

# AN ASSESSMENT OF THE HOUSING OPPORTUNITY PROGRAM

## Department of Policy, Innovation, and Evaluation

December 2021

### EXECUTIVE SUMMARY

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Over the course of 2021, the Department of Policy, Innovation, and Evaluation (PIE) has been investigating the efficacy and impacts of three time-limited, flat subsidy programs, which were created using THA's Moving to Work (MTW) flexibility. They include: the Housing Opportunity Program (HOP), Child Housing Opportunity Program (CHOP), and College Housing Assistance Program (CHAP). This report summarizes the available evidence on the programs' efficacy, before and during the pandemic, by exploring four overarching themes that reflect the program life cycle:

1. *Leasing: At what rate do HOP households successfully lease a unit?*
2. *Income: Does a HOP household's income change while receiving assistance?*
3. *Program Exits: When and why does a HOP household exit the program?*
4. *Rent Burden: What level of market rent burden does a HOP household face at exit?*

The general Housing Choice Voucher (HCV) population was used as a comparison group.

#### **Leasing**

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Overall, HCV households showed greater success securing housing than HOP households (82% compared to 64%). Though changes in the rental market have led to lower lease up rates for participants in both programs, HCV households have generally maintained greater lease up rates. However, extremely low-income households (those earning 30% of the area median income or less) with a HOP subsidy were twice as likely to be unsuccessful in securing a unit as extremely low-income households with a traditional voucher subsidy.

When comparing lease up outcomes by program and race/ethnicity, rates were somewhat similar for white and Black, Indigenous, and people of color (BIPOC) headed households. Yet, BIPOC households participating in CHAP and CHOP were less successful at securing housing than white households. Additionally, as the market has become more competitive over time, BIPOC households using a HOP voucher have increasingly been unsuccessful at leasing up compared to white shoppers.

#### **Income**

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HCV households (work-able and elderly/disabled) were more likely to experience an increase in income (67% of the total population) than HOP households (54%) between the time they entered the program and exited. A narrower analysis of work-able households housed in 2012-2014 and exited in 2018-2020, found that 85% of HCV households increased their income compared to just 60% of HOP households. The average HCV household's income increased nearly 200% while HOP household's income only increased by 33%.

BIPOC households that received an income-based subsidy were more likely to experience an increase in income than any other population. Conversely, BIPOC households were less likely to experience an increase in income if they were participating in CHAP or CHOP.

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### ***Program Exits***

PIE staff reviewed the account notes of a random sampling of 50% (n=120) of HOP and HCV households that exited between 2018 and 2020 to determine the circumstances of clients' exits. The likelihood of HCV households exiting under positive circumstances is double that of HOP households. Based on the sample of households, HCV households have the highest proportion of positive exits and the lowest proportion of negative exits. Only 20% of HOP households exit due to reaching the 5-year time limit. Achieving self-sufficiency (reaching >80% AMI) appears to be as common as eviction or death. Conversely, self-sufficiency is the third most common reason for program exit for HCV households.

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### ***Rent Burden***

Despite HOP households having a higher income than HCV households at entry, severe rent burdens (>50% of income goes to housing expenses) are almost twice as likely while on HOP than HCV. CHAP and CHOP households face greater current rent burdens than clients on other programs.

HOP households are more likely to exit with a severe market rent burden than HCV households (77% compared to 60%). Further, households headed by BIPOC women (who make up the largest portion, roughly 50%, of THA's voucher holders), are twice as likely to exit with no market rent burden from the HCV program than from HOP (18% compared to 9%). Across all groups, HCV households have lower rates of experiencing a severe market rent burden upon exit.

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### ***Racial Equity Impact***

Across nearly all demographic groups, households experience increased success on the Housing Choice Voucher. Most significantly, the disparities that are observed in the HOP program are often reduced, if not entirely reversed, when compared to the HCV population. For instance, while both BIPOC and white households have greater lease up success on HCV, the disparity in lease up rates is half what it is on HOP (a difference of 3 percentage points compared to 7 percentage points).

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### ***Recommendations***

The data leads the PIE department to recommend moving HOP households to the tiered income-based subsidy model used for HCV. This change would benefit two thirds of current HOP households, increasing their housing assistance payment by \$211/month (\$200 median increase). Those that experience a reduction in their rental assistance will pay an average of \$166 more/month (\$123 median decrease).

Additionally, we recommend eliminating the time limit on assistance while maintaining administrative efficiencies that have worked well for HOP.

## INTRODUCTION

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In June 2020, in response to the COVID-19 pandemic and its subsequent economic impacts, the Tacoma Housing Authority (THA) suspended time limits through the end of 2020 for its four time-limited, tenant-based rental assistance programs. As the pandemic continued to take its toll on the local community, the agency decided to extend this moratorium through 2021. Throughout this same time, the Department of Policy, Innovation, and Evaluation (PIE) has been investigating the efficacy and impacts of three of these time-limited, flat subsidy programs, which were created using THA's Moving to Work (MTW) flexibility. They include: the Housing Opportunity Program (HOP), Child Housing Opportunity Program (CHOP), and College Housing Assistance Program (CHAP). This report summarizes the available evidence on the programs' efficacy, before and during the pandemic, by exploring four overarching themes that reflect the program life cycle:

1. *Leasing: At what rate do HOP households successfully lease a unit?*
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The general Housing Choice Voucher (HCV) population was used as a comparison group when data was available.<sup>1</sup>

Following this analysis, PIE provides recommendations for program changes that aim to increase household stability and positive housing outcomes. The recommendations in this report will address the HOP program more generally, with specific CHAP and CHOP program recommendations presented separately in the appendices. First, PIE situates this investigation within the background and context within which the program operates.

## BACKGROUND AND CONTEXT

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### ***The Development of the HOP Subsidy***

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The HOP subsidy model was developed in 2013 with the intent to serve more households with a slightly shallower subsidy. At that time, THA was facing budget constraints. Many housing authorities were freezing vouchers, but THA wanted to find a way to continue to serve our households and serve more households with less.

To accomplish this goal, THA went from offering an income-based subsidy to a fixed subsidy model. The HOP subsidy would cover 50% of the payment standard, leaving the household to cover the remaining rent portion. Traditional Housing Choice Vouchers (previously known as Section 8 vouchers) limited a household's share of rent to 30% of their monthly income. The housing authority would cover the remaining rent balance.

