
The Possibilities of a Housing First Paradigm Shift in Hungary

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Introduction

This paper offers a short overview of the system of homelessness services in Hungary, as well as several examples of housing led and Housing First initiatives, making use of both national as well as EU funding. It will describe the strengths and weaknesses of these projects and shall offer some suggestions to make their results sustainable. Housing First has proven to be effective in Hungary, but time-limited projects cannot enable all people with complex needs to become self-sufficient within two or three years. A paradigm shift and adjusted financing is needed to provide personalised, long-lasting, and dignified housing solutions as opposed to shelters for people experiencing homelessness with complex needs in the mainstream homeless service system. The proposals for strategies on how to achieve this are available, but they are still waiting for action to take place.

Homelessness Services in Hungary

The Hungarian system of service provision is traditionally based on the provision of mainstream services, as defined by the Social Act of 1993: III. Local authorities are responsible for offering services to those in need. In the case of people experiencing homelessness, these are soup kitchens, day centres, night shelters, temporary hostels, rehabilitation hostels, and permanent hostels for the elderly. Temporary homes for families are available for families with children experiencing homelessness. These services have to conform to the rules and regulations defined by the Act as well as the decree 1/2000 (I.7. SZCSM) (regarding the physical space, the type of support to be provided, the qualification of staff, etc.) (Pleace et al., 2019). Local authorities can manage services themselves or contract them out to NGOs or church-based organisations. These services receive statutory funding

from the State based on the number of users or beds. Local authorities can offer additional financial support to the NGOs or church-based organisations they ask to run these services. In 2021, the State funding could cover about 60-70% of the costs of the services (Pleace et al., 2021) – since the crisis with the rise of energy prices, organisations might have to pay 7-8 times what they used to for gas and electricity, causing a significant burden. In some cases, the price of energy during the winter is more than what they receive from the State as normative funding (Fehér, 2022).¹ Outreach teams are supported by separate contracts from the Ministry. In larger cities, 24-hour medical centres (GP offices + convalescence wards) are also available.

The Hungarian system of service provision is a traditional staircase model. However, it is a dead-end staircase, with sporadic supported move-out options. Due to a general shortage of social housing, as well as the extreme low level of social and housing benefits available to people with low income, affordable housing is scarce. Some organisations own a few apartments, others have an agreement with the local authorities to house a few people exiting shelters each year, with the homeless service provider offering some sort of floating support – not funded by the State. However, these are only available for a selected few, usually on a short-term basis (see Fehér et al., 2011).

Hungary has no officially adapted national strategy for ending homelessness. Two proposals for a national strategy have been developed by experts from the field, all pressing for affordable housing options, and housing-led as well as Housing First programmes, but none have been picked up by the Government. Budapest City, the capital, has recently passed its own Local Strategy, with a strong focus on housing solutions and ways out of homelessness, calling for the Government to become an ally, with no response as of yet.

Housing First in Hungary, Possibilities and Challenges

In the last 15 years, street-based sleepers have become the target of several local and national interventions. Changes in the legislative framework have been of a criminalising nature, the most extreme step being the inclusion of the ban of street-based sleeping in the Constitution (for the various steps of criminalisation, see Missetics, 2013). Most of these, however, although still there, are not really applied in practice (any more). Although major changes did not occur on the policy level, various national and European funding possibilities opened for projects helping street-based sleepers move away from sleeping outdoors.

¹ Until now (December 2022), the State has not come up with a solution to this problem.

Several of these refer to 'Housing First' and 'Housing-Led', with the assumption that any project offering housing with some sort of support to (former) street-based sleepers belong to these categories.

Small scale housing-led approaches, funded from the national budget

Balogi and Fehér (2013) describe a project funded from the national budget, where a forest company around the capital area sought the support of the Ministry of Social Affairs in "clearing the forest" of people experiencing homelessness and illegally disposed garbage. Funding became available through the Public Foundation for the Homeless who supported outreach teams to make individual plans with street-based sleepers in the area who are willing to move out of the forest. Seven organisations responded, involving 152 people experiencing homelessness, about two-thirds of them couples. "Long-term housing stability was not an explicit goal of the project and several characteristics of the project made this difficult, including the shortage of working hours of staff, lack of professional guidance and a lack of a stable and sufficient income of clients" (2013, p.70).

Currently, the city of Budapest funds initiatives that make shelters more welcoming to street-based sleepers or that support individuals in leaving homelessness (Menhely, 2022). Housing support can be offered to people experiencing homelessness with a regular income, who are willing to contribute to the costs of housing, with a priority to those with mental health issues, moving to an apartment with others and who are likely to sustain their accommodation after the duration of the support. Funding includes allocation for the staff costs of floating support. In 2021, 61 people were housed with the use of the support via eight organisations, and 300 street-based sleepers could access accommodation services that were willing to lower their thresholds (Menhely, 2021).

