

**GAO**

United States General Accounting Office

Report to the Chairman, Committee on  
Governmental Affairs, U.S. Senate

September 1991

# HOMELESSNESS

## Transitional Housing Shows Initial Success but Long-term Effects Unknown



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United States  
General Accounting Office  
Washington, D.C. 20548

Resources, Community, and  
Economic Development Division

B-244855

September 9, 1991

The Honorable John Glenn  
Chairman, Committee on  
Governmental Affairs  
United States Senate

Dear Mr. Chairman:

This report responds to your request that we review the Department of Housing and Urban Development's (HUD) Transitional Housing Program for the homeless. The report discusses the extent to which the program is helping homeless people move to independent living and the factors that influence successful transitions, the types of clients assisted and the services provided, and HUD's monitoring and evaluation of grantees.

As agreed with your office, unless you publicly announce its contents earlier, we plan no further distribution of this report until 30 days from the date of this letter. At that time, we will send copies to the Secretary of Housing and Urban Development and other interested parties. We will also make copies available to others upon request.

This report was prepared under the direction of John M. Ols, Jr., Director, Housing and Community Development Issues, who may be reached on (202) 275-5525. Other major contributors are listed in appendix VII.

Sincerely yours,

J. Dexter Peach  
Assistant Comptroller General

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# Executive Summary

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## Purpose

Believing that homeless people need more than emergency assistance to help them lead independent lives, the Congress included the Supportive Housing Demonstration Program in the Stewart B. McKinney Act of 1987. The Demonstration Program directs the Department of Housing and Urban Development (HUD) to develop innovative approaches to providing housing and supportive services to the homeless, especially deinstitutionalized individuals, families with children, individuals with mental disabilities, and handicapped persons. The major aspect of the Demonstration Program is transitional housing to facilitate the movement of individuals to independent living.

The Chairman of the Senate Committee on Governmental Affairs asked GAO to review the Transitional Housing Program. Specifically, GAO determined whether (1) the program is helping homeless people move to independent living and what factors influence successful transitions, (2) the program is serving the types of clients specifically targeted by the Congress with a wide range of services, and (3) HUD is adequately monitoring the grantees and assessing the program's effectiveness.

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## Background

From fiscal years 1987 through 1990, HUD awarded 534 Transitional Housing Program grants totaling \$338.5 million. The grants were awarded principally to nonprofit organizations and state and local governments for acquiring and/or rehabilitating housing facilities and for operating costs. Operating costs may include supportive services to clients, such as assistance in obtaining permanent housing. The program is directed toward homeless people who are capable of making the transition to independent living in less than 24 months.

The Transitional Housing Program is administered by HUD headquarters Office of Special Needs Assistance Programs under direction of the Assistant Secretary for Community Planning and Development. Monitoring responsibilities are carried out by Community Planning and Development staff in HUD's 30 field offices.

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## Results in Brief

GAO measured client success by whether the transitional housing participants left the program having found housing and a source of income. About 40 percent of the transitional housing clients satisfied these conditions when they left the program. About half of the successful clients were in households where at least one adult was employed upon leaving the program. The source of income for the remaining successful clients was social security or some type of public assistance.

GAO identified client characteristics and experiences that increased the likelihood of success in the program. GAO found that the more time clients spent in the program, the more likely they were to succeed. In addition, the more supportive services the clients used, the more likely they were to succeed. Client success also was influenced by the combination of household structure and the lack of mental or substance abuse problems. As might be expected, families or couples without mental health or substance abuse problems were most likely to succeed. GAO also determined that the client's primary cause of homelessness just before entering the program affected success. For example, people who were homeless because of such causes as domestic violence, eviction, or money-related matters were more likely to succeed than those who were homeless because of mental illness.

The McKinney Act specified that at least \$20 million of each year's allocation be targeted to families with children and that a "significant share" of funds be available to deinstitutionalized and mentally disabled homeless. GAO found that at least \$20 million was allocated annually to families with children and that about 35 percent of the available funds were targeted to the mentally disabled and deinstitutionalized. GAO also found that projects are providing a wide range of the supportive services needed for transition to independent living, including housing placement, life skills development, benefits assistance, employment counseling, and job training.

HUD has not adequately identified the specific data grantees should be collecting to assess the effectiveness of the program. HUD has awarded a contract for a comprehensive evaluation, but because it focuses on client progress while in the program rather than on whether a client obtains and remains in permanent housing, the evaluation will not completely address the legislation's evaluation objectives for the Transitional Housing Program. Until HUD requires grantees to systematically collect essential client data and follow up on their clients, evaluation efforts will be hampered.

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## Principal Findings

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### Some Clients Leave With Housing and Income

About 40 percent of the clients who left transitional housing projects during a 6-month study period had secured housing and a stable source of income. These successful clients moved to a variety of situations.

including their own apartments (or houses) or shared living arrangements. Success in the transitional housing program may, to some degree, reflect the fact that grantees often screen clients and select those they believe are most motivated to succeed.

GAO used a statistical modeling technique to associate success in the Transitional Housing Program with various client characteristics and experiences. GAO's analyses showed that (1) each additional month in the program incrementally increased a client's odds of success by about 12 percent, (2) a client's odds of success increased by about 21 percent for each additional supportive service received, (3) single heads of families without problems (mental illness or substance abuse) were significantly more likely to succeed than single heads of families and others who had these problems, and (4) people whose primary cause of homelessness was domestic violence, eviction, or money-related matters were more likely to succeed than those who were homeless primarily because of mental illness.

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### **Transitional Housing Program Meets Congressional Intent**

The Congress targeted the Transitional Housing Program to serve both families and the mentally ill and designed the program to provide supportive services for clients who have a variety of social and economic problems. GAO found that the program is serving the targeted groups. About 39 percent of the projects serve families exclusively, and 16 percent of the projects serve only the mentally ill. Other projects also serve these clients in a mixed client setting. Also, these groups are being funded at the levels intended by the Congress. Specifically, at least \$20 million annually has been spent on homeless families with children and a "significant share" of available funds for those with mental disabilities (between 26 and 51 percent of available funds annually). Furthermore, clients in transitional housing projects are receiving a broad range of supportive services, either from grantees directly or through referrals.

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### **Program Monitoring Improved but Better Data Needed for Adequate Evaluation**

Both GAO and HUD's Office of the Inspector General have reported on weaknesses in HUD's monitoring of the Transitional Housing Program. Problems identified include lack of monitoring guidance to field monitoring staff and insufficient number of on-site monitoring visits. GAO found that HUD has since increased on-site monitoring of grantees and in April 1991 issued new monitoring guidelines to its field staff.

GAO had also previously recommended that HUD develop evaluation guidelines to help homelessness assistance providers develop, document, and report consistent and comprehensive data that can be used to evaluate the effectiveness of all its McKinney Act programs, including the Transitional Housing Program.<sup>1</sup> While HUD has awarded a contract to evaluate the Transitional Housing Program, this effort focuses on interviewing project officials about clients currently in the program rather than on what has happened to those who have completed the program. As a result, the HUD evaluation will not fully assess the legislation's evaluation objectives. Because HUD has not provided the necessary guidance, grantees have not systematically followed up on initially successful clients, nor have they collected other uniform data needed to properly assess overall client success and success for specific types of clients. Until HUD requires grantees to systematically collect this essential client data and follow up on their clients, efforts to evaluate the Transitional Housing Program will be hampered.

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## Recommendation

GAO recommends that the Secretary of HUD direct the Office of Special Needs Assistance Programs to specify which data will enable HUD to fully evaluate the Transitional Housing Program's effectiveness and require that grantees collect these data. At a minimum, these data should include information about the kind of client served and whether the client obtained, and remained in, permanent housing. The new guidelines on annual reporting requirements that this office is preparing could be used as a convenient vehicle for conveying the specific data needed from transitional housing grantees.

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## Agency Comments

As requested, GAO did not obtain official agency comments on this report. However, GAO did discuss its findings with the Director, Office of Special Needs Assistance Programs, and a Community Planner from HUD's Office of Research under the Assistant Secretary for Policy Development and Research. These HUD officials generally agreed with GAO's findings, but they provided technical corrections and information on planned corrective actions, which GAO incorporated into this report.

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<sup>1</sup>Homelessness: Access to McKinney Act Program Improved but Better Oversight Needed (GAO/RCEID-91-29, Dec. 28, 1990).

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**Abbreviations**

CPD	Community Planning and Development
GAO	General Accounting Office
HUD	Department of Housing and Urban Development
OIG	Office of the Inspector General
RC	reference category
SNAPs	Special Needs Assistance Programs

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# Introduction

The plight of the homeless has been a topic of major concern, especially because the homeless population is believed to be large and growing. To provide a more effective and responsible role for the federal government in assisting the homeless, the Congress passed the Stewart B. McKinney Homeless Assistance Act in 1987 and subsequent amendments in 1988 and 1990. Believing that homeless people need more than emergency assistance, such as shelters and soup kitchens, to move to independent living, the Congress included the Supportive Housing Demonstration Program as one of the direct assistance programs authorized by the McKinney Act and subsequent amendments. The Demonstration Program was 1 of 18 such programs funded during fiscal year 1990.

## Background

The Supportive Housing Demonstration Program legislation directs the Department of Housing and Urban Development (HUD) to develop innovative approaches for providing housing and supportive services for homeless people. The program is targeted to families with children, deinstitutionalized individuals and other individuals with mental disabilities, and handicapped persons. From its inception in 1987 through fiscal year 1990, the Supportive Housing Demonstration Program made \$361 million available to state and local governments and nonprofit organizations under the program's two components: (1) transitional housing to facilitate the movement of the homeless to independent living and (2) permanent housing for handicapped homeless persons. This report focuses on the transitional housing component of the Supportive Housing Demonstration Program.

## The Transitional Housing Program

The Transitional Housing Program was designed to stimulate innovative approaches to providing housing and supportive services to help homeless persons move to independent living; but neither the authorizing legislation nor HUD have specifically defined this term. The legislation, however, specifies that the transition to independent living should in most instances occur within 24 months. The authorizing legislation states that the Transitional Housing Program is a demonstration that shall be designed to determine: (1) the costs of acquisition, rehabilitation, or leasing of existing structures for the provision of supportive housing; (2) the costs of operating such housing and providing supportive services to the residents of such housing; (3) the social, financial, and other advantages of such housing as a means of assisting homeless individuals; and (4) the lessons that the provision of such housing might have for the design and implementation of housing programs that serve homeless individuals and families with special needs.

particularly deinstitutionalized homeless individuals, other individuals with mental disabilities, and homeless families with children.

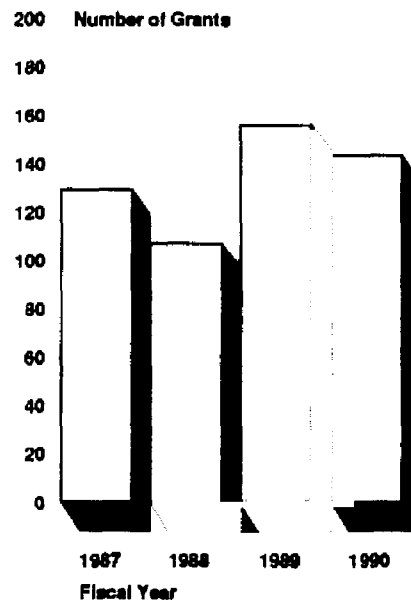
The provision of supportive services in addition to housing is the key feature of this program that separates it from emergency programs. Homeless people usually have personal, social, and economic problems that prevent them from maintaining permanent housing. These problems could include mental illness, lack of income or employment, alcohol or drug abuse, or domestic violence. The Transitional Housing Program provides supportive services that are designed to help them overcome these problems. Supportive services include assistance in obtaining benefits, medical care, budget and psychological counseling, employment assistance, housing placement, job training, legal assistance, child care, and transportation to and from work sites.

The Transitional Housing Program provides grantees with funds to help defray the costs of acquiring, constructing, rehabilitating, and/or operating facilities. Operating costs consist of expenses such as staff, utilities, furnishings, maintenance, and supportive services. Grantees must supplement their grants with equal funds from other sources for acquisition, rehabilitation, and new construction. Funds for operations and supportive services require a 25-percent match for the first 2 years and a 50-percent match thereafter.

Both new projects and additions to/modifications of existing projects are eligible for transitional housing grants. However, expansion projects must include a substantial increase in the number of persons served or in the level of supportive services provided, or a substantial change in the use of existing facilities. The recipients of transitional housing grants for acquisition, rehabilitation, or construction are required to provide housing and supportive services for a minimum of 10 years. Acquisition and rehabilitation funds are lump-sum awards that are dispersed as the approved work is completed. Awards for project operations are for 1 to 5 years.

From fiscal years 1987 through 1990, HUD awarded 534 transitional housing grants totaling \$338.5 million. (See fig. 1.1.) About 85 percent of these funds were allocated for operating costs, including supportive services. The remaining 15 percent of grant funds were allocated for the acquisition and rehabilitation of facilities.

Figure 1.1: Number of Transitional Housing Grants Awarded by Fiscal Year



About 85 percent of transitional housing projects that were functioning at the time of our survey were operated by private nonprofit organizations, such as those assisting battered women and the mentally ill, the YWCA, the Salvation Army, and churches. The remaining projects were administered by state and local governments.

The Transitional Housing Program is administered by HUD headquarters' Office of Special Needs Assistance Programs (SNAPs)—an office to manage homeless assistance programs that HUD created in November 1989 under the Assistant Secretary for Community Planning and Development (CPD). CPD staff in each of HUD's 30 field offices are responsible for monitoring of and providing technical assistance to grantees.

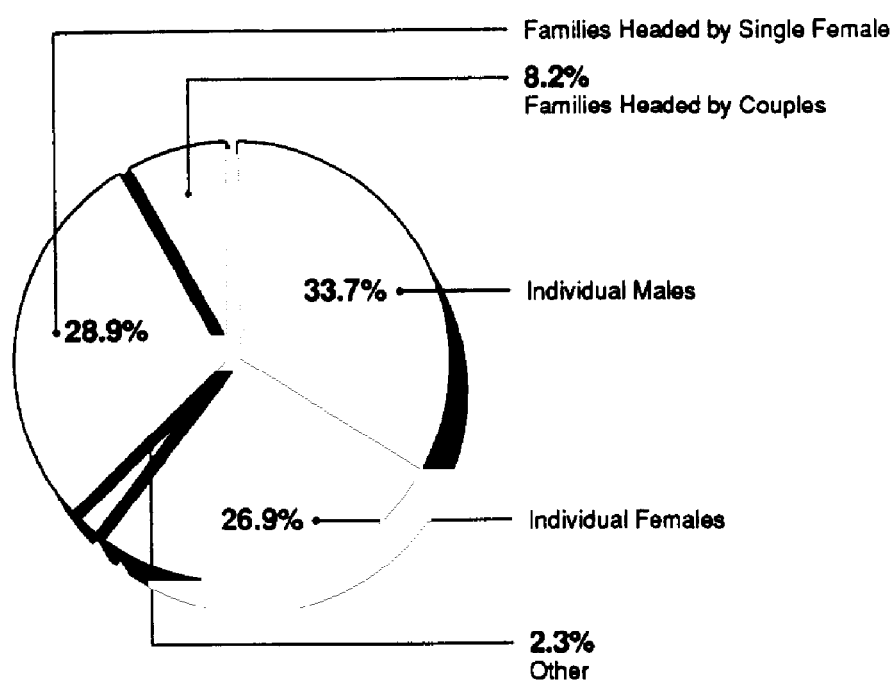
## Characteristics of Transitional Housing Clients

Today's homeless population is diverse and includes families, especially single women with children; those with mental problems who have been discharged from institutions; alcohol and drug abusers; battered women; and the unemployed and working poor. The Transitional Housing Program draws clients from all of these groups.

