

HOMELESS POPULATION EDGES BACK UP

In the years prior to the pandemic, Wisconsin’s reported homeless population shrank after its programs to serve them shifted their focus from temporary to permanent housing to meet updated federal requirements. For the past two years, however, homelessness has risen amid growing housing costs and other factors, and efforts to combat it may now be impacted by the end of federal pandemic relief funds that have been used by some governments for addressing homelessness.

Wisconsin’s homeless population increased in 2022 and again in 2023 after years of decline, according to recent counts reported to the U.S. Department of Housing and Urban Development (HUD). In 2023, local agencies in Wisconsin reported 4,861 homeless individuals, a 1.8% increase from 4,775 the previous year (see Figure 1).

The rise in homelessness likely was driven – at least initially – by the layoffs and economic hardships that accompanied the pandemic and, more recently, by rising housing costs that arrived in the wake of COVID-19. This trend reverses years of decreases in the reported homeless population, which fell from the 6,055 individuals registered in 2014 to 4,237 in 2021.

The decline in homeless rates during the 2010s followed the passage of the federal [HEARTH Act of 2009](#), which reorganized programs that serve the homeless by changing their reporting requirements and how they are awarded funding. Though the advent of COVID-19 partially reversed these trends, federal pandemic relief funds have also sought to combat the rise in homelessness. Now this funding is coming to an end, providing another challenge for government agencies and community-based agencies that are charged with addressing homelessness.

HOMELESS COUNTS MADE BY REGION

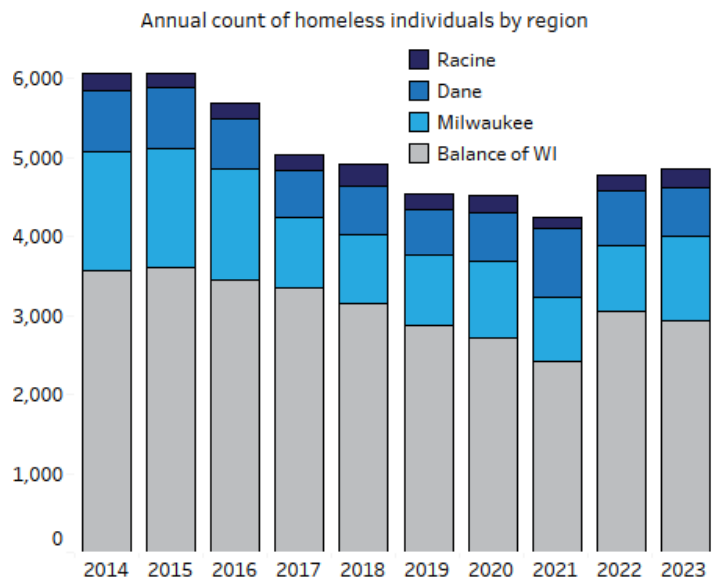
The data on numbers of homeless individuals come from annual point-in-time counts submitted to HUD by planning bodies in Wisconsin that coordinate and oversee the HUD-funded services provided to their region’s homeless population. Wisconsin has four of these Continuum of Care (CoC) organizations that serve Milwaukee County, Dane County, Racine County, and

the Balance of Wisconsin, which includes the state’s remaining 69 counties.

The Balance of Wisconsin region had the largest homeless population of the four care organization regions with 40.8% of the individuals reported in 2023. It also maintains the largest collection of programs that serve homeless residents. Milwaukee County had 30.7% of the state’s homeless individuals, while Dane and Racine counties had 24.0% and 4.5% respectively.

These point-in-time counts are made during the last week of January each year but are not published until late in the year. As a result, the latest data we could access reflect the counts made a little more than a year ago. They include unsheltered individuals and those in temporary housing programs such as emergency

Figure 1: Homelessness Falls For Years, Rises in the Wake of COVID



Source: Department of Housing and Urban Development



shelters on the night of the count. They do not include persons staying with friends or relatives or those participating in permanent housing programs. The point-in-time count is an underestimate of the true homeless population, but its consistent methodology allows for useful year-to-year comparisons of the problem.

