminal activity; realizing self-reliance through earned income; achieving optimal health through regular visits with a primary care physician; regular participation in household chores; in the case of those struggling with addiction and mental illness—upward of 75% of the homeless ([Rountree et al., 2019](#))—establishing a mental health and sobriety regimen; and housing stability. In totality, this constitutes the self-sufficiency optimization scale.

Many American households consider similar metrics as they prepare children to become productive members of society, albeit on a less rigorous (or systematic) basis.

To effectively address the growing homelessness problem in the state, the metrics that will be measured within the scale will focus on helping an individual address the root causes of homelessness and measuring progress toward these goals as well as progress toward the goals of helping an individual become more capable—to grow beyond dependence to acquire the knowledge and skills to be free from the clutches of government—in addition to housing stability.

Self-sufficiency is achievable for most of the homeless population, with the proper support and incentives. For the small minority for whom full self-sufficiency may not be possible—the chronically homeless with severe mental illness and substance use disorder, which represents 10–20% of the overall population—we must provide them with the same support and incentives to help them progress toward these same goals, even though they may never fully reach them ([Steeb, 2022, p. 5](#)).

Proposal

In the next legislative session, the Texas Legislature should adopt a self-sufficiency optimization scale for homelessness and require its use by all state agencies, counties, and nonprofits to measure their ability to support the homeless in becoming their household's primary provider. The scale should be used to ascertain the efficacy of an agency, a county, or a nonprofit and to determine allocation of all non-HUD homelessness funding.

Creating such a definition will require state agencies, counties, and nonprofits to think beyond the approach of "housing only." Moreover, it will create accountability at the state level to achieve outcomes beyond permanent housing, at the county level where their role has been somewhat circumvented by the CoCs, and at the CoC level as they will be required to provide the data to their respective counties. It will also provide Texans with the transparency they need to hold these entities accountable to supporting the homeless in moving toward self-sufficiency.

It is crucial that the Texas Legislature act now to shift HUD's default narrative in the state—from housing the homeless—to a Texas narrative—what a liberated individual can do for themselves once healed and empowered. ★

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ABOUT THE AUTHOR



Michele Steeb is a senior fellow with the Texas Public Policy Foundation and oversees the Foundation's initiative to transform United States' and Texas' homelessness policy. She has spent her career in causes for the public good beginning with leadership roles in both federal and state senate campaigns. She served four years as the Vice President of Political Affairs for the California Chamber of Commerce and prior to that, founded two technology-focused companies.

In 2006, Michele joined a struggling shelter for homeless women and children and transformed it into one of the nation's beacons of success. Saint John's, now a comprehensive 18-month program, helps homeless women and their children actively address and overcome the root causes of their homelessness by providing both housing and services to support them in becoming contributing members to society.

During her tenure, Michele served on multiple boards to address homelessness and was appointed by Governor Brown to serve on the State's Prison Industry Authority (2012-2020). She is a noted public speaker and author of "Answers Behind the RED DOOR: Battling the Homelessness Epidemic." Her work on homelessness has been published in several national outlets including the *Washington Post*, *USA Today*, *Newsweek* and the *Washington Examiner*.

Michele received multiple awards including the Martin Luther King Jr. Difference Maker award, the Regional Social Equity Leader award, the Women Who Mean Business Award, the Non-Profit Visionary of the Year Award, the Allied Professional Award from the U.S. Congressional Victims' Rights Caucus, a woman of the year by the California State Legislature and the prestigious Ignatian Award by her alma mater, Santa Clara University.

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