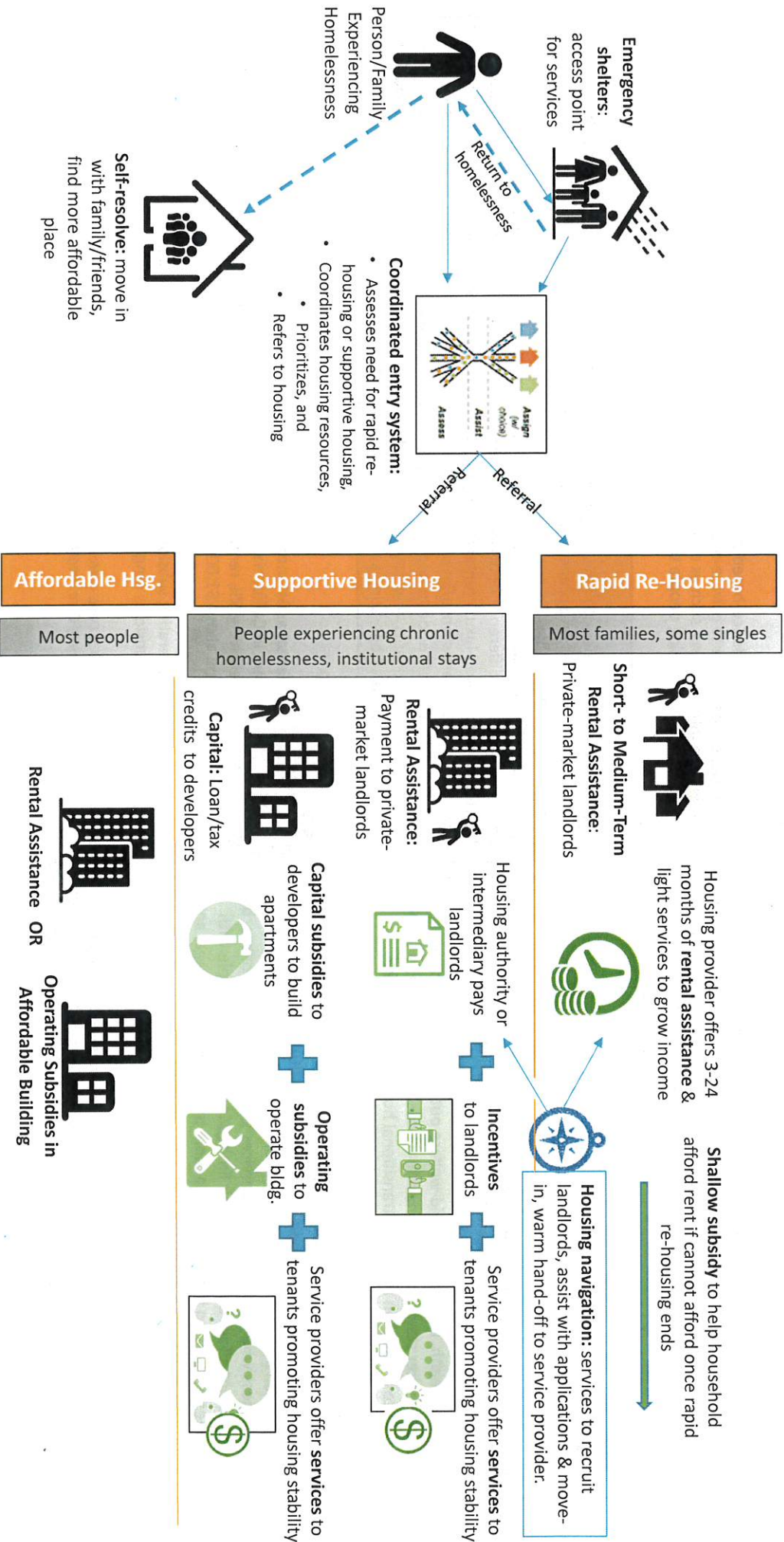
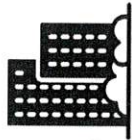


Interventions to Solve Homelessness



Interventions to Solve Homelessness

The U.S. Department of Housing & Urban Development (HUD) recognizes a range of interventions as evidence-based solutions to homelessness from studies over the last 30+ years. Housing without limits on length of stay—“permanent housing”—solves homelessness. Rental assistance to private-market landlords and capital with operating subsidies to create new apartments provide tools to move people from homelessness to permanent housing. Interim interventions, such as emergency shelters, navigation centers, and motel vouchers, do not solve homelessness; instead, they offer people a safe place to access services, including services connecting people to housing.



