

**COMMUNITY PLANNING AND DEVELOPMENT
HOMELESS ASSISTANCE FOR FAMILIES
2017 Summary Statement and Initiatives**

**Estimated Outlays Over 10 Years
(Dollars in Millions)**

	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>	<u>2026</u>	<u>Total 2017-2026</u>
Outlays (Mandatory)	\$79	\$359	\$616	\$813	\$998	\$1,204	\$1,410	\$1,618	\$1,829	\$2,041	\$10,967

1. What is this request?

The Department requests \$10.967 billion over 10 years in mandatory budget authority to reach and maintain the goal of ending family homelessness by 2020, as laid out in *Opening Doors*, the nation’s first Federal strategic plan to prevent and end homelessness. Specifically, this request provides the necessary rental assistance and case management to enable HUD to serve nearly 550,000 families with children over the course of 10 years through targeted, evidence-based interventions. Complementing this mandatory proposal, the Budget also provides targeted discretionary investments to address homelessness, including 10,000 new housing vouchers for families with children experiencing homelessness (in the Housing Choice Voucher account), 25,500 new units of permanent, supportive housing to end chronic homelessness, 8,000 new units of rapid rehousing, and \$25 million to test innovative projects that support homeless youth (in the Homeless Assistance Grants account).

2. What is this program?

This investment will significantly expand the availability of rapid rehousing and Housing Choice Vouchers dedicated specifically to families experiencing homelessness, and would enable communities to properly scale their response to family homelessness. These two interventions offer the most flexible, targeted, and cost effective interventions for communities seeking to move families out of emergency shelter quickly and into their own permanent housing units. Rapid rehousing offers time-limited rental assistance and case management services designed to help families stabilize in housing and connect to other needed services in the community. The Housing Choice Voucher program, alternatively, offers a longer-term housing subsidy. Housing Choice Vouchers do not come with dedicated funding for services, but can be coordinated with supportive services funded through other resources, including mainstream systems.

Homeless Assistance for Families

The **Homeless Assistance for Families** funding will be provided through the Continuum of Care (CoC) framework already operating within a given community and in partnership with local Public Housing Agencies (PHAs). Execution will rely on each community's coordinated entry system to assess families in need of assistance, and connect them to the most appropriate intervention. Coordinated entry provides a standardized way for CoCs to assess all persons presenting for homeless assistance and prioritize assistance based on vulnerability and severity of service needs. CoCs will use the information from their coordinated entry process to determine which housing intervention is most appropriate for each family's needs, including the rapid rehousing interventions or Housing Choice Vouchers funded under this request or other housing and service options available in the community. Using the coordinated entry process will ensure that resources are efficiently allocated, targeting resources to those families who need them most. Based on current research and data on homeless families with children, HUD estimates that of the \$11 billion spent over 10 years, approximately 20 percent of the funds will be used to support rapid rehousing, and 80 percent of the funds will support Housing Choice Vouchers.

Rapid Rehousing

The Continuum of Care (CoC) Program is the federal government's largest targeted homelessness assistance program. Each year, funds are awarded to over 8,000 projects through a national competition that encourages communities to carefully review the performance of each project in its portfolio.

Rapid rehousing is an evidence-informed intervention that CoCs across the country use to provide time-limited housing assistance and stabilization services, particularly for families with children. Rapid rehousing is a cost effective solution for many homeless families, and it has helped many communities significantly reduce homelessness.

Families requiring longer-term housing assistance – as determined by CoCs through their coordinated entry processes – would be referred to the participating PHA to receive a housing voucher.

Housing Choice Vouchers

The Housing Choice Voucher program is the federal government's largest rental assistance program, allowing very low- and extremely low-income families, the elderly, and persons with disabilities to afford decent and safe housing in the private market. The program is administered locally by approximately 2,300 PHAs and currently provides rental assistance to about 2.2 million households – including some of our nation's most economically vulnerable families. Because the Housing Choice Voucher program serves a broader low-income eligible population, additional resources are necessary to adequately address the needs of higher-need families experiencing homelessness.

