

8. WHAT WILL IT TAKE TO END FAMILY HOMELESSNESS?

The Family Options Study

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The federal government has been funding efforts to address family homelessness since the 1980s. The passage of the McKinney-Vento Homelessness Assistance Act of 1987 was the first significant legislative action designed to address homelessness nationwide.¹ It authorized the Homeless Assistance Grants program within the U.S. Department of Housing and Urban Development (HUD). In fiscal year 2018, HUD received just over \$2.5 billion in Homeless Assistance Grant funding.

While homelessness emerged as a problem of sufficient magnitude to induce a federal response in 1987, local communities have been grappling with homelessness for centuries. Recognizing the value of locally driven and coordinated efforts to address homelessness, HUD awards the Homeless Assistance Grants funding to entities known as “Continuums of Care.” Continuums of Care are composed of a network of providers within a given geographic region who offer housing or services to people experiencing homelessness. Using HUD funds, along with other state and local funding, communities may operate a variety of programs designed to address homelessness. These programs range from emergency shelters that provide temporary overnight accommodations to permanent supportive housing, which offers a long-term rental subsidy packaged with a flexible array of supportive services.

Each year, the members of the Continuum of Care in communities across the country come together and assemble a single application for funding to HUD, thus providing an opportunity for the jurisdiction to prioritize the kinds of programs believed to be the most critical to address homelessness in their particular community. HUD requires Continuums of Care to establish a local information technology system, a Homeless Management Information System, which collects client-level data and information on the provision of housing and services to homeless individuals, families, and persons at risk of homelessness. There is an

expectation that communities will use their local data to better understand the composition of the population experiencing homelessness within their Continuum of Care, and to structure their homelessness assistance system to meet the identified needs of the local population.

The ultimate goal of a Continuum of Care is to create a homeless assistance system designed to match the needs of those experiencing homelessness with an appropriate program that will address their needs and end their homelessness. By mid-2000s, however, the body of research on family homelessness was largely descriptive, both of the population and of the various interventions designed to address family homelessness. Little data related to the impact of these different interventions existed, and thus communities lacked solid evidence regarding “what works for whom” to enable families to exit homelessness quickly and permanently. In addition, not much was known about the costs of implementing the various interventions.

ISSUE BACKGROUND

Family homelessness is dynamic, with families moving in and out of homeless assistance programs every day. During 2017, nearly 151,000 families with children (representing almost half a million individuals) accessed the homeless assistance system through a stay in an emergency shelter or transitional housing. Different theories on the cause(s) of family homelessness have led to the rise of different types of interventions to address the problem. One theory holds that homelessness is purely an economic problem that can be addressed by providing a family with assistance in affording a housing unit. Another theory poses that while housing assistance is indeed crucial, family homelessness is a result of other challenges faced by families (such as child welfare engagement, mental health or substance abuse challenges, and unemployment) that must be addressed in order to end their homelessness.

In addition to these two broad camps, theories vary on the length of time for which assistance must be provided to a family in order to end their homelessness, with some arguing that the need for assistance is permanent, and others arguing that the need for assistance is only temporary. Debate on the appropriateness of various housing and services interventions to assist homeless families is overlaid by the scarcity, as well as the range of costs, associated with different interventions. Programs to address homelessness typically vary along three primary domains: (1) length of stay/duration of assistance; (2) provision of supportive services; and (3) housing arrangement and financing thereof.

The lack of rigorous research about homelessness interventions hampers providers from targeting their resources efficiently and limits policymakers in providing guidance to communities regarding the optimal investments for their homeless assistance funding. Congress acknowledged this limitation in HUD’s 2006 appropriations by directing HUD to “undertake research to ascertain the impact of various service and housing interventions in ending homelessness for families.”² HUD launched the Family Options Study to learn about which housing and services interventions work best for families with children experiencing homelessness and to document the costs of implementing the various interventions.

