

Seattle Housing Levy Tenant Based Rental Assistance

This paper 1) outlines the need for rental assistance programs, 2) provides an overview of the rental assistance programs in the 2002 Housing Levy, and 3) discusses proposed changes to the 2009 Housing Levy rental assistance programs.

1. The Need for Rental Assistance Programs

Rental assistance programs come in a variety of forms and serve a variety of needs. This paper will address only rental assistance programs that provide the rental assistance directly to the tenant, as opposed to project based rental assistance where the rental assistance is attached to a housing unit.

Depending on the program, tenant-based rental assistance programs can provide rental assistance for many years or for as little as one month. For example, rental assistance programs such as the federal Section 8 Housing Choice Voucher program provide ongoing rent subsidies to households who cannot afford to pay market rate rent. Other rental assistance programs are time-limited for periods of 12-18 months and help people transition out of homelessness or address some other crisis event in their lives. Still other rental assistance programs are short-term emergency rental assistance programs intended to keep people from losing their housing; they may provide as little as a portion of one month's rent.

Within our local community there are a variety of rental assistance programs, which are summarized in the attached matrix. The largest rental assistance program is Seattle Housing Authority's Section 8 Housing Choice Voucher program with over 7,000 tenant-based vouchers used in Seattle (excluding port-outs). Eligibility for the Section 8 program is based largely on household income. Other rental assistance programs are typically more specialized, with eligibility based both on income and some other population specific category, e.g., disability, victim of domestic violence, homeless, or exiting a correctional facility. These specialized rental assistance programs serve significantly fewer people than the Section 8 program.

Around the country, cities and states are creating a variety of rental assistance programs. Much of the interest in this program model stems from adoption of Ten Year Plans to End Homelessness. Many programs seek to keep people in their homes or to move homeless people rapidly into long-term stable housing, reducing reliance on emergency responses such as shelter. Some programs focus on lower wage workers and are designed to try to help the family or

individual become more financially self-sufficient. In addition, communities are redesigning rental assistance programs to implement systems-level reforms that improve access to assistance, increase efficiency, tailor assistance to the needs of particular homeless people, and measure system-wide outcomes.

Although the number of programs is increasing, many are small and new, particularly the time-limited rent assistance programs. Outcome data and performance measurement is limited.

Several programs from other states demonstrate approaches that have been seen as instructive for Seattle and King County. These and other programs will continue to be examined over time for their performance and their applicability to our high-cost housing market:

- Portland Metro Area
The City of Portland conducted a pilot rent assistance program in 2005 that led to a substantial re-design of programs in the metro area over the past few years. Six fund sources are now combined into a single, outcomes-based program with substantial flexibility for assisting homeless and at-risk families and individuals. Average rent assistance is \$1,400 over four months. City and county services funding is aligned with rent assistance.
- Hennepin County, Minnesota
Widely lauded in the national literature, Hennepin County has created a flexible, outcomes-based model that has reduced the amount of time families stay in shelter. The County-funded shelter system employs a single point of entry, and families are assigned to a nonprofit service provider charged with moving the family out of shelter and into market housing. Assistance averages \$425 per household for emergency assistance, and \$900 for rapid re-housing assistance. Agencies receive up to \$6,000 per family annually to be used on housing assistance and case management, with the flexibility to address other needs such as child care and transportation.
- State of New Jersey
New Jersey is one of just a few states with a significant statewide rental assistance program, which has been in place for three years. Rent assistance is available for up to five years, or until the household receives a Section 8 voucher. Adults aged 18 to 62 who are not disabled must participate in employment and training services through the State Department of Labor and Workforce Development. The State offers job search and training opportunities through career centers in each county. Average monthly rent assistance ranges from \$426 to \$829 per month depending on family size.

2. Seattle Housing Levy -- Current Programs

The 2002 Housing Levy provides \$400,000 annually for rental assistance, which is administered by the Human Services Department. The funding supports two programs: the Emergency Rental Assistance Program (ERAP) and Rental Stabilization.

Emergency Rental Assistance Program

- Program assists renter households with incomes up to 50% of median who are facing temporary economic hardship and are homeless or at risk of homelessness. It is administered by a collaboration of United Way and nine community-based nonprofit agencies.
- \$300,000 is available annually. In addition, \$96,500 was transferred from the Rental Stabilization Program due to the delayed start of that program following City Council adoption of administrative guidelines in 2003.
- To date, 3,597 households with 8,691 individuals received assistance, exceeding a program goal of 400 households annually.
- 77% of households assisted as of June 2008 were in stable housing six months later, compared to a program goal of 70%.

