U.S. Department of Health and Human Services
Assistant Secretary for Planning and Evaluation
Office of Disability, Aging and Long-Term Care Policy

PUBLIC HOUSING AGENCIES AND PERMANENT SUPPORTIVE HOUSING FOR CHRONICALLY HOMELESS PEOPLE

February 2012

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This report was prepared under contract #HHSP23320095624WC between HHS's ASPE/DALTCP and Abt Associates, Inc. For additional information about this subject, you can visit the DALTCP home page at http://aspe.hhs.gov/_/office_specific/daltcp.cfm or contact the ASPE Project Officer, Emily Rosenoff, at HHS/ASPE/DALTCP, Room 424E, H.H. Humphrey Building, 200 Independence Avenue, S.W., Washington, D.C. 20201. Her e-mail address is: Emily.Rosenoff@hhs.gov.

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February 24, 2012

Prepared for
Office of Disability, Aging and Long-Term Care Policy
Office of the Assistant Secretary for Planning and Evaluation
U.S. Department of Health and Human Services
Contract #HHSP23320095624WC

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PREFACE TO THE ISSUE PAPERS

In 2014, most homeless people will become Medicaid-eligible under the Affordable Care Act (ACA) of 2010 based on their low incomes. Many homeless people have complex physical and behavioral health conditions for which they seek care through frequent use of emergency rooms and inpatient hospitalization, at considerable cost in public resources.

With appropriate supportive services, inappropriate use of crisis health services can be avoided. Medicaid reimbursement is an important source of funding for many of the health, care coordination, and recovery support services that help homeless people succeed in housing and stop such inappropriate use. Among the best indicators of Medicaid's potential usefulness to homeless people once they become beneficiaries are the ways that today's providers have been able to use Medicaid to cover health care and behavioral health care for people who have been chronically homeless and are now living in permanent supportive housing (PSH).

In October 2010, the Department of Health and Human Services (HHS), Assistant Secretary for Planning and Evaluation (ASPE), contracted with Abt Associates Inc. for a study to explore the roles that Medicaid, Community Health Centers, and other HHS programs might play in providing services linked to housing for people who experience chronic homelessness through PSH. **Permanent Supportive Housing** provides a permanent home for formerly homeless people with disabilities, along with the health care and other supportive services needed to help tenants adjust to living in housing and make the changes in their lives that will help them keep their housing. It differs from group homes, board and care facilities, and other treatment programs in that most tenants hold their own leases, and keeping their housing is usually not contingent on their participating in services or remaining at a certain level of illness.

Because Medicaid is implemented through partnerships between states and the Federal Government, every state's Medicaid program is different. Medicaid is only one component of strategies that communities use to create and sustain supportive housing. It does not pay for housing costs, and Medicaid reimbursement is available only for services that address health-related issues. This study focuses on communities known to be using Medicaid to provide integrated health, mental health, and substance use services combined with housing for chronically homeless people. Other states and providers will develop new models of service delivery and reimbursement in the coming years.

The Study's First Phase: Literature Synthesis, Environmental Scan, and Site Visits

The chronically homeless people on whom this study focuses have multiple, complex, and interacting physical and behavioral health conditions. Achieving the best results for these clients and the public institutions and systems from which they get care requires effective engagement, service delivery, and care coordination. To understand how this care is currently being delivered, the research team reviewed both published and unpublished literature and drew on team members' extensive knowledge of successful programs and agencies. The result was "*Medicaid and Permanent Supportive Housing for Chronically Homeless Individuals: Literature Synthesis and Environmental Scan*" (Burt, Wilkins, and Mauch, 2011). This report documents the evidence on the rationale for linking housing assistance with Medicaid-funded health services--specifically, that these services are more clinically effective while also being less expensive than avoidable emergency room use and hospitalizations.

The research team then conducted site visits to see how housing and supportive services worked together in practice. The team identified the relatively few communities in the United States with experienced providers that integrate housing with health, mental health, and substance abuse services. The team conducted site visits to three of these communities--the San Francisco Bay Area, Chicago, and the Boston-Worcester area. The communities visited are not representative; rather, they are examples. Their experiences may be helpful to policy makers and practitioners alike, as they illustrate both what can be accomplished and the many challenges and barriers that must be overcome along the way. A growing number of communities are starting to implement similar approaches.

The research team then produced four issue papers on promising practices linking health, mental health, and substance abuse services to housing assistance for the target population of chronically homeless people:

- **Paper 1**--describes three subgroups of the people experiencing chronic homelessness, and the services and housing configurations currently supporting them. *Health, Housing, and Service Supports for Three Groups of People Experiencing Chronic Homelessness.* Cambridge, MA: Abt Associates Inc., 2012. M.R. Burt & C. Wilkins. [http://aspe.hhs.gov/daltcp/reports/2012/ChrHomls1.shtml]

- **Paper 2**--describes the ways that Medicaid is being used now and might be used in the future under provisions of the ACA to serve chronically homeless people. *Medicaid Financing for Services in Supportive Housing for Chronically Homeless People: Current Practices and Opportunities.* Cambridge, MA: Abt Associates Inc., 2012. C. Wilkins, M.R. Burt, & D. Mauch. [http://aspe.hhs.gov/daltcp/reports/2012/ChrHomls2.shtml]

- **Paper 3**--describes innovative approaches to establishing Supplemental Security Income (SSI) eligibility. *Establishing Eligibility for SSI for Chronically Homeless People.* Cambridge, MA: Abt Associates Inc., 2012. M.R. Burt & C. Wilkins. [http://aspe.hhs.gov/daltcp/reports/2012/ChrHomls3.shtml]

- **Paper 4**--looks at innovative ways that public housing agencies (PHAs) are supporting housing for formerly homeless people in the communities the researchers visited. *Public Housing Agencies and Permanent Supportive Housing for Chronically Homeless People.* C. Wilkins & M.R. Burt.