EVIDENCE AVAILABILITY

The Family Options Study, launched by HUD in 2008, is a multisite evaluation designed to measure the relative impacts of various housing and services interventions for homeless families. The study has an experimental design to generate the most rigorous evidence suitable for informing policy.

In implementing the study, HUD sought to understand which interventions yield the best outcomes for families, whether certain types of families were better served by particular interventions, whether some interventions work better in the short-term or the long-term, and the costs of the different interventions. Because each intervention studied is designed to address homelessness through different pathways, outcomes of interest extended beyond housing stability to also include family preservation, child well-being, adult well-being, and self-sufficiency.

HUD implemented the Family Options Study in 12 communities across the country. In total, over an 18-month enrollment period, 2,282 families who had spent at least seven days in an emergency shelter, and had at least one child younger than 16, were randomly assigned to receive priority access to one of four possible interventions:

1. A non-time-limited housing subsidy, usually in the form of a Housing Choice Voucher;
2. Community-based rapid re-housing, which is temporary rental assistance, that was available for up to 18 months with limited housing-related services;
3. Project-based transitional housing, which provides temporary housing for up to 24 months in an agency-controlled building, coupled with intensive supportive services; and
4. Usual care, which was a mix of housing and services that homeless families may access from the shelter on their own without direct referral to one of the other interventions.

Researchers followed families for three years after random assignment. Researchers conducted extensive primary data collection with families when the study started and again approximately 20 and 37 months after random assignment. Also, interim contacts with families every six months provided additional data related to housing status and family composition at more frequent intervals. HUD used administrative data sources to measure additional family outcomes, including local Homeless Management Information System data, HUD administrative data on the receipt of subsidized housing, earned income data, and child welfare data.

The homeless assistance system functions as a network of programs to which families receive referrals, theoretically based on an individual family's particular set of needs. For this system to work efficiently, there must be evidence available to guide the referral process (families must be well-matched to the different available programs), and there must a sufficient supply of the right kind of programs for the kinds of families that seek assistance. Also, referrals are not directives; families choose to act upon referrals, and thus the

interventions must appeal to families. If families do not want what is being offered to them, they can choose not to accept the referral.

The Family Options Study was structured to mirror real-world conditions, with two exceptions. First, the implementation of the study forced communities to allocate referrals via random assignment, rather than through their regular procedures, which typically involve some type of needs assessment. Second, the study made one intervention available, the non-time-limited housing subsidy (referred to as “subsidy-only”), that is not typically available to families through the homeless assistance system.

Other interventions tested in the study—emergency shelter, community-based rapid re-housing, and project-based transitional housing—are typically available within any community and accessed through the homeless assistance system. For the subsidy-only intervention, however, families must access it through the mainstream housing assistance system by applying for the program through a local public housing agency. Housing assistance is not an entitlement, and currently, only one out of every four eligible applicants receives housing assistance. As a result, public housing agencies typically have long waitlists, which can take years to clear. While some public housing agencies may have preferences for prioritizing persons experiencing homelessness, most waitlists include long lists of eligible families with varying of levels of immediate need for assistance and no ability for a homeless family to receive preferential treatment. Thus, the provision of a set number of slots for the subsidy-only intervention in study communities represented an expansion in the range of interventions typically available for homeless families.

Findings

Reports published in 2015 and 2016 provided evidence about the effects, relative to usual care, of giving families in emergency shelters priority access to different types of housing and services interventions.³⁴ Both the short-term (20-month) and long-term (37-month) analysis documented vastly superior outcomes for families who were randomly assigned to receive a non-time-limited subsidy when compared with the outcomes of families who were randomly assigned to the other interventions. Families offered a non-time-limited subsidy experienced less than half as many episodes of subsequent homelessness and vast improvements across a broad set of measures related to residential stability in comparison with families assigned to other interventions. The benefits of the non-time-limited subsidy extended beyond the housing domain as well, generating powerful benefits on a range of outcomes that are critical for healthy child development, including:

- A reduction in child separations (at 20 months);
- Reductions in psychological distress of the family head, economic stress, exposure to intimate partner violence, school mobility for children, and food insecurity (at both time points); and
- A reduction in behavior problems and sleep problems of children (at 37 months).