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<sup>1</sup> The HCV comparison population was smaller than the HOP population as data on households who entered before 2012 was not readily available. The work-able HCV population was small, limiting PIE's ability to draw conclusions about disaggregated data, especially when disaggregated by race.

The aim of the HOP subsidy model is to “thin the soup” and serve more households in return. At the onset of the program, it was estimated that the average household on HOP would spend roughly 34% of their income on rent – slightly above those on the traditional voucher program (which aims for around 30%), but not so much as to cause a significant rent burden.

The flat subsidy is also a way to lessen any confusion for households, landlords, and staff by simplifying the subsidy amount. Landlords and tenants are not subject to fluctuations in THA’s payments as a household’s income changes. Households know exactly how much THA would contribute to their rent amount once they were accepted to the program. The households can determine for themselves how much they could afford with THA’s assistance already set and defined. The fixed subsidy also allows households to increase their income without having to face an increase in their portion of the rent payment. However, it also means they are responsible for their portion of the rent if they lose income.

Additionally, since the subsidy is fixed based on household size at entry, it also meant that clients do not have to undergo the standard annual recertification and verification of income. Recertifications on HOP are less invasive and require less documentation than the traditional voucher – saving time for both the client and THA staff.

Further, households that are work-able (not elderly or disabled) have a five-year time limit on the program. The time limit is intended to serve two purposes: 1) motivate households to increase their earnings in preparation for the end of their housing assistance, and 2) limit the time on assistance to create more frequent turnover so that households on the waitlist get a turn at receiving rental assistance.

The model has been expanded to serve two populations in addition to new HCV households: community college students experiencing housing insecurity and homelessness and families and foster youth involved in the family court system.

## Housing Opportunity Program

### Fixed Subsidy

THA pays 50% of the payment standard.  
The household pays the **remaining housing costs**.

### Voucher Size

Based on 2 people per bedroom.  
Adjusted if household size **decreases**.  
Does not adjust if household size increases.

### Time Limit

No time limit for **elderly/disabled** households.  
5-year limit for **work-able** households.

### Utility Allowance

None.

### Changes in Income

The subsidy amount **will not change** if a household's income changes.

## Housing Choice Voucher

### Income-based Assistance

The household pays **~30% of income** on rent.  
THA pays the remaining housing costs.

### Voucher Size

Based on 2 people per bedroom.  
Adjusted if a household size **decreases OR increases**.

### Time Limit

No time limit for **all** households.

### Utility Allowance

Factored into subsidy.

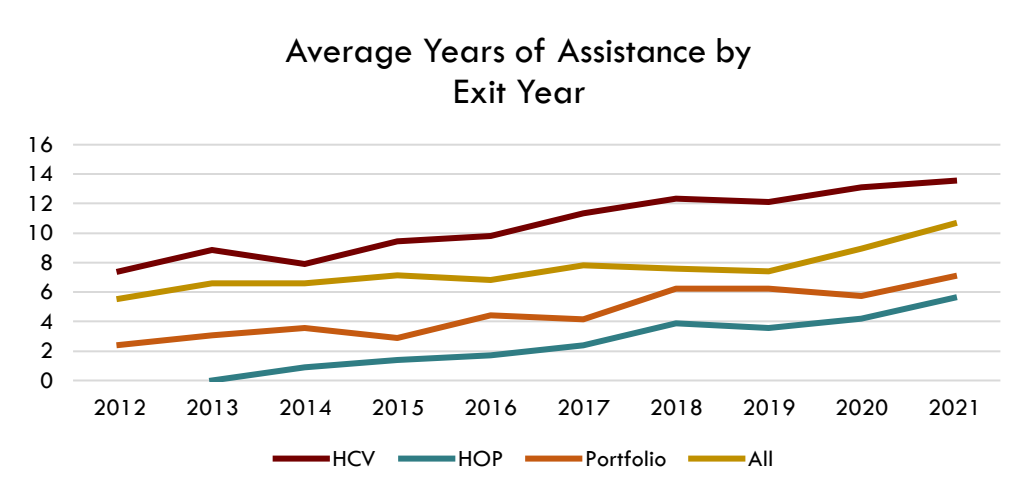
### Changes in Income

When income increases, the subsidy amount decreases at the household's next re-certification (every 2-3 years).

The subsidy will increase if there is a loss of income.

## The HOP Subsidy Today

Since the program was developed in 2013, Tacoma's housing market has become increasingly out of reach for low-income households. A low vacancy rate, in-migration of higher wage earners, and gentrification are driving this trend. Meanwhile, wages among low-income workers have not kept pace with these growing housing costs. Between 2016 and 2019, the median rent in Tacoma increased by 21% while median renter income increased by just 12%.<sup>2</sup> The National Low Income Housing Coalition reported that a minimum wage worker in Pierce County had to work 80 hours a week to afford the fair market rent for a two-bedroom unit in 2020. The impact of these changes can be seen in the following chart. Across both the HOP and HCV voucher programs and the THA portfolio, time on assistance has increased across the board for work-able households.



Specifically, in recent years, exiting HCV households received assistance 30% longer than they were prior to 2018. Portfolio tenants at our family properties remained in their units for nearly twice as long as tenants that exited in previous years. The increased time on HOP, shown in the chart on the following page, is to be expected as the program was being implemented and enforcement of the time limit has been halted during COVID. While the average time is different between programs (and a worthwhile topic for future exploration), the overall trend across programs stresses the importance of how local market conditions and access to unsubsidized affordable housing impact length of assistance.

This situation has only been exacerbated by the COVID-19 pandemic. According to Opportunity Insights, employment rates among Pierce County workers in the bottom wage quartile decreased by 33.3% between January and April 2020.<sup>3</sup> As of December 2020, nearly a quarter of renter households making less than \$25,000/year reported being behind on their rent.<sup>4</sup> Fortunately, government has stepped in to respond to the economic devastation wrought by the pandemic. State and national government instituted eviction moratoria. Congress passed a series of emergency relief bills culminating most recently in the

<sup>2</sup> Root Policy Research, 2020.