Core information about health, housing, and supportive services found in the *Literature Synthesis and Environmental Scan* is not duplicated in the briefs. Likewise, Papers 2, 3, and 4 do not repeat the information on subpopulations found in Paper 1. Each brief refers to the others or to the *Literature Synthesis and Environmental Scan* as needed.

Second Phase: Case Studies of New Strategies

The second phase of this study involves case studies of six communities that are on their way toward early implementation of the ACA's Medicaid provisions or other Medicaid-related policies and practices designed to deliver care to chronically homeless people. The study will follow the six communities through fall 2012, watching as they design and implement different strategies that involve Medicaid waivers, state plan options, and other approaches. Future reports will describe these strategies and the progress communities are making.

Introduction to This Paper

This Issue Paper focuses on the roles that PHAs can play in expanding opportunities for chronically homeless people to move into housing, including the participation of PHAs in expanding the supply of PSH. A November 2011 HHS/ASPE Research Brief presents the findings of another ASPE project, in that case focusing on homeless families with children rather than on chronically homeless people (http://aspe.hhs.gov/hsp/11/FamilyHomelessness/rb.shtml). That brief documents promising practices among programs that work with PHAs to help serve homeless families by linking human services and housing supports.

1. PUBLIC HOUSING AGENCY HOUSING ASSISTANCE PROGRAM

Public housing agencies (PHAs), often referred to as housing authorities, administer federal funding for housing assistance to low-income families and individuals. More than 4,000 PHAs nationwide administer the Housing Choice Voucher (HCV)[1] program or own and operate public housing developments. PHAs range in size from fewer than 50 units of housing assistance to many thousands. Most large PHAs both own public housing and administer the voucher program. Most PHAs have city or county service areas, although a few states such as Massachusetts and Michigan also have state-level PHAs.

As of 2012, there are about 1.1 million public housing units in developments that vary widely in size and design. In recent years, some public housing developments have been renovated or rebuilt as "mixed-income" housing that includes a public housing component and also units for households at somewhat higher income levels.

As of 2012, there are about 2 million HCV subsidy slots. Vouchers enable families and individuals to rent housing in the private market, with a subsidy paid to the owner by the PHA based on the unit's rent (up to a maximum) minus about 30 percent of the tenant's income. Like public housing, the HCV program has not grown in recent years, although Congress has funded, and U.S. Department of Housing and Urban Development (HUD) has allocated, some vouchers designated for target populations with special needs--for example, the HUD and Veterans Affairs Supportive Housing (VASH) program, which provides vouchers for homeless veterans paired with case management services provided by Veterans Affairs medical centers (VAMCs).[2]

Some PHAs may also administer other federal, state, or local programs that assist low-income households or finance the development of affordable housing. For example, PHAs may administer Tenant-based Rental Assistance, similar to vouchers, funded by the HOME block grant program, and they may participate in partnerships that develop and manage housing for people with disabilities under the Section 811 program or housing developed using the Low Income Housing Tax Credit program that is funded through federal tax credits and allocated by state housing finance agencies.

PHAs also may help to administer specialized housing for homeless people funded through HUD's Homeless Assistance Grants program--in particular, voucher-like tenant-based housing subsidies funded by the Shelter Plus Care program. Shelter Plus Care is one type of Permanent Supportive Housing (PSH), providing housing and services to formerly homeless people with disabilities. PSH provides a permanent housing subsidy,

[1] Also known as "Section 8" after S.8 of the U.S. Housing Act. Section 8 refers to other housing assistance programs, as well as HCVs.

[2] See http://www.cbpp.org/files/7-20-11hous.pdf for a summary of new HCVs funded from 2005 to 2010.

along with the health care and other supportive services needed to help tenants adjust to living in housing and make the changes in their lives that will help them keep their housing.

PHAs may also use their "mainstream" HCV and public housing programs to provide PSH to homeless people, in particular those with chronic patterns of homelessness. *Opening Doors*, the Federal Strategic Plan to Prevent and End Homelessness, emphasizes the need to use mainstream housing programs to help meet the goals of reducing and ending homelessness. HUD's Annual Homeless Assessment Report to Congress reports local community estimates of 237,000 PSH beds as of 2010.[3] Much of that housing receives funding from HUD's Homeless Assistance Grants (McKinney-Vento) programs, which are very small compared with the mainstream programs administered by PHAs. If PHAs made available just 1 percent of the 3.1 million HCV slots and public housing units for additional PSH, that would add 31,000 units--and a larger number of beds--to PSH capacity.

The President's FY2011 and FY2012 Budgets proposed to allocate funding for 4,000 new housing vouchers to be administered by PHAs and linked to Medicaid and Substance Abuse and Mental Health Services Administration (SAMHSA)-funded behavioral health services for chronically homeless people. The proposed demonstration project would have tested and evaluated models for linking services to federal HCVs. Congress did not approve the funding for the demonstration project in either year and funding was not included in the 2013 budget.