The other interventions studied had few positive effects on families.

A second key finding concerned the cost of the various interventions studied. Analysis of the cost data revealed that the benefits conferred to families who were randomly assigned to receive a non-time-limited subsidy were achieved, on average, for roughly \$45,500 over the full study period. This was only 9 percent higher than the costs that accrued to the families assigned to usual care. The families assigned to usual care cost, on average, \$41,000 in housing and services over the full study period and demonstrated no improved outcomes.

Community-based rapid re-housing emerged as the lowest-cost intervention studied, with an average cost of \$4,000 less than the other interventions over the full 37-month period. Although not associated with the same benefits as a long-term subsidy, priority access to community-based rapid re-housing achieved roughly the same outcomes as usual care but at a lower cost.

The striking benefits observed among families assigned to the subsidy-only intervention provide support for the view that, for most families, homelessness is a housing affordability problem that can be remedied with long-term housing subsidies without associated specialized services.

It is important to note that the modestly higher cost that accrued to the families assigned to receive a non-time-limited subsidy includes only the housing and services costs associated with program participation and/or emergency shelter. These costs do not consider any cost offsets that may have been the result of providing families with stable housing. Access to a non-time-limited subsidy led to reduced mobility, reduced adult psychological distress, fewer experiences of intimate partner violence, reduced school mobility among children, greater food security, and lower economic stress—all conditions that carry high economic and social costs for both families and communities.

EVIDENCE USE

Numerous policy-relevant observations emerged from the findings of the Family Options Study. The study for the first time presented policymakers with a broad range of information about effectiveness and cost of different interventions in addressing family homelessness.

Subsidies made available to families experiencing homelessness represent an intervention that families want, that they can use, and that delivers powerful benefits in important domains that make the lives of low-income families and children better. The study reveals how families value the offer of a subsidy: 84 percent of the eligible families used it compared with 60 percent for community-based rapid re-housing and 54 percent for project-based transitional housing. The study also demonstrated families can maintain the subsidy over time, even without the offer of tailored services, with more than two-thirds of subsidy families still using the subsidy at the time of the 37-month follow-up point.

For the crisis response system, the study provides clear evidence that the high cost of emergency shelter and transitional housing programs do not yield improved outcomes for families when compared with the outcomes of families offered rapid re-housing. In the absence of a sufficient supply of long-term subsidies for families experiencing homelessness, rapid re-housing becomes the most useful response for communities seeking to assist homeless families, as the lower cost of rapid re-housing enables communities to serve more families with their limited resources.

In describing the study, then-HUD Secretary Julian Castro stated, “This can’t be something that just goes up on the shelf—it needs to be something that connects with what we do.”⁵ The findings from the Family Options Study led HUD to seek a historic investment of \$11 billion to address family homelessness through a bold fiscal year 2017 budget request.^{6,7} The budget request included a 10-year, \$11 billion proposal to fund additional housing vouchers and rapid re-housing assistance. HUD projected that by targeting new voucher assistance in combination with normal voucher turnover, as well as increasing the availability of rapid re-housing within communities, that communities could serve 40,000 new homeless families each year, potentially ending family homelessness over 10 years. The White House specifically articulated that the funding request was a result of the research: “This significant investment is based on recent rigorous research that found that families who utilized vouchers—compared to alternative forms of homeless assistance—had fewer incidents of homelessness, child separations, intimate partner violence and school moves, less food insecurity, and generally less economic stress.”⁸ HUD further cited the research as an underpinning for the budget proposal in its documentation provided to Congress to justify the request.

Unfortunately, the 2017 HUD appropriation did not include any funding in support of this proposal. And the following administration did not request additional funds as part of budget proposals from 2018 to 2020.