Emergency Rent Assistance Program - Summary of Services October 2003 to June 2008						
	2003 -04	2005	2006	2007	June 2008	Total
Total Households	1,212	815	688	602	280	3,597
Individuals	2,772	2,171	1,750	1,367	650	8,691
Type of Assistance						
Homeless, assisted to move into housing	202	133	163	140	48	686
At-risk, assisted to remain in housing	771	566	410	400	194	2,341
Assisted to move into alternate housing	142	76	68	35	23	344
Assisted to move from high rent housing to affordable housing	97	40	47	27	15	226
Housing stability 6 months later - % of all households to date	87%	77%	77%	77%	75%	77%
Average assistance per household	\$511	\$491	\$476	\$484	\$530	\$486

Clients Served in Emergency Rent Assistance Program October 2003 to June 2008		
Client Characteristics	Households/ Individuals	Percent of Total ¹
Very low income households (below 30% of median)	2,836	79%
Households with children 0-17 years	2,017	56%
Single parent households with children 0-17 years	1,627	45%
Disabled individuals	1,614	19%
People of color/ethnic minority individuals	7,171	83%
Refugee/immigrant individuals	1,161	13%
Limited English proficient individuals	1,128	13%

¹Percentages calculated based on total of 3,597 households or 8,691 individuals served.

Rental Stabilization Program

- Provides rent subsidies for 6 to 18 months, combined with case management services, to families and individuals who are homeless or at risk of homelessness. Levy funds are supplemented with federal CDBG and HOME funding.
- \$106,000 in Levy funds is available in 2008 for case management, and is paired with City-administered federal funds used for rental assistance. However \$96,500, nearly a full year of Levy funding, was moved out of this program in 2003 because operation could not begin until the Levy A&F Plan policies were adopted and a contract administrator was selected.
- Program is administered by the Salvation Army, which provides both rental assistance and case management services to a client case load of newly enrolled households and families receiving ongoing assistance.
- As of June 2008, the program assisted 295 unduplicated households, compared to a goal of 100 annually since 2004. Staff turnover in 2006 led to reduced numbers of households served. The program has also experienced problems finding market rate housing in Seattle that met the federal voucher payment standards.
- Of households exiting the program, 80% of households as of June 30, 2008 had maintained housing stability six months after exit.

2002 Levy Rental Stabilization Program October 2003 to June 2008							
	2003	2004	2005	2006	2007	June 2008	Total unduplicated
Total Households	39	127	115	78	48	35	295 new
<i>New</i>	39	88	82	32	34	20	
<i>Continuing</i>	--	39	33	46	14	15	
Individuals	118	291	373	245	125	90	1215
Homeless	26	65	59	22	20	8	200
Saved from eviction	13	23	23	10	14	12	95
6 months stability	----	88%	92%	61%	70%	88%	80%
Average assistance per household/month ¹	\$783	\$783	\$839	\$688	\$830	\$759	\$780

¹ Includes both move-in assistance and ongoing rent assistance.

Households Served in Rental Stabilization Program October 2003 to June 2008					
Client Characteristics	% Households ¹				
	2003-2004	2005	2006	2007	June 2008
Very Low Income (below 30% of median)	100%	96%	95%	100%	100%
Include children 0-17 years	100%	100%	100%	82%	74%
Single female parent w/ children 0-17 years	78%	70%	76%	54%	49%
Female	63%	61%	60%	62%	52%
Disabled	7%	7%	6%	12%	12%
People of Color	68%	72%	71%	83%	76%
Refugee/immigrant	26%	17%	17%	6%	28%
Limited English Proficient	26%	17%	17%	6%	27%

¹ Includes all households served each year, both new households and those continuing from the prior year. Female and People of Color based on number of individuals not households.

3. Options for New Rental Assistance Programs

The Office of Housing proposes that the new Housing Levy 1) continue to fund critical short-term emergency assistance and 2) pilot time-limited rental assistance programs in conjunction with new philanthropic initiatives that are aimed at moving families out of homelessness and helping families and individuals increase income to become self-sufficient. These programs will both provide critically needed assistance to families and individuals and help advance systems-level reforms.