During our review, we gathered data on clients to give a demographic overview of the adults served from 1987 through March 1990. About 60

percent of the transitional housing clients were individuals, fairly evenly split between men and women.<sup>1</sup> Almost 38 percent of the clients were heads of families, most of them single women. (See fig. 1.2.)

**Figure 1.2: Types of Households Composing Transitional Housing Client Population**

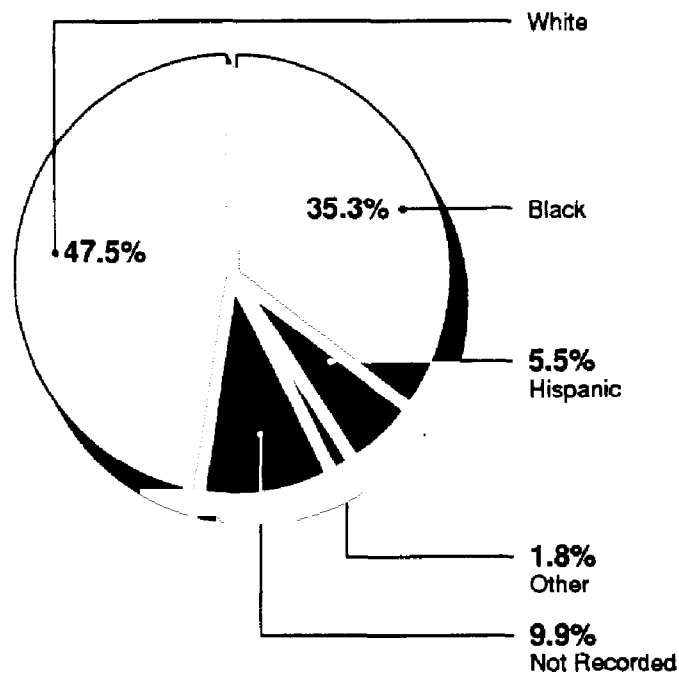


Note: The "Other" category consists of families headed by a single man, couples with no children, and clients for whom the type of household could not be determined.

Transitional housing clients represent various ethnic groups, ages, and educational attainment. As shown in figure 1.3, about 47 percent of the transitional housing clients in our study were white, and about 43 percent were minority. (The race of the remaining 10 percent could not be determined from available records.) The average age of clients was 32 years, and 67 percent were 35 years old or younger. Clients averaged 11.6 years of schooling, compared with an average of 12.7 years for the U.S. population as a whole. More than half of the clients had completed high school.

<sup>1</sup>The percentages represent the response for the primary adult.

Figure 1.3: Ethnic Composition of Transitional Housing Client Population

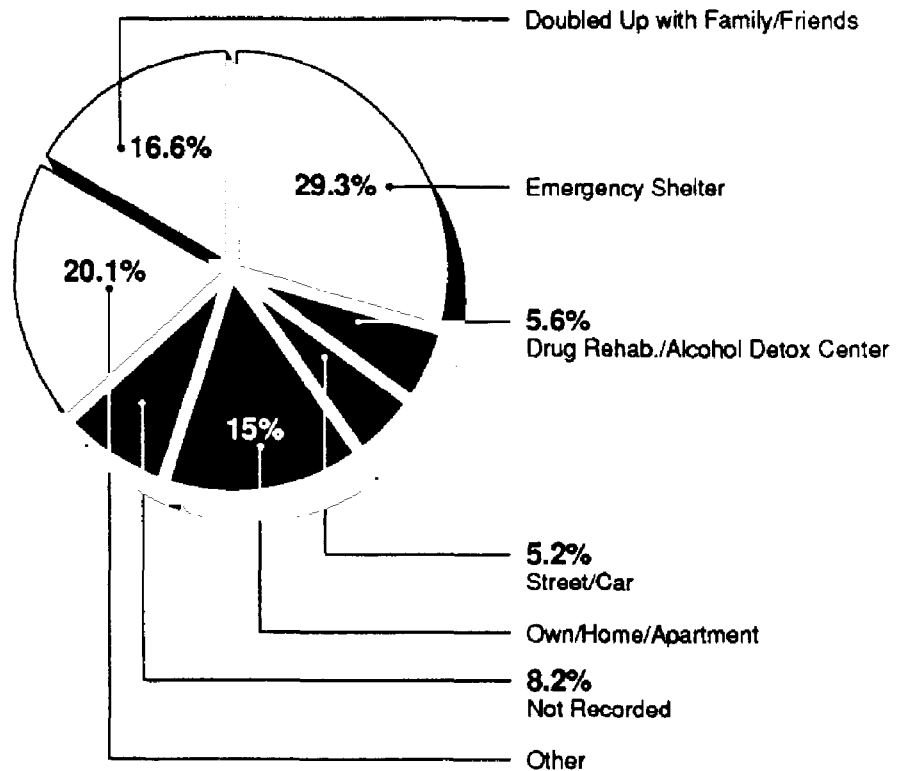


Note: The "Other" category consists of American Indians, Asians, and other ethnic groups.

Although 15 percent of clients entered the transitional housing projects from their own homes, most came from marginal housing situations such as emergency shelters, doubled-up situations (living in someone else's house), mental hospitals, and alcohol and drug rehabilitation centers. Figure 1.4 summarizes where transitional housing clients were living immediately before coming to the projects.



**Figure 1.4: Where Clients Were Before Entering Transitional Housing Projects**



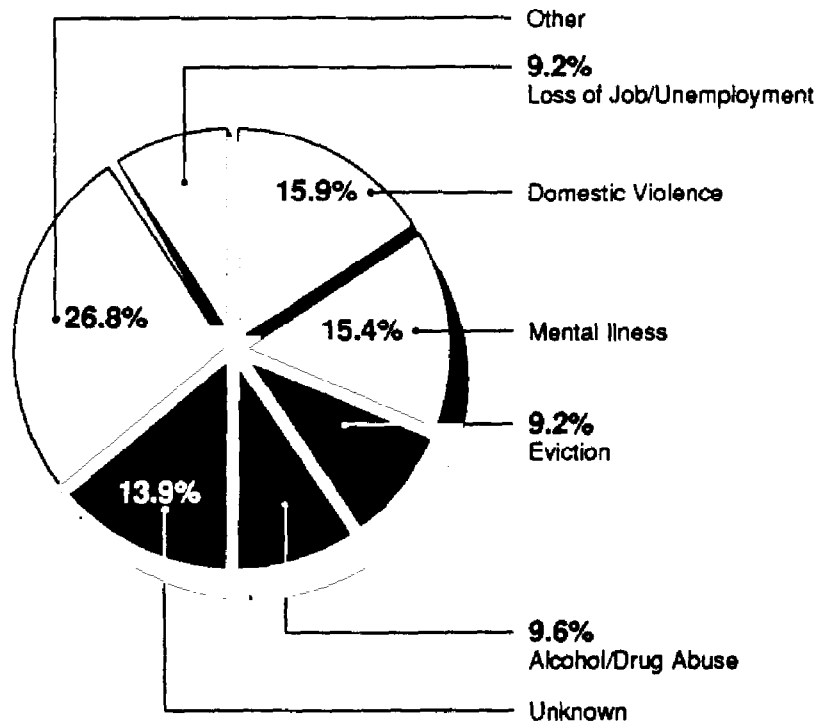
Notes: In cases of families with more than one adult (8.2 percent of sample), the above information represents the responses of the primary adult, usually the head of household.

The "Other" category includes places such as hospitals.

Although many factors can contribute to a person's becoming homeless, our review of transitional housing client files sought to identify the primary cause of homelessness leading to admission to the project. We found various reasons, including eviction, unemployment, mental illness, alcohol and drug abuse, and domestic violence. (See fig. 1.5.) These are some of the same causes of homelessness reported previously by GAO,<sup>2</sup> HUD, and transitional housing program administrators.

<sup>2</sup>For example, Homelessness: HUD's and FEMA's Progress in Implementing the McKinney Act (GAO/RCED-89-50, May 11, 1989) cited the following factors as major contributors to homelessness: unemployment, low wages, decrease in available subsidized housing, increase in cost of housing, eviction, family conflict, alcohol/drug abuse, and mental illness.

Figure 1.5: Primary Causes of Homelessness for Transitional Housing Clients



Notes: The "Mental Illness" category includes deinstitutionalized individuals.

The "Other" category includes responses such as low wages, decrease/loss of government benefits, and home became uninhabitable.

Almost 30 percent of the transitional housing clients were diagnosed as mentally ill before entering the program and three-quarters of these continued to exhibit symptoms during the program. A total of 28 percent exhibited symptoms of mental illness during their participation in the program (see table 1.1). About 40 percent of the clients self-reported a history of alcohol or drug abuse, and 50 percent of these continued having substance abuse problems during the program. An additional 5 percent had substance abuse problems during the program, even though they did not report any prior substance abuse problems.

**Table 1.1: Clients' Mental Illness/  
Substance Abuse Problems**

Figures in percent<sup>a</sup>

<b>Problem</b>	<b>History of problem before entering program</b>	<b>Evidence of problem during program</b>
Mental illness	29.8	27.5
Alcohol abuse	25.6	19.9
Chemical dependency	26.7	15.9
Alcohol and chemical dependency	12.9	7.8

<sup>a</sup>These percentages represent the responses for the primary adult and are nonadditive, i.e., a client could have exhibited more than one characteristic.

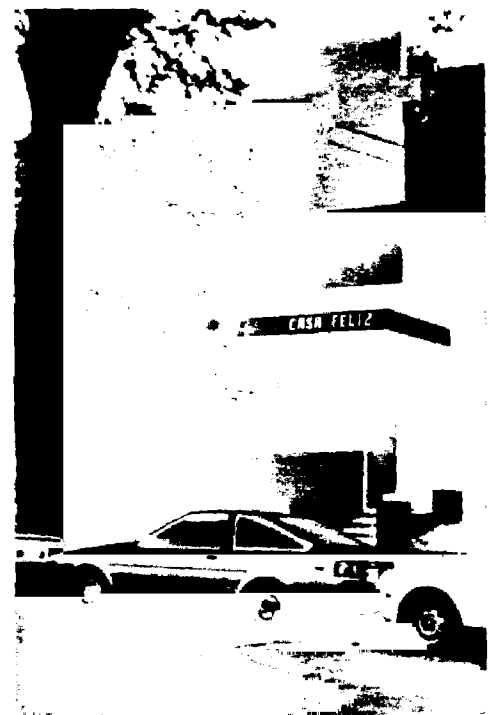
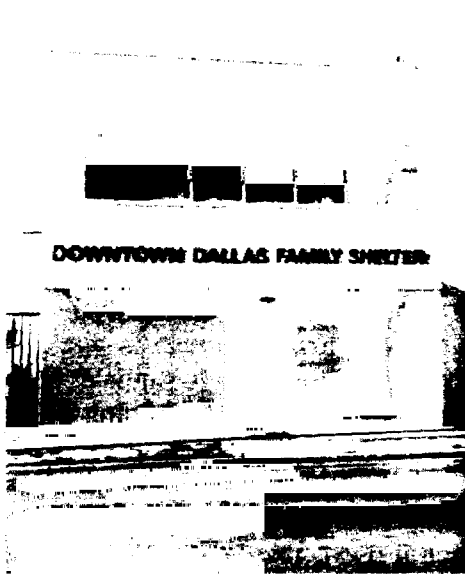
## Transitional Housing Facilities Vary Widely

The types of structures used to house clients varied widely. Facilities included converted commercial buildings (e.g., warehouses and hospitals); renovated hotels, motels, apartment buildings, and single-family homes; and newly constructed buildings. The age and conditions of the facilities, including furnishings and fixtures, also varied, as did the neighborhoods in which the facilities were located. For example, some facilities were sparsely furnished with surplus or donated items, while others had modern furniture and kitchen accommodations. Although some projects were located in marginal commercial and industrial areas, others had been successfully integrated into residential neighborhoods.

Basic accommodations provided to transitional housing residents usually included an apartment or a room with a private bath. However, some projects provided dormitory-style living arrangements with common bathrooms and shared cooking or congregate dining facilities. The facilities pictured in figure 1.6 are typical of those we visited.

Figure 1.6: Typical Variety of Transitional Housing Projects





Overall, 84 percent of the available space in the transitional housing projects operating at the time of our survey was being used. These projects ranged in capacity from 1 to 71 families or from 1 to 130 individuals, but most were small in size. Projects serving families had a median capacity of 6 families, and projects serving individuals had a median capacity of 14.

## Objectives, Scope, and Methodology

As requested by the Chairman of the Senate Committee on Governmental Affairs, we reviewed the transitional housing component of HUD's Supportive Housing Demonstration Program. Specifically, we evaluated whether (1) the transitional housing component is helping homeless people move to independent living and what factors influenced successful transitions, (2) the transitional housing component is serving the types of clients that the Congress intended with a wide range of services, and (3) HUD is adequately monitoring grantees and assessing the program's effectiveness.

Because the Congress did not define independent living in the McKinney legislation, we asked HUD what definition it used. The SNAPs Director told us that HUD has no formal definition of independent living. As a result, we developed our own criteria for measuring initial client success in the program. Because the program is designed to move homeless clients to permanent housing and keep them there, we measured client success by the percentage who left the program with housing and a stable source of income. HUD concurred with this approach.

To address our first and second objectives, we obtained a national perspective on the characteristics of the homeless population residing in transitional housing projects and the supportive services they receive. We conducted a telephone survey of the 382 grantees funded under the Transitional Housing Program from fiscal years 1987 through 1989. We were able to contact 360 grantees, 270 of whom had begun admitting residents by the time we had called. For each operational project, we spoke to the project director or the official(s) identified by the director as the most knowledgeable about the transitional housing project. We obtained data such as the size of the projects, the types of clients in the program, the services provided, and the number of clients who left the projects from October 1, 1989 through March 31, 1990. We conducted our survey between June 25 and July 20, 1990.

To obtain a more complete picture of transitional housing clients, the projects in which they reside, and the effectiveness of the program in moving clients to independent living, we drew a probability sample from

the 232 projects operational before April 1990. This sample was based on the number of clients who left the projects from October 1, 1989, to March 31, 1990. We obtained a sample that allowed us to make estimates about all clients who left the transitional housing projects during our 6-month period of study. (App. I identifies the projects we visited, and app. II provides a more detailed description of our sampling methodology.)

At each of the 32 projects we visited, we reviewed the files for a simple random sample of clients who had left the project between October 1, 1989, and March 31, 1990. At projects with fewer clients than necessary for our random sample, we reviewed all clients who had left during this period. We reviewed files for each of the clients selected in our sample—a total of 1,009 client files of the 3,616 clients who we estimate left transitional housing during the 6-month period. From these files we extracted client data, including age, race, sex, education, cause of homelessness, services received at the project, length of stay at the project, and type of housing obtained and income status when the client left the project.

We considered several measures critical for our analysis: mental illness diagnosed before or during participation in the project, alcohol or drug abuse during residence at the project, completion of the project's program, obtaining employment, and destination upon leaving the project. Whenever client files did not record these measures we interviewed the program facility staff to obtain the specific client information. We also used the client data to develop a statistical model to identify factors that contributed to client success.

We also conducted structured interviews with administrators at each of the 32 projects. We obtained information from these administrators about each project's operations, including how clients came to the projects, what criteria were used to screen clients for admission, and how long clients were permitted to stay at the projects.