Despite a lack of additional dedicated funding, the study findings provide HUD with guidance for how to best use available resources within the crisis response system. If resources are too limited to offer long-term subsidies to all families experiencing homelessness, community-based rapid re-housing emerges as the most effective policy response, because it can achieve outcomes similar to those of usual care and transitional housing at a lower cost. HUD has moved to evolve the rapid re-housing program since the time of the Family Options Study, extending the maximum time that families can access the intervention from 18 to 24 months. HUD continues to encourage communities to reduce their investment in costly transitional housing programs and to shift their resources into the lower-cost and equally effective rapid re-housing program. Additionally, HUD continues to partner with communities to strengthen their coordinated entry systems to better connect people with the interventions and mainstream services they need when they arrive at a shelter.

LESSONS

- **Sometimes evidence will not be enough to change funding priorities.** A primary conclusion of the Family Options Study is that, in most cases, family homelessness is caused by the inability to afford housing. Thus, scaling up investments to increase the supply of affordable housing is an essential component of any strategy that purports to end homelessness among families. The homeless assistance system does not provide immediate access to long-term subsidies for most families in shelters. The 2017 budget request aimed to target significant funding to families experiencing homelessness by supporting a significant expansion in the availability of rapid re-housing and Housing Choice Vouchers dedicated to families experiencing homelessness. In the absence of additional funding to support the expansion of affordable housing opportunities or a dedicated stream of new funding to support the provision of housing subsidies dedicated to families experiencing homelessness, communities must build stronger connections between the homeless assistance system and the mainstream housing assistance system to ensure that families experiencing homelessness have equal access to housing subsidies.
- **If policymakers did not use evidence this time, it does not mean they never will.** The study demonstrates the ability of well-conducted, large-scale, multisite evaluations to generate national-scale conclusions. The study findings were suitable to develop a proposal for a large investment in the White House budget. Even though the final investment did not fit within the government-wide funding priorities at the time, the Family Options Study demonstrates the fundamental role that stable and affordable housing plays in improving child and family well-being, and it has provided clear, actionable evidence for future policy and research agendas in the ongoing work to end family homelessness. ■

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- 2 U.S. Senate. Committee on Appropriations. *Transportation, Treasury, The Judiciary, Housing and Urban Development, and Related Agencies Appropriations Bill*. 109th Cong., 1st sess. 2008. S. Rep. 109-109. Available at: <https://www.congress.gov/congressional-report/109th-congress/senate-report/109>.
- 3 Daniel Gubits, et al. *Family Options Study: Short-Term Impacts of Housing and Services Interventions for Homeless Families*. U.S. Department of Housing and Urban Development, July 2015.
- 4 Daniel Gubits, et al. *Family Options Study: 3-Year Impacts of Housing and Services Interventions for Homeless Families*. U.S. Department of Housing and Urban Development, October 2016. Available at: <https://www.huduser.gov/portal/publications/Family-Options-Study.html>.
- 5 U.S. Department of Housing and Urban Development. "Landmark Family Options Study Has Clear Policy Implications." *Policy Development and Research Edge*. Available at: <https://www.huduser.gov/portal/pdredge/pdr-edge-featd-article-110716.html>.
- 6 U.S. Department of Housing and Urban Development. *Fiscal Year 2017 President's Budget Request for the U.S. Department of Housing and Urban Development*. 2016. Available at: https://archives.hud.gov/news/2016/pr16-160-23-HomeAssist_for_Families.pdf.
- 7 Nikita Stewart. "Obama Will Seek \$11 Billion for Homeless Families." *The New York Times*, February 08, 2016. Available at: <https://www.nytimes.com/2016/02/09/nyregion/obama-to-propose-11-billion-to-combat-family-homelessness.html>.
- 8 Daniel Gubits, et al. *Family Options Study: 3-Year Impacts*, 72.