The following principles should guide the development of new programs and the allocation of rental assistance funding:

- Use funds to prevent homelessness whenever possible and to move people rapidly from homelessness to stable housing.
- Use Levy funding for rental housing assistance, and link Levy funds to appropriate housing stability services funding to help people access and succeed in housing (e.g., housing search, childcare, legal aid).
- Tie Levy funding to a unified, countywide service delivery system to provide consistent and flexible assistance to people who are homeless or at-risk of homelessness.
- Ensure adequate data collection and sharing, including outcome data tracking the ability of people who receive assistance to sustain housing over time.
- Provide program delivery funding for participating agencies to cover costs of administering rent assistance and gathering outcome data
- Pair Levy rental assistance with new community initiatives that are intended to end homelessness or promote self-sufficiency.

Emergency Rent Assistance

The new Levy emergency rent assistance would build on the improvements underway to the current Levy program. It would be designed to complement the countywide Housing Stability Project in order to contribute to a consistent system for homelessness prevention that operates flexibly across the county. As with the current Seattle and King County programs, this new resource would be designed for households experiencing a short-term crisis and for whom short-term assistance will be sufficient to stabilize their housing.

Program elements would include:

- Households up to 50% of median income who are homeless or at-risk of homelessness would be eligible for assistance
- Average assistance would be approximately \$1,200 per household in 2010. Households would be eligible for up to \$1,500. These funding levels are consistent with the current countywide program, and allow recipients to receive the assistance they need without seeking multiple sources of assistance.

- Participating agencies work with clients to address both the immediate crisis and longer-term barriers to stable housing. They provide on-going support if needed and maintain contact with clients to determine whether housing stability is maintained.
- Use of funding would be limited to housing expenses, including overdue rent, move-in expenses, first and last month's rent, security deposit, credit reports, application fees.
- Support services would be provided as needed for the intended recipients. To the extent possible, rental assistance and support services funding would be coordinated at the funder level.

Time-Limited Rent Assistance: Rapidly Re-housing Homeless Families, and Supporting Individual and Family Self-Sufficiency

This new Levy Rent Assistance program would provide flexible funding that would be awarded to new initiatives that advance best practices in ending homelessness and increasing self-sufficiency.

There are several significant philanthropic initiatives that are likely to be launched in Seattle during the 2009 Levy. One initiative is the expansion of the Washington Families Fund, a public-private partnership led by the Bill & Melinda Gates Foundation, which will focus on ending family homelessness. Another is 2nd Chance Washington, led by the Seattle Foundation with participation of multiple public and private partners, which seeks to enable low-wage working people to access education leading to livable-wage jobs.

These initiatives would be enhanced by Levy funding for rent assistance, and likewise the Levy programs would benefit from being linked to coordinated services and program evaluation. Levy rent assistance funding could also be linked to other pilot projects proposed during the term of the levy.

Rapid Re-housing for Homeless Families

The Gates Foundation is launching its new initiative to end family homelessness, building on its significant investments in homeless family housing and services through the now-completed Sound Families Initiative. The initiative is based on a theory of change, part of which calls for rapidly re-housing families who enter the shelter system. Working with United Way of King County, the Foundation is currently soliciting a planning grant application from King County for activities based on this theory of change. If King County is successful in obtaining a grant, the Gates Foundation will match new money with 40 cents on the dollar, up to a specified maximum. It is important to note, that this is a *potential* opportunity and the County has not yet applied for a grant. Nonetheless, there is significant agreement in the academic and research communities that rental assistance programs are an important tool in ending homelessness. Therefore there may be the opportunity in the 2009 Levy to leverage rental assistance dollars that are aimed at rapidly re-housing homeless families.

Nationally there is much debate on the length of time that the rental assistance benefit should last, how deep the subsidy should be, and when and for whom case management services are an essential component of a successful rental assistance program. On one side of the debate a national researcher contends that most homeless families just need short-term shallow rent subsidies to be stabilized. Other researchers argue that longer term rent assistance and case management services are essential.

The Office of Housing recommends piloting more than one model of rapid re-housing for homeless families. Pilot projects would involve keeping good data on the households enrolled in the programs and their success or lack of success, and studying the models to determine what model is most effective for our local community.

Rental Assistance Paired with Education/Self-Sufficiency Programs

2nd Chance Washington is a collaboration of workforce education funders in Seattle and King County led by the Seattle Foundation. Its members include foundations, corporations and government agencies. Its goal is to help people working in low-wage jobs succeed in post-secondary education that will lead to livable wage jobs in employment sectors where job growth is projected.