Rental Assistance/Operating Subsidies

A HUD-commissioned study found households receiving monthly subsidies to help them pay their rent had far better housing stability, health, behavioral health, income, and child-welfare outcomes than families receiving shelter stays alone or transitional housing. The study also found subsidies cost less than shelter or transitional housing per month.¹

Long-term rental assistance often comes with intensive services promoting housing stability—supportive housing—for people experiencing chronic homelessness and people with frequent institutional stays. Rental assistance can also make housing affordable to people experiencing homelessness who do not need the services supportive housing offers, but who could not afford housing on their limited incomes (i.e., people with disabilities, seniors on fixed incomes, people making minimum wage, and Californians who cannot afford our high costs of rent).



Housing authorities use federal vouchers, like Housing Choice Vouchers (“Section 8”) and Incentive Voucher, to fund long-term rental assistance.² In California, housing authorities provide rental assistance through two main models:

Tenant-based rental assistance is a voucher provided to tenants through payment to private-market landlords. It pays the difference between 30% of the tenant’s income and “fair market rent” (HUD-determined rent for non-luxury rental housing in the community). Vouchers move with the tenant. **Project-based rental assistance/an operating subsidy** offers dedicated payments to apartments a developer or owner sets aside to people experiencing homelessness. These subsidies allow a developer to rent to tenants who have experienced homelessness and cannot afford to pay enough rent to fund the costs of operating and maintaining the building.³



Costs

Rental assistance: For a one-bedroom apartment for a couple, HUD fair market rent in California varies from \$632 per month to \$2,561. Assuming a tenant is receiving SSI, rental assistance would cost about \$300 per month in Glenn County and about \$1,000 per month in Los Angeles.

Operating subsidies: Operating subsidies are typically less expensive per month than rental assistance. Estimates of operating subsidies range and average about \$700 per month.

¹ Daniel Gubits, Marybeth Shinn. “Family Options Study: 3-Year Impacts of Housing & Services Interventions for Homeless Families.” U.S. Dept. of Housing & Urban Dev. Office of Policy Dev. & Research. Oct. 2016.

² U.S. Interagency Council on Homelessness. *Public Housing Authority Guide to Using Rental Assistance Funded Through The Continuum of Care Program for Permanent Housing.* https://www.usich.gov/resources/uploads/asset_library/PHA_RentalAssistance.pdf (“USICH PHA Guide”).

³ USICH PHA Guide.

Los Angeles County Flexible Housing Subsidy Pool

Flexible Housing Subsidy Pool (FHSP): Under the visionary leadership of Dr.

Mitch Katz, the LA County Department of Health Services (DHS) created the FHSP in 2014 with the understanding that housing is healthcare based on 30 years of data. To create a nimble, responsive pool of funds, DHS used —

- \$13 million from DHS estimates of cost savings from moving people from homeless-related frequent, longer-term hospital stays;
- \$4 million of flexible seed funding from the Hilton Foundation;
- \$1 million from the Office of LA County Board Supervisor Mark Ridley-Thomas.

As of 2017, the FHSP had invested \$40 million to house \$2,400 people. It now houses almost 6,000 Californians. It receives funding from the Department of Mental Health, Department of Probation, Department of Public Health, and LA Care Health Plan, among others. The County spent 40% of funding from the Whole Person Care pilot on intensive case management services within the FHSP.

