

The Impact of Housing Subsidies, Rapid Re-Housing, and Transitional Housing on Family Homelessness and Well-being

On July 8, 2015, the U.S. Department of Housing and Urban Development published the 18-month outcomes from the [*Family Options Study: Short-Term Impacts of Housing and Services Interventions for Homeless Families*](#). The study showed that an offer of housing subsidies or rapid re-housing reduced episodes of homelessness in emergency shelter and transitional housing compared to the assistance that families would normally have received and that both housing subsidies and rapid re-housing were cost effective. Families offered transitional housing did not receive significant benefit despite the fact that transitional housing was the most costly intervention.

- For families offered housing subsidies, which primarily consisted of a Housing Choice Voucher, their combined emergency shelter and transitional housing stays were 3.1 months, compared to 5.2 months for families assigned to usual care.
- Families offered housing subsidies experienced many substantial improvements in adult and child well-being.
- For families offered rapid re-housing, combined emergency shelter and transitional housing stays were 4.6 months, compared to 5.5 months for families assigned to usual care.
- The total cost of assistance for families offered housing subsidies was similar to that for families receiving usual care over the 18 month period.
- The total cost of assistance for families offered rapid re-housing was approximately \$3,000 lower than for families assigned to usual care over the 18 month period.
- Families offered transitional housing generally did not fare better than those assigned to usual care and the cost of serving them was significantly higher than for families assigned to usual care.

In this brief, we outline the study's key findings and delve further into the policy implications for Continuums of Care (CoCs) Emergency Solutions Grant (ESG) Program recipients, as well as Public Housing Agencies (PHAs).

Opening Doors: Federal Strategic Plan to Prevent and End Homelessness established a goal to end homelessness for families by 2020, and HUD has been analyzing the results of the Family Options Study to better inform its efforts. *Opening Doors* called for more affordable housing overall, more supportive housing for families with the greatest needs, and an increase in rapid re-housing. The release of the 18 month outcomes of the Family Options Study gives HUD further insight into the impacts of various interventions on families' homelessness and other outcomes.

Family Options Study Design

The Family Options Study is a long-term, multi-site experimental study designed to examine how homeless families residing in emergency shelter responded to various interventions designed to help them exit homelessness. The study compares the effects of the offer of three interventions—permanent housing subsidy (SUB), community-based rapid re-housing (CBRR), and project-based transitional housing (PBTH)—to one another and to the usual care (UC)

available to homeless families. SUB, CBRR, and PBTH are distinguished from one another by the duration of the housing assistance provided and the type and intensity of supportive services offered. UC consists of emergency shelter and housing or services that families would normally access in their communities.

The Family Options study enrolled 2,282 families across 12 communities.¹ Each family had spent at least 7 days in emergency shelter. After providing informed consent and completing a baseline survey, the families were randomly assigned to one of the three interventions or to usual care. Random assignment yielded groups of families with no systematic differences in baseline characteristics. Families were free to take up their assigned interventions or to make other arrangements, and ultimately families used a mix of programs, often including programs other than the type to which they were assigned.

The 18 month outcomes report presents the short-term impacts of the interventions in five domains: (1) housing stability, (2) family preservation, (3) adult well-being, (4) child well-being, and (5) self-sufficiency. The report also describes the relative costs of the interventions based on program use during the first 18 month follow-up period. A subsequent report will present impacts on those five domains for the participating families 36 months after random assignment to their intervention along with the costs of the interventions over the longer period.

Family Eligibility and Uptake of Interventions²

In general, there were two reasons that families did not utilize the program to which they were randomly assigned—either they were not eligible or they did not want it. Basic eligibility for all interventions was determined when families enrolled in the study and families were only randomly assigned to interventions for which they were determined eligible; however, in some cases families who passed the initial screening and were randomly assigned to an intervention were later deemed ineligible by the provider administering that intervention, usually due to unique eligibility criteria that were not known by the individuals determining initial eligibility. Compared with rapid re-housing and subsidies, transitional housing had the highest proportion of families deemed ineligible after random assignment, making it the least accessible to families, while subsidies were the most accessible to families.