The collaborative's core strategy is to make education and training work for working adults. Two year colleges afford greater access to low-income residents - particularly those with English as a second language and generational or racial barriers to higher education - than a four-year college program. Job-related financial concerns and family issues, however, are the leading cause of low-income student attrition at two-year colleges. Participants need responsive and compressed school programs to sustain movement toward degree completion. To this end, the collaborative is designing the College for Working Adults, a virtual organization to be delivered and credentialed by any/all the community and technical colleges in the county. In addition, participants would receive supportive mentoring, case management, and access to ESL and networking programs as needed.

2nd Chance Washington is working to establish funding needed to support these community college improvements as well as the individual adults earning educational credentials. The collaborative is now in a start-up phase, with a goal of funding initial demonstration projects that connect other support systems with workforce education and training.

Time-limited rental assistance provided through the Housing Levy could significantly impact the ability of low-wage working people to take advantage of this opportunity to increase income and self-sufficiency.

Rental Assistance Programs in Seattle and King County

NAME	PROGRAM DESCRIPTION	BENEFIT	LOCATION	FUNDING
Section 8 Housing Choice Voucher Program	Assists very low-income households under 30% AMI through tenant-based and project-based subsidies. Project-based program favors projects for families, special needs and homeless, as well as projects that encourage a mix of incomes and increase access to quality schools, economic opportunity and needed services.	Ongoing	Seattle / King County	\$92 million HCV block grant to SHA for 2008
Shelter Plus Care (S+C)	Funds agencies to provide long-term rental assistance to homeless households with at least one adult member who has a chronic disability such as serious mental illness, drug/alcohol addiction or HIV/AIDS, and who agrees to participate in treatment and support services.	Ongoing	King County	\$5.4 million over 12-months (combination of 4 federal grants)
Housing Stability Program (HSP)	Funds agencies to provide time-limited rental and mortgage assistance, in association with housing stability services, to low-income households experiencing a short-term emergency that places them at risk of homelessness. At least half of clients must be below 50% AMI.	Time-limited	King County	\$1.2M for 2008 (65-70% goes to assistance = \$264K in Seattle)
Transitional Housing Operating and Rental Assistance (THOR)	Funds agencies to assist homeless families up to 50% AMI transition from shelter to permanent housing and self-sufficiency, with up to two years of housing and case management. Recent funding expanded eligibility to individuals and adult families, particularly households involved with child welfare, with a mental health or chemical dependency disorder, or with an ex-offender.	Time-limited	King County	\$1M annually, plus an additional \$1M for THOR expansion this year
Emergency Rental Assistance Program (ERAP)	Funds nine agencies to provide short-term assistance to households up to 50% AMI facing a temporary economic crisis to prevent eviction and homelessness, or to transition from homelessness. Seattle Housing Levy funds rent assistance.	One-time	Seattle	\$300K annually
Rental Stabilization Program	Funds 6-18 month rent subsidies with case management services to assist households up to 50% AMI who are homeless, at risk of homelessness, or transitioning from homelessness. Seattle Housing Levy supports case management.	Time-limited	Seattle	\$205K for rental assistance, \$106K for case management

Landlord Liaison Project	Provides short-term assistance to homeless people with barriers to housing such as poor credit, criminal history, or disability, in conjunction with other measures to increase access to both private market and nonprofit owned rental housing. Goal of up to 20% chronically homeless. Starting in 2009.	Time-limited	King County	\$1.1 million over 2 years for staffing and client assistance
Emergency Shelter Assistance Program (ESAP)	Funds a statewide network of community-based shelters, and local service networks that provide access to housing and other extended services like homeless prevention for households that are homeless or at risk of homelessness. 50% of funds go to families with children.	One-time	Statewide	\$2.5 million to King County for 2008-2009.
Housing Opportunities for Persons With AIDS (HOPWA)	Funds agencies to prevent homelessness among low-income people diagnosed with HIV/AIDS and their families, through rental assistance, community residences, services-enriched housing, supportive services and assisted living, and capital development / operations of housing facilities.	Time-limited and Ongoing	King and Snohomish Counties	\$1.66 million for program, \$769,000 for TBRA and PBRA in 2008.
Bridges to Housing Pilot Program	Pilot program funding 3 agencies to help move woman and children who are homeless due to domestic violence into safe, stable housing for 12 to 24 months, with a possible 6-month extension. At least 30% will be refugees and/or immigrants.	Time-limited	Seattle	\$255K a year for 3 years (\$140K goes to rental assistance)
Housing Voucher and Case Management	Funds Sound Mental Health to divert and engage individuals who are high users of the county's mental health and drug courts through 6 months of integrated treatment and supportive housing (3-month extensions available). One of five Criminal Justice Initiative programs.	Time-limited	King County	\$530,592 in 2008
Co-Occurring Disorder Program (COD)	Funds 3 agencies to provide housing and services for 12 months (plus 3-month extensions) to individuals with a "co-occurring disorder," i.e. who have both mental health and substance abuse problems, from the county's drug and mental health courts, and KC Jail. One of five Criminal Justice Initiative programs.	Time-limited	King County	\$800,000 annually
Court-Specialized Treatment and Access to Recovery Services (CO-STARS)	Funds Sound Mental Health to provide housing, case management and treatment under a housing first approach to homeless, frequent defendants in the Seattle Municipal Court and Jail system, most with chronic conditions that need long term stabilization.	Ongoing; depends on funding	Seattle	\$620K in 2008, including \$173K for rental assistance