The pre-pandemic decrease in the state’s homeless population was driven by the two largest regions. The Balance of Wisconsin region reported a net decrease of 629 individuals from 2014 to 2023, while the Milwaukee County Continuum of Care organization reported a decrease of 443 individuals in that same period. The Dane County care organization reported a small proportion of the state’s decrease, 153 individuals, though it is significant for that county. The Racine County organization showed a net increase between 2014 and 2023, but its fluctuations between 150 and 250 individuals each year do not follow an overall trend.

THOSE WITH SHELTER AND THOSE WITHOUT IT

Public perceptions of homelessness often focus on those with *no* shelter, but during the winter in Wisconsin when the point-in-time counts are made, such individuals represent a relatively small part of the total. In the HUD reports over the past decade, the number of reported unsheltered persons statewide has ranged between 200 and 460 with no apparent trend. During this time, their proportion of the state’s homeless population ranged between 6% and 9%.

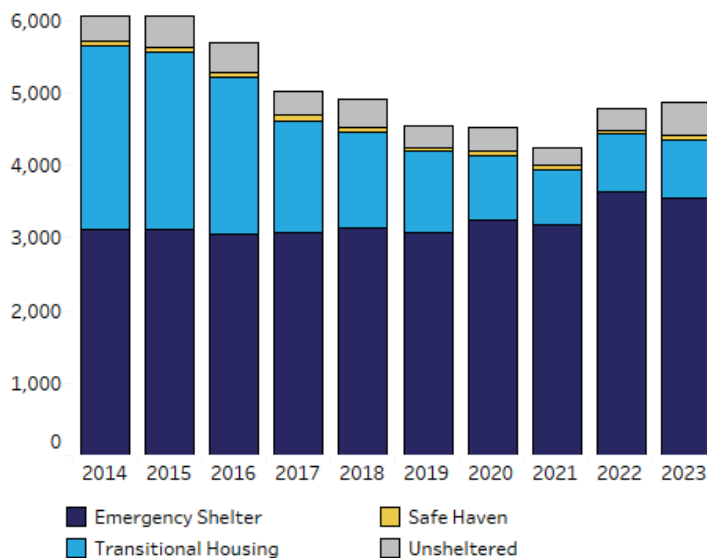
The majority of Wisconsin’s point-in-time counts are individuals in *temporary* shelter programs, as defined by HUD’s funding guidelines. Temporary shelter programs include: Emergency Shelter, Transitional Housing, and Safe Haven. Emergency Shelter programs are defined as arrangements that do not require a lease with stays that can be as brief as a few days. Transitional Housing programs offer a place to stay and supportive services so that individuals can secure permanent shelter.

Safe Haven programs are similar to Emergency Shelter programs but are focused on individuals with severe mental health issues. After 2009, HUD determined that it would not provide any new funding for Safe Haven programs.

The decrease in Wisconsin’s homeless population from 2014 to 2021 was largely driven by individuals reported

Figure 2: Individuals in Transitional Housing Decrease

Annual count of homeless individuals by shelter type



Source: Department of Housing and Urban Development

by Transitional Housing programs (see Figure 2). In 2014, those programs reported 2,541 individuals, but by 2023 that number had decreased 68.6% to 797 individuals.

The reduction likely was driven by individuals formerly in such programs who either no longer sought aid or turned to unreported sources of aid such as permanent housing programs, friends, or relatives. Although permanent housing programs are not included in the point-in-time reports, we can get a sense of their impact by their reported available beds and the funding they receive from HUD.

TEMPORARY TO PERMANENT

The decrease in Wisconsin’s homeless individuals coincides with a shift in the types of programs addressing homelessness. Following the federal [HEARTH Act of 2009](#), there has been a move away from programs that provide temporary shelter towards those that immediately place individuals in permanent homes without prerequisites such as sobriety. This [Housing First](#) approach is based on the premise that a permanent dwelling helps a person focus on the issues that led to their housing instability, such as substance use or unemployment. This differs from temporary housing, which is designed to be an intermediate step that allows individuals to address their challenges in advance of seeking permanent placement.