Meanwhile, this issue brief, based on the literature review and site visits conducted for the first phase of this project, documents some particular ways in which PHAs currently are using their programs to create PSH and to target it to chronically homeless people. Another project, funded by HUD's Office of Policy Development and Research, is conducting web-based survey of all PHAs and a follow-up telephone survey of 125 PHAs to learn more about the extent to which PHAs are attempting to serve homeless people by partnering with providers of services to homeless people and about the barriers homeless people may face in using the HCV and public housing programs.

[3] *The 2010 Annual Homeless Assessment Report*. HUD Office of Community Planning and Development, 2011.

2. PUBLIC HOUSING AGENCY EXPERIENCE WITH SERVICES CONNECTED TO HOUSING

Homeless people are not the only vulnerable people or people in need of services who live in housing provided by PHA programs. Many PHAs have long experience with partnerships that deliver services to their tenants, and this experience continues to grow and evolve in directions that are relevant to PSH.

2.1. Services for Families in Public Housing

In public housing developments that house families with children and working-age adults, partner organizations often provide employment-related services or services related to financial literacy and asset-building. PHAs may also partner with organizations that offer services for children and youth, including child care, homework assistance, mentoring, and recreation. As many of the nation's most severely distressed public housing developments have been transformed into mixed-income developments, and many families have relocated from distressed public housing using HCVs, some researches and PHAs have identified a group of "hard-to-house" families who are at risk of losing their housing for reasons that go beyond affordability. These highly vulnerable families would benefit from additional services and support to maintain safe and stable housing--for example, supportive housing or other combinations of services and housing assistance.[4]

2.2. Services for Seniors in Public Housing

Many PHAs operate public housing that was designed for occupancy by seniors. Non-elderly people with disabilities may also be eligible to live in these buildings. Often these developments have service coordinators, who may be PHA employees or employed by partner organizations and who link residents to services for seniors in the community. Some public housing has a resident population that has aged in place and become increasingly frail, and PHAs sometimes collaborate with other organizations to provide more intensive support services that allow vulnerable tenants to continue living in their own apartments. Some public housing developments or portions of developments have been designated as assisted living.[5]

[4] Cunningham, M., Popkin, S., and Burt, M. (2005). Public Housing Transformation and the "Hard to House," Urban Institute, http://www.urban.org.

[5] For more information about PHAs and collaborations to provide services to frail elderly tenants see http://www.milbank.org/reports/0609publichousing/0609publichousing.html#Program.

2.3. Public Housing Agency Programs for Special Needs Populations

In recent years new federal funding for additional housing vouchers has often been limited to special needs programs that require partnerships with service-providers, including the HUD-VASH program for homeless veterans, HCVs for Non-Elderly Disabled (NED),[6] and the Family Unification Program (FUP) for families involved in the child welfare system.[7] PHAs are more likely to be able to qualify for these new resources if they have the capacity to partner with other systems and/or community-based organizations to link housing and services.

2.4. Health Care Programs Targeted to Public Housing Residents

Health care is an important service for all frail or disabled populations as well as low-income families. The Bureau of Primary Health Care at the Health Resources and Services Administration (HRSA) administers the Public Housing Primary Care (PHPC) program operated by Community Health Centers (CHC) in 25 states and Puerto Rico. PHPC programs deliver comprehensive, case managed, family-based primary care and preventive health care services, including behavioral health. Services are provided on the premises of public housing developments or at sites immediately accessible to residents of public housing. Goals of PHPCs are to improve access to primary and preventive health care for residents of public housing and to reduce health disparities related to infant mortality, asthma, obesity, substance abuse, depression, and other health conditions.[8] Programs may operate a clinic on-site in a public housing development or in an area adjacent to the housing development that offers access to services for residents of several public housing and HUD-assisted housing sites.

In Alameda County, California, Lifelong Medical Care received a PHPC grant to establish a clinic in downtown Oakland, to serve residents of nearby public housing developments and HUD-assisted supportive housing sites. This grant allowed Lifelong to significantly expand its capacity to deliver primary care and behavioral health services to PSH tenants, by establishing a full-time clinic in a neighborhood where several residential hotels have been rehabilitated and converted to PSH with ongoing rental assistance provided by HUD programs.[8]

[6] See http://portal.hud.gov/hudportal/documents/huddoc?id=PIH2011-32.PDF.

[7] The Technical Assistance Collaborative has created a database of vouchers that have been allocated for people with disabilities or other special needs http://tacinc.org/resources/data/vouchers/.

[8] For more information about the PHPC grant program see http://www.nchph.org.

3. PUBLIC HOUSING AGENCIES AND PERMANENT SUPPORTIVE HOUSING

In many communities PHAs are involved in administering housing assistance similar to vouchers for homeless people with disabilities through HUD's Shelter Plus Care program. Shelter Plus Care requires a commitment of matching funds for supportive services in an aggregate amount that matches the total amount of grant funding for housing assistance. PHAs that administer Shelter Plus Care usually do so as part of ongoing collaborations that involve public agencies or non-profit organizations that pay for and deliver supportive services for homeless people and people with disabilities.