[https://www.cityoftacoma.org/UserFiles/Servers/Server\\_6/File/cms/Planning/Affordable%20Housing/AHAS%20Planning%20Actions/D2%20Packet%20-%20Home%20In%20Tacoma%20Project%20\(11-18-20\).pdf](https://www.cityoftacoma.org/UserFiles/Servers/Server_6/File/cms/Planning/Affordable%20Housing/AHAS%20Planning%20Actions/D2%20Packet%20-%20Home%20In%20Tacoma%20Project%20(11-18-20).pdf)

<sup>3</sup> Opportunity Insights, 2021. <https://www.tracktherecovery.org/>.

<sup>4</sup> Joint Center for Housing Studies, 2021. <https://www.jchs.harvard.edu/blog/interactive-tool-illustrates-disparate-economic-impacts-pandemic>

American Rescue Plan Act, which provides a historic investment in new federal housing resources. Finally, the new administration is contemplating universal voucher coverage for qualifying households. Currently, only about a quarter of households who qualify for housing assistance receive it.

A challenging economic outlook for low-income renters in combination with new and deep investment in housing resources require THA take a renewed look at the HOP subsidy model. In addition, eviction moratoria are expiring, allowing landlords to increase rents and bring legal action if renters cannot keep up with the cost of housing and do not qualify for or have exhausted their assistance<sup>5</sup>. HOP households will shoulder 100% of the rent increases whereas HCV households would continue to pay an affordable rent based on their income. This challenging situation adds urgency to this issue.

The following sections look at how current and past HOP participants fare compared to the HCV population. The analysis focuses on four main areas: lease up success, changes in income while on THA assistance, circumstances around program exit, and rent burden at exit. Following the analysis, the final sections detail which demographic groups most benefit from HOP and the financial impacts of eliminating the flat subsidy model.

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<sup>5</sup> Rental assistance programs often require that the household demonstrate that COVID has had a direct impact on their employment/wages. Clients whose employment has not been impacted, but simply cannot afford their rent should it increase, will not be deemed eligible for COVID-related rental assistance.

## A NOTE ABOUT DATA

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THA stopped issuing Housing Choice Vouchers when HOP was implemented. Additionally, the move to Open Door, THA's administrative database, resulted in limited access to data prior to 2012. To ensure sample populations were comparable when looking at entry and exit data, PIE staff had to limit the analysis to the final cohort of HCV participants. These participants were issued a voucher in 2012 and, if successful leasing up, were housed between 2012-14. While this limits the sample set, it does provide a group that we can compare early HOP households to. Both groups entered at roughly the same time and when we look at household that exit at roughly the same time we can control for outside factors that may impact household outcomes. This is especially important since the rental landscape has changed dramatically over the last five years.

Households moving with an HCV were included in the lease up analysis to see if and how shopping with an income-based subsidy compared to shopping with a fixed subsidy as the rental market became more competitive.



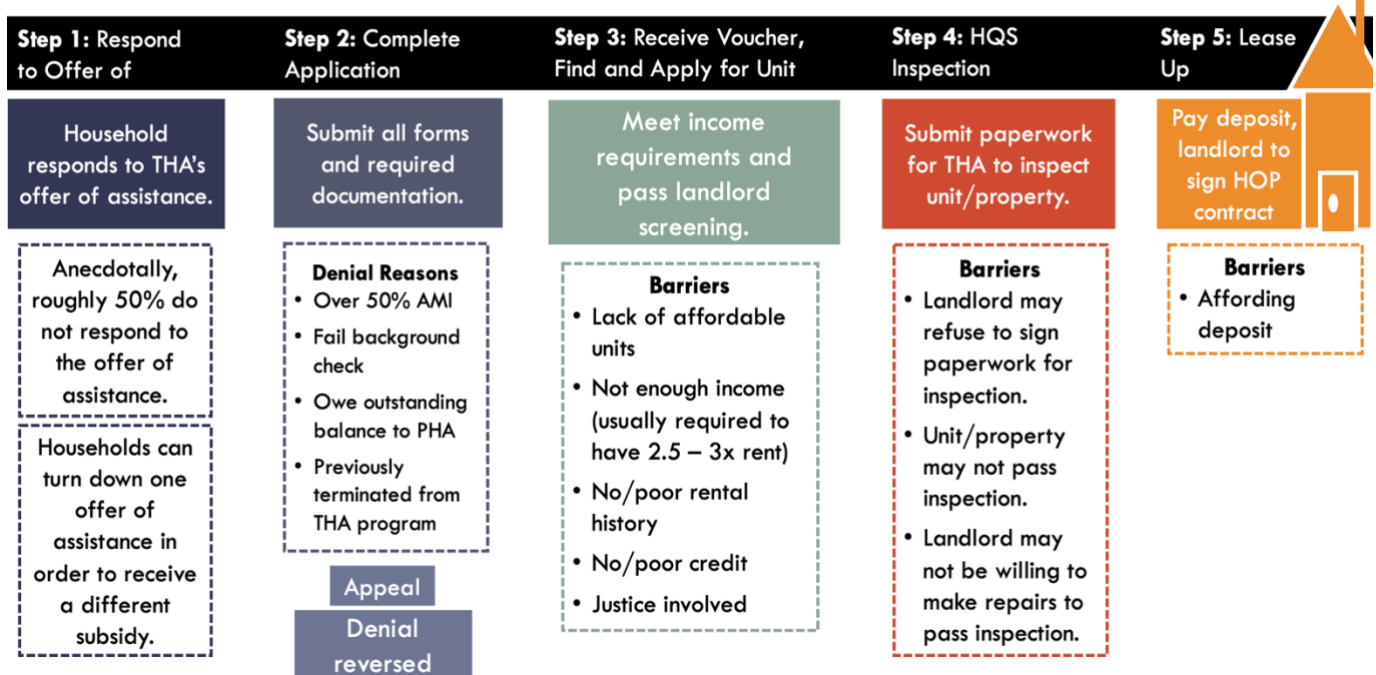
Additionally, HOP data is presented in two ways. Participants in CHAP and CHOP make up nearly 20% of the households receiving a HOP subsidy. However, these are special programs with additional program requirements. Many charts will present the combined HOP data and include a section that separates out CHAP and CHOP from HOP. Additional findings and discussion about CHAP and CHOP are presented in Appendices A and B.