The results of our telephone survey, client file reviews, structured interviews, and statistical model are presented in chapters 1 to 3. Appendix II gives a detailed description of our sampling methodology. Appendix III contains sampling errors for all estimates, and appendix IV fully describes our statistical model and results.

To address our third objective on HUD's monitoring, we examined the HUD Office of Inspector General's (OIG) recent, comprehensive review of

HUD's monitoring of the Transitional Housing Program and relevant past GAO reports. So as not to duplicate this work, we focused our additional work in this area on determining whether monitoring had increased and improvements had been made in HUD's monitoring systems. We conducted audit work at HUD headquarters in Washington, D.C., and at regional and field offices in San Francisco, New York, and, Chicago. We also visited HUD field offices in Los Angeles; Newark, New Jersey; Detroit; Jacksonville, Florida; Washington, D.C.; and Columbus, Ohio. These regional and field offices were selected to include the offices with jurisdiction over the largest number of transitional housing projects, offices with the most transitional housing funds, and others to provide good geographic coverage. (App. V shows the geographic distribution of the HUD offices and transitional housing projects we visited.) At each HUD office, we interviewed agency officials on their roles and responsibilities for the transitional housing program and reviewed related files.

We also visited three projects not selected in our sample and interviewed their administrators. We visited these projects to ensure coverage of projects under the jurisdiction of each of the HUD field offices we reviewed. We did not, however, use the information from these projects in our population estimates or in our statistical model.

In addition to our field work, we reviewed the McKinney Act, applicable HUD regulations, HUD OIG reports, and other relevant literature, including past GAO reports on homelessness. Our audit work was performed between August 1990 and June 1991, in accordance with generally accepted government auditing standards. As requested by the Committee, we did not obtain official agency comments on this report. However, we did discuss the contents of this report with the SNAPs Director and a Community Planner from HUD's Office of Research under the Assistant Secretary for Policy Development and Research. They generally agreed with our findings but provided technical corrections and information on planned corrective actions, which we incorporated into this report.

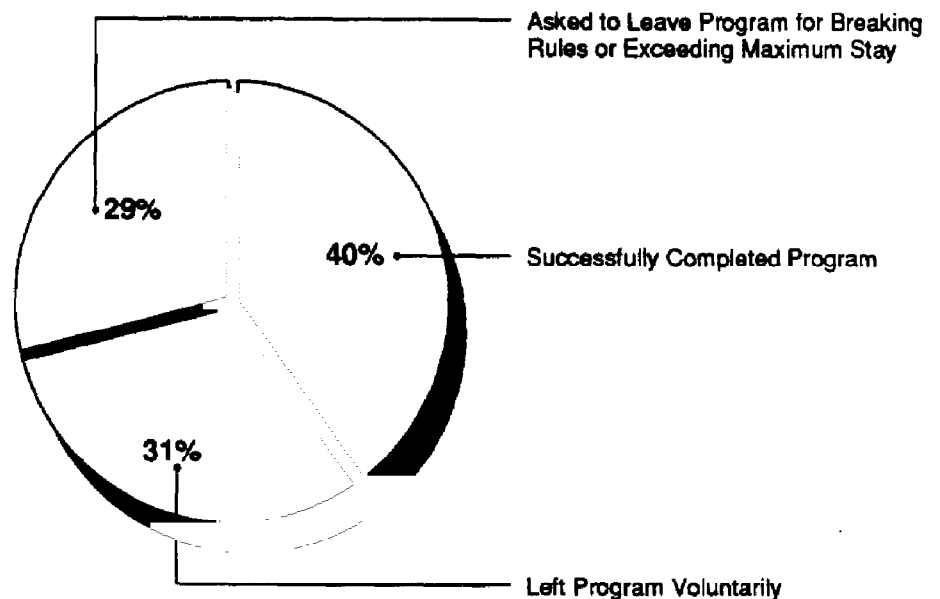


# Some Transitional Housing Clients Are Successful

About 40 percent of the transitional housing clients in our study were successful in obtaining housing and a source of income. However, we could not assess long-term program success because, at the time we did our work, some grantees did not conduct follow-up studies on clients to determine how clients were doing after they were out of the program for some period of time. Also, we could not determine the importance of the 40-percent estimate of clients who succeeded because normally expected outcomes have not been established.<sup>1</sup>

Of the approximately 60 percent of clients who did not successfully complete the program, about half left voluntarily, while the other half were asked to leave because they were not complying with program rules or had exceeded the maximum length of stay allowed by their project. (See fig. 2.1.)

Figure 2.1: Reasons Clients Left Projects



We identified four client characteristics and program experiences that appeared to increase the likelihood of client success. These were longer stays in the program, a greater number of services received, household

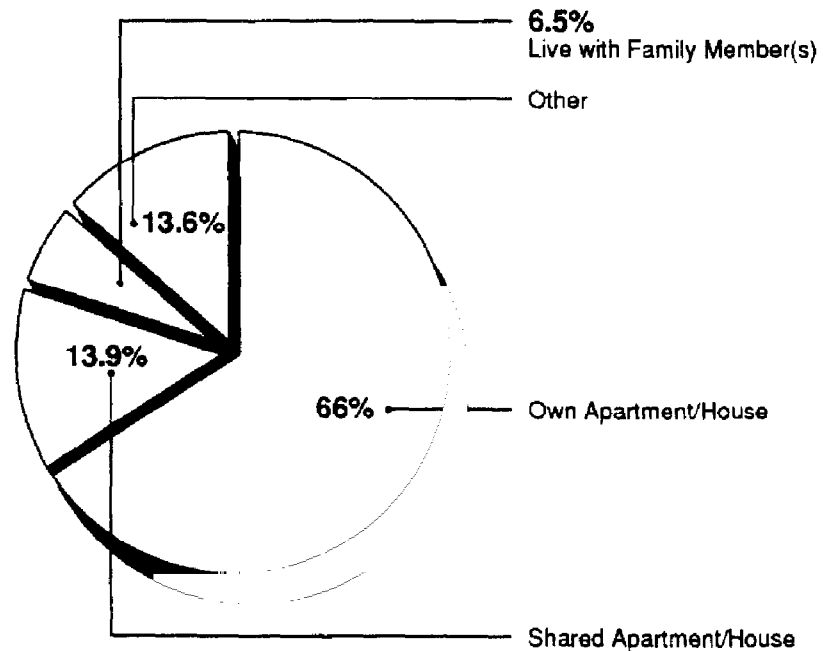
<sup>1</sup>In addition, we did not try to determine how homeless people would have fared without any program intervention.

structure combined with lack of mental illness or substance abuse problems, and the primary cause of homelessness just before entering the program being other than mental illness or substance abuse.

## Some Transitional Housing Clients Have Obtained Housing and a Source of Income

About 40 percent of the clients in our study successfully completed the transitional program. We measured successful completion as obtaining housing and a source of income at the time the client left the program. Of the successful clients, 47 percent were in households with at least one employed adult when they left the projects. The remaining successful clients were receiving some other type of income, such as social security or welfare. Upon completing the Transitional Housing Program, about two-thirds of successful clients went to their own single-family apartments or house. Other clients went to shared living arrangements or to accommodations with family members. (See fig. 2.2.)

Figure 2.2: Where Successful Clients Went After Transitional Housing



Note: The "Other" category includes responses such as supervised residential settings

Although some clients were initially successful after completing the Transitional Housing Program, we could not determine how long they

remained independent because some grantees do not follow up on their clients' progress. However, HUD has required 1991 applicants for transitional housing funds to describe their plans for following up on clients. According to some project administrators, clients sometimes face major obstacles in remaining in housing after they leave the projects. For example, some clients suffer from recurring mental illness or relapse into substance abuse. Other clients face economic problems, such as low-paying jobs and limited affordable housing.

About 60 percent of the clients did not successfully complete the Transitional Housing Program. About half of the unsuccessful clients left voluntarily, sometimes without explanation. Project administrators indicated that a few of the clients who left voluntarily might have found housing. Administrators also indicated, and our review of client files confirmed, that some of these clients left because they did not like client conduct rules at the projects. Most of the projects had extensive rules for client conduct while in transitional housing, such as abstaining from substance use and observing curfews, and some projects strongly enforced these rules. The other half of the unsuccessful clients were asked to leave because they did not comply with the client conduct rules or had exceeded the maximum length of stay allowed by their project. Some projects set strict time limits on length of stay, and clients were asked to leave the projects when they had reached the limit, even though they might not have obtained housing or employment.

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### Project Requirements May Influence Success

Compared with traditional homeless facilities such as emergency shelters, transitional housing projects have stricter admission requirements and take far fewer clients directly from the streets. About 70 percent of transitional housing projects have at least three-quarters of their clients referred from another agency. Clients were screened for admission by officials from the project or the referring agency at all 32 of the transitional housing projects we visited. During the screening, which could take as long as 30 days, project officials evaluated whether clients were suitable for their projects, motivated to better themselves, and willing to follow program rules. Officials often attempted to screen out clients with mental illness or current alcohol or drug abuse problems, except at projects specifically designed to meet the needs of these clients. Despite efforts to screen out these clients, some gained admittance.

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## Characteristics and Program Experiences of Successful Clients

Because one of the purposes of the Transitional Housing Program is to determine how best to design and implement programs that serve homeless individuals and families with special needs, we sought to determine what kinds of clients the Transitional Housing Program was most able to help and what program experiences contributed most to success. We identified four characteristics that appear to be associated with the likelihood of transitional housing clients' success in obtaining housing and a source of income. Three of these were based on information we obtained directly from client files or interviews with knowledgeable project officials: (1) length of stay in the program, (2) the number of services received and (3) household structure combined with a lack of mental illness or substance abuse problems. The fourth characteristic was our assessment of the client's primary cause of homelessness just before entering the Transitional Housing Program.

To identify which client characteristics were significantly associated with success, we used a statistical modeling technique that examined the likelihood of success in the Transitional Housing Program for the various client characteristics and experiences we obtained. We developed a model, using logistic regression analysis, that incorporates the sample design and simultaneously considers a variety of client information. Accordingly, the results that follow provide estimates for specific client characteristics or experiences while simultaneously taking into account all other variables included in the model. The change in the odds of success is expressed in our report as a change in the likelihood of success. (App. IV discusses this approach and the results of our model in more detail. Exhibit IV.2 details how missing values were treated in the model.)

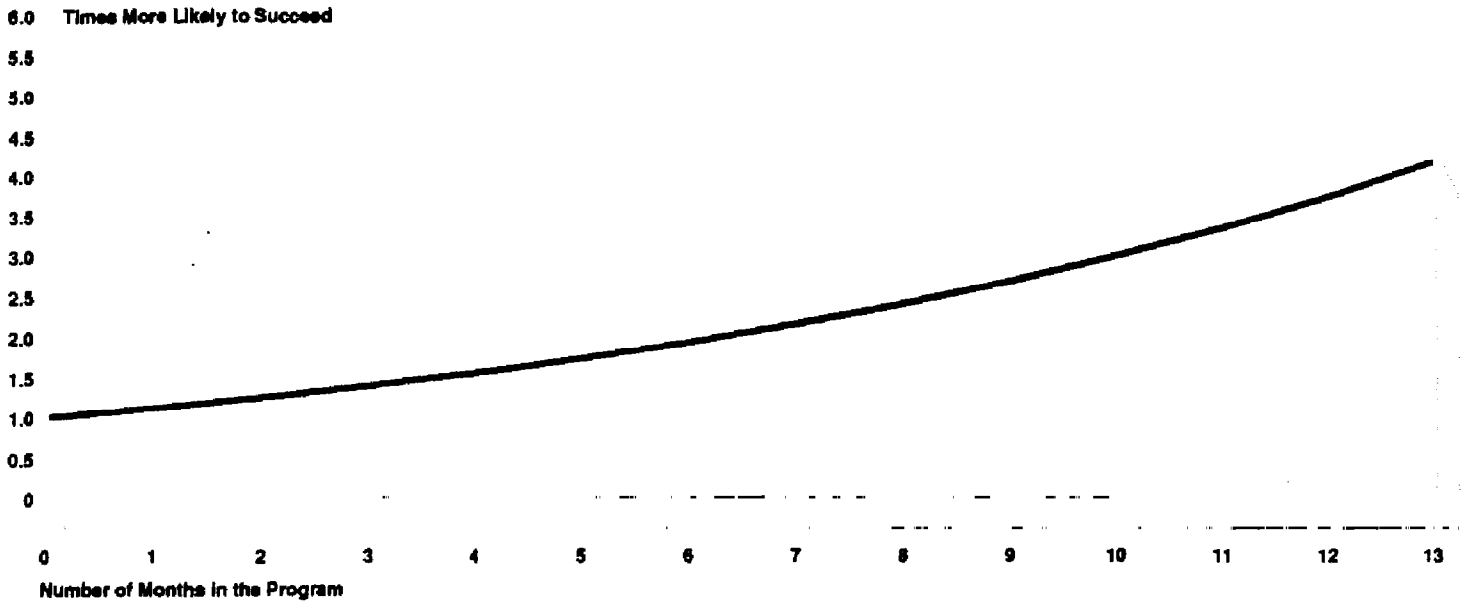
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### Length of Stay

Our analyses showed that the more time a client spent in a project the more likely the client was to obtain housing and a source of income. Although the maximum permissible stay allowed by the Transitional Housing Program is 24 months, clients remained an average of 2.82 months and few stayed longer than 13 months. For every additional month a client spent in a Transitional Housing Project, the client's likelihood of success increased incrementally about 12 percent. Consequently, clients who stayed in a project for 6 months were almost twice as likely to succeed as clients who stayed for 1 month (see fig. 2.3).

The maximum length of stay allowed by the 32 projects we visited ranged from 1 month to 24 months, the maximum allowed by legislation. Projects serving only mentally ill clients tended to have longer maximum

Figure 2.3: Effect of Length of Stay on Client's Likelihood of Success



Note: These results take into consideration other factors in the model.

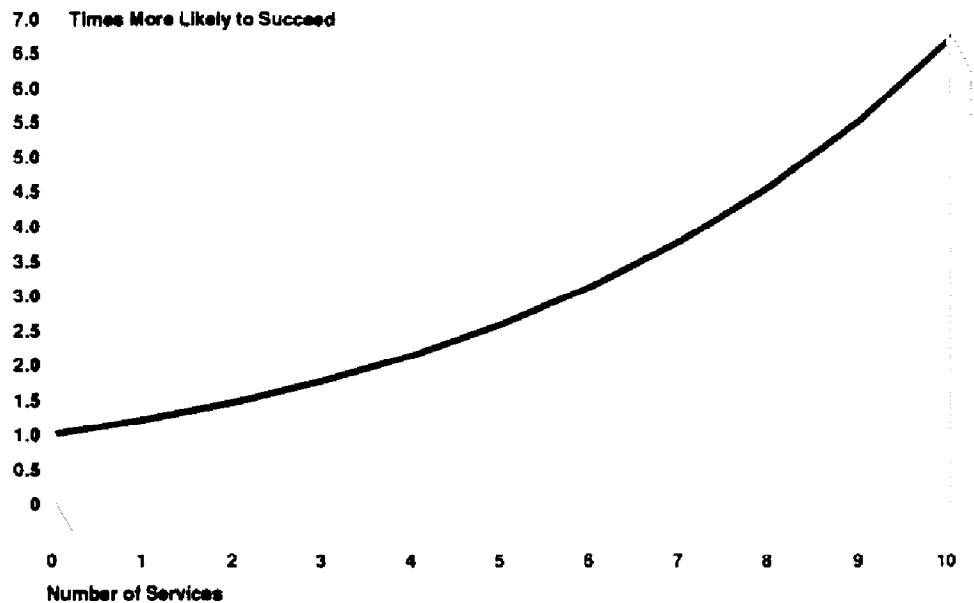
stays, ranging from 12 to 24 months. Projects serving individuals and families had shorter maximum stays (some as short as 1 month), although several used the maximum time permitted. (App. I illustrates the range of services and length-of-stay limits at the 32 transitional housing projects we visited.)