In Shelter Plus Care, the organization providing the supportive services usually identifies homeless people who need PSH and refers them to the PHA to obtain the housing assistance. That model is also used for PSH that uses the mainstream HCV Program. In addition to identifying homeless people who are eligible for specialized programs such as Shelter Plus Care, or for waiting list preferences or set-asides that the PHA may have for homeless people, the partner agency may help the homeless person through the application process, including obtaining needed documentation. The partner then helps the person locate a housing unit and persuade the landlord to agree to rent and helps with moving in, setting up utilities, and obtaining household supplies and furnishings. These agencies may also deliver ongoing case management and support services to help the person integrate into the community and handle problems that may arise with meeting tenancy obligations.

In addition to this "tenant-based" model for providing PSH to formerly homeless people, some PHAs have followed a "project-based" model. Under federal law and regulations, most PHAs have the authority to convert up to 20 percent of their HCVs into project-based assistance, in which the subsidized household first uses the voucher in a particular housing development. The PHA selects sponsors (developers or owners) to receive project-based vouchers, making a commitment to fill the units with tenants with voucher rent subsidies. The subsidy retains some of the features of tenant-based housing assistance, in that the household can move out of the development after some period of time and use the voucher in other housing. The PHA then "back-fills" the vacant unit with another tenant with a voucher. The PHA often maintains separate waiting lists for individual project-based voucher developments.

Some PHAs have begun to integrate PSH into public housing for elderly and NED tenants--for example, by setting aside 25 percent of units for homeless people with disabilities, with on-site services to be provided by a community partner and financed through a state-funded supportive housing program administered by the Department of Mental Health and Addiction Services (New Haven, Connecticut) or a local behavioral health authority (Columbus/Franklin County, Ohio).

3.1. Public Housing Agency with Moving to Work Authority

A few PHAs (currently 33 of the 4,000)[9] have demonstration authority under a HUD program called Moving to Work (MTW). MTW gives the PHA the authority to operate outside the regular legislative and regulatory constraints of the Public Housing and HCV programs, under terms specified in a contract between HUD and the PHA. For example, many MTW PHAs may merge their funding streams for the Public Housing and HCV programs, may project-base additional vouchers beyond the 20 percent quota specified in law, and may convert housing subsidy funds into funds used for services.[10]

Some of the PHAs that have been most active in partnerships to create PSH have MTW authority, including two that were visited for this project, the Oakland Housing Authority (OHA) and the Chicago Housing Authority (CHA). The experience of these and other MTW PHAs may suggest approaches that other PHAs, without MTW authority, could follow under current law and regulations, with additional guidance from HUD.

3.2. Public Housing Agency Participation in Strategic Planning to End Homelessness

Some PHAs participate actively in the Continuum of Care or other local planning and policy making efforts. This involves collaborative planning with other local government agencies and supportive housing providers to establish and track progress toward shared goals, agree about housing models and target populations, and coordinate funding commitments for capital, operations, and services in PSH. Examples we heard about during the first phase of this project include Chicago; Oakland, California; Portland, Oregon; Salt Lake City and County; St. Paul, Minnesota; Seattle/King County, Washington; and the State of Maine.

[9] For a current list of MTW sites see http://portal.hud.gov/hudportal/HUD?src=/program_offices/public_indian_housing/programs/ph/mtw/mtwsites.

[10] HUD Report to Congress, Moving to Work: Interim Policy Applications and the Future of the Demonstration (August 2010).

4. MOVING TO WORK CASE STUDIES

4.1. Oakland

The OHA has used its MTW authority to provide "sponsor-based" PSH. The PHA provides rental assistance to an agency that then signs master-leases for apartments, or sometimes an entire building, and assumes responsibility for selecting tenants who have rental agreements with the program sponsor. The program sponsor collects tenants' rent contributions and enforces the terms of rental agreements. Depending on the terms of the agreement with the property owner, the sponsor may also assume some other responsibilities related to security, maintenance or improvements. This would not be possible under the rules of the regular HCV program, under which the household is responsible for selecting the housing unit and paying the rent.

The service-provider agency selects tenants for this sponsor-based PSH that have characteristics that would lead landlords to refuse to rent to them without the master-lease. For example, they may be vulnerable homeless people living in encampments or families reunifying when the mother returns from prison.

4.2. Chicago

Chicago has a Ten Year Plan and a very active Continuum of Care that has long pursued a strategy of developing PSH. This collaborative planning process was facilitated by a national intermediary organization, the Corporation for Supportive Housing, and involves the CHA and a wide range of civic leaders, government and non-profit agencies, and other stakeholders.

Homelessness planning in Chicago also builds on longstanding collaboration among CHA, the Chicago Department of Community Development (DCD), and the Chicago Department of Family and Support Services (DFSS) to provide housing and other support to seniors, youth, and young children. These initiatives did not have anything to do with PSH. They were related to education or eviction prevention or addressing the needs of families living in public housing. However, these efforts created ongoing relationships at high levels in the agencies, which then helped the agencies work effectively together on homelessness and on issues related to PSH.

CHA is converting some tenant-based vouchers to provide project-based or sponsor-based (master-leased) rental assistance and has an open Request for Proposal (RFP) to receive proposals for PSH and regular affordable housing. Financing for PSH can be complex, often requiring project sponsors to assemble funding

commitments for capital and operating costs from multiple sources. The open RFP[11] allows the flexibility for a project to come in for funding when it is ready, rather than waiting for a funding competition that might be open only once or twice a year and often not aligned with the timeline for other sources of funding.