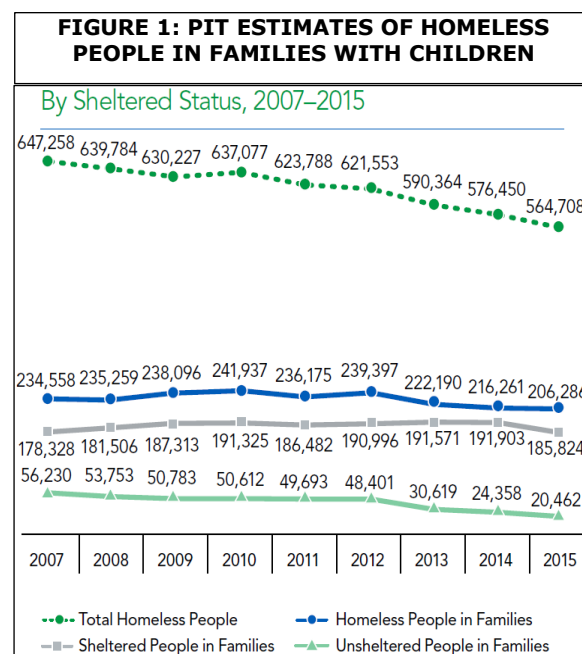
The new housing vouchers funded through the Homeless Assistance for Families account will be targeted to those families with children who have long-term housing affordability needs, and for whom rapid rehousing or other interventions have been inadequate

for long-term housing stability. Housing vouchers will be distributed to PHAs partnered with the CoCs, and together they will work to ensure that the housing assistance is paired with the appropriate wraparound services for those families.

3. Why is this program necessary and what will we get for the funds?

Although family homelessness has declined since the release of *Opening Doors* in 2010, the reduction has been modest. While limited new resources have been made available, communities continue to maximize their homeless assistance resources by reallocating funding toward higher performing projects and by focusing on improved coordinated entry. Between the 2014 and 2015 annual Point-in-Time (PIT) counts, family homelessness declined by 5 percent – one of the greater declines in family homelessness since the publication of *Opening Doors*. Yet, with over 64,000 families experiencing homelessness on a given night in 2015 – and over 206,000 people in those families, over 128,000 of which are under 18 – there remains an urgent need for far greater, dedicated resources to end family homelessness.¹

While HUD’s PIT count provides an important perspective on homelessness among families with children, HUD and its federal partners use many other data sources to get a full picture of homelessness and housing instability, including data collected by other Federal agencies as well as national and local studies and evaluations. Each of these data sources provides an important perspective used to drive policy decisions. HUD’s 2014 Annual Homeless Assessment Report,² which relies on data collected throughout the year in each CoC’s Homeless Management Information System (HMIS), indicated that over 160,000 families with children experienced homelessness in fiscal year 2014. The American Housing Survey (AHS) estimates the number of people who are living in overcrowded situations or living with other people temporarily. HUD’s *Worst Case Housing Needs: 2015 Report to Congress*,³ which uses the AHS data, found that in 2013 there were 7.7 million renter households with worst case needs –very low income households who receive no housing assistance and



¹ 2015 Annual Homeless Assessment Report: Part 1 - PIT Estimates of Homelessness in the U.S.: <https://www.hudexchange.info/resource/4832/2015-ahar-part-1-pit-estimates-of-homelessness/>

² 2014 Annual Homeless Assessment Report: Part 2 – Estimates of Homelessness in U.S.: <https://www.hudexchange.info/resource/4828/2014-ahar-part-2-estimates-of-homelessness/>.

³ *Worst Case Housing Needs: 2015 Report to Congress*: http://www.huduser.gov/portal/publications/affhsg/wc_HsgNeeds15.html

Homeless Assistance for Families

have severe rent burdens or live in substandard housing.

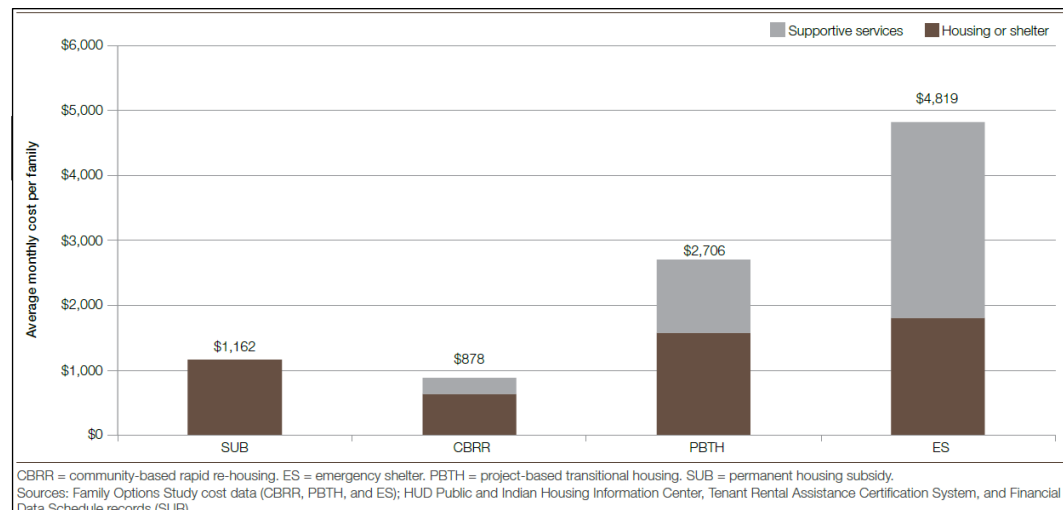
A growing affordability gap in communities across the country has meant that many families face significant barriers to sustainable housing solutions. The 2015 Worst Case Housing Needs Report showed a significant national shortage of affordable rental housing, with only 39 affordable rental units available to every 100 extremely low-income renters. Moreover, 12 percent of those affordable and available units for extremely low-income renters have severe deficiencies. While communities continue to maximize their homeless assistance resources by reallocating funding to projects that demonstrate success, one thing is clear – **we will not end family homelessness without additional resources.**