## LEASING

All households that receive a HOP or HCV subsidy go through the same process once pulled from the waitlist. Receiving an offer of assistance does not always guarantee that a household will be able to find and secure affordable housing. The following graphic details the process and the barriers that may prevent households from moving forward to the next step.

### From Offer of Assistance to Housed

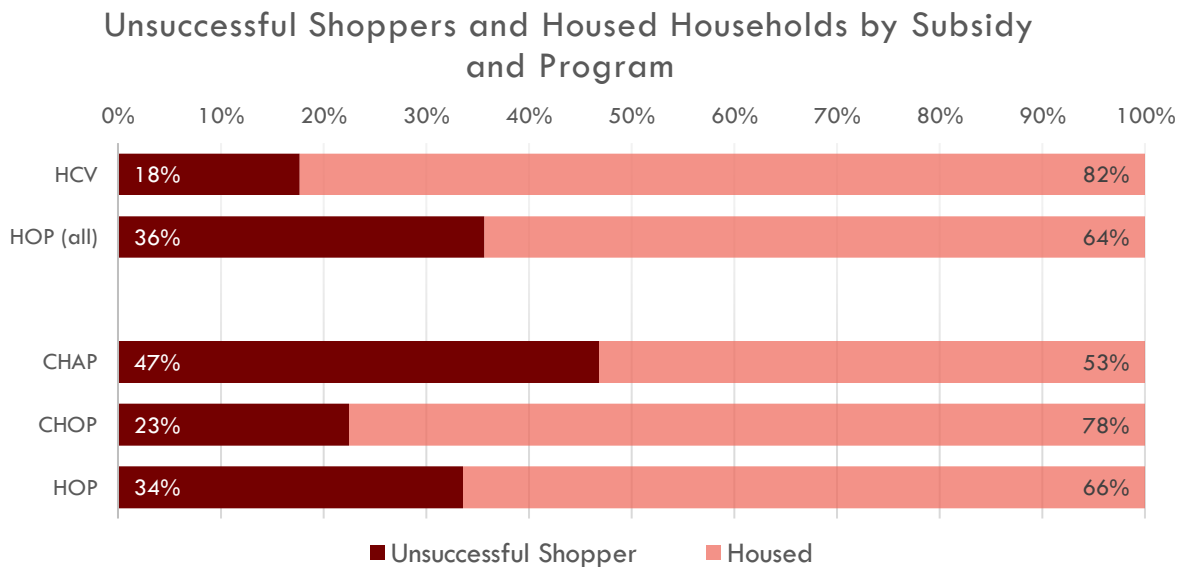


It is important to note that the barriers listed under Step 3 (find and apply for a unit) are additional screening criteria set by private landlords. THA does not have control over how strict the landlord is in defining screening criteria or what level of income they require of tenants to income qualify for the unit.

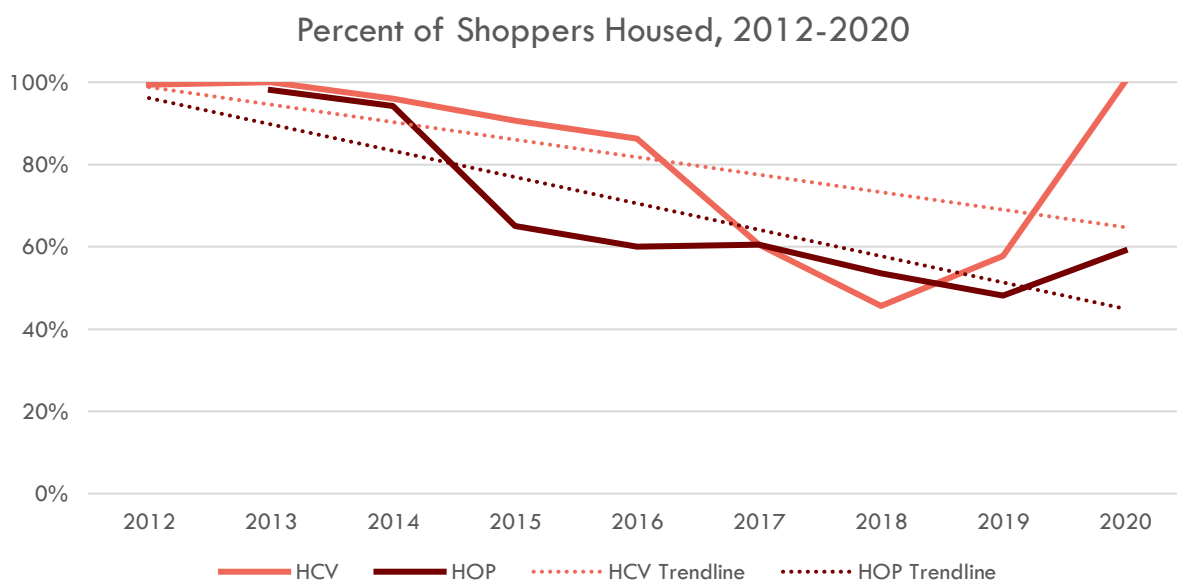
To understand if HOP participants encounter greater barriers leasing up than HCV participants, PIE analyzed lease-up data for all households that were provided a shopping voucher between 2012 and 2020. The data in this section includes new admissions *as well as movers* (this allows us to see how HCV compares to HOP as the rental market became more competitive). When shopping for housing, households are given 90 days. If they are unsuccessful, they may apply for an additional 120-day extension. If they are unable to secure housing in that time, they are defined as an unsuccessful shopper.

***HCV households had a greater likelihood of securing housing than HOP households.***

The vast majority (82%) of HCV households were successful in leasing a unit compared to 64% of HOP households. Participants in the College Housing Assistance Program (CHAP) were the least likely to have success using their voucher.



Additionally, when analyzing how shoppers have fared over time, it is clear that changes in the rental market have hurt participants in both programs. However, HCV households have generally maintained greater lease up rates when compared to HOP households.