Over the last decade, housing facilities used by agencies and programs in the state to address homelessness have grown and shifted their focus from temporary to permanent placement. This development is reflected in reporting on the number of available beds. Since 2014, such facilities in Wisconsin saw a reduction of 2,120 temporary beds but an increase of 4,720 permanent beds. This produced a net increase of 2,600 beds of all types (27.1%) to 12,197.

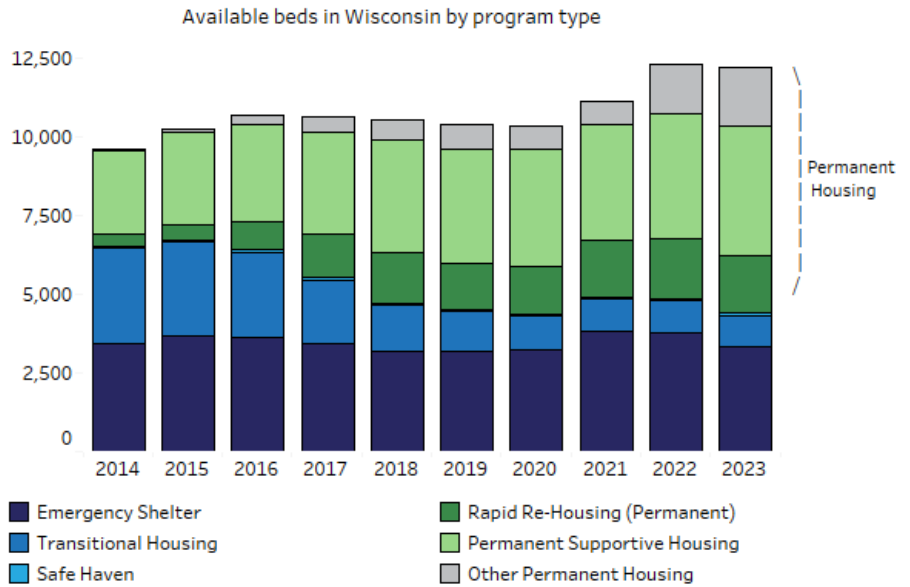
The loss of temporary beds primarily occurred in Transitional Housing programs; the other two types of temporary programs remained relatively flat (see Figure 3). In contrast, HUD's three permanent housing categories experienced significant increases in their number of beds. These three categories are: Rapid Re-Housing, which quickly finds permanent shelter for individuals and families but limits services to 24 months; Permanent Supportive Housing, which is for participants with disabilities; and Other Permanent Housing. Each of these three categories increased by more than 1,000 beds in Wisconsin from 2014 to 2023. The steady increase in permanent beds indicates that while the number of unsheltered and temporarily-sheltered individuals have decreased on the point-in-time reports, the demand for housing services has not.

The shift from temporary to permanent shelter programs in Wisconsin has been swifter than a similar change that occurred nationally. In 2014, 67.8% of beds for Wisconsin's homeless were in temporary shelter programs but by 2023, they represented only 35.9%. Nationally during that time period, the proportion of temporary beds declined from 55.0% to 40.4%. Wisconsin's change is in large part due to Milwaukee's aggressive and early adoption of the Housing First initiative in 2015.

FEDERAL FUNDING SHIFT DROVE CHANGE

The swing in program type was driven by HUD and the direction of its funding, which has grown significantly in the past decade both nationally and in Wisconsin. In 2013, programs addressing homelessness in Wisconsin received \$21.9 million from HUD, but by 2022 that