Project officials we interviewed held varying views on how long clients needed to stay in order to receive sufficient program benefits to obtain housing and a source of income. Generally, administrators at projects using the maximum period told us that 24 months was sufficient to accomplish program goals. One project serving mentally disabled clients believed that clients needed to stay 18 months to become "stabilized" and prepared for a more permanent supported or independent living arrangement. Another official, whose project had a maximum stay of 1 month, said this was sufficient because the program is a short-term, goal-directed, intensive intervention project to assist families to secure employment and housing.

## Number of Services

The second factor significantly associated with program success was the number of services a client received. The more services a client received, the more likely the client was to obtain housing and a source of income. Clients in our review received a broad range of supportive services—on average, 2.6 services each. About one-quarter to one-third of the clients received budget and psychological counseling, medical care, or benefits assistance. Among the other services received were substance abuse counseling, job training, and housing placement. For each additional service received, a client's likelihood of succeeding increased incrementally by 21 percent. This means, for example, that a client who received five services was about 2.6 times more likely to succeed than one who received no services. A client who received 10 services (the maximum number of services in our model) was about 6.7 times more likely to succeed than one who received no services (see fig. 2.4).

**Figure 2.4: Effect of Supportive Services on Client's Likelihood of Success**



Notes: These results take into consideration other factors in the model.

Clients with no record of services received were collapsed with those clients who we know received no services.

**Household Structure and  
 Mental Illness And/Or  
 Substance Abuse**

Success was further significantly associated with a combination of the client's household structure and the existence of mental illness and/or substance abuse problems in the client's household. We defined three household structures: families headed by a single adult, couples with or without children, and individuals. We analyzed six combinations of household structure and problems (see table 2.1). About 18.1 percent of transitional housing clients were single heads of families who neither currently nor in the past had mental illness or substance abuse problems. As shown in figure 2.5, this group was twice as likely to succeed as (1) single heads of families with at least one of these problems or (2) individuals with or without these problems. Single heads of families without mental illness or substance abuse problems were four times more likely to succeed than couples with these problems. There was no statistically significant difference between the success of couples and single heads of families with no problems.

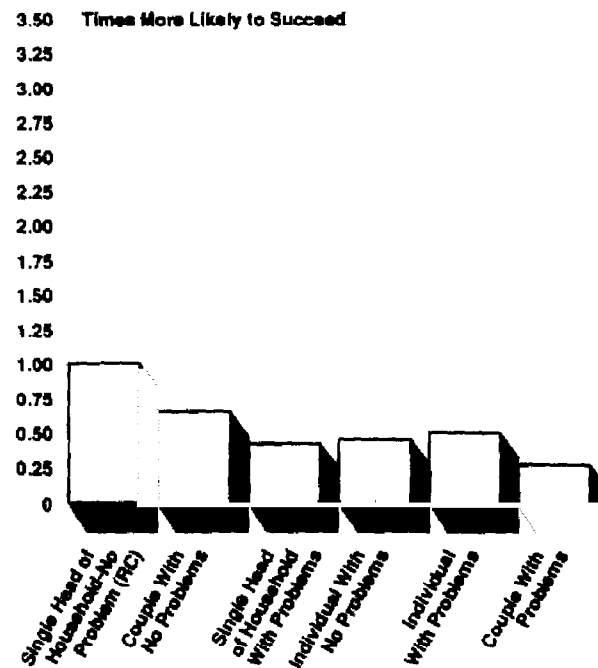
**Table 2.1: Combinations of Household Structure and Problems Analyzed in GAO's Statistical Model**

<b>Household structure</b>	<b>No problem with substance abuse or mental illness either before or during the program</b>	<b>Exhibited problem with substance abuse and/or mental illness before and/or during the program</b>
Single head of family	Single head of family without problem	Single head of family with problem
Individual	Individual without problem	Individual with problem
Couple	Couple without problem	Couple with problem

Note: A problem was considered to exist for couples if at least one of the adults had a problem (substance abuse or mental illness). If neither adult had a problem, the couple was defined as a couple without problems. See exhibit IV.2 for details on how missing values were treated in the model.

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Some Transitional Housing Clients  
Are Successful

Figure 2.5: Effect of Household Structure on Client's Likelihood of Success



Notes: Clients who were couples with no problems were not statistically significantly different from single heads of families who did not have problems.

"Problems" means substance abuse or mental illness.

These results take into consideration other factors in the model.

The reference category (RC) is the group against which all other groups were compared. It consists of single heads of families without substance abuse or mental illness problems either before or during the program and can include clients with missing information on one or more problems.

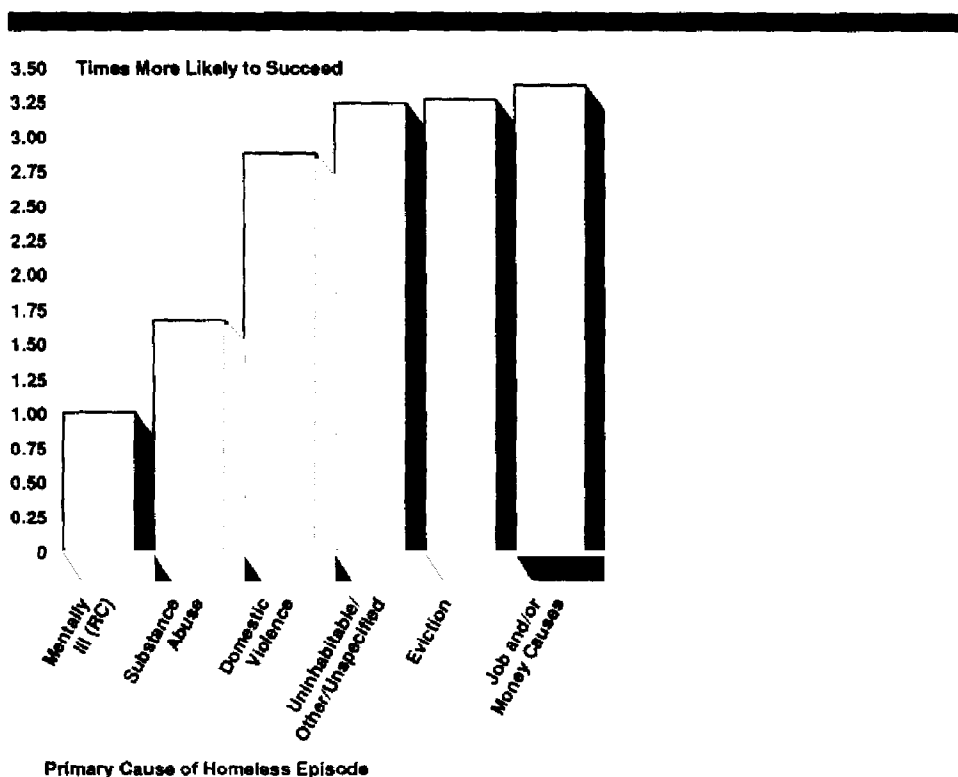
Primary Cause of Homelessness

Finally, the primary cause of homelessness just before entering the Transitional Housing Program was significantly associated with the client's success in obtaining housing and a source of income. Among the multiple problems clients often exhibited, we selected just one as the primary cause for the client's entrance into the transitional housing project. Figure 1.5 shows the distribution of primary cause we estimated for the client population as a whole. For example, for about 15 percent of transitional housing clients, deinstitutionalization or mental illness was the primary cause of homelessness before the client entered a transitional housing project. For about 10 percent of the transitional housing clients, alcohol or drug abuse was the primary cause. The likelihood of success of these two groups was not significantly different. However,



relative to clients whose primary cause of homelessness was deinstitutionalization or mental illness, clients from all other groups were significantly more likely to succeed. For example, clients whose primary cause of homelessness was domestic violence were 2.9 times more likely to succeed than those whose primary cause was deinstitutionalization or mental illness. (See fig. 2.6.)

Figure 2.6: Likelihood of Success by Primary Cause of Homelessness



Notes: Clients with substance (alcohol or drug) abuse as the primary cause of homelessness were not significantly different from those with mental illness or deinstitutionalization as the primary cause

These results take into consideration other factors in the model.

Clients whose primary cause was mental illness or deinstitutionalization is the reference category (RC) against which all other categories were compared.

## Conclusions

The Transitional Housing Program is having some initial success. About 40 percent of transitional housing clients were successful in obtaining housing and a source of income when they left the program. In all likelihood the strict admission requirements and procedures for screening

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**Chapter 2**  
**Some Transitional Housing Clients**  
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perspective clients at the 32 projects we visited contributed to this success. However, we could not assess the long-term effect of the program (i.e., how long clients remained in the housing) because grantees do not systematically follow up on clients and until recently HUD had not encouraged them to do so. As discussed in chapter 4, HUD had not been measuring the success of clients in the program; thus there are no normally expected outcomes against which to judge the importance of our 40-percent estimate of client success.

On the basis of our statistical analysis of client characteristics and experiences associated with success, four factors appear to significantly increase the likelihood of client success—longer lengths of stay in the program, greater number of services received, household structure combined with a lack of mental illness or substance abuse problems, and the primary cause of homelessness just before entry into the transitional housing project being other than mental illness or substance abuse.

Projects have established varying maximum lengths of stay for transitional housing clients. Some projects limit clients to stays as short as 1 month; others have maximum stays of 6 to 12 months; and others permit clients to stay the maximum time permitted by legislation—24 months. Our discussions with project officials suggest that the 24-month legislative maximum is sufficient for clients to complete most projects' programs.

# Transitional Housing Projects Serve the Clients and Provide the Services That the Congress Intended

Transitional housing projects are serving the clients and providing the housing and supportive services that the Congress intended to assist homeless people. The McKinney Act targeted several groups for special consideration in the Transitional Housing Program—deinstitutionalized individuals, other individuals with mental disabilities, and families with children. To ensure that these groups receive special attention, the Congress set funding priorities for them. Our telephone survey of all transitional housing grantees operating from fiscal years 1987 to 1989 indicated that the groups the Congress targeted are being served by the program. HUD funding data also indicate that these groups are being funded at the levels intended by the Congress.

A key feature that distinguishes this program from emergency shelter programs is that, in addition to housing, grantees must provide supportive services. These supportive services are designed to address the variety of personal, social, and economic problems that prevent homeless people from functioning successfully in the mainstream of society. Clients in transitional housing projects have case managers and are receiving a broad range of supportive services from grantees, either directly or through referrals.

## Clients Served in Transitional Housing Program

The Congress targeted three groups—deinstitutionalized individuals, other individuals with mental disabilities, and families with children—in the transitional housing legislation. The McKinney Act earmarked a minimum of \$20 million of each year's transitional housing allocation for homeless families with children and an unquantified "significant share" of funds for deinstitutionalized individuals and other homeless individuals with mental disabilities. According to HUD's figures on the allocation of transitional housing funds, the congressional targets were met. (See table 3.1.)

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**Table 3.1: Transitional Housing Program Funding by Client Group Served**

Dollars in millions

Client group	Fiscal Year				Total
	1987 <sup>a</sup>	1988	1989	1990	
Families with children	\$22.6 (38%)	\$20.3 (34%)	\$39.3 (39%)	\$72.6 (61%)	\$154.8
Mentally disabled/ deinstitutionalized	19.9 (34%)	30.6 (51%)	25.7 (26%)	41.0 (34%)	117.2
Other	16.7 (28%)	8.9 (15%)	35.0 (35%)	5.9 (5%)	66.6
<b>Total</b>	<b>\$59.2 (100%)</b>	<b>\$59.8 (100%)</b>	<b>\$100.0 (100%)</b>	<b>\$119.5 (100%)</b>	<b>\$338.5</b>

<sup>a</sup>Includes \$4.9 million appropriated for the Transitional Housing Demonstration Program under the Homeless Housing Act of 1986 prior to establishment of the Supportive Housing Demonstration Program by the McKinney Act.

In our telephone survey of 270 operating transitional housing grantees, 65 percent reported serving families either in projects for families only or in projects serving both families and individuals. Of the space available for families, about one-third was targeted to those headed by women. About 16 percent of the projects reported serving mentally ill or mentally disabled clients only, and about 59 percent reported serving clients with mixed characteristics, including mentally ill individuals. Figures 3.1 and 3.2 illustrate the percent of projects serving the different types of clients.

**Figure 3.1: Extent to Which Transitional Housing Projects Served Families**

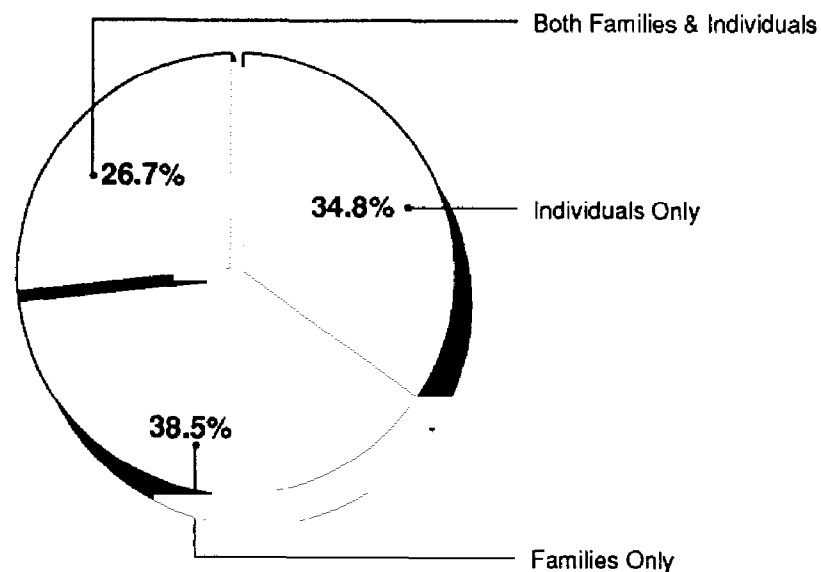
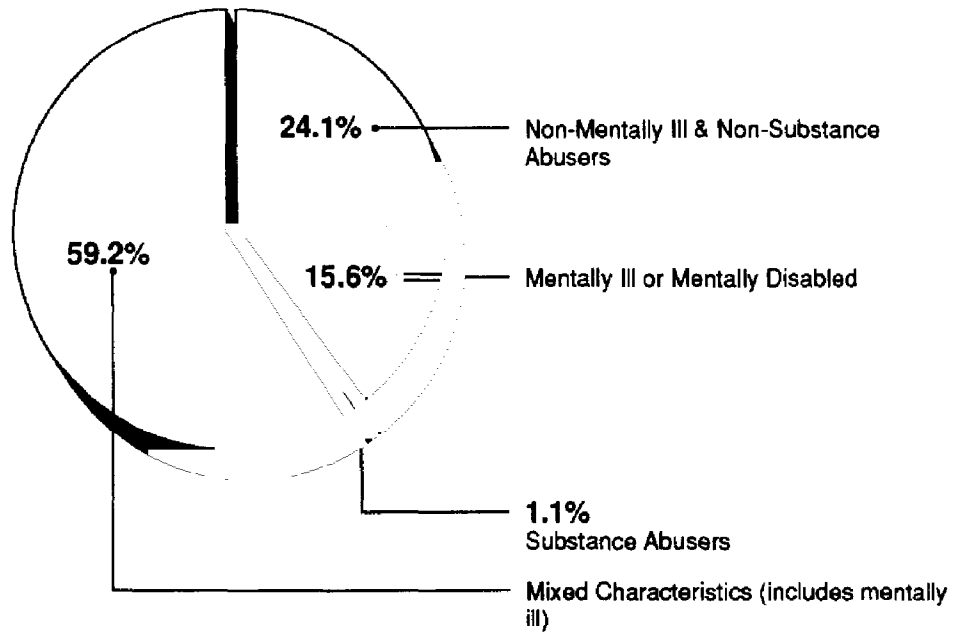