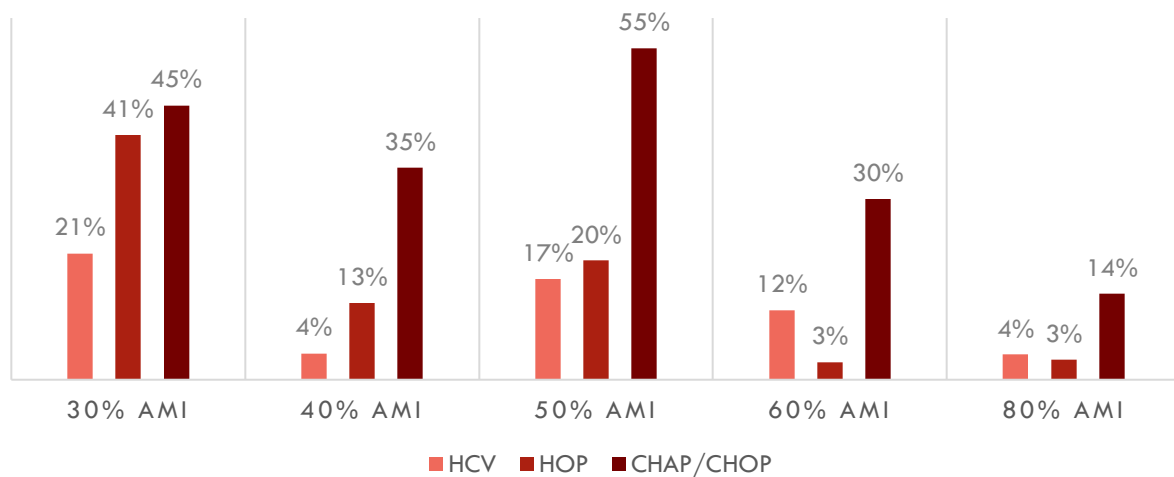
***Extremely low-income households with a HOP voucher were least successful in securing a unit.***

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Extremely low-income households (those earning 30% of the area median income or less) with a HOP voucher were twice as likely to be unsuccessful in securing a unit as extremely low-income households with a traditional HCV. This finding is important as households at or below 30% AMI make up nearly three quarters of our voucher recipients.

Shoppers in special programs CHAP and CHOP are consistently less likely to lease up with a shopping voucher across all income levels.

Unsuccessful Shoppers by Area Median Income



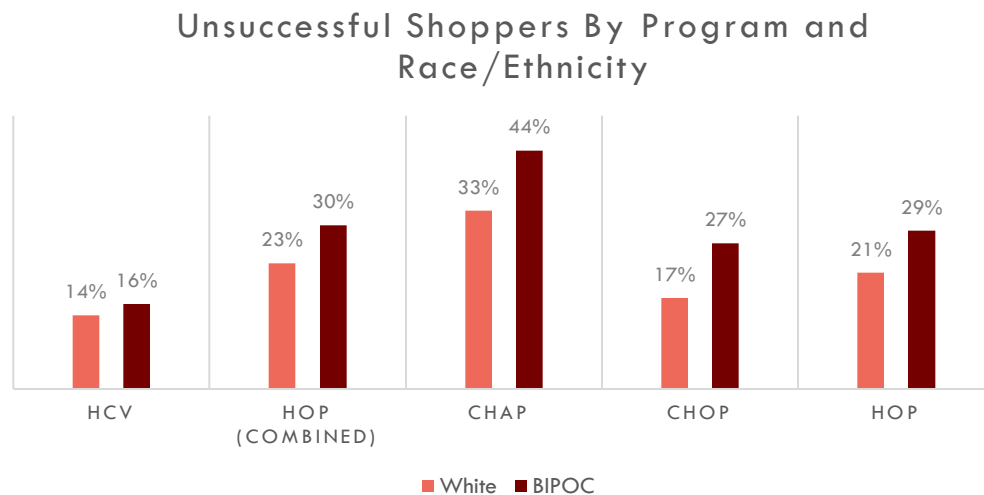
These findings can best be explained when we consider what it takes for a household to meet private landlords' screening criteria. Most often, landlords require that a household make 2.5-3 times their portion of the rent to income qualify. The scenarios on the following page demonstrate three common circumstances for THA clients: lack of employment (Scenario A), living on a fixed income (Scenario B), and being at 20% area median income (this represents the average household that qualified for a two-bedroom unit and was issued a voucher between 2018 and 2020).

The following scenarios assume that the contract rent is the same as the current payment standards. Voucher size is based on two heartbeats per room. Tenant rent for the HCV program is based on 30% of the household's monthly income (THA also has a minimum rent amount, which is why Scenario A shows \$75 in rent). The tenant portion of the rent for HOP is 50% of the payment standard.

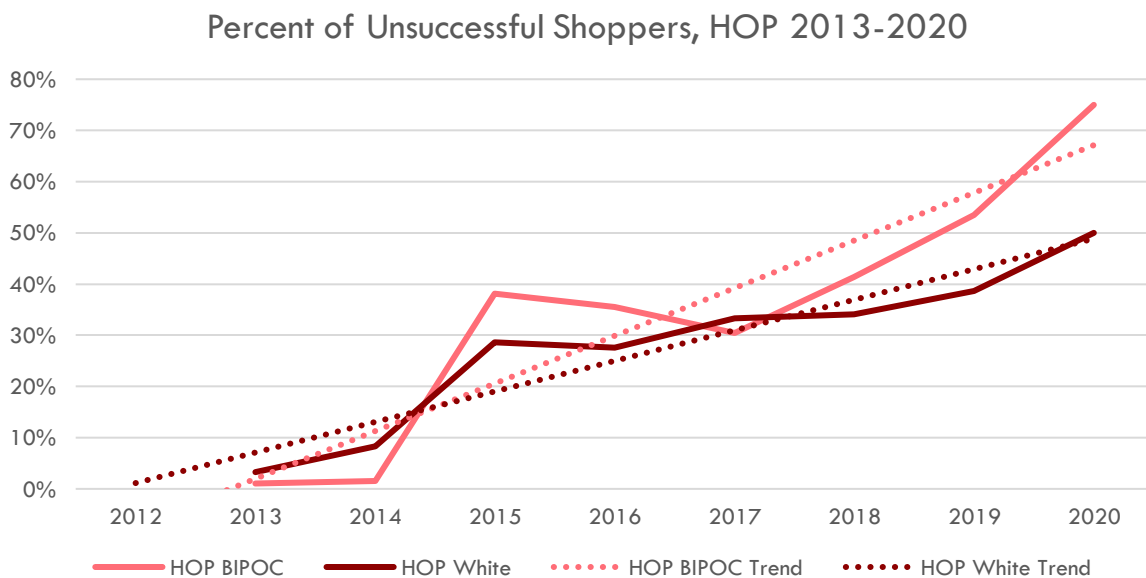
	Scenario A: Unemployed couple with an infant. The family qualifies for a 2-bedroom payment standard.		Scenario B: Single elderly individual on fixed \$791/mo SSI payment. They qualify for a 1- bedroom payment standard.		Scenario C: Single parent with three children, working 25 hrs/week for \$15. The family qualifies for a 2-bedroom payment standard.	
<b>Household Characteristics</b>						
1. Annual Household Income	\$0		\$9,492		\$19,500	
2. Voucher Size	2		1		2	
3. Payment Standard/Contract Rent	\$1,484		\$1,162		\$1,484	
<b>Subsidy Program</b>	<b>HOP</b>	<b>HCV</b>	<b>HOP</b>	<b>HCV</b>	<b>HOP</b>	<b>HCV</b>
4. Rent based on 30% of income		\$75		\$237		\$487
5. Rent based on 50% of payment standard	\$742		\$581		\$742	
6. Portion of monthly income spent on rent	>100%		73%	30%	46%	30%