Because CHA has MTW authority, it can provide project or sponsor-based rental assistance payments that are higher than the maximum rents paid for other housing vouchers in order to fund case management for PHA residents who need it. This funding helps cover gaps in service that cannot be covered through Medicaid billing.

An informal group of Chicago City officials is working to implement centralized access to supportive housing, using consistent policies and procedures to prioritize and select tenants for supportive housing opportunities throughout the city, with priority being given to the most vulnerable homeless people.

[11] PHAs may use an open RFP process that does not have a fixed deadline for applications, but instead allows consideration of applications on a "rolling" basis, as long as the RFP specifies the timeframe and process for considering applications.

5. PUBLIC HOUSING AGENCIES WITHOUT MOVING TO WORK AUTHORITY

5.1. Waiting Lists Policies

All PHAs have significant flexibility in establishing procedures and priorities for waiting lists and tenant selection, within the overall framework provided by federal law. Each PHA is required to establish an Annual Plan that describes the PHA's approach to meeting local housing needs among low and very low-income people. The PHA Plan describes eligibility for housing assistance and tenant screening and selection criteria. Sometimes the selection process is based either on first-come, first-served or on a lottery among all people on the PHA's waiting lists. However, many PHAs establish priorities or "preferences" for households with particular needs who are on the waiting list for public housing or voucher assistance or both. Federal law places some constraints on these preferences; for example, they may not conflict with fair housing law. But among the types of applicants for housing assistance for whom PHAs may establish preferences are veterans, people with disabilities, people who are homeless, people who are ready to "graduate" from PSH or transitional housing, and chronically homeless people.

Generally, PHA waiting list preferences are applied only to applicants who are already on waiting lists for housing assistance, which can be a challenge in many communities in which PHA waiting lists are closed because of the large number of applicants already on the lists. A few PHAs have implemented solutions to this challenge by amending their PHA Plan to allow opening the waiting list for homeless applicants who qualify for a preference because they meet specified criteria. The waiting list may remain open for people who qualify for the preference for a limited time period (which could be a year or more), or the PHA may establish a "limited preference" for a specific number of applicants that is tied to an initiative designed to create housing opportunities for homeless individuals or families. Community partners may help identify eligible homeless people and provide assistance with the PHA's application process, as well as helping with housing search, move-in costs, and providing furniture, food and other essentials.

An example of the operation of a limited preference for homeless people comes from a current study of alternative housing and service models for homeless families. In several communities across the country, PHAs are collaborating with the HUD-sponsored Family Options Study,[12] which seeks to compare outcomes for homeless families who receive different types of assistance, including a permanent housing subsidy without services, usually a HCV. Each participating PHA amended its Administrative Plan to add a preference for homeless families participating in the study,

[12] Also referred to as the Impacts of Housing and Services Interventions on Homeless Families, or the Homeless Families Impact Study.

designating the number of vouchers that would be set aside for study participants. As families are referred from the study, the PHA puts them on the waiting list and then immediately starts the process of issuing the voucher.

A similar process may occur when project-based vouchers are used to support individuals or families who want to live in particular PSH developments. The PHA establishes a site-based waiting list of people who want to live at the PSH project, and those households are available immediately to fill vacancies at the project. Site-based waiting lists have the advantage of ensuring that the next vacancy is made available to a person who is currently homeless and must be able to benefit from the particular housing and services available at that project.

Site-based waiting lists can facilitate choice for people seeking housing assistance and are consistent with SAMHSA's Evidence-Based Practice (EBP) fidelity model for supportive housing.[13] Many people with serious mental illness (SMI) or other disabilities want to live in integrated housing settings that include neighbors without disabilities, while others want to live in PSH that offers on-site supports and social connections with others who share similar needs and experiences. Consolidated (communitywide) waiting lists for public housing developments or developments supported with project-based vouchers may offer a person only one housing option when his or her name comes up to the top of the list after years of waiting. If the household does not want to live there, it goes back to the bottom of the list. Site-based waiting lists, in contrast, can match the household with the place he or she wants to live.

5.2. Eligibility Screening

PHA policies and procedures regarding tenant screening can be a significant obstacle for many chronically homeless people with disabilities. For most PHAs, the standard approach to tenant screening is to deny housing assistance to applicants with outstanding debt owed to the PHA or prior arrests or convictions. When attempting to serve homeless people, PHAs and their community partners may use flexible funding to pay debts owed to the PHA that would be an obstacle to eligibility for housing assistance.

Criminal backgrounds create a more challenging obstacle. Under federal law, PHAs are ***required*** to deny housing to people who are subject to lifetime registration under a state sex offender registration program, or convicted of manufacturing methamphetamines on the premises of federally assisted housing. Except in these two cases of permanent prohibitions to admission, PHAs ***may*** consider factors that suggest favorable future conduct. For example, PHAs must deny housing to applicants who have been evicted from federally assisted housing as a result of drug-related criminal activity within the last 3 years ***unless*** the PHA determines that the evicted household

[13] SAMHSA's EBP Kit for Supportive Housing is available at http://store.samhsa.gov/product/Permanent-Supportive-Housing-Evidence-Based-Practices-EBP-KIT/SMA10-4510.

member has successfully completed rehabilitation or the circumstances leading to the eviction no longer exist (e.g., the offending household member has died or is imprisoned). In addition, the PHA may deny housing to current drug abusers and to those who abuse alcohol, or whose pattern of alcohol abuse would create a threat to the health or safety of the development or the right of other residents to peacefully enjoy the premises. Here too, the PHA may consider mitigating circumstances in determining a final course of action. When PHAs are engaged in collaborative efforts to provide supportive housing opportunities to chronically homeless people, the availability of supportive services is often considered as a mitigating factor.