Some NGOs (Habitat for Humanity in Hungary; Utcáról Lakásba Egyesület – ULE) manage(d) longer-term Housing First projects independently of these funding opportunities, raising funds directly for their programmes. ULE operate their programme in 24 social housing units leased by three municipalities in Budapest, offering supported housing to 45 adults² formerly living in huts in the forests of the city. Tenants participate in the renovation of the usually extremely run-down apartments together with volunteers, and receive intense social support as long as it is needed. The first tenants moved in 2014, they have been supported since to varying intensity (ULE, 2021). Habitat for Humanity first contracted out its project to outreach teams, with local authorities offering social housing, and support work gradually being shifted from outreach teams to professionals working in the local authority's social centre (for general population in need). However, after the first

² Four children could be reunited with their families due to permanent housing.

year they had to realise that mainstream social services did not adopt the vision of Housing First, and offered their support to people formerly experiencing homelessness on the same basis as anyone else (going as far as sending them invitations to meetings through registered mail), resulting in a high rate of non-engagement. In the second phase of the project, an individual case worker was hired to support the people housed, offering the service as long as funding allowed for it, with the intention of enabling tenants to sustain their housing permanently (Balogi and Fehér, 2017).

Housing First project using EU co-funding

The first, officially declared Housing First programme was launched in 2018, funded from the EU financed Human Development Operational Programme. Although prior to this programme there had been several schemes targeting housing people experiencing homelessness, they were of short term, less than one year, and/or focused on the improvement of employment situation of the people experiencing homelessness. The call of the Housing First programme partly reflected the original Housing First principles, as it targeted those people experiencing homelessness who stayed outside the homeless accommodation institutions, required immediate placement to housing after the recruitment, provided the possibility to implement a wide range of services individually tailored to the needs of clients, and did not required clients to take part in any services except for the regular contact with social workers. Nevertheless, the broader welfare policy context in which the programme was implemented was not in line with the Housing First principles, mainly because rent subsidies were only provided during the project implementation period. When the projects ended, tenants could no longer access adequate subsidies to cover their housing costs, simply because these did not exist. Moreover, those who retained their housing were not eligible anymore to rely on the homeless service provision system, while the local social support system has no capacity to provide the needed floating support. Another difference from the original Housing First programmes was that the call did not require the project implementers to include only people experiencing homelessness with high support needs, but instead had a broader target group, including even the possibility of rapid rehousing.

Altogether 17 projects were implemented, with a total of 280-300 participants. Outcome evaluation research (Somogyi et al., 2021) was carried out to examine the main results of the programme by selecting nine out of the 17 projects with 187 users. The research looked at the composition of users, the structure of the provided services, and the main housing and employment outcomes. The average length of the projects was 2-3 years while the call allowed for a maximum imple-

mentation period of four years. The shorter projects were justified by the substantial administrative and capacity burden on the organisations, as well as methodological challenges, that they could not take on in the longer term.

Project implementers followed various patterns in selecting participants to their Housing First projects. Being aware of the structural barriers to Housing First (mainly the lack of rent subsidy), some of them deliberately selected people that they believed had a higher chance to become self-sustaining by the end of the project in terms of regular income. The majority of implementers sought to exclude people with serious problems, but some (three out of nine) implementers approved all applicants who met the basic condition for cooperation regardless their mental condition. Altogether, the proportion of clients who complied with the original Housing First target groups was almost one-third (31%), they had mental problems or problematic substance use, and at the same time, they were street-based sleepers or stayed in shacks right before entering the project.

The lack of affordable housing meant a serious challenge to find housing, therefore several projects engaged couples rather than single people and used co-habitation as a solution to high rents. Only one out of the nine projects could entirely rely on affordable municipal housing, and another one could use a mix of private and municipal housing, while two projects could ensure few municipal flats for participants who saved the required deposit after the project ended. Nevertheless, it was surprising that despite the call allowing for the renovation of municipal flats, only one project used this possibility. The reason for this was that organisations saw the related process as too risky as they had to include the municipality (the owner of the flats) as a consortium partner, who would implement the investment.

As a consequence, during the projects the majority of clients were placed in the private rental sector (68%), and only 16% in the municipal housing sector, while the others stayed in workers' hostels and other forms of accommodation (8% each). Right after the support ended, 54% could retain their independent housing (out of which 61% stayed in private and 33% in municipal rentals). Some (25%) could not retain their independent housing, but did not return into institutional accommodation or street homelessness (stayed in workers' hostels or moved to their families). Another 14% became homeless again (institution or the street), and 3% died or otherwise disappeared. A clear finding was that those who were housed in the municipal sector with lower than market rent were more likely to retain their housing than those who were housed in the private rental sector. Furthermore, tenants with high support needs (having mental or addiction problems) had lower chances of retaining their independent housing situation and improve their position in the labour market.