***Black, Indigenous, and people of color (BIPOC)-headed households are less likely to lease up than white households, but the disparity is less for HCV households.***

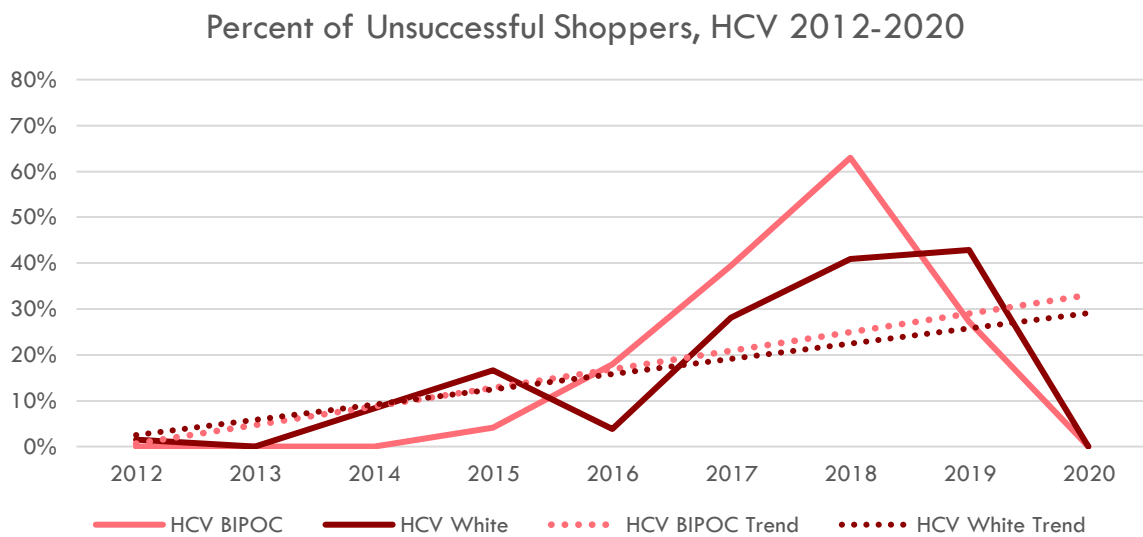
When comparing lease up outcomes by program and race/ethnicity, there is a disparity between white households and BIPOC households across all programs. However, the disparities are worse on those programs using a HOP subsidy. Regarding HCV, BIPOC households have lower lease-up rates than white households, but the difference is two percentage points as opposed to seven.



Additionally, as the market has become more competitive over time, the rates of unsuccessful shoppers have increased. However, BIPOC households shopping with a HOP subsidy been most negatively impacted.



In comparison, though HCV shoppers have also experienced an increase in people not leasing up, the trends do not demonstrate the disparate impact that we observe with HOP.



**Regardless of how shopping data is disaggregated, nearly all demographic groups have greater lease up success on HCV compared to HOP.**

Lease Up Success by Demographics	HCV		HOP	
	% Housed	N	% Housed	N
All clients	<b>82%</b>	486	64%	1498
Female	<b>81%</b>	383	68%	1122
Male	<b>88%</b>	101	55%	376
BIPOC	<b>84%</b>	250	70%	721
White	<b>87%</b>	200	77%	312
BIPOC - Female	<b>84%</b>	200	74%	539
White - Female	<b>84%</b>	155	78%	237
BIPOC - Male	<b>88%</b>	49	58%	182
White - Male	<b>98%</b>	44	75%	75
African American/Black	<b>86%</b>	168	76%	340
American Indian/Alaska Native	71%	7	71%	17
Asian American	<b>100%</b>	14	83%	40
Multiple Races	<b>100%</b>	13	58%	76
Native Hawaiian/Pacific Islander	<b>74%</b>	19	67%	30
White	<b>85%</b>	226	79%	403
Unknown/Did not disclose	46%	39	<b>47%</b>	592
Hispanic (race not disclosed)	<b>67%</b>	3	43%	127
Hispanic White	73%	26	<b>86%</b>	91
Hispanic BIPOC	<b>88%</b>	8	86%	59
Non-Hispanic White	<b>87%</b>	200	77%	312
Non-Hispanic BIPOC	<b>86%</b>	213	75%	398
30% AMI	<b>79%</b>	353	58%	1127
40% AMI	<b>96%</b>	46	83%	186
50% AMI	<b>83%</b>	36	73%	101
60% AMI	88%	26	<b>91%</b>	45
80% AMI	<b>96%</b>	24	95%	37