Figure 3.2: Extent to Which Transitional  
Housing Projects Served the Mentally Ill

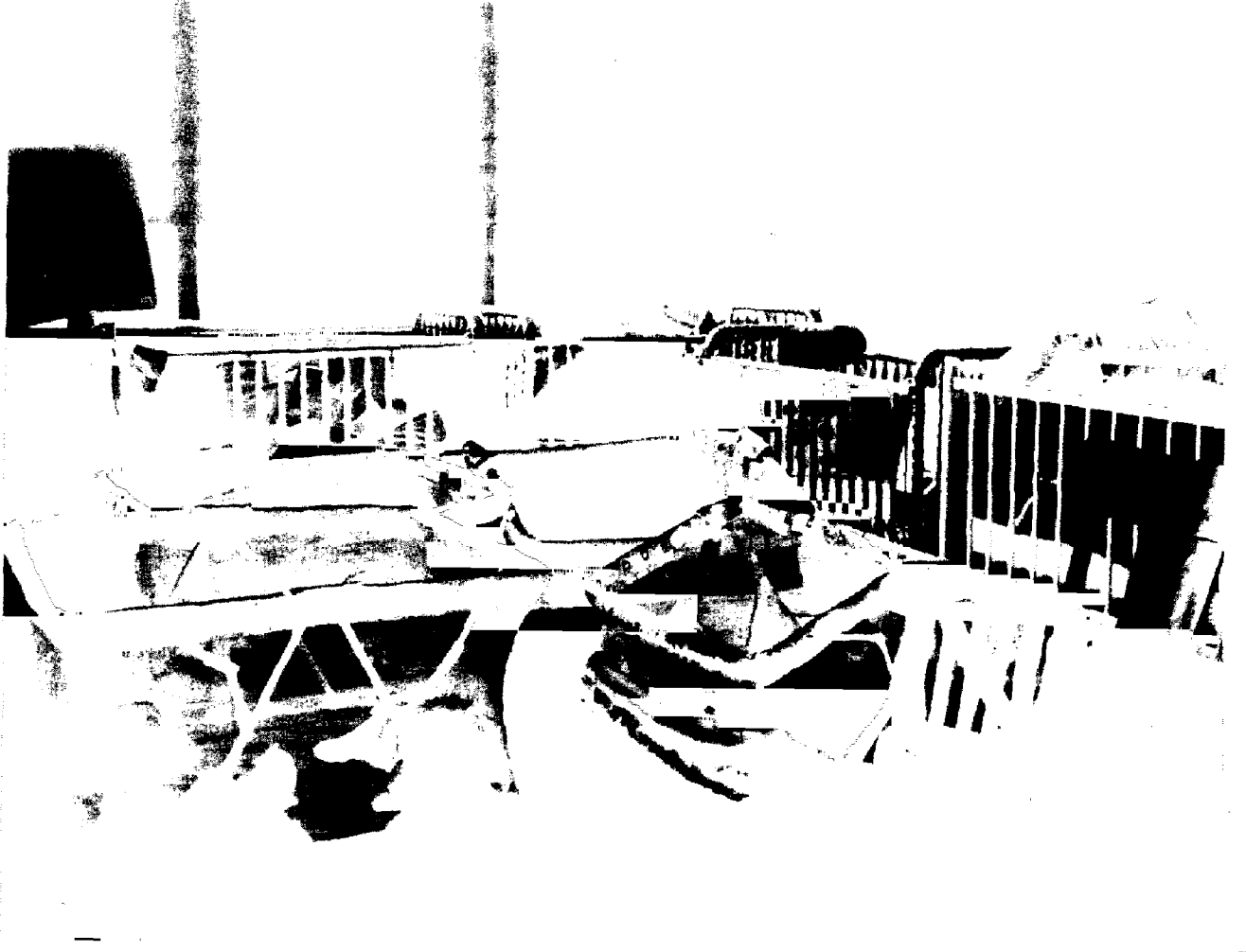


## Wide Range of Services Provided to Transitional Housing Clients

To participate in the Transitional Housing Program, grantees are required to provide supportive services aimed at helping clients move to independent living within 24 months. Nearly all projects operating during the time of our survey reported using a case management approach for most clients, i.e., each client was assigned to a staff person who was responsible for determining what services the client needed and for ensuring the services were made available. The projects also reported that they provided a wide range of services, either directly or through referral. These services included housing placement, entitlement or benefits assistance, psychological counseling, job training, medical care, child care, and guidance in basic life skills, such as budgeting. (See figs. 3.3 and 3.4 for examples of child care facilities.) Some projects also provided specialized programs for clients with mental illness and substance abuse problems.

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Figure 3.3: Child Care Facility at a Typical Transitional Housing Project



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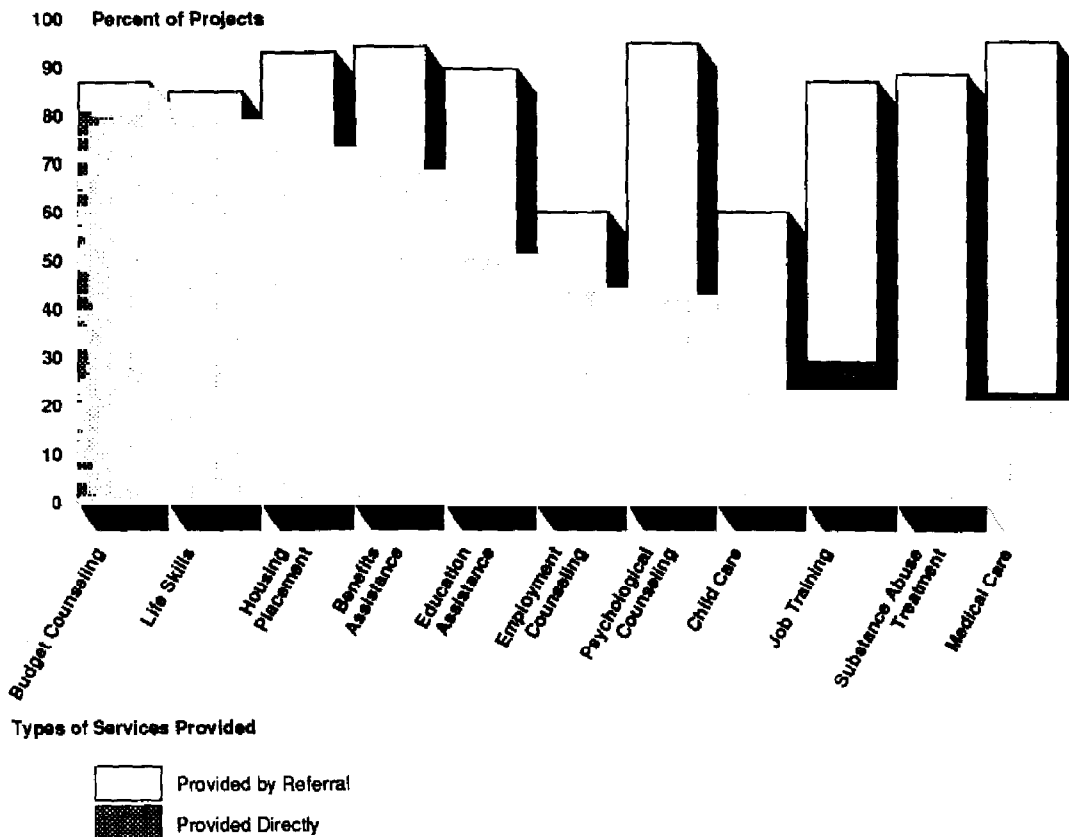
Figure 3.4: Playroom at a Typical Transitional Housing Project



A majority of projects routinely provided some services directly, while referring clients to outside agencies for others. For example, about three-fourths of the projects said they provided housing placement services directly on a routine basis. By contrast, almost 60 percent said they referred clients to other providers for job training, and about 67 percent said they referred substance abuse treatment to outside agencies because the projects did not have the specialized staff or facilities to assist clients adequately. Figure 3.5 summarizes the range of services provided and indicates whether they were provided by the projects directly or by outside agencies.

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Figure 3.5: Types of Services Provided by Transitional Housing Projects



Note: The information presented does not include the percentages of projects that occasionally or infrequently provided the above services.

In the grant application process, HUD encourages applicants to establish links with other service providers to increase the range of services available to transitional housing clients. During our site visits we found some projects used contacts to provide a wider range of services. For example, one project in California identified 11 organizations that had expressed a willingness to collaborate in serving the project's clients. The project manager told us that the project provides about half of its services by referral. Services provided by referral included job training, psychological counseling and child care. Another project in New York State brings together two major public agencies and two nonprofit agencies to provide on-site (i.e., on the premises of the transitional housing project) treatment and supportive services for mentally ill clients to help move them to permanent housing.



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## Conclusions

HUD's compilation of transitional housing fund allocations shows that the groups targeted by the Congress—families and the mentally ill/disabled—are being served at the levels intended. Our survey of all transitional housing grantees with projects operating during fiscal years 1987 to 1989 also indicates that the program is serving these targeted groups. About 65 percent of the projects were serving families either in projects for families only or in projects serving both families and individuals. About 16 percent of the projects reported serving mentally ill or mentally disabled clients only and another 59 percent reported serving clients with mixed characteristics, including the mentally ill.

As required by the McKinney Act, transitional housing projects are providing a broad range of supportive services, either directly or through referrals to other agencies, that are designed to help clients move to more independent living.

# HUD Needs to Ensure Grantees Collect Program Evaluation Data

Effective management of the Transitional Housing Program requires that HUD monitor projects and evaluate the program. Monitoring of individual projects is particularly important for programs like transitional housing that have many nonprofit grant recipients who may be unfamiliar with federal requirements. Evaluating the effectiveness of the program is important to help the Congress and HUD policymakers and managers determine the future course of the program and to make judgments about its efficacy.

Both we and HUD's Office of the Inspector General (OIG) have previously reported on problems with HUD's monitoring of the Transitional Housing Program.<sup>1</sup> HUD has since taken actions to correct some of these problems, including increasing on-site monitoring of grantees and providing its field staff with new monitoring guidance. If implemented properly, this new guidance should correct the problem of inconsistent monitoring that we saw at field offices. The new guidance also suggests approaches to overcome insufficient monitoring resources. However, we found that in some instances HUD may have insufficient knowledge of grantees to apply one approach it recommends. This approach, known as risk analysis, seeks to adjust the level of monitoring according to the risk of non-compliance by individual grantees.

The Congress designated the Transitional Housing Program as a demonstration program to determine the costs and effectiveness of providing housing and supportive services to homeless people in order to move them to independent living. Our previous report on access to McKinney Act programs also recommended that HUD evaluate the effectiveness of this demonstration program. Subsequently, HUD awarded a \$600,000 contract in April 1991 for an overall evaluation of the Supportive Housing Demonstration Program, including the Transitional Housing Program. However, this evaluation is unlikely to adequately determine how effective the Transitional Housing Program is and whether it has met all established objectives. This is because HUD has not ensured that grantees collect and document adequate data on clients, either while they are in the program or after they have left the program. Such information will ultimately be needed to evaluate the program's success. HUD has the opportunity to prescribe which data are needed and require grantees to begin collecting them via the revised instructions to grantees on annual reporting requirements that it is preparing.

<sup>1</sup>Homelessness: Access to McKinney Act Programs Improved But Better Oversight Needed (GAO/RCED-91-29, Dec. 28, 1990) and Multi-Region Audit of the Supportive Housing Demonstration Program (91-TS-156-0010, April 26, 1991.)

## HUD Has Taken Steps to Improve Monitoring

The purpose of HUD's on-site monitoring of transitional housing projects is to ensure compliance with regulatory and statutory requirements. HUD's OIG found major weaknesses in this monitoring during its 1989-90 nationwide review of the Transitional Housing Program. The OIG found that HUD had made monitoring visits to a small percentage of grantees and that some significant problems had been overlooked in the visits that were made. Some transitional housing grantees were not in compliance with program requirements and had internal control weaknesses and program inefficiencies. The OIG also reported that regional and field office staff had not received adequate written guidance or formal training from HUD headquarters on their responsibility for monitoring transitional housing projects.

Our December 1990 report on access to and oversight of McKinney Act programs discussed the OIG's transitional housing findings and similar findings of inadequate monitoring of other McKinney Act programs. In that report we recommended that HUD and the Department of Education develop specific monitoring guidelines and conduct regular on-site monitoring visits to projects funded under all McKinney Act programs.

Because of these recent comprehensive reviews, we focused in this review on determining whether the level of on-site monitoring had increased and whether the field staff were monitoring projects consistently. Overall, we found that HUD's on-site monitoring of transitional housing projects had increased substantially; however, field office officials generally expressed concern over limited staff and travel dollars. HUD had not issued adequate monitoring guidance at the time of our field office visits; thus some HUD field offices were using an expired HUD handbook for on-site monitoring and others had developed their own guidelines. This resulted in inconsistent monitoring. However, HUD subsequently did issue guidance that should resolve this problem.

The new guidance for monitoring transitional housing projects was issued on April 18, 1991, by the Assistant Secretary for Community Planning and Development. Among other things, this guidance addresses the issues of lack of uniform policy and guidance for field office monitoring staff and limited resources—two of the principal causes of HUD's poor monitoring we and the OIG found.

The new interim guidance provides the uniform policies and procedures that were lacking at the time of our field office visits. Accordingly, this should help eliminate the confusion and inconsistent policy application we found. We believe that the new guidance, if implemented properly,

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should correct past monitoring problems associated with the lack of uniform guidance.

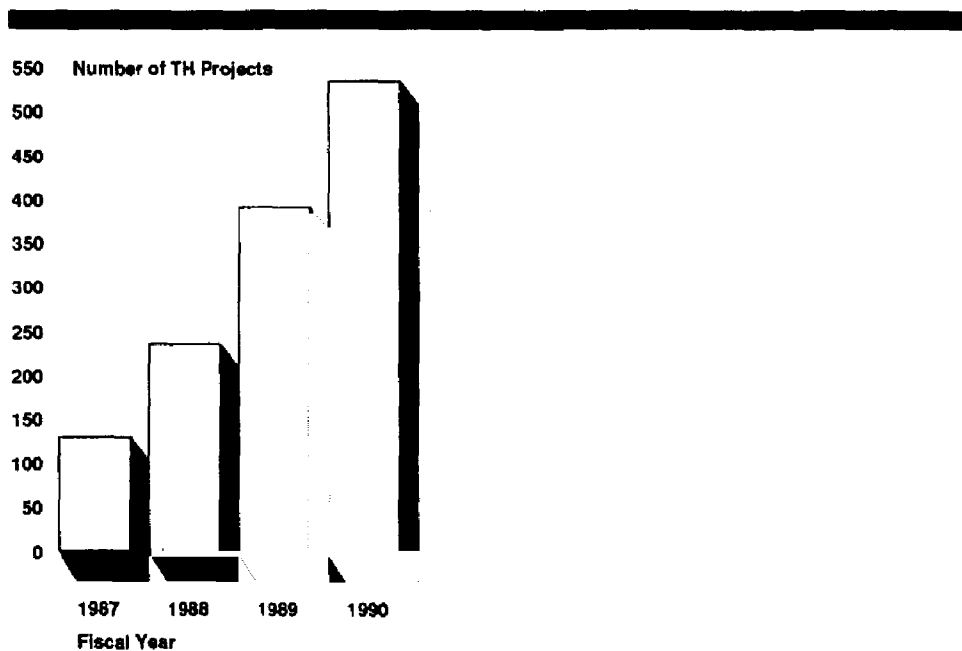
The new guidance also acknowledges that the demands of HUD's homelessness programs and other CPD efforts have placed a heavy burden on field office staff. To help ensure statutory requirements are met with limited resources, the guidance suggests some alternative monitoring approaches. These approaches include risk analysis<sup>2</sup> and other new compliance management strategies, such as performing intensive telephone interviews, requesting grantees to bring records and reports to the field office for review, and employing written and telephone surveys.