The FHSP funds —

- Tenant-based rental assistance through an intermediary, Brilliant Corners.
- Intensive case management services provided by non-profit homeless service providers.
- Operating subsidies in new and existing affordable and supportive housing through 15-year contracts.
- Interim housing while people are waiting for permanent housing.

Over 10 other counties have since created similar models, or are interested in creating FHSPs.⁴

- DHS pools resources among private philanthropy, managed care organization, other County departments.
- Contracts with Brilliant Corners & Intensive Case Management Services providers.



- Recruits landlords willing to participate in program.
- Secures leases of individual units, as well as blocks of units and whole projects they “master lease.”
- Administers rental payments and incentives to landlords.
- Provide housing navigation services.

- For as long as tenants require, Intensive case management services providers offer a case manager to offer —

- Outreach services to people experiencing homelessness.
- Case management services to formerly homeless people living in DHS housing.
- Linkage to medical & behavioral health treatment.
- Benefits assistance.
- Life skills training.
- Eviction prevention services.



Rental assistance: \$850-900/month to landlords + administrative fee. **Services:** \$450/month for high-acuity (i.e., first 12 months, 1:20 case manager-to-tenant ratio), \$225/month for low-acuity services.

A RAND evaluation of FHSP found over 96% of residents remained stably housed after a year, and significantly decreased their use of acute care costs, netting a \$1.20 cost savings for each \$1 invested.



⁴ Data as of 2017. Sarah B. Hunter, Melody Harvey, et. al. “Evaluation of Housing for Health Permanent Supportive Housing Program.” RAND Corp. 2017. Abt Associates. “Flexible Housing Subsidy Pool.” Hilton Foundation. 2017.

Other Programs



Operating subsidies in San Francisco: San Francisco appropriates over \$12 million per year to the Local Operating Subsidy Program (LOSP). The City refers people into supportive housing projects receiving City capital funding. The City funds operating subsidies through 15-year grant agreements, often along with services funding. The subsidy pays the difference between 30% of a tenant's rent, all other subsidies in the building, and the costs of operating the project.⁵

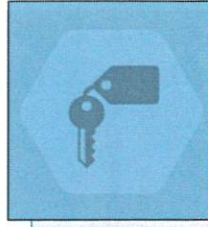


Other states have rental assistance programs. Connecticut, Illinois, and Massachusetts, as examples, operate similarly to the federal Housing Choice Voucher program. New York operates a rental assistance program through grants to housing providers. The Washington Homeless Assistance Grants Program provides grants to counties for project-based and tenant-based rental assistance.⁶



Rapid Re-Housing

Rapid re-housing is a form of permanent housing. It offers short- to medium-term rental assistance of three to 24 months, with light services to grow the household income. Tenants stay in their home once the rental assistance and services end. Evidence suggests this model has been successful nationwide in allowing families to exit homelessness. In some communities in California, households are unable to pay rent in their apartments after the rental assistance ends. For these households, a few programs are now funding shallow subsidies to keep households housed.⁷



Housing Navigation & Landlord Incentives

The challenge with tenant-based rental assistance is that many people offered rental assistance cannot find a landlord willing to accept the voucher. They often need assistance to find landlords. More and more communities now offer housing navigation services that establish relationships with landlords willing to accept Housing Choice Vouchers, and help potential tenants complete the paperwork and obtain the documentation necessary to use the vouchers. Many communities also offer landlord incentives to entice landlords to accept vouchers, in the form of additional payment for holding fees, security deposits and funding for repairs to help landlords pass inspections.

⁵ City and County of San Francisco. *Local Operating Subsidy Pool Policies & Procedures*. 2018.

⁶ Danilo Pelletiere, Michelle Canizio, et. al. "Housing Assistance for Low-Income Households: States Do Not Fill the Gap." *National Low-Income Housing Coalition*. 2008.

⁷ Meryl Finkel, Meghan Henry, et. al. "Rapid Re-Housing for Homeless Families Demonstration Programs Evaluation Report." U.S. Dept. of Housing & Urban Dev. Office of Policy Dev. & Research. Apr. 2016.