



Using Tenant-based Housing Vouchers to Help End Homelessness in Los Angeles, 2016-2020 *Executive Summary*



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About This Report

In a partnership with the Conrad N. Hilton Foundation, as part of the larger evaluation of the Foundation's Chronic Homelessness Initiative, Abt Associates examined how effective the Los Angeles region's public housing authorities (PHAs) have been in using vouchers to help people leave homelessness, the extent to which voucher holders succeed in using the vouchers, the locations where they use vouchers, and the implications for the PHAs' programs—who they serve and at what cost. This study focuses on 2016 through early 2020, before the onset of the COVID-19 pandemic.

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Executive Summary

For more than 10 years, Los Angeles has been engaged in a community-wide effort to end homelessness, focusing on people with high-needs and chronic patterns of homelessness through a partnership among local government agencies, homeless service and healthcare providers, community organizations, and philanthropy.

Tenant-based rental subsidies are a major component of the strategy for expanding access to permanent housing that includes supportive services made available to residents—that is, scattered-site permanent supportive housing for people experiencing chronic homelessness. Most of the community’s tenant-based rental subsidies are provided through the Housing Choice Voucher (HCV) program, which is funded by the federal government and administered by local public housing authorities (PHAs). Nineteen PHAs across Los Angeles County administer HCVs.

The Los Angeles PHAs have committed substantial numbers of their vouchers to people experiencing homelessness. PHAs work together with homeless service providers, the County’s Department of Health Services (DHS) and the Department of Mental Health (DMH), and the U.S. Department of Veterans Affairs (VA) to match people experiencing homelessness to vouchers and assist them in becoming eligible for HCV and searching for housing.

In a partnership with the Conrad N. Hilton Foundation, as part of the larger evaluation of the Foundation’s Chronic Homelessness Initiative, Abt Associates examined how effective the Los Angeles region PHAs have been in using vouchers to help people leave homelessness, the extent to which voucher holders succeed in using the vouchers, the locations where they use vouchers, and the implications for the PHAs’ programs—who they serve and at what cost.

Findings

Across Los Angeles County, ***PHAs issued 12,768 vouchers to people experiencing homelessness between 2016 and 2020.*** Those vouchers came from a combination of turnover in the regular HCV program and new allocations of vouchers through special programs, in particular a program that provides vouchers to homeless veterans with disabilities (HUD-VASH). PHAs used their preference systems (the way in which they order their waiting lists) to devote major shares of their regular HCVs to households experiencing homelessness. The largest numbers of voucher issuances to households experiencing homelessness were from the Housing Authority of the City of Los Angeles (HACLA, 7,033 issuances), the Los Angeles County Development Authority (LACDA, 4,328), and the Housing Authority of the City of Long Beach (HACLB, 1,211). Those are the largest PHAs in the region, but they also are devoting the largest shares of their HCV programs to the effort to end homelessness.

Of the vouchers that went to people experiencing homelessness, the ***highest number went to single individuals***, consistent with the high share of people experiencing homelessness in Los Angeles who do so as individuals rather than as members of families. Many of those individuals had disabilities, consistent with the community’s priority of serving people with chronic patterns of homelessness. ***More than half of all issuances were to people identifying as Black, consistent with the community’s 2020 homeless Point-in-Time Count that showed a disproportionate share of people experiencing homelessness in the Los Angeles region are Black.*** About a quarter went to households identifying as Latino, a smaller share

than the share of people experiencing homelessness who identify as Hispanic or Latino in the community's 2020 homeless Point-in-Time Count.

Most voucher issuances to people experiencing homelessness were for people referred by the homeless services systems, from the organizations that implement the coordinated entry system (CES), from the VA health system (for HUD-VASH), or from the Los Angeles County health agencies. Households with such referrals had case managers dedicated to helping them get through the PHAs' process for determining that a household is eligible for the HCV program. The process is notoriously complex, as households must produce documentary evidence of their identity and legal status (such as Social Security cards), as well as evidence that they qualify for preferential access to a voucher because of their current homelessness. Some people are barred from receiving federal housing assistance based on certain types of criminal histories or outstanding debts to PHAs. The process can take many months, but staff of PHAs said that ***most people referred to the PHA from the homeless service system make it through the process and are issued a voucher.***

Once issued a voucher that permits them to search for housing, ***nearly seven of every 10 households experiencing homelessness (65 percent) succeeded in leasing a housing unit with voucher assistance.*** This was a somewhat higher success rate than for households not experiencing homelessness (61 percent) and can be attributed to two factors—the ***high motivation*** to make the effort to use a voucher for people without a current place to live and the ***help they received from case managers.*** During the 2016-2020 period, Los Angeles County funded and implemented incentives for landlords that agree to rent to people experiencing homelessness, and that also appears to have helped drive these high success rates. Among the largest of the Los Angeles PHAs, HACLA a success rate of 63 percent and HACLB had a similar rate of 62 percent for people experiencing homelessness. LACDA had the highest success rate, 67 percent. LACDA serves the balance of Los Angeles County not served by a city housing authority. While LACDA and HACLB had higher success rates for people experiencing homelessness compared to other households, success rates were comparable at HACLA across people experiencing homelessness and people not experiencing homelessness.