While the suggestions appear to be a step in the right direction, we could not determine whether they will, in fact, result in better monitoring of transitional housing grantees because they were issued after our field office visits. However, we noted that the need for more efficient use of available resources is becoming more important as the number of grantees continues to increase. (See fig. 4.1.) Also, monitoring staff in several HUD field offices pointed out during our visits that using risk analysis as a monitoring strategy may be premature in some field offices. This is because some field offices have not yet initially monitored all of their transitional housing grantees, and thus they may not have established a solid basis for assessing the risk of reducing future on-site monitoring at any given project.

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<sup>2</sup>Under risk analysis, field offices base their selection of projects for on-site monitoring on analysis of potential problems using factors such as capacity, size and complexity of project, and recent problems.

Figure 4.1: Increase in the Number of Transitional Housing Projects Requiring Monitoring, Fiscal Years 1987-90



## Better Data Needed for Sound Evaluation

The McKinney Act designated the Transitional Housing Program as a demonstration to determine the costs and effectiveness of “supportive housing” (a project providing housing and supportive services) as a method of assisting homeless people. The program was designed to stimulate innovative approaches to providing housing and supportive services to help homeless persons move to independent living. Regarding effectiveness, the act specifies that the program shall be designed to determine (1) the social, financial, and other advantages of such housing; and (2) the lessons that the provision of such housing might have for the design and implementation of housing programs that serve homeless individuals and families with special needs, particularly deinstitutionalized homeless individuals, other individuals with mental disabilities, and homeless families with children. In order to evaluate the effectiveness of the Transitional Housing Program, HUD will need specific data not only on clients while they are in the program, but also on what happens to them immediately upon leaving the projects and on what happens to initially successful clients later on.

Our December 1990 report on McKinney Act programs also recommended that HUD and other administering federal agencies evaluate the effectiveness of all their McKinney Act programs. Responding to that

report, HUD said that, among other things, it would begin a comprehensive evaluation of the entire Supportive Housing Demonstration Program (including the Transitional Housing Program) on March 1, 1991. HUD awarded a \$597,240 contract to evaluate the program on April 1, 1991. While the contract describes this as a comprehensive evaluation, we are concerned that it will not completely assess the Transitional Housing Program's effectiveness. Because of data limitations in project files, HUD has decided to focus on clients' progress toward success while in the Transitional Housing Program rather than on whether clients successfully move to independent living.

Our work indicated that grantees' records vary widely in terms of both the type and accuracy of basic client information needed for effective program evaluation. About 13 percent of the client files we reviewed contained insufficient information for us to determine whether the client had housing and a source of income upon leaving the project—our measure of client success. Many grantees did not maintain basic demographic data, over half lacked file information on whether clients had mental illness or substance abuse problems, and about 22 percent of the client case files did not document the supportive services provided to transitional housing clients. Also, as discussed in chapter 2, many grantees do not systematically follow up on clients having initial success to see if they remained in permanent housing or became homeless again.

We conveyed our concern that certain information needed for HUD's contract evaluation might not be available in a December 21, 1990, letter to HUD's Assistant Secretary for Policy Development and Research. HUD's February 26, 1991, response acknowledged the data limitations but said that unlike GAO's approach (which focused on reviewing records of clients who left the program) HUD's evaluation would focus on gathering information on project activities and measuring clients' progress toward independence while they are still at the projects. HUD also indicated it would rely primarily on project officials rather than client files for information.

HUD's approach may provide useful program evaluation data. However, by not determining actual client success in either the short or long term, this approach will not provide the type of information needed to reach definitive conclusions as to the effectiveness of the Transitional Housing Program for all program clients or for various types of clients. Also, as a result of our visits to grantees, we question the appropriateness of relying too heavily on oral data supplied by program officials. We found

that while project officials often could recall information about individual clients, their perceptions about key information, such as client success rates, the number of clients who had left the project, and where those clients had gone often proved to be inaccurate when checked against project files. Finally, as time passes and the number of clients in the program increases, it will be more difficult for officials to recall information about specific clients.

If HUD is to determine the effectiveness of the Transitional Housing Program, as specified in the McKinney Act, it needs to begin the process of ensuring that grantees systematically collect uniform and essential information. Our December 1990 report on McKinney Act programs also recommended that HUD and the other administering agencies publish guidelines to help assistance providers develop, document, and report consistent and comprehensive data that can be used to evaluate the effectiveness of the programs. The annual report that HUD now requires of all of transitional housing grantees could be an excellent vehicle for doing so, but currently is not. Grantees are now required to provide information in their annual reports such as demographics, the number of successful and unsuccessful clients, and a description of all supportive services provided. However, HUD has been unable thus far to use these reports for evaluative purposes because they are too diverse.

The SNAPs Director acknowledged that the annual reports to date have been so diverse that HUD has been unable to obtain uniform data from them. At a June 1991 meeting, the SNAPs Director told us that HUD is in the process of making major revisions to its annual report requirements for the Transitional Housing Program that will specify the data grantees should collect and provide in their annual reports.

Some grantees we visited said they wanted more HUD guidance on designing client intake forms and setting up records, and some HUD field offices were providing assistance. HUD also has recognized that grantees need such guidance by requiring that the contract evaluator produce a technical assistance guide about model programs with examples of exemplary admission forms and client monitoring and evaluation guides. (See app. VI for a sample intake form that HUD and grantees may find useful.)

Comprehensive program evaluation also requires knowing whether initially successful clients remain in permanent housing, but this information is not being systematically collected by transitional housing grantees. Although HUD's fiscal year 1991 grant application requires

prospective grantees to describe their client follow-up approach, it does not clearly require such follow-up, specify the time period for which follow-up should be conducted, or specify what client data should be obtained during follow-up.

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## Conclusions

HUD's April 1991 interim guidance should provide the consistent policy and direction to field office monitoring staffs that we and the OIG found was lacking. If implemented properly, it should correct previous monitoring problems associated with a lack of uniform guidance. The guidance also suggests monitoring alternatives to address limited resources. We believe it may be premature for some field offices to use one of these alternatives—risk analysis—until they have done sufficient on-site monitoring of individual grantees to make informed judgments about the likelihood and probable consequences of noncompliance.

We believe that more complete and uniform data are needed to satisfy the legislative objectives dealing with determining the effectiveness of the "supportive housing" method of assisting homeless people. Until HUD decides specifically what data it needs to measure success, requires grantees to consistently compile them, and provides grantees definitive requirements for following up on clients that achieve initial program success, evaluation efforts will be hampered. HUD's current evaluation of the program is focusing on project activities and client progress toward independence while still in the program. While the evaluation may yield useful information, we believe that determining whether clients obtain permanent housing and remain there is essential for assessing the contribution of the Transitional Housing Program to moving homeless people to independent living. Such conclusions are important for designing programs to assist the various types of homeless, such as families and deinstitutionalized individuals. HUD's forthcoming revisions to grantees' annual reporting guidance would be an excellent opportunity for carefully describing the data needed to assess the various kinds of clients served by the program and their experiences during and after leaving the program.

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## Recommendation

We recommend that the Secretary of HUD direct the Office of Special Needs Assistance Programs to specify which data will enable HUD to fully evaluate the Transitional Housing Program's effectiveness and require that grantees collect these data. At a minimum, this should include information about the kind of client served and whether the



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**Chapter 4**  
**HUD Needs to Ensure Grantees Collect**  
**Program Evaluation Data**

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client obtained, and remained in, permanent housing. The new guidelines on annual reporting requirements that this office is preparing could be used as a convenient vehicle for conveying the specific data needed from transitional housing grantees.

# Selected Characteristics of Transitional Housing Projects Visited by GAO

Project location	Type of organization	Type of federal funding	Type of clients	Examples of services provided routinely/referred	Max. stay allowed	Type of facility
Ala. <sup>a</sup>	Nonprofit agency	Acq./ rehab.	Victims of domestic violence.	Housing placement, emplmnt. counseling, job training, benefits assistance, psych. counseling, education assistance	1 month	Boarding house with 30 beds
Daly City, Calif.	Nonprofit agency	Acq./ rehab., operating	Families with children	Housing placement, emplmnt. counseling, job training, benefits assistance, psych. counseling, life skills, child care	2 months	3-story, 17-unit apartment building
Lancaster, Calif.	Nonprofit agency	Operating, emplmt. asst.	Families with children and individuals	Housing placement, emplmt. counseling, job training, benefits assistance, psych. counseling, budget counseling, child care	6 months	40-bed facility, 30 for TH program
Los Angeles, Calif.	Nonprofit agency	Acq./ rehab	Mentally ill or mentally disabled	Housing placement, job training, benefits assistance, psych. counseling, life skills	18 months	Large 2-story house, and adjacent two-story building
Richmond, Calif.	Nonprofit agency	Operating	Families with children	Housing placement, emplmnt. counseling, job training, benefits assistance, psych. counseling, life skills, child care	24 months	Converted apartment building with 10 units
San Diego, Calif.	Nonprofit agency	Operating	Single men and women, single-parent, and intact families	Housing placement, emplmnt. counseling, job training, benefits assistance, psych. counseling, life skills, child care	18 months	3-story, 72,000-sq. ft., multipurpose facility, with floors designated for singles/families
San Jose, Calif.	Nonprofit agency	Acq./ rehab., operating	Mentally ill or mentally disabled individuals	Housing placement, education assistance, job training, benefits assistance, psych. counseling, life skills	18 months	Converted dorm, with 60 residential rooms
San Jose, Calif.	Nonprofit agency	Acq./ rehab., operating	Mentally disabled and substance abusers	Housing placement, emplmnt. counseling, job training, benefits assistance, psych. counseling, life skills	24 months	Converted 2-story Victorian structure
San Mateo, Calif.	Nonprofit agency	Acq./ rehab., operating	Single adults	Housing placement, emplmnt. counseling, job training, benefits assistance, psych. counseling, life skills	6 months	Converted 2-story commercial building
Washington, D.C.	Nonprofit agency	Operating	Mentally ill and mentally disabled clients	Housing placement, benefits assistance, psych. counseling, life skills	12 months	Six apartments
Fla. <sup>a</sup>	Nonprofit agency	Acq./ rehab., operating	Battered females and their children	Emplmnt. counseling, job training, benefits assistance, life skills, child care, budget counseling	12 months	Multipurpose facility, with separate residential floor

(continued)

**Appendix I  
Selected Characteristics of Transitional  
Housing Projects Visited by GAO**

<b>Project location</b>	<b>Type of organization</b>	<b>Type of federal funding</b>	<b>Type of clients</b>	<b>Examples of services provided routinely/referred</b>	<b>Max. stay allowed</b>	<b>Type of facility</b>
Iowa <sup>a</sup>	Nonprofit agency	Operating	Battered women over 18 and pregnant women under 18 with parental consent	Housing placement, employment counseling, job training, benefits assistance, psych. counseling, child care	18 months	Multipurpose community center, including a women's residence
Des Moines, Iowa	Nonprofit agency	Acq / rehab, operating	Single-parent families and pregnant teens	Housing placement, employment counseling, job training, benefits assistance, psych. counseling, life skills	24 months	47-room single room occupancy facility
Chicago, Ill.	Nonprofit agency	Operating, acq / rehab	Families with children	Housing placement, employment counseling, job training, benefits assistance, psych. counseling, life skills, child care	24 months	One 6-story and one 4-story building; previously home for the aged
Chicago, Ill.	Nonprofit agency	Operating	Families with children	Housing placement, employment counseling, job training, benefits assistance, psych. counseling, life skills, child care	24 months	Renovated nursing home
Quincy, Ill.	State agency	Acq / rehab, operating	Male or female veterans	Housing placement, employment counseling, benefits assistance, psych. counseling, life skills	18 months	Barracks domiciliary in veteran's home
Louisville, Ky.	Nonprofit agency	Acq / rehab, operating	Single-parent families	Housing placement, job training, benefits assistance, psych. counseling, education assistance, child care	12 months	3-story apartment building, originally designed as corner commercial and apartment building
New Orleans, La	Nonprofit agency	Operating	Youth between 16 and 19 years old	Housing placement, employment counseling, job training, psych. counseling, education assistance, child care	18 months	Two 2-story facilities, one w/ semi-private rooms for males, and one w/ semi-private rooms for females
Hyannis, Mass.	Nonprofit agency	Acq / rehab.	Female-headed families	Housing placement, employment counseling, benefits assistance, psych. counseling, budget counseling, child care	2 months	Large family home, with separate room for each family
Detroit, Mich.	Nonprofit agency	Operating	Individuals	Housing placement, job training, benefits assistance, psych. counseling, life skills	24 months	Renovated hotel, with 57 units
St. Louis, Mo	Nonprofit agency	Operating	Families with children	Housing placement, employment counseling, job training, benefits assistance, psych. counseling, life skills, child care	12 months	Newly built apartment building with 50 apartments

(continued)

**Appendix I  
Selected Characteristics of Transitional  
Housing Projects Visited by GAO**

<b>Project location</b>	<b>Type of organization</b>	<b>Type of federal funding</b>	<b>Type of clients</b>	<b>Examples of services provided routinely/referred</b>	<b>Max. stay allowed</b>	<b>Type of facility</b>
Reno, Nev.	City agency	Acq./ rehab., operating	Families with children	Housing placement, emplmnt. counslng., job training, benefits assistance, psych. counseling, life skills, child care	2 months	Converted 54-unit motel
Reno, Nev.	City agency	Operating	Mentally ill individuals	Housing placement, emplmnt. counslng., job training, benefits assistance, psych. counseling, life skills	12 months	Two apartment buildings
Portsmouth, N.H.	Nonprofit agency	Acq./ rehab., operating	Families and individuals	Housing placement, job training, benefits assistance, education assistance, life skills, child care	3 months	Converted 2-story motel
Trenton, N.J.	State agency	Operating	Single-parent families	Housing placement, emplmnt. counslng., job training, benefits assistance, psych. counseling, education assistance, child care	12 months	Apartment complex: three 2-bedroom & three 3-bedroom units
Okla. <sup>a</sup>	Nonprofit agency	Acq./ rehab., operating	Battered women and children	Housing placement, emplmnt. counslng., job training, benefits assistance, psych. counseling, child care	1 month	Single-level multi-purpose facility, with section for resident rooms
Portland, Oreg.	Nonprofit agency	Acq./ rehab., operating	Single women and women with children	Emplmnt. counslng., job training, benefits assistance, life skills, child care	18 months	One 1-story and one 2-story building, formerly a hospital serving physical rehab. patients
Philadelphia, Pa.	Nonprofit agency	Acq./ rehab., operating	Mentally disabled individuals	Housing placement, budget counseling, job training, benefits assistance, psych counseling, education assistance	18 months	Two adjoining single-family residences
Dallas, Tex.	Nonprofit agency	Operating	Families with children	Housing placement, emplmnt. counslng., job training, benefits assistance, psych. counseling, life skills, child care	1 month	Family shelter, with 30 bedrooms
Houston, Tex.	Nonprofit agency	Operating	Single adults	Housing placement, emplmnt. counslng., job training, benefits assistance, psych. counseling, budget counseling	12 months	Converted college dormitory, 90-unit facility
Everette, Wash.	Nonprofit agency	Acq./ rehab., operating	Families with children	Housing placement, emplmnt. counslng., job training, benefits assistance, psych. counseling, life skills, child care	12 months	3 single-family residences converted into 8 apartments

(continued)

**Appendix I  
Selected Characteristics of Transitional  
Housing Projects Visited by GAO**

<b>Project location</b>	<b>Type of organization</b>	<b>Type of federal funding</b>	<b>Type of clients</b>	<b>Examples of services provided routinely/referred</b>	<b>Max. stay allowed</b>	<b>Type of facility</b>
Madison, Wis.	Nonprofit agency	Operating	Male and female individuals, including addicts and the mentally ill	Housing placement, job training, benefits assistance, psych. counseling, life skills, budget counseling	18 months	Converted warehouse, formerly a battery factory

<sup>a</sup>To help insure the safety of their clients, facilities serving victims of domestic violence often request that their locations not be publically disclosed. Accordingly, we have identified only the states in which such facilities were located

# Technical Description of GAO's Survey Sampling Methodology

This appendix contains a technical description of our telephone survey, client file sample selection methodology, and calculation of sampling errors. The primary purpose of our telephone survey and client file review was to (1) obtain a description of the types of clients that transitional housing projects are serving and (2) determine whether the clients were successful in obtaining housing and a source of income.