With this request, over the course of 10 years, 550,000 families will be provided with the assistance they need to lift themselves out of homelessness and into opportunity. For families who have lost their homes or are at risk of losing their homes, this assistance will bring stability to the household and help families connect to the services needed to maintain their housing and forge a path to self-sufficiency. This program will leverage the housing assistance delivery systems that are already established in communities through the CoC and PHAs. CoCs continue to develop coordinated entry systems that will allow communities to ensure that families experiencing homelessness are quickly assessed and referred to the most appropriate intervention.

More broadly, this request will further solidify partnerships between PHAs and CoCs across the country, who will work collaboratively to leverage coordinated systems to serve the most vulnerable families effectively and efficiently. With these partnerships and with adequate resources, this proposal builds a service delivery system with solid, sustainable solutions for the hundreds of thousands of families who experience homelessness each and every year.

4. How do we know this program works?

The programs supported by the Homeless Assistance for Families request are proven, evidence-based interventions that have ended homelessness for hundreds of thousands of families nationwide. The research on how to best serve families with children experiencing homelessness indicates that two key interventions are rapid rehousing and Housing Choice Vouchers.



Homeless Assistance for Families

Rapid rehousing is a highly promising intervention for helping families with children stabilize long enough to overcome their homeless experience, and cost efficient compared to alternative service interventions.

The 2014 Annual Homeless Assessment Report indicates that 19.5 percent of families who enter emergency shelter exit within 7 days or less. An additional 26.6 percent of families with children who enter emergency shelter leave within the 30 days. These families often need the type of short- and medium-term assistance rapid rehousing provides to stabilize their housing situation.

Additionally, HUD's experience with its Homelessness Prevention and Rapid Re-housing Program (HPRP) showed that roughly 85 percent of families with children who received rapid re-housing were placed into permanent housing destinations – both subsidized and non-subsidized – nearly 45 percent of which exited the program within 90 days.⁴ This performance overshadows the results in traditional transitional housing programs which exit families with children into permanent housing destinations roughly 71 percent of the time and only about a quarter of those exits happen in the first 90 days.⁵

Numerous studies have demonstrated that the provision of housing vouchers to low-income families vastly reduces their risk of homelessness. The findings of the recently released Family Options Study,⁶ which documents the outcomes of a large cohort of families randomly assigned to receive different interventions to address their homelessness, adds to this body of evidence. Short-term outcomes reveal that 20 months after the study started, families who had been offered a voucher experienced significantly less homelessness and fewer moves than families assigned to the other interventions. Moreover, the study demonstrated that the provision of a housing voucher to a homeless family yielded other substantial benefits, such as dramatic reductions in child separations, domestic violence, psychological distress, food insecurity, and school mobility—all of which are measures linked by research to have powerful effects on child well-being.

Family homelessness generates both fiscal costs – particularly in the enormous price tag associated with emergency shelter – as well as social costs, in the long-term well-being of children, families, and communities. The Family Options Study also points to the cost-effectiveness of rapid rehousing and housing vouchers when compared to other interventions. Over the 20-month period that families were tracked, the cost of all assistance provided to families offered a housing voucher was comparable to the cost that accrued to other study families who did not have the opportunity to receive a housing voucher. The average monthly cost of rapid rehousing (\$878 per family) and housing vouchers (\$1,162 per family) was considerably lower than other forms of intervention. Addressing family homelessness with targeted housing vouchers provides communities with a tool that is proven to be cost-effective while delivering powerful and far-reaching benefits to homeless families and children.

⁴ HUD. "Homelessness Prevention and Rapid Re-Housing Program: Year 2 Summary" February 2013. http://www.hudexchange.info/resources/documents/HPRP_Year2Summary.pdf.

⁵ HUD. Analysis of HMIS Administrative Data.

⁶ Family Options Study, 2015: https://www.huduser.gov/portal/family_options_study.html