The law gives substantial flexibility to PHAs and housing providers to adopt local policies regarding criminal backgrounds. Some PHAs and providers of other federally subsidized housing have adopted policies that are more restrictive than the requirements of federal law, creating significant obstacles to housing for many chronically homeless people. While some PHAs have very restrictive policies, others have modified their policies and procedures to reduce barriers for people returning from jails and prisons. These modified (or "low-barrier") policies may apply only to particular housing projects that use project-based vouchers or to tenant-based vouchers that are available through a limited preference and are connected to programs that offer supportive services.

Some PHAs may initially deny applications for housing based on criminal backgrounds for all households, but have appeal procedures that allow for a case-by-case review of circumstances, including evidence of rehabilitation. This is another approach through which PHAs and supportive service-providers may work together to make it possible to use vouchers for homeless people who need PSH.

The rules may differ for special programs that offer vouchers targeted to specific special needs populations such as homeless veterans (HUD-VASH) and homeless people with disabilities (Shelter Plus Care). Under federal law, vouchers made available through the HUD-VASH program may be provided to veterans with criminal backgrounds as long as they are not subject to lifetime registration as sex offenders. Many PHAs may have also adopted "low-barrier" rules or procedures in their implementation of Shelter Plus Care.

In June 2011, the Secretary of HUD sent a letter to all PHA executive directors, describing the laws and policies regarding screening potential tenants based on criminal activity. While the focus of this letter was primarily on ex-offenders seeking to reunify with family members living in public housing or receiving voucher assistance, the encouragement to offer a second chance to allow ex-offenders a place to live may

provide a helpful signal to PHAs regarding more-flexible policies that reduce barriers for homeless people.[14] The Federal Interagency Reentry Council also published a "Myth Buster" fact sheet clarifying federal policies regarding eligibility for housing assistance for people who have been convicted of a crime.[15]

[14] See http://www.nationalreentryresourcecenter.org/documents/0000/1126/HUD_letter_6.23.11.pdf.

[15] See http://www.nationalreentryresourcecenter.org/documents/0000/1089/Reentry_Council_Mythbuster_Housing.pdf.

6. HELPING HOMELESS PEOPLE USE VOUCHER ASSISTANCE FOR PERMANENT SUPPORTIVE HOUSING

Once a household has come off the waiting list, been declared eligible, and been issued a voucher, the standard practice is that searching for housing is the responsibility of the household. This can be difficult for homeless people with health and behavioral health challenges. Furthermore, most landlords apply screening criteria related to credit history and prior evictions and are encouraged to do so by the PHA. Some PHAs and their service-providing partners have streamlined the search process and made it easier for homeless people to use vouchers for scattered-site supportive housing by:

- Establishing ongoing relationships with landlords or property management firms that control a significant number of rental units.

- Pre-inspecting apartments that can be made available for prospective tenants.

- Expediting the approval process by assigning dedicated staff and completing several tasks simultaneously, rather than waiting to complete one step in the process before starting another one.

These strategies can be particularly important for engaging people with chronic patterns of homelessness with an immediate offer of housing that is available at the time a vulnerable homeless person is willing to accept it, rather than weeks or even months later.

In the **District of Columbia (DC),** a partnership involving the U.S. Department of Veterans Affairs (VA), the DC Department of Human Services, the DC Housing Authority, and the Community Partnership for the Prevention of Homelessness has successfully housed more than 100 of the most vulnerable, chronically homeless veterans. In DC as in many other communities, early efforts to implement HUD-VASH encountered delays in moving homeless veterans into housing. With support from the White House and the U.S. Interagency Council on Homelessness, the VA, local government, and community partners created the VASH-Plus approach to adapt and streamline the process, with a focus on serving the most vulnerable chronically homeless veterans. The partners created web-based tools to share information and to track the process of identifying housing units and helping homeless veterans move through the application process and get into housing. The VA worked with community partners to implement a client-centered, “housing first” approach to case management and wrap-around services. The DC Housing Authority collaborated to improve the

process for connecting vouchers to eligible homeless veterans and available housing units.[16]

A similar streamlined process for moving chronically homeless people from the streets into housing was developed in **Los Angeles** for Project 50 participants: the 50 most vulnerable people living on the streets of Skid Row. A collaboration of 19 agencies, including the Housing Authority of the City of Los Angeles (HACLA), got the average time from application to housing down to about three weeks and the time for one applicant to just 12 days. HACLA adopted several of the strategies described above, including dedicated staff.

[16] See http://www.hudhre.info/documents/vashplus.pdf.