## Telephone Survey

To complete our telephone survey, we obtained a complete listing of transitional housing grantees for fiscal years 1987 to 1989 from HUD, a total of 382 sites. Because of funding deobligations, sites with multiple grants, and the inability to contact or receive information from all sites, we were able to contact only 360 sites (270 of which were operating at the time of our survey). For the 270 operational sites, we completed telephone interviews, obtaining information on facility characteristics, such as project capacity and use, and estimates of the number of clients exiting the programs from October 1, 1989, through March 31, 1990. We chose this period so that clients in projects funded in the later fiscal years would have had time to complete their programs and so that clients in mental health facilities, who might be expected to stay for longer periods, would have had an opportunity to complete their programs.

## Client File Sample

Of the 270 operational sites, 232 facilities were operational before April 1990 and had some clients exit their program between October 1, 1989 and March 31, 1990. To obtain specific information on clients, we used a two-stage sample design, randomly selecting with replacement 40 sites (at the first stage) from the list of 232 operating facilities. We selected these sites on the basis of the number of clients who left the program during our designated 6-month period. Programs from which a larger number of clients left during the 6-month period were more likely to be selected for the sample than programs from which fewer people left (probability proportional to size). Using this selection method, we drew a final sample that would allow us to make estimates about all clients who left all operational transitional housing programs during our 6-month period.

We drew our sample with replacement, meaning that once a program was chosen, it remained on the list from which we were choosing. As a result, some sites were selected more than once. The final sample consisted of 32 unique programs: 26 were selected once; 4 were selected twice; and 2 were selected three times. If a site was picked once and fewer than 30 clients left, we reviewed all of these client files. If more

than 30 clients left, we drew a simple random sample of at least 30 client files for review. At sites selected twice in our sample, we reviewed all files. At sites selected 3 times in the sample, we reviewed all files if fewer than 60 clients left, or we drew 3 independent simple random samples of more than 20 clients each if more clients left during this period. These multiple site selections were considered appropriately in our weighted analysis. In total, we selected and reviewed files for 1,009 of the 3,616 clients we estimate left transitional housing programs between October 1, 1989, and March 31, 1990.

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## Calculation of Sampling Errors

Since we used a sample (called a probability sample) of transitional housing clients to develop our estimates, each estimate has a measurable precision, or sampling error, which may be expressed as a plus/minus figure. A sampling error indicates how closely we can reproduce from a sample the results that we would obtain if we were to take a complete count of the universe using the same measurement methods. By adding the sampling error to and subtracting it from the estimate, we can develop upper and lower bounds for each estimate. This range is called a confidence interval. Sampling errors and confidence intervals are stated at a certain confidence level—in this case, 95 percent. For example, a confidence interval at the 95-percent confidence level means that in 95 out of 100 instances the sampling and measurement procedure we used would produce a confidence interval containing the universe value we are estimating. Appendix III contains our statistical estimates and the associated sampling errors.

# Statistical Estimates and Sampling Errors

**Table III.1: Types of Households  
Comprising Transitional Housing Client  
Population (Fig. 1.2)**

Households (Ch. 1)	Percent	Sampling error ( $\pm$ %)
Individual males	33.7	12.6
Families headed by single female	28.9	10.8
Individual females	26.9	8.2
Families headed by couples	8.2	5.1
Other <sup>a</sup>	2.3	1.2
<b>Households (Ch. 1)</b>		
Individuals	60.6	13.8
Heads of households (single female, single males, and couples with children)	37.9	13.7
Other <sup>b</sup>	1.5	1.0

<sup>a</sup>The "other" category consists of families headed by a single male, couples with no children, and clients for whom the type of household could not be determined.

<sup>b</sup>The "other" category consists of couples with no children and clients for whom the type of household could not be determined.

**Table III.2: Ethnic Composition of  
Transitional Housing Client Population  
(Fig. 1.3)**

Client population	Percent	Sampling error ( $\pm$ %)
White	47.5	10.1
Minority	42.6	10.8
Black	35.3	11.0
Hispanic	5.5	3.1
Other <sup>a</sup>	1.9	1.2
Not recorded	9.9	8.5

<sup>a</sup>The "other" category consists of American Indians, Asians, and other ethnic groups.

**Table III.3: Where Clients Were Before  
Entering Transitional Housing Project  
(Fig. 1.4)**

Previous shelter	Percent	Sampling error ( $\pm$ %)
Emergency shelter	29.3	12.8
Doubled up with family/friends	16.6	7.3
Own home/apartment	15.0	7.0
Drug rehab./alcohol detox center	5.6	3.6
Street/car	5.2	3.6
Other <sup>a</sup>	20.1	9.0
Not recorded	8.2	4.2

<sup>a</sup>The "other" category includes places such as hospitals.



Appendix III  
Statistical Estimates and Sampling Errors

**Table III.4: Primary Causes of Homelessness for Transitional Housing Clients** (Fig. 1.5)

Primary causes	Percent	Sampling error ( $\pm$ %)
Domestic violence	15.9	8.4
Mental illness <sup>a</sup>	15.5	11.0
Loss of job/unemployment	9.2	4.4
Alcohol/drug abuse	9.6	4.1
Eviction	9.2	3.6
Other <sup>b</sup>	26.8	7.5
Unknown	13.9	7.7

<sup>a</sup>The "mental illness" category includes deinstitutionalized individuals.

<sup>b</sup>The "other" category includes responses such as low wages, decrease/loss of government benefits, home became uninhabitable, and other causes.

**Table III.5: Clients' Mental Illness/ Substance Abuse Problems** (Table 1.1)

History/symptoms	Percent	Sampling error (%)
Clients with history of		
Mental illness diagnoses	29.8	12.1
Alcohol abuse before entering program	25.6	6.5
Chemical dependency before entering program	26.7	6.8
Alcohol and chemical dependency	12.9	4.2
Clients exhibiting symptoms of/ problems with during the program		
Mental illness	27.5	10.2
Alcohol use	19.9	5.5
Chemical dependency	15.9	6.3
Alcohol and chemical dependency	7.8	4.0

**Table III.6: Client Status at Time of Leaving Transitional Housing** (Fig. 2.1)

Status	Percent	Sampling error ( $\pm$ %)
Successfully completed program	39.7	7.4
Did not successfully complete the program	59.8	7.4
Left program voluntarily	31.1	5.1
Asked to leave program for breaking rules or exceeding maximum stay	28.7	6.1

**Appendix III  
Statistical Estimates and Sampling Errors**

**Table III.7: Where Successful Clients  
Went After Transitional Housing (Fig. 2.2)**

<b>After program</b>	<b>Percent</b>	<b>Sampling error (± %)</b>
Own apartment/house	66.0	12.7
Shared apartment/house	13.9	6.2
Live with family member(s)	6.5	3.6
Other <sup>a</sup>	13.6	8.0

<sup>a</sup>The "other" category includes responses such as supervised residential settings.

**Table III.8: Other Characteristics of Client  
Population**

	<b>Percent</b>	<b>Sampling error (± %)</b>
<b>Average age of adult</b>		
35 years or younger	67.0	8.6
Less than or equal to 25 years	25.3	10.6
Over 25 years, less than or equal to 35 years	41.7	7.0
Over 35 years, less than or equal to 45 years	20.3	5.5
Over 45 years	11.4	5.1
Not recorded	1.4	0.8
Mean: 32 years, ± 2.2		
<b>Average level of education</b>		
1 to 8 years	4.7	2.0
9 to 11 years	23.6	6.1
At least completed high school	52.0	7.3
12 years (high school)	34.0	5.1
More than 12 years	18.0	4.6
Not recorded	19.7	9.2
Mean: 11.6 years, ± 0.2		
<b>Substance abuse problems</b>		
Clients self-reporting a history of substance abuse	39.3	8.0
Those with continued substance abuse problems during the program	49.6	9.4
Clients with substance abuse problems during the program with no self-reported history	5.1	2.0
<b>Mental illness problems</b>		
Clients with a history of mental illness that continued to exhibit symptoms in the program	74.6	8.6
<b>Employment status of clients who successfully completed the program</b>		
At least 1 adult employed	46.5	15.9
No adult employed	51.1	16.1
<b>Type of agencies operating transitional housing facilities</b>		
City/local agency <sup>a</sup>	3.1	4.6
State agency <sup>a</sup>	12.0	19.1
Private nonprofit agency	84.9	19.3

(continued)

**Appendix III**  
**Statistical Estimates and Sampling Errors**

<b>Average age of adult</b>	<b>Percent</b>	<b>Sampling error (<math>\pm</math> %)</b>
<b>Services received</b>		
Housing placement	22.3	8.0
Entitlement or benefits assistance	25.1	7.7
Education assistance	17.5	10.5
Job training	10.9	6.8
Other employment services	15.3	8.5
Psychological counseling	27.4	10.4
Budget counseling	30.4	11.8
Other life skills	24.8	11.6
Substance abuse treatment (e.g., detox, rehab.)	5.1	3.6
Substance abuse counseling	16.6	6.4
Child care	13.0	7.0
Medical care	30.0	11.9
Services not recorded in file	21.7	9.3
<b>Information missing from client files</b>		
Whether the client had housing and a source of income when leaving the program	13.3	5.8
Types of households <sup>a</sup>	0.4	0.5
Race	9.9	8.5
Education	19.7	9.2
Previous employment	6.0	3.5
Employment while in the program	22.6	10.7
Where client was before entering the program	8.2	4.2
Primary cause of homelessness	13.9	7.7
History of mental illness	59.2	13.7
Mental illness while in the program	59.0	13.8
History of substance abuse	15.5	9.9
Substance abuse problems while in the program	52.7	11.9
Criminal record	51.7	13.0
Employment when leaving the program	36.3	9.5
Where the client went when leaving the program	36.0	7.4
Types of services client received	21.7	9.3
Types of formal follow-up	48.3	14.1
<b>Referral rates of programs</b>		
Programs with less than 75 percent of their clients referred from other agencies	31.7	27.5
Programs with at least 75 percent of their clients referred from other agencies	68.3	27.5

(continued)

**Appendix III**  
**Statistical Estimates and Sampling Errors**

<b>Services received</b>	<b>Percent</b>	<b>Sampling error (<math>\pm</math>%)</b>
<b>Average length of stay (mos.)</b>	2.8	0.5
<b>Average number of services</b>	2.6	0.7
<b>Single heads of household who neither currently nor in the past had mental illness or substance abuse problems</b>	18.1	7.6

<sup>a</sup>Indicates a response for which we were unable to calculate meaningful estimates.

**Table III.9: Clients Leaving Transitional Housing Projects**

<b>Clients leaving</b>	<b>Number</b>	<b>Sampling error (<math>\pm</math>%)</b>
Estimated total number of clients leaving projects between Oct. 1, 1989 and Mar. 31, 1990	3,615.65	540.22

# Description of GAO's Logistic Regression Model

This appendix describes our methodology for determining how clients' characteristics were associated with their achievement of success in transitional housing programs. The likelihood of success was defined as the odds of a client's obtaining housing and a source of income upon completion of the programs offered by individual transitional housing projects. As described in chapter 1, we reviewed client files to select characteristics that might be related to success in transitional housing projects.

The following example shows how our methodology examines the association between a single client characteristic and success. For this illustration, we selected the client's location (where the client was living) before entering the Transitional Housing Program. We compared our estimate of clients who had lived in their own homes or in doubled-up situations (i.e., in someone else's house) with our estimate of those who had lived in all other living situations.<sup>1</sup>

Of the clients who had lived in their own homes or doubled up, 566 successfully completed the program and 585 did not. The odds of success for those clients who had lived in a home or doubled up before entering the program were 0.968 (566 divided by 585): For every 1,000 clients who did not succeed, 968 did succeed. For those clients who had come from other living situations before entering the program, 885 successfully completed the program and 1,602 did not. Their odds of success were 0.552 (885 divided by 1,602): For every 1,000 clients who did not succeed, 552 did succeed.

To compare our two odds, we divided one (0.968) by the other (0.552), to obtain an odds ratio of 1.75. This ratio indicates that the odds of success for clients who had lived in a home or doubled up were 75 percent greater than the odds of clients who had come from all other living situations.<sup>2</sup> (See exhibit IV.1.)

An odds ratio of 1.00 suggests that clients with or without a certain characteristic are equally likely to succeed in the program. However, a substantially larger odds ratio, such as 4.00, suggests a strong association between the characteristic and success.

<sup>1</sup>About 10 percent of the sample included a category of "not recorded." These cases are included in the category of those who had lived in all other living situations.

<sup>2</sup>Note that an odds may also be considered as the ratio of the probability of succeeding to the probability of failing for a given characteristic.

Appendix IV  
Description of GAO's Logistic  
Regression Model

Exhibit IV.1: Adjusted and Unadjusted Associations of Success in Transitional Housing by Where the Clients Came From Prior to Entering Program

Client Characteristic with Reference Category (RC)	Adjusted Associations				Unadjusted Associations			
	Adjusted Odds Ratio	Estimated Regression Coefficient	Standard Error of Coefficient	Probability (p-value)	Adjusted Odds Ratio	Estimated Regression Coefficient	Standard Error of Coefficient	Probability (p-value)
Client Location Prior to Program Entry (RC=All Other Locations, Including Not Recorded)								
Own home/Doubled up	1.51	0.41	0.28	0.15	1.75	0.56	0.27	0.04

Note: To obtain the adjusted odds ratio of 1.51, the estimated coefficient for the own home/doubled up characteristic from the logistic regression analysis (0.41, from exhibit IV.1) is exponentiated ( $e^{0.41}$ ).