Re-Entry Housing Pilot Program (RHPP)	Funds Sound Mental Health to promote housing stability and access to services for high-risk, high-need jail and prison offenders released from prison facilities, through intense 12-month program of housing and case management.	Time-limited	State pilot - King County project	\$1.37 million for 1-year pilot
Forensic Assertive Community Treatment (FACT)	Funds Sound Mental Health to assist jail high utilizers with serious and persistent mental illness, especially those who are most disabled and have been jailed multiple times or for long periods. Transitional and permanent housing, in concert with the Assertive Community Treatment (ACT) model of comprehensive, locally based treatment spanning multiple disciplines. (SMH also funded to operate Jail-Related Homeless Prevention program.)	Time-limited; linked to long-term	King County	\$1.04 million for services and housing in 2008
Program of Assertive Community Treatment (PACT)	Funds DESC and Highline to assist people with serious and persistent mental illness, especially those who are most disabled and have been hospitalized multiple times or for long periods, through the ACT service-delivery model.	Time-limited; linked to long-term	State initiative - King County	\$1.2 million for services and housing in 2008

Other Programs/Sources:

- King County Homeless Housing and Services Fund (HHSF), 2163/1359, Vets & HS Levy, MIDD + Section 8 Awards → 5-year grants for services, rental assistance, and/or Section 8 to support permanent housing units for homeless households. Funds projects throughout King County. \$3.6 million was awarded in 2006-07. The current 2008 NOFA includes \$7.5 million, plus 60 units of KCHA/SHA vouchers committed for 5 years.
- FEMA Emergency Food and Shelter Program (EFSP) → United Way of King County convenes a local board to make awards to agencies that provide food and shelter, as well as one-time utility, rent and mortgage assistance to prevent shut-offs and evictions, or help people leave shelters. \$121,458 was earmarked for rent/mortgage assistance in 2008.
- United Way of King County → awards grants for homeless prevention and rapid exit services (including rental assistance, landlord mediation, legal representation, etc). Under the outcome “People at risk of becoming homeless retain stable

housing,” \$753,137 was awarded to 18 agencies for 2007-2008. Under the outcome “People transitioning out of homelessness secure permanent housing,” \$711,743 was awarded to 15 agencies for 2007-2008.

- State of Washington Offender Programs
 - Community Integration Assistance Program (formerly Dangerously Mentally Ill Offender program) - 5-yr post-release program, currently serves 75 clients, in existence since 1999.
 - Mentally Ill Offender Community Transition Program (MIO-CTP, or 6002 program) - 2+ year post-release program, currently serves 25 clients - funded by State of Washington
- City of Seattle Human Services Department → HSD contracts with community based nonprofit agencies to provide Rent Assistance, Eviction Prevention, and Transitional Housing. Sources include Seattle General Fund, and federal HOME, CDBG, ESG, HOPWA, and McKinney. Individual contracts determine eligible uses. Funds for direct assistance can be coupled with funds for case management, supportive services, tenant counseling, and information and referral services targeted at eviction prevention, housing access and long-term housing stability.

Potential/upcoming programs/sources:

- Mental Illness and Drug Dependency (MIDD) funds → Use of these dollars for rental assistance are just beginning to be disbursed by MHCADSD.
- Independent Youth Housing Pilot → CTED rental assistance funds for youth aging out of foster care has potential to be expanded statewide.
- Housing Foundations → \$833,333 State HGAP grant to King County for community-based homelessness prevention interventions
- Rapid Re-Housing Demonstration → Application for federal McKinney demonstration funds by King County