## INCOME

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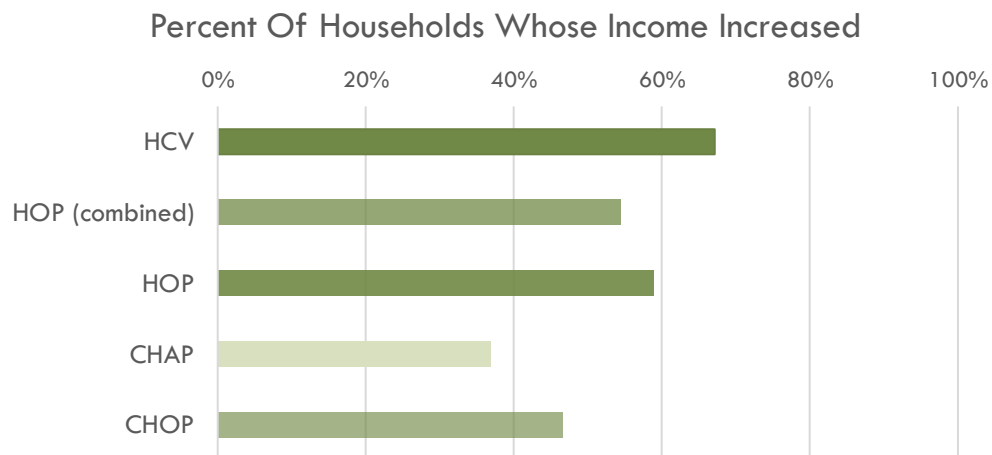
A commonly stated goal of the HOP subsidy model is to incentivize increasing one's wages. To assess if the program has been successful in achieving this aim, PIE staff analyzed income changes among households that received a subsidy in 2012 or later and exited between 2012 and 2020.<sup>6</sup> By including 2012, PIE is able to observe income changes among the most recent cohort of HCV recipients who entered the program before HOP was implemented in 2013.

While this creates somewhat of a comparable comparison group, it is important to note that HOP households who secure housing have a higher income than HCV households – their median income is 127% of the HCV median income. This difference is likely a reflection of the flat subsidy model, which, as addressed in the previous section, has less buying power for lower income households. As a result, extremely low-income households are more likely to be underrepresented in HOP's population.

### ***HCV households demonstrate a greater chance of increasing their income than HOP.***

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Overall, HCV households (work-able and elderly/disabled) were more likely to experience an increase in income (67% of the total population) than HOP households (54%) between the time they entered the program and exited. CHAP and CHOP participants had the lowest proportion of households that experienced an increase in their income.



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<sup>6</sup> Income data is not available for households that entered prior to 2012.



### ***Work-able households were more likely to increase their incomes on HCV than HOP.***

To understand how work-able clients' income changed while on the program, PIE staff looked at the last cohort of households to receive standard HCV assistance (those housed in 2012-2013). Their incomes were then compared to HOP households that entered in 2013-2014. The analysis focused on the households that exited between 2018-2020 from these two cohorts. This narrower analysis was an attempt to capture a snapshot of income changes over a given period for people receiving a similar length of assistance.

Markedly, 85% of work-able HCV households increased their income while receiving assistance compared to just 60% of work-able HOP households. Further, the average HCV household increased their income by nearly 200% while HOP households only increased their income by 33%. Though the sample sizes are small, at 90% significance, the difference is considered significant.

	Avg length of assistance	Avg HH Size	Income Measure	Income at Entry	Income at Exit	Change in Income	% of HH with increased income
HCV (n=13 <sup>7</sup> ) <i>Housed 2012-13 Exited 2018-20</i>	6.1	3.2	Average	\$11,610	\$33,976	\$22,366 (+192%)	85%
			Median	\$10,836	\$31,512	\$19,139 (+176%)	
HOP (n=65 <sup>8</sup> ) <i>Housed 2013-14 Exited 2018-20</i>	4.6	2.6	Average	\$16,402	\$21,876	\$5,474 (+33%)	60%
			Median	\$16,884	\$19,800	\$2,993 (+18%)	

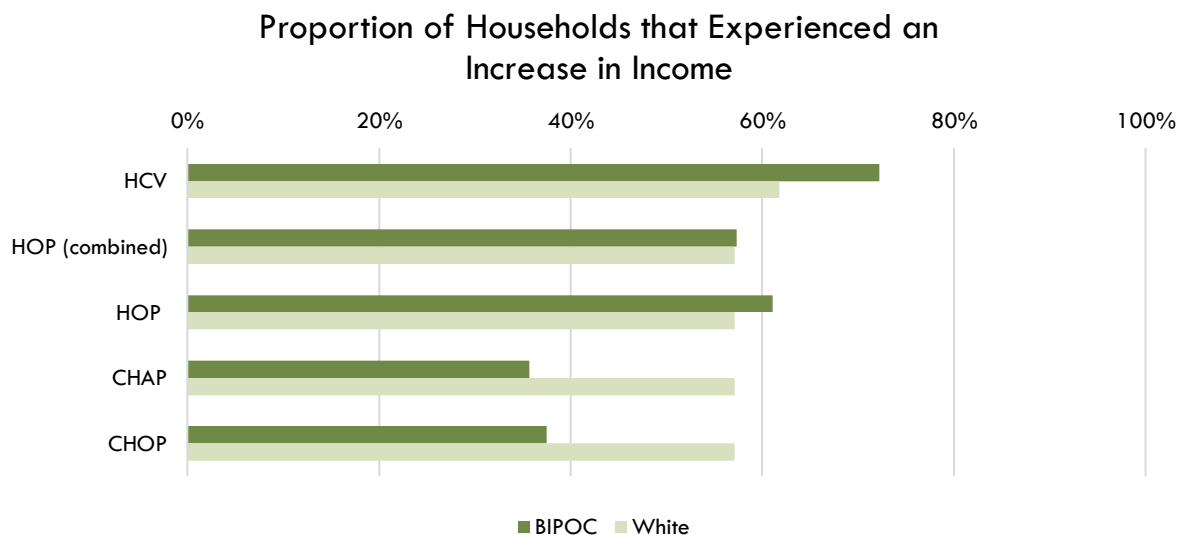
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<sup>7</sup> 86 work-able households entered 2012-13. 57 have since exited (66%). 23% of those exits occurred between 2018-20 (15% of the total work-able households that entered in 2012-13).

<sup>8</sup> This excludes CHAP and CHOP. 149 work-able households entered 2013-2014. 135 have since exited (90%). 48% of the exits occurred between 2018-20 (44% of the total work-able households that entered 2013-14).