To decide whether a statistically significant association exists between characteristics and success, we consider the probability of our odds ratio occurring under certain assumptions. First, we assume that there is no association between the characteristic and success in the population. We then compute the probability of observing a certain odds ratio in our study, assuming that there is no association in the population. If we find that the probability of observing a certain odds ratio is small (since we observed a large odds ratio) under the assumption that there is no association in the population, we can conclude that we have observed a statistically significant relationship. For our work, we have chosen a probability of 0.05 as our measure of statistical significance—a common standard. Thus, if we compute probabilities of 0.05 or smaller, we can conclude that we have observed a statistically significant relationship since the probability of observing such a relationship purely by chance in repeated samples of this type is only 0.05.

Our odds ratio of 1.75 is statistically significant (i.e., greater than 1.00) and indicates an association with success. However, this odds ratio is unadjusted and does not take into account the association with success of other characteristics.

To determine the association of each characteristic in conjunction with other characteristics, we performed a logistic regression analysis and calculated an adjusted odds ratio for each characteristic. Whereas the unadjusted odds ratio represents the association with success of a single characteristic operating in isolation, the adjusted odds ratio represents the association of a single characteristic with success, taking into account other characteristics.

We obtained an adjusted odds ratio for clients who had lived in their own home or doubled up before entering the program. The adjusted odds ratio for these clients was 1.51. Thus, the odds of success for these clients were 51 percent greater than the odds of clients who had come to transitional housing projects from all other living situations. There is no statistically significant difference between the adjusted odds ratio of 1.51 and an odds ratio of 1.00. Thus, there is no evidence to suggest an association between this client characteristic and success when other client characteristics are taken into consideration.

As exhibit IV.1 shows, the probability of obtaining our unadjusted odds ratio when the client characteristic is not associated with success is 0.04. Since 0.04 is less than 0.05, we conclude that there is a statistically significant association between the characteristic and client success. However, the probability of the adjusted odds ratio for this same characteristic is 0.15, which is not statistically significant. Thus, when the client's location before entering the program is assessed in conjunction with other client characteristics, it is not statistically significant.

For each client characteristic in our analysis, exhibit IV.2 shows both the unadjusted and the adjusted odds ratios and the probability of obtaining our odds ratio when the characteristic is unassociated with success. Our analysis incorporates the design of the survey we used to collect client data (see app. II). Our logistic regression model was computed using statistical software that takes into account the sample design and the unequal probabilities of clients being selected in our sample.

Appendix IV  
Description of GAO's Logistic  
Regression Model

Exhibit IV.2: Adjusted and Unadjusted Associations of Success in Transitional Housing by Selected Client Characteristics

Client Characteristic with Reference Category (RC)	Adjusted Associations				Unadjusted Associations			
	Adjusted Odds Ratio	Estimated Regression Coefficient	Standard Error of Coefficient	Probability (p-value)	Adjusted Odds Ratio	Estimated Regression Coefficient	Standard Error of Coefficient	Probability (p-value)
Number of Months Client Was in the Program	1.12	0.11	0.03	0.00	1.09	0.09	0.03	0.00
Number of Services Client Received	1.21	0.19	0.05	0.00	1.16	0.15	0.06	0.02
Client Type Grouped With Problem Type—Mental Illness or Substance Abuse Problem Either Before or During the Program (RC=Single Head of Family* with no known problem—includes clients with missing information on one or more problem)								
Individual with no known problem—includes clients with missing information on one or more problems	0.45	-0.80	0.37	0.04	0.39	-0.94	0.38	0.02
Individual with at least one problem	0.50	-0.70	0.33	0.04	0.34	-1.08	0.35	0.00
Couple with no known problem for either adult—includes clients with missing information on one or more problems for one or both adults	0.66	-0.42	0.39	0.29	0.76	-0.27	0.37	0.46
Couple with at least one adult having at least one problem	0.27	-1.32	0.49	0.01	0.24	-1.43	0.64	0.03
Single Head of Family* with at least one problem	0.42	-0.86	0.42	0.05	0.57	-0.57	0.39	0.15



**Appendix IV  
Description of GAO's Logistic  
Regression Model**

Client Characteristic with Reference Category (RC)	Adjusted Associations				Unadjusted Associations			
	Adjusted Odds Ratio	Estimated Regression Coefficient	Standard Error of Coefficient	Probability (p-value)	Adjusted Odds Ratio	Estimated Regression Coefficient	Standard Error of Coefficient	Probability (p-value)
<b>Primary Cause of this Episode of Homelessness (RC=Mental Illness/Deinstitutionalization)</b>								
Evicted	3.25	1.18	0.41	0.01	2.72	1.00	0.37	0.01
Job/Money Related	3.35	1.21	0.43	0.01	2.80	1.03	0.34	0.00
Alcohol/Drug Abuse	1.67	0.51	0.51	0.32	1.39	0.33	0.48	0.50
Domestic Violence	2.86	1.05	0.40	0.01	3.67	1.30	0.30	0.00
Home Uninhabitable/Other/Unknown	3.22	1.17	0.38	0.00	2.66	0.98	0.32	0.00
<b>Client Location Prior to Program Entry (RC=All Other Locations, Including Not Recorded)</b>								
Own home/Doubled up	1.51	0.41	0.28	0.15	---	---	---	---
<b>Criminal Record (RC=Criminal Record for at Least One Adult)</b>								
Unknown (both adults), or unknown one adult and no criminal record for the other adult	1.73	0.55	0.32	0.09	---	---	---	---
No Criminal Record (both adults)	1.16	0.15	0.34	0.66	---	---	---	---

Appendix IV  
Description of GAO's Logistic  
Regression Model

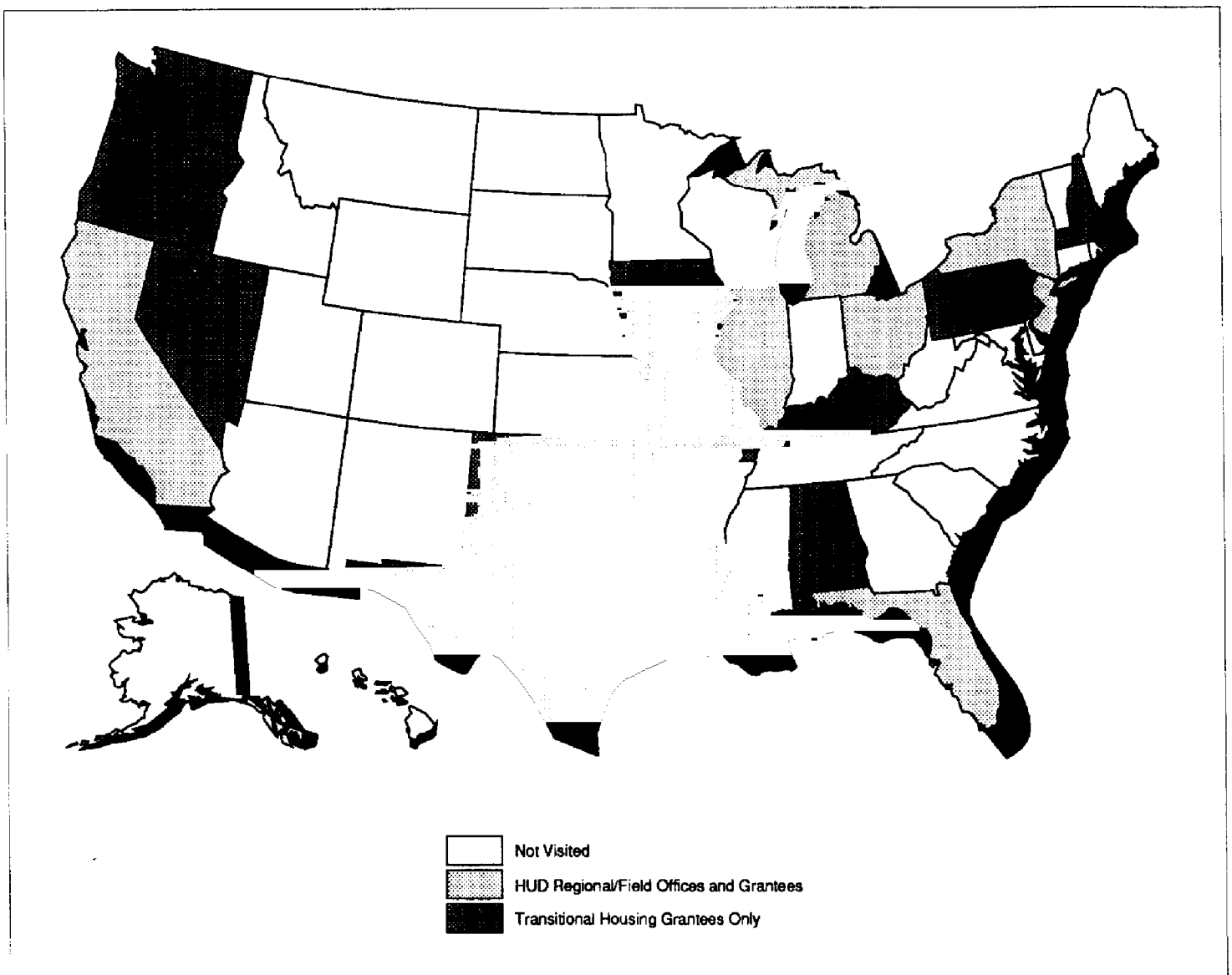
Client Characteristic with Reference Category (RC)	Adjusted Associations				Unadjusted Associations			
	Adjusted Odds Ratio	Estimated Regression Coefficient	Standard Error of Coefficient	Probability (p-value)	Adjusted Odds Ratio	Estimated Regression Coefficient	Standard Error of Coefficient	Probability (p-value)
<b>Employment While in the Program (RC=No Adult Employed)</b>								
Unknown (both adults), or unknown on one adult and unemployed for other adult	1.80	0.59	0.44	0.19	---	---	---	---
Employed (at least 1 adult)	1.52	0.42	0.29	0.15	---	---	---	---
<b>Age of Oldest Adult (RC=Between 21 and 35 Years, Includes Not Recorded)</b>								
Less than/equal to 20	0.34	-1.08	0.60	0.08	---	---	---	---
Greater than/equal to 36	0.75	-0.29	0.25	0.25	---	---	---	---
Intercept	---	-2.18	0.55	0.00	---	---	---	---

Note: Our logistic regression model excludes clients with missing values for either the client's completion status (successful or not) or the number of months the client stayed in the program. The resulting model provides estimates for 99% of the client population. However in this model, clients with no record of services received were collapsed with those clients that we know did not receive any services. If we delete these clients from our analysis, the alternative model would provide estimates for 77.8% of the client population. In this alternative model, client age becomes significantly associated with program success (i.e., the category age less than or equal to 20 years has a p-value of .02) and two of the significant client characteristics in our model become marginally significant (i.e., the category individuals with at least one problem and the category single head of family with at least one problem, with p-values of .057 and .055 respectively).

An estimate of the unadjusted effect was not calculated when none of the regression coefficients estimated for the variable were significant in the logistic (multivariate) model. For these variables, a "—" is used in the table above.

\*Cases with unrecorded client type (less than 0.5% of the cases) were included in this category.

# Locations GAO Visited



# Sample Project Intake Form

A	NAME OF RESIDENT: _____	AR	SOURCES OF INCOME AT EXIT
C	ENTRY COUNT	AS	MONTHLY INCOME AT EXIT _____
D	ENTRY DATE: _____	AT	WAGES
E	EXIT DATE: _____	AU	AFDC
F	ACTIVE COUNT	AV	OTHER PUBLIC SUBSIDY
H	APT #/SITE: _____	AW	OTHER
I	RAP CONTRACT BEGIN DATE: _____	AX	SOCIAL HISTORY DATA
J	RAP CONTRACT END DATE: _____	AY	RANK AMONG SIBLINGS: _____ OF _____
K	RAP MONTHLY AMOUNT: _____	AZ	YOUNGEST CHILD
L	ETHNICITY	BA	SEXUALLY ABUSED AS CHILD
M	BLACK	BB	IN FOSTER CARE AS CHILD
N	WHITE	BC	PHYSICALLY ABUSED AS CHILD
O	HISPANIC	BD	CHILD OF ALCOHOLIC
P	ASIAN	BE	CHILD OF DRUG ABUSER
Q	PARENT'S AGES	BF	AGE AT BIRTH OF FIRST CHILD: _____
R	18 - 23 YRS	BG	COUNT OF TEEN MOTHERS
S	24 - 29 YRS	BH	HISTORY OF MENTAL PROBLEMS
T	30 - OVER	BI	BATTERED BY SPOUSE
U	CHILDREN'S AGES AT ENTRY	BJ	OPEN CPS CASE
V	NUMBER OF CHILDREN: _____	BK	ALCOHOLIC
W	0 - 2 YRS: _____	BL	SUBSTANCE ABUSER
X	3 - 6 YRS: _____	BM	VICTIM OF RAPE
Y	7 - 14 YRS: _____	BN	SERVICES RECEIVED IN PROGRAM
Z	HEAD OF HOUSEHOLD	BO	DAYCARE
AA	FEMALE: NEVER MARRIED	BP	THP CURRICULUM
AB	FEMALE: MARRIED/SEPARATED	BQ	GED CLASSES
AC	FEMALE: DIVORCED	BR	COMPLETED GED
AD	FEMALE: WIDOWED	BS	ENTERED COLLEGE
AE	BOTH PARENTS PRESENT	BT	COMPLETED COLLEGE
AF	SINGLE PARENT MALE	BU	ENTERED JOB TRAINING
AG	LEVEL OF EDUCATION AT ENTRY	BV	COMPLETED JOB TRAINING
AH	NO HI SCHOOL DIPLOMA/GED	BW	WOMEN'S SUPPORT GROUP
AI	GED OR HI SCHOOL DIPLOMA	BX	LIFE SKILLS COUNSELING
AJ	1 - 3 YRS COLLEGE	BY	CHILDREN'S PROGRAM
AK	COLLEGE GRADUATE	BZ	THP BEFORE/AFTER DAYCARE
AL	COMPLETED VOCATIONAL TRAINING	CA	PARENTING COUNSELING
AM	LEVEL OF EDUCATION AT EXIT	CB	SUBSTANCE ABUSE COUNSELING
AN	NO HI SCHOOL DIPLOMA/GED	CC	HEALTH CARE SCREENING/EDUCATION
AO	GED OR HI SCHOOL DIPLOMA	CD	MENTAL HEALTH SERVICES
AP	1 - 3 YRS COLLEGE	CE	INTENSIVE FAMILY SERVICES
AQ	COLLEGE GRADUATE	CF	EXIT STATISTICS
	COMPLETED VOCATIONAL TRAINING	CG	TERMINATED FROM PROGRAM
	SOURCES OF INCOME AT ENTRY	CH	GRADUATED FROM PROGRAM
	MONTHLY INCOME AT ENTRY: _____		SEC. 8 VOUCHER OBTAINED
	AN WAGES		PERMANENT HOUSING OBTAINED
	AO AFDC		IN SCHOOL
	AP OTHER PUBLIC SUBSIDY		WORKING
	AQ OTHER		

Appendix VI  
Sample Project Intake Form

FOLLOW-UP STATISTICS

CI IN PERMANENT HOUSING  
CJ IN SCHOOL  
CK WORKING  
CL BACK IN SHELTER  
CM LOST CONTACT  
CN BIRTHING INFORMATION  
CO PREGNANT AT ENTRY  
CP CHILD BORN IN PROGRAM  
CP PREGNANT AT EXIT

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