Figure 3: Permanent Housing Capacity Increases

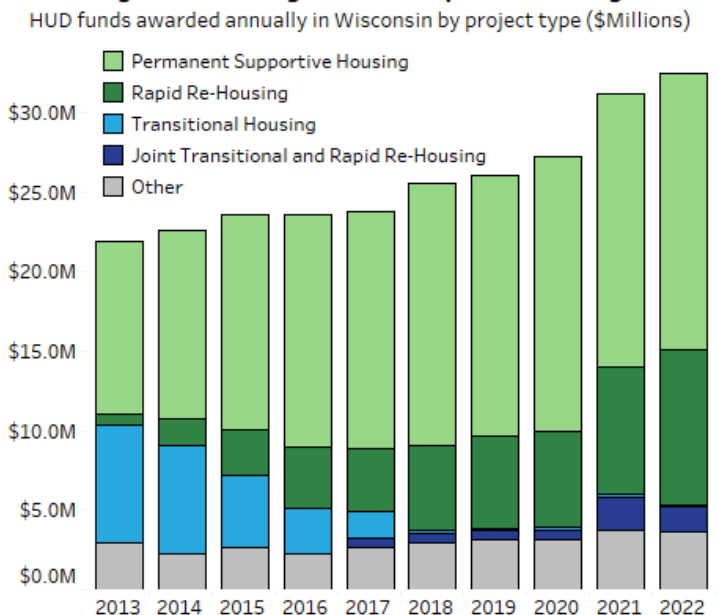


Source: Department of Housing and Urban Development

figure had grown to \$32.4 million, an increase of 48.1% that nearly doubled the rate of inflation (see Figure 4).

During this time, the distribution of funds also shifted. From 2013 to 2022, HUD awards to Transitional Housing programs in Wisconsin decreased from \$7.4 million to \$100,000. Simultaneously, HUD funding for Rapid Re-Housing programs grew from \$700,000 in 2013 to \$9.7 million in 2022. During this time, some Transitional Housing programs changed their services to offer Rapid Re-Housing instead.

Figure 4: Funding Shifts to Rapid Re-Housing



Source: Department of Housing and Urban Development



Another key factor in the state's shift to permanent housing programs is Milwaukee County's Housing First Initiative, which was begun in 2015. Based on a national model, the initiative has united the efforts of care partners and government agencies towards ending chronic homelessness through permanent housing programs. The county is devoting an estimated \$2 to \$3 million annually to this initiative using both HUD funding and local tax dollars.

COVID-19 BRINGS HARDSHIP, FEDERAL AID

After falling for a number of years, homeless populations once again increased in both 2022 and 2023. Possible explanations include the impacts of inflation in general and the sharp rise in housing costs in particular. Anticipating the effect that the pandemic would have on housing challenges, federal officials directed large amounts of money to housing programs in stimulus legislation. The Coronavirus Aid, Relief and Economic Security (CARES) Act of 2020, for example, allotted \$3.96 billion to housing initiatives nationally and \$90 million to Wisconsin for programs such as emergency shelters and hotel vouchers.

Both local and state governments used federal aid to expand housing services. For example, in 2022 Milwaukee County used \$4.5 million from the federal American Rescue Plan Act (ARPA) to fund a Flexible Housing Spending Pool. In its 2021 Recovery plan, the city of Madison outlined how it would use \$15.3 million in pandemic aid for homelessness support and affordable housing initiatives. The state also used \$4 million of its ARPA money to fund the State Shelter Subsidy Grant Program.

However, these pandemic relief funds are now running out at a time when housing costs remain high, as a [recent brief from the Forum showed](#). The median sale price of a home in Wisconsin grew 92.9% from \$147,750 in 2014 to \$285,000 in 2023, according to data from the [Wisconsin Realtors Association](#). Likewise, the median monthly rent in Wisconsin rose from \$782 in 2017 to \$992 in 2022, an increase of 27.8%, [U.S. Census Bureau](#) figures show.

CONCLUSION

Wisconsin's homeless counts indicate that the number of homeless individuals decreased from 2014 to 2021 as permanent housing programs expanded. Now, as the homeless population has edged upward once again,

officials may want to evaluate what further steps they can take to make renewed progress on this front. More up to date and accessible data might help them as they seek to evaluate past efforts and pursue new ones.

If permanent housing programs are found to be an effective tool in the current housing environment, then efforts should be considered to expand them further. However, such a step would mean overcoming the obstacles to increasing the supply of permanent housing options for low-income individuals and those with special needs. As we have noted in recent [reports](#), addressing that challenge will not be easy, but its potential to reduce homelessness makes it an important task for policymakers.