Families that were determined to be eligible for a program could choose whether to utilize, or take up, the offered intervention. Take-up rates in the study tell a deeper story about what interventions families find desirable, which is an equally important factor to consider for policy implications of the study. Of families assigned to interventions, the study found that 84 percent of families took up subsidies, while only 60 percent took up rapid re-housing and 54 percent took up transitional housing.³ The qualitative interviews conducted show that the possibility of having one's own place was an important consideration for families and it could explain at least some of the discrepancy in take-up rates between transitional housing, subsidies, and rapid re-housing. The researchers found some evidence that rapid re-housing's lower take-up rate is

¹ The 12 communities participating in the study are Alameda County, California; Atlanta, Georgia; Baltimore, Maryland; Boston, Massachusetts; Bridgeport and New Haven, Connecticut; Denver, Colorado; Honolulu, Hawaii; Kansas City, Missouri; Louisville, Kentucky; Minneapolis, Minnesota; Phoenix, Arizona; and Salt Lake City, Utah.

² For more information on take-up rates, see the Family Options Interim Report at http://www.huduser.org/publications/pdf/HUD_503_Family_Options_Study_Interim_Report_v2.pdf

³ These percentages include those families who accepted the intervention as part of the study and those who accessed the intervention later on their own.

related to its temporary nature, while subsidies are permanent, making them considerably more desirable than rapid re-housing. Some families interviewed in the qualitative sub-study said that another important consideration for them was the location of housing relative to support networks, employment, transportation, and children’s schooling. Subsidies and rapid re-housing allow for some choice on the part of families as to where they will live, while families receiving project-based transitional housing assistance had no choice and were required to live at the established locations of the transitional housing program.

Impacts on Homelessness and Other Household Outcomes

One of the outcomes reported on in the Family Options Study is the combined length of time families experience homelessness in emergency shelter or transitional housing. The results are found in Appendix E of the [report](#). The charts below compare the number of months spent in emergency shelter and transitional housing in the 18 month follow-up period, and the percentage of families that had any use of emergency shelter or transitional housing in months 7-18.

Number of Months of Emergency Shelter and Transitional Housing Use During Months 0–18 after Random Assignment				
	Subsidy (SUB)	Usual care (UC)	Community-based Rapid rehousing (CBRR)	Project-based Transitional housing (PBTH)
SUB vs UC	3.1	5.2		
CBRR vs UC		5.5	4.6	
PBTH vs UC		5.5		8.5
SUB vs CBRR	3.1		4.5	
SUB vs PBTH	2.5			8.4
CBRR vs PBTH			4.6	8.1

Any Use of Emergency Shelter or Transitional Housing During Months 7–18 after Random Assignment (%)				
	Subsidy (SUB)	Usual care (UC)	Community-based Rapid rehousing (CBRR)	Project-based Transitional housing (PBTH)
SUB vs UC	17.0%	39.7%		
CBRR vs UC		41.8%	35.7%	
PBTH vs UC		43.2%		57.3%
SUB vs CBRR	17.0%		36.5%	
SUB vs PBTH	10.2%			55.6%
CBRR vs PBTH			31.2%	54.2%

Housing Subsidy (SUB).

Families offered subsidies experienced shorter stays in emergency shelter and transitional housing, increased housing stability, and better outcomes related to family preservation, adult well-being, and child well-being. Families offered a voucher:

- Experienced significantly shorter stays in emergency shelter or transitional housing: 3.1 months compared to 5.2 months for usual care; and
- Experienced positive human benefits, including decreased instances of housing and school mobility; fewer child separations from parents; less adult psychological distress; decreased intimate partner violence; and greater food security.

Receiving a voucher also had substantial positive effects on other measures of housing stability when compared to families assigned to usual care, families assisted with vouchers experienced significant reductions in subsequent stays in shelters, being doubled up, and in the number of places lived since random assignment.