Regarding the organisation of support services for users, all projects used the intensive case management models, although three of them incorporated some elements of the assertive community treatment model into their service structure. This meant that the support team of the project closely and regularly worked together with psychologists, psychiatrists, or other mental health professionals, which both increased the uptake of mental health support among participants and enabled mental health professionals to help social workers provide recovery-oriented support for clients. In the projects that lacked such cooperation, the engagement of tenants in mental health support was much lower. However, implementers referred to the insufficient capacity and knowledge of the mental health support system as a general problem: there were not enough professionals and they generally lacked experience in working with people from the most marginalised groups. The interviews revealed that social workers also lacked the professional knowledge to effectively engage clients to use mental health services.

Other important elements of the support services were regular visits in the tenants' home, basic social and conflict resolution competence development trainings, assistance in job search, and community integration. The implementer organisations had experiences in such activities. What was new for organisations in the Housing First programme was that they could not, in theory, define obligatory activities for their clients. This was only partially fulfilled, as most of them defined the participation in training as quasi-mandatory for the clients, although they made exemptions in cases when, for example, somebody had a job. Social workers strongly encouraged participants to regularly save money as this was very essential to sustain their housing after the support period. Regarding employment, tenants were stimulated to find jobs in the open labour market, however, many suffered from bad health which proved to be an important barrier. Helping rebuild family relationships and new social networks, and break out of toxic relationships, was also seen as key interventions in order to break or prevent isolation, and falling back to homelessness.

Another important characteristic of service delivery was that the majority of the projects did not hire additional human resources, but relied on existing staff who worked on a part-time contract basis in the projects. This had the consequence that social workers worked according to two different methods, the traditional staircase model in which they set requirements to users to gain access to several services, and Housing First, in which they should have stimulated participants to engage in services. However, on the longer-run, it could mean that the new approach of the Housing First programme gradually changes the mainstream operation of the organisation.

A main deficiency of the programme was that it did not provide training and methodological support to the project implementers. The organisations had to make the methodological preparation by themselves using the Housing First manual (Pleace, 2016) (available in Hungarian) and the tutorial videos. While some of the organisations actively used these resources and tried to adapt the Housing First approach in their projects as much as their circumstances allowed, others did not see too many differences between previous and the so-called Housing First programmes.

In summary, the implemented projects did not comply with the Housing First principles primarily because the rent support as well as floating support could be ensured only during the project duration and because the projects included a mixed target group and not only people with high support needs. Moreover, there were significant gaps in providing recovery-oriented social work and sufficient mental health support to tenants with high support needs, leading to a lower housing retention rate. Consequently, projects were implemented rather with the housing-led than the classical Housing First approach. Nevertheless, despite all the difficulties and shortcomings, the organisations gathered important new experiences and learned new ways of working with people experiencing homelessness that can be fed into the mainstream provision system.

Conclusion

In the last 15 years several programmes were implemented that provide housing, even if temporary, to various groups of people experiencing homelessness. These have gradually become more complex by providing a broad range of individually tailored services and including people experiencing homelessness with more complex needs, namely street-based sleepers and people with mental health and problematic substance use.

By now, the experiences of such programmes enabled the service provision system to mainstream the housing-led approach through which a more rapid exit from homelessness could be ensured by separating the housing provision and rent support from the support services. However, there are significant structural barriers that impede such mainstreaming. On the one hand, only the municipal housing sector offers affordable housing in Hungary, the size of which is minimal (1.5%) and has been decreasing for decades. In addition, rent subsidies are not available for those low income people who are forced to rent housing in the private rental market. On the other hand, the mental health related services struggle with financial and human resources problems, and generally are not to treat the most marginalised people. Homelessness services receive their steady (though not adequate) govern-

ment funding for operating shelters and day centres. Floating support has to be financed from outside sources, which makes it difficult to offer those in a reliable way in the long-term.

As structural changes in the mainstream housing and health policies cannot be anticipated in the near future, it would be important that EU funds create the possibilities of a long-term programme with less administrative burden and less stress on 'success', which can be built in the general operation of the homeless service providers. It would be also important that service providers can rely on the municipal housing sector more, and use the available resources also to renovate vacant municipal flats. Housing First programmes should be designed separately from other housing-led programmes, in order to ensure that they are actually tailored to people experiencing homelessness with the highest support needs.

Hungary has no shortage of highly articulate proposals for a national strategy to eradicate homelessness – however, as long as the Government chooses to emphasise punitive measures and the individual responsibility in making a living for oneself, those that are the most vulnerable will be left to rely on shelters instead of housing. Hungary needs a steady shift of paradigm to replace the focus of offering and financing shelters to creating real options for affordable housing, as well as making the support available to sustain those.

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