The average time elapsed between the issuance of a voucher and lease-up for people experiencing homelessness was 122 days. ***Many households experiencing homelessness needed more than 180 days to find a unit.*** This reflects the challenges of the Los Angeles housing market. Across the US, most households who succeed in using a voucher do so within 180 days. Both people experiencing homelessness and other households need a longer time to secure housing in the Los Angeles region.

Success in using a voucher was similar among people experiencing homelessness, regardless of household size and disability and for all racial and ethnic groups. Black households experiencing homelessness had a success rate of 66 percent. Black and Hispanic households experiencing homelessness had greater success using vouchers than Black and Hispanic households who were not homeless at the time the vouchers were issued. That was not the case for White households. Case managers and landlord incentives appear especially important for helping Black and Hispanic households overcome barriers to leasing up.

Use of vouchers by people experiencing homelessness is heavily concentrated in certain parts of the Los Angeles region. This is true of other voucher users as well, but ***households who use a voucher to leave homelessness are more likely to be concentrated in the same locations and more likely to rent units in***

census tracts with a high proportion of people living in poverty. This could reflect their high imperative to use a voucher (and willingness to compromise on location), racial discrimination (reflecting the high percentage of voucher users who are Black), or the greater likelihood that they stayed close to the locations where they were staying during their episode of homelessness.

Devoting substantial shares of their HCV programs to helping people leave homelessness has implications for the PHAs. They are *less likely to serve families with children and seniors and more likely to serve single, non-elderly people*, including people both with and without disabilities. The per household cost of serving people experiencing homelessness is only slightly higher than the per unit cost of serving other households. People leaving homelessness use their vouchers to rent somewhat less expensive units (because they more often only need one bedroom and perhaps also because they are renting in less expensive locations). However, their income is lower on average, with more households with income below \$5,000 per year. *The additional cost of serving a formerly homeless household is \$29 per month or about 3 percent.* PHAs also consider that their administrative costs (staff hours) are greater when they serve homeless people.

Overall, the commitment of tenant-based vouchers by the Los Angeles PHAs to the effort to address homelessness appears successful. Based on the study's detailed findings, we have some recommendations for making the effort work even better. A *stronger focus on speeding the process from assessment and referral through qualification and voucher issuance is needed*—for example, devoting effort to ensuring people are document-ready before they are referred to the PHA. The new practice adopted by some PHAs of *issuing provisional vouchers* while documents are located could be extended. This might require cooperation from HUD. In view of the time needed from receiving the voucher to leasing a unit and the compromises people are making on location, *landlord incentives should continue to be tested* and their effectiveness evaluated. Strong enforcement of the laws prohibiting owners of rental housing to discriminate against voucher holders is needed, together with other measures that increase the availability of units available to voucher holders across the Los Angeles region.

We also make some recommendations for additional research that builds on this study, including following the households in this study into the period after they have leased up and conducting similar research on the use of HUD's Emergency Housing Vouchers (EHV) in the Los Angeles region.

Study Scope and Methodology

This study draws on a data source that only recently has become available. PHAs have made it possible to measure the extent to which households who receive vouchers succeed in using them by submitting a Form 50058 to HUD at the time a voucher is issued, rather than waiting until a household succeeds in using a voucher and the housing subsidy starts. PHAs are also complying with HUD's request to indicate whether the voucher is issued to a household currently experiencing homelessness. Some PHAs are entering the homelessness indicator only at the time a voucher is used to lease a unit. Therefore, the analysis of lease-up rates for people experiencing homelessness uses characteristics of households that leased up with a voucher to fill in missing data on homelessness at the time the voucher was issued. The analysis also makes use of the extensive information on household characteristics, the locations of leased housing units, and the subsidy costs incurred by the PHAs to produce the findings presented in the report.

In addition to drawing on that rich data source made available to the study team by HUD's Office of Policy Development and Research, the study team conducted extensive interviews with staff of PHAs,

organizations in the region's homeless services system and health system, and people with lived experience of using a voucher to leave homelessness.

This study focuses on the period 2016 to early 2020, before the onset of the COVID-19 pandemic and before a new allocation of tenant-based EHV's added new resources to the effort to end homelessness. Nonetheless, we provide some information on how the pandemic effected the effort to use existing resources and preliminary information on how the homeless services system and the PHAs are using EHV's.