7. HELPING PERMANENT SUPPORTIVE HOUSING

PSH *is* permanent housing, meaning that there are no time limits and tenants can choose to stay there as long as they pay rent and meet lease obligations. For many people who have had long histories of homelessness, PSH offers an opportunity for long-term stability and recovery. Over time, however, the needs and preferences of supportive housing tenants may change. After a period of stability in PSH, some people who live in site-based PSH no longer need the level of support that is available there. Some would like to move on to other housing that offers better access to jobs, family, or other social connections, or perhaps the opportunity to live in a different neighborhood. Some formerly homeless people live in scattered-site PSH, using tenant-based rental assistance from the HCV or the Shelter Plus Care program. For these subsidized tenants, "graduating" from PSH may mean that the household no longer receives the same types or intensity of supportive services and may use a different type of rent subsidy, without moving to a different apartment. When people have the opportunity to move on or "graduate" from PSH, this creates turnover that allows existing PSH to serve more homeless people.

During our site visits, all of the PSH providers that we spoke with said that some PSH tenants could move on to less service-rich environments if affordable housing opportunities or rental assistance were more widely available. Some supports would be needed during the transition, and ongoing supportive services would have to be provided in the community.[17] At one meeting, PSH providers estimated that 10-20 percent of single adults and about half of the families living in PSH could move on to other housing that offers a less service-rich "step up." Some described this as a "housing next" model that follows "housing first." The availability of ongoing support when needed is important because, even for "successful" PSH residents, progress can be uneven, health or mental health conditions can recur or worsen, or people can relapse with substance abuse problems.

Set-aside units in affordable housing developments were described as one way to provide opportunities for tenants to move on from PSH. Another approach is to use tenant-based vouchers for people who have achieved stability in site-based PSH. PHAs that are exploring this option would provide rental assistance that would allow these tenants to move out of PSH and into housing that meets changing needs and preferences, while creating an opening that can be used to house a more vulnerable

[17] In this paper, we are focused on the role of PHAs, so our discussion here focuses primarily on the PHA role in providing housing assistance to PSH "graduates." The goal of ongoing supportive services is to ensure that people leaving PSH can maintain their housing and pursue other goals related to health and wellness. To the extent permitted by funding and other program requirements, PSH service-providers may be able to offer ongoing help to former tenants, if the tenants return to the PSH site or program office, or through phone calls or home visits. More generally, PSH "graduates" may be able to maintain their connections to health care and support services when they move on from PSH if Medicaid financing is used to pay for health care, treatment, and other support services for PSH tenants and these services are provided by organizations that deliver care in a range of community settings.

homeless person who needs the on-site services and/or low-barrier housing access available in PSH. (This is similar to the strategy used by some PHAs to enable families or individuals to “graduate” from housing that is explicitly transitional--that is, a housing development or housing-with-services program that has a time limit of 2 years or less.)

In **California,** the Alameda County Shelter Plus Care program is just beginning to work with participating PHAs to transition a few tenants to HCVs, in order to free up Shelter Plus Care for currently homeless people with higher levels of service needed. Local government representatives and stakeholders in other cities also seemed interested in providing affordable housing opportunities that would allow them to make better use of PSH capacity.

In **Chicago**, there has already been one pilot of the concept of graduation for about 25 people who are ready to move on after living in PSH for several years. Housing resources have been provided from a program funded by the State and administered by the city, with supportive services funded by the Chicago DFSS, which also manages Shelter Plus Care. A second initiative for graduates of PSH is being designed as a collaboration between DFSS and the CHA. CHA will provide scattered-site HCVs, while the Chicago Low-Income Housing Trust Fund will provide some apartments in project-based, mixed-income buildings.

Those planning the second graduation initiative in Chicago are convinced that, in order to persuade landlords to take the graduates of PSH, they must be assured of backup in the form of supportive services. DFSS, CHA, and other agencies engaged in this planning effort control several potential funding sources, including the federal Community Services Block Grant and Community Development Block Grant that could be used for supportive services to PSH tenants. Because of its MTW authority, CHA also could convert some funding from housing subsidy payments to funding for services.

Design issues for the second “moving on” pilot include:

- Who will do the screening to identify who is ready to graduate? What criteria should be used, and what type of screening tool might be available or created? Since we visited, it has been decided that PSH agencies will screen all their current tenants to see who might be eligible. Provider input is being sought on how to structure the screener and determine eligibility.

- How can current PSH tenants be induced to graduate? The partners expect to consult with experienced providers that were part of the previous pilot to see what they think and how they would do it.

- Do the homeless people who will be able to move into a vacated Shelter Plus Care slot need to be on Medicaid for providers to be willing to accept them? If not, how will the costs of supportive services be covered?

- How flexible can CHA be about its requirements and, for those that can't be waived, how can people be assisted to meet them (e.g., paying off money owed to CHA)?

8. CREATING PARTNERSHIPS WITH PUBLIC HOUSING AGENCIES CAN BE CHALLENGING

The communities we visited for this project were selected in part because of the activities of their PHAs in support of homeless people and PSH. PHAs in many other communities are more reluctant partners. They may be less interested in or committed to the goals of PSH, or they may have significant capacity limitations and performance problems.

Nearly all PHAs face significant competing demands for a limited supply of housing vouchers and units in public housing developments. Some have thousands of people on waiting lists, and many have closed their waiting lists to potential applicants. When so many other low-income families, seniors, and people with disabilities have been waiting for years for housing assistance, some PHAs are reluctant to target their resources to PSH projects or to prioritize people who are homeless.