In general, the outcomes from receiving a subsidy were significantly better than those for transitional housing, rapid re-housing, or usual care. However, families assigned a subsidy worked slightly less than those assigned to other interventions or usual care. Notably, adults in families in rapid re-housing worked 2 months more than families assigned to receive a subsidy since random assignment. This is an area that will be important to reexamine at 36 months to see if the intervention groups have longer-term differences in work effort.

One important aspect of this study was that families assigned to receive a housing subsidy were able to receive the subsidy almost immediately, without having to wait on a list for months or years as is common in other subsidy programs. This could have contributed to very positive outcomes of the subsidy intervention.

Community-Based Rapid Re-housing (CBRR).

Families offered rapid re-housing experienced modest reductions in months spent in emergency shelters and transitional housing, 4.6 months compared to 5.5 months for usual care. When compared to usual care on the other outcomes, however, the results were mixed. Rapid re-housing did not significantly affect the amount of time spent on the street, in emergency shelter, or doubled up when compared to usual care, but it did lead to increased family income, a reduction in school or childcare absences, and greater food security. When compared to the other interventions, rapid re-housing showed an increase in adult well-being compared to transitional housing. Compared to families offered housing subsidies, families offered rapid re-housing had an increase in work effort, but worse outcomes on many other measures of housing stability and adult and child well-being.

There were several differences between families that accepted rapid re-housing, and those that were offered rapid re-housing but chose not to use it. Families that used their rapid re-housing intervention had much shorter initial stays in shelter and experienced fewer stays in emergency shelter from months 7-18. However, these findings are not experimental, meaning that HUD does not know whether the intervention itself resulted in these impacts, or whether the 60 percent of families that used rapid re-housing were different in some way from the 40 percent of families who were offered it but chose not to use it.

Project Based Transitional Housing (PBTH).

Families randomly assigned to transitional housing experienced small reductions in emergency shelter use relative to families assigned to usual care, but overall, assignment to transitional housing resulted in significantly longer combined stays in transitional housing and emergency shelter: 8.5 months compared to 5.5 months for usual care. Transitional housing was also significantly more costly than other interventions or usual care, and families offered transitional housing did not achieve better outcomes in the domains of family preservation, adult well-being, child well-being and self-sufficiency compared to families receiving usual care.

The study also indicated that requiring additional eligibility criteria beyond the statutory or regulatory requirements did not appear to increase the success of programs. Public Housing and vouchers have lower barriers to entry, whereas transitional housing programs often place many barriers to receiving housing and services.⁴ These additional eligibility criteria did not result in fewer returns to homelessness or better family well-being outcomes.

Cost effectiveness of interventions

The study evaluated intervention costs—including both housing and services—in several ways, including the monthly cost of the intervention, the cost of an average stay, and the total cost of all assistance for families assigned to a particular intervention or usual care. These costs are summarized in the two charts below.

Monthly and average stay costs

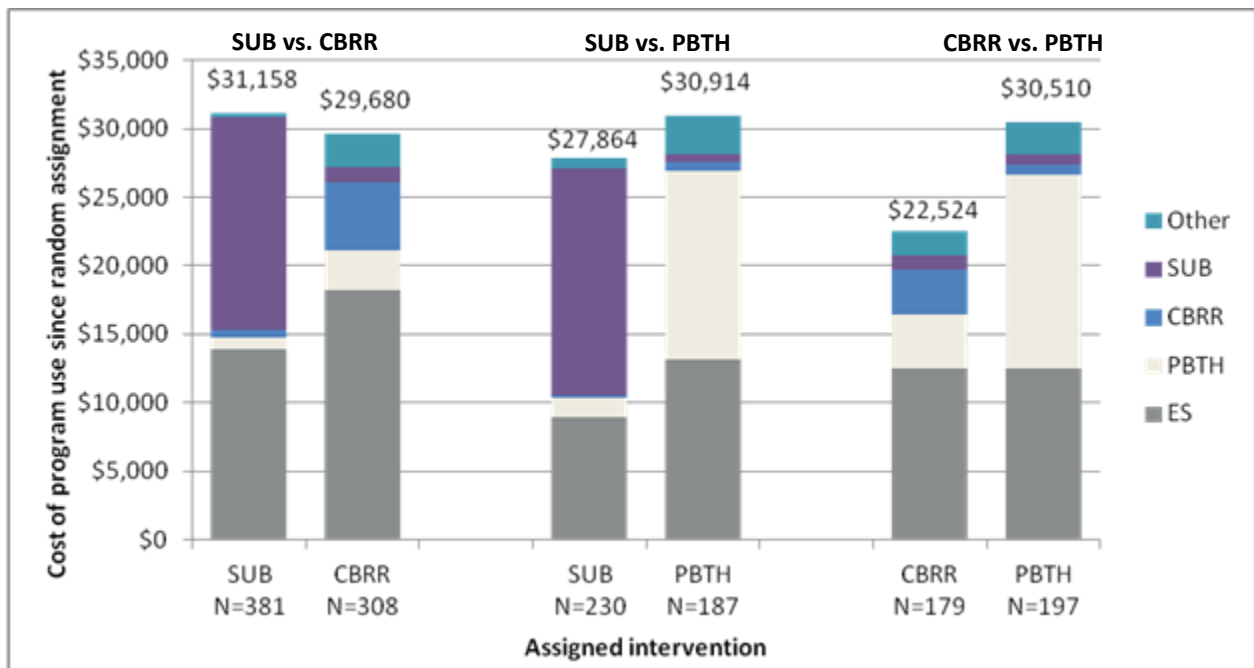
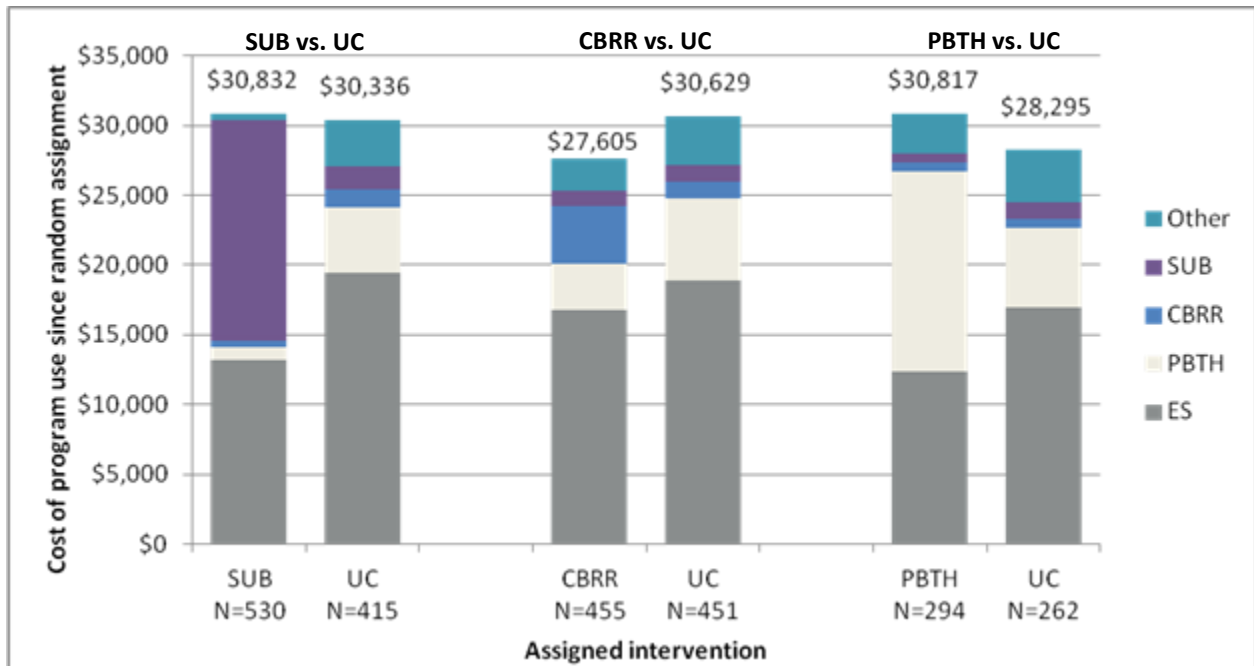
	Monthly Cost*	Cost for Average Stay
Emergency Shelter	\$5,000	\$16,800
PBTH	\$2,700	\$32,500
CBRR	\$880	\$6,580
SUB	\$1,160	\$18,800

* The monthly cost is the cost of the intervention if a family used that intervention for one month.