It can be challenging for PHAs to align waiting list policies and tenant selection criteria with the different categorical eligibility requirements associated with the sources of funding for supportive services. For example, categorical restrictions on the sources of funding available for supportive services may limit these resources to people with SMI. PHAs cannot use these same criteria to select tenants for housing assistance. Federal Fair Housing law prohibits discrimination on the basis of disability. This has been interpreted to mean that, while PHAs may have preferences for people with disabilities, they cannot select *for* households with a particular disability such as mental illness. (The original intention was to prevent housing discrimination *against* people whose disability was mental illness.) These issues are complex and require careful analysis.[18] Legal issues are less likely to arise when PHAs and service partners use criteria such as chronic homelessness or vulnerability as defined by the Vulnerability Index tool, which many communities now use to determine which homeless person they will prioritize to receive the next available housing unit.[19]

[18] A full discussion of these legal issues is beyond the scope of this issue brief. For more information, see "Between the Lines," CSH's guide to legal issues in supportive housing, available at http://documents.csh.org/documents/pubs/BTL.Chapters.pdf.

[19] For more information see Issue Paper #3 in this series, Martha R. Burt and Carol Wilkins, *Establishing Eligibility for SSI for Chronically Homeless People*. [http://aspe.hhs.gov/daltcp/reports/2012/ChrHomls3.shtml]

Even in the communities that were part of our site visits, some PHAs were not strong partners in creating supportive housing or facilitating access to housing assistance for chronically homeless people with disabilities. This could be due to limited administrative capacity--in some cases the result of reductions in federal funding for administrative costs, which have forced many PHAs to reduce staffing levels. On the other hand, strong leadership and commitment by leaders and staff in some PHAs have made them effective partners in creating housing opportunities for homeless people. Some of these PHAs have made extraordinary efforts to overcome the challenges that have created obstacles in other communities.

9. CONCLUSIONS

We found some promising examples of strong leadership, innovation, and collaboration to use PHA resources to expand the availability of supportive housing for people who have had long histories of homelessness and to facilitate their access to the housing. Significant opportunities exist to support, strengthen, expand, and replicate collaborations that involve PHAs working with the public agencies that finance supportive services, as well as with community-based service-providers such as CHCs and providers of Medicaid-reimbursed behavioral health care services.

Additional PHAs and their Health Center partners might be encouraged to use the HRSA PHPC grant program for programs that can meet the needs of assisted families, including PSH housing subsidized through HUD programs such as Shelter Plus Care, HCVs, or public housing. This program might also be used for ongoing support services for "graduates" of PSH who use housing assistance. To date this HRSA grant program has not been widely used to finance services designed to meet the needs of tenants with histories of homelessness.

PHAs both with and without MTW status have implemented promising approaches to creating PSH and facilitating access to housing opportunities for the most vulnerable homeless people. They have used the flexibility they have in managing waiting lists and preferences to establish priorities for homeless people, and in some cases, to create separate waiting lists for PSH. They have "project-based" some vouchers to support site-based PSH. MTW PHAs have also experimented with "sponsor-based" models under which a provider of PSH signs a master-lease for a group of housing units and have converted some housing subsidy funds to funding for supportive services. HUD could examine further which approaches can be used by PHAs without MTW authority and highlight these practices. HUD might also discuss with MTW PHAs that are not collaborating to provide PSH the opportunities they might have to do so.

Community leaders and stakeholders involved in efforts to end chronic homelessness are interested in creating more opportunities to use resources controlled by PHAs to provide opportunities for PSH tenants who want to move on to less service-intensive affordable housing. This can enhance the ability of PSH to reduce the number of vulnerable, chronically homeless people who are living on the streets or in shelter. But it takes a coordinated effort to identify tenants who are ready to move--or ready to use a different type of housing subsidy to pay the rent while remaining in the same apartment. Most importantly, tenants who are "graduating from PSH" need a safety net to ensure that services and supports will be available if and when they need them. PSH providers may need some incentive to identify tenants who are ready to move on, to offer the support these tenants will need before, during and after making the move, and to use vacancies created by these moves to provide housing opportunities for the most vulnerable chronically homeless people.

CHRONIC HOMELESSNESS PERMANENT SUPPORTIVE HOUSING VOUCHER DEMONGRATION EVALUATION DESIGN OPTIONS

Reports Available

Establishing Eligibility for SSI for Chronically Homeless People

HTML http://aspe.hhs.gov/daltcp/reports/2012/ChrHomls3.shtml
PDF http://aspe.hhs.gov/daltcp/reports/2012/ChrHomls3.pdf

Health, Housing, and Service Supports for Three Groups of People Experiencing Chronic Homelessness

HTML http://aspe.hhs.gov/daltcp/reports/2012/ChrHomls1.shtml
PDF http://aspe.hhs.gov/daltcp/reports/2012/ChrHomls1.pdf

Medicaid Financing for Services in Supportive Housing for Chronically Homeless People: Current Practices and Opportunities

HTML http://aspe.hhs.gov/daltcp/reports/2012/ChrHomls2.shtml
PDF http://aspe.hhs.gov/daltcp/reports/2012/ChrHomls2.pdf

Public Housing Agencies and Permanent Supportive Housing for Chronically Homeless People

HTML http://aspe.hhs.gov/daltcp/reports/2012/ChrHomls4.shtml
PDF http://aspe.hhs.gov/daltcp/reports/2012/ChrHomls4.pdf

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