Total program usage cost for each intervention comparison

Families assigned to transitional housing accrued the highest costs overall in each comparison; the costs for families assigned to receive a voucher are almost identical for those receiving usual care; and the families assigned to rapid-rehousing accrued lower costs than any other group. In short, it costs the same amount to offer a voucher to a family as it does to offer them usual care, and less than it costs to assign them to transitional housing. Total program usage costs could look very different at 36 months, though, and HUD anticipates gaining a better understanding about long-term costs when those findings are released.

⁴ Public Housing and Voucher program participants were screened for criminal convictions, previous rental history for federally funded programs, and legal status. RRH program participants were screened for employment status and income. Transitional housing participants were screened for minimum income, employment, sobriety, or willingness to participate in a program.



Sources: Family Options Study cost data; HUD Public and Indian Housing Information Center, Tenant Rental Assistance Certification System, and Financial Data Schedule records; Family Options Study Program Usage Data

Implications

Housing subsidies have the greatest impact on homelessness and other measures of family well-being and are very cost effective. Rapid re-housing was the least costly intervention and reduced overall homelessness stays in emergency shelter and transitional housing, although by less than subsidies.

Expand housing subsidies

This study demonstrates that the timely provision of a housing subsidy is the most effective way to end a family's homelessness. Offering a permanent housing subsidy in the form of a housing voucher significantly reduces homelessness and has many other benefits for families, but the study relied primarily on housing choice vouchers that were set aside by PHAs, with no waiting period other than finding an apartment. PHAs and CoCs should work together to expand the supply of housing subsidies and to use the coordinated entry process to quickly provide those subsidies to families experiencing homelessness.

Expand rapid re-housing

Rapid re-housing costs less than other interventions studied and less than usual care. It reduced homelessness in emergency shelter and transitional housing programs, but by a smaller amount than housing subsidies and generally offered fewer benefits than housing subsidies. However, given the scarcity of available housing subsidies, communities should increase resources for rapid re-housing assistance.

Continue to improve and refine rapid re-housing programs

Rapid re-housing was a new intervention for most communities at the time of the study. Continued study and evaluation could point to several improvements communities can undertake to increase the performance of their rapid re-housing programs. For example, in the Family Options Study, many families that were offered rapid re-housing declined. Those who accepted rapid re-housing experienced much less homelessness. If more families had accepted rapid re-housing, would their outcomes have been positive? If so, how can rapid re-housing programs entice more families to participate?

Convert Transitional Housing Resources

Transitional housing costs more than other types of assistance and more than usual care and appears to offer few if any benefits relative to other interventions. Communities should consider converting transitional housing resources into other forms of assistance, particularly housing subsidies and rapid re-housing.

Eliminate screening and eligibility criteria

Additional screening and eligibility criteria beyond what is required by Federal rules did not help improve outcomes and should be eliminated to the extent possible by local providers.

The results of the 18-month outcomes study represent a significant addition to the growing body of literature on rapid re-housing and its role in ending family homelessness. There are multiple studies underway or completed that provide additional insight into how rapid re-housing can best be utilized, including the RRH Demo Study, evaluations of the rapid re-housing portion of the Supportive Services for Veteran Families program (SSVF), and community-level evaluations of rapid re-housing.

Conclusion

Findings from the 36- month study will help bring into focus some of the more complicated aspects of the 18-month outcomes, and provide HUD with a more robust understanding of the costs and long-term benefits of each of these interventions.

HUD anticipates that the 36 month report will tell us much more about families' exit destinations after they are served by different interventions and whether they are returning to homelessness. HUD is particularly interested in knowing the costs and long-term impacts of offering housing subsidies and rapid re-housing.