***The proportion of white households that experienced an increase in income held steady across all programs, whereas BIPOC households on HOP's special programs were least likely to experience an increase in income.***

BIPOC households that received an income-based subsidy were more likely to experience an increase in income than any other population. Conversely, BIPOC households were less likely to experience an increase in income if they were participating in CHAP or CHOP. This may reflect more stringent program requirements that have unintended and disproportionate negative impacts on people of color. While part of the HOP program, CHAP and CHOP are addressed separately and in more detail in Appendix A and B.



***Across nearly all groups, HCV participants have a higher likelihood of having increased their income by the time they exit from assistance.***

In general, HCV households had a greater likelihood of experiencing income gains than HOP households. When disaggregated by demographic characteristics and program type, this trend holds true. This was also true in the 2018 HOP Evaluation where HCV households admitted in 2012 increased their earnings by 90% by 2017 while 2013 HOP household wages increased by only 45% over that same period. Further, households served through THA's unique HOP subsidy program, CHOP and CHAP, saw income decreases.

Proportion of Households who Increased their Income	HCV		HOP	
	% Increased Income	N	% Increased Income	N
All clients	<b>67%</b>	70	54%	406
Female	<b>64%</b>	53	53%	328
Male	<b>76%</b>	17	62%	78
BIPOC	<b>72%</b>	36	57%	239
White	<b>62%</b>	34	57%	114
BIPOC - Female	<b>72%</b>	29	54%	191
White - Female	54%	24	<b>56%</b>	93
BIPOC - Male	71%	7	71%	48
White - Male	<b>80%</b>	10	62%	21
African American/Black	<b>60%</b>	20	57%	130
American Indian/Alaska Native	50%	2	<b>56%</b>	11
Asian American	<b>100%</b>	4	73%	9
Multiple Races	<b>100%</b>	4	64%	22
Native Hawaiian/Pacific Islander	<b>100%</b>	2	71%	7
White	<b>63%</b>	38	57%	142
Unknown/Did not disclose			40%	85
Hispanic White	<b>75%</b>	4	67%	27
Hispanic BIPOC	50%	2	<b>57%</b>	30
Hispanic (race not disclosed)			47%	30
Non-Hispanic White	<b>62%</b>	34	58%	152
Non-Hispanic BIPOC	<b>73%</b>	30	57%	112
Non-Hispanic (race not disclosed)			36%	55
Elderly/Disabled	63%	19	<b>68%</b>	50
Elderly/Disabled or Near-Elderly			68%	28
Near Elderly	<b>75%</b>	8	48%	42
Work Able/Not Working	<b>69%</b>	13	33%	103
Work Able/Working	<b>67%</b>	30	62%	183

## PROGRAM EXITS

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To further understand program efficacy, PIE analyzed the timing and nature of HOP household exits. According to administrative data, over three quarters of work-able HOP households exit before reaching the 5-year time limit. This finding calls for a deeper analysis into the reasons why households decided to give up or lose their voucher.

Unfortunately, exit reason is an inconsistent and unreliable field in Open Door. To address this challenge, PIE staff reviewed the account notes of a random sampling of 50% (n=120) of HOP households that exited between 2018 and 2020. Nearly 300 HCV households also exited between 2018 and 2020. 50% (n=145) of those households were also reviewed to determine the circumstances of their exits. The analysis was limited to 2018-20 to better understand if and how recent changes in Tacoma's housing market have impacted clients and their experiences.

Program	Number of Records Reviewed
HCV	145
CHAP	23
CHOP	5
HOP	92
<b>Total</b>	<b>265</b>

Using the account notes, PIE summarized the households' exit reasons and categorized their exit as positive, neutral, or negative. The table below outlines which types of exits fall into each category.

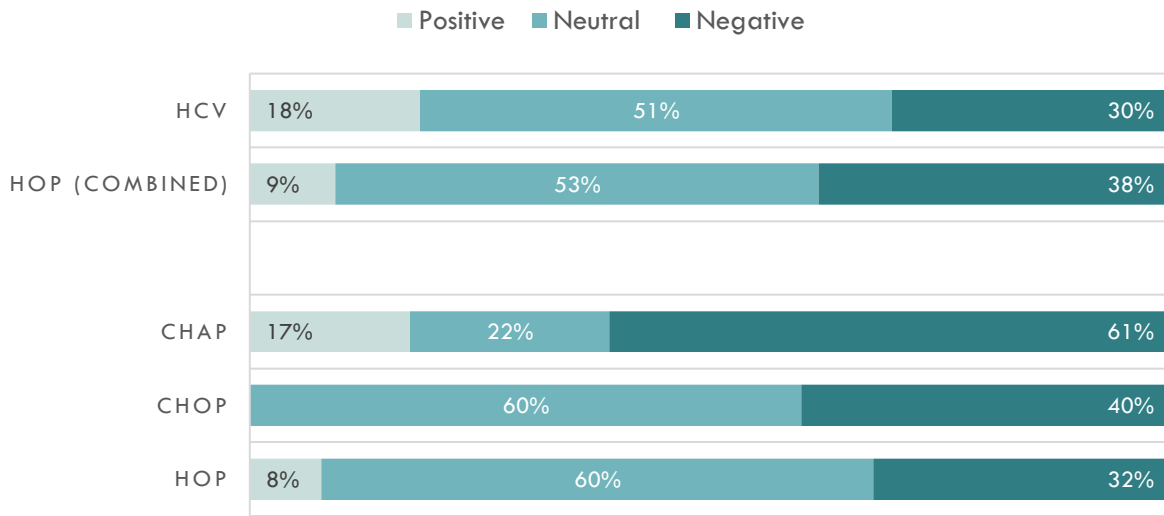
Positive	Neutral	Negative
<ul style="list-style-type: none"><li>• Over-income</li><li>• Self-sufficient</li><li>• Purchased a home</li><li>• Graduated (CHAP)</li></ul>	<ul style="list-style-type: none"><li>• Reached time limit</li><li>• Admin error</li><li>• Self-terminated (no reason provided)</li><li>• Accepted other subsidized housing</li><li>• Death</li></ul>	<ul style="list-style-type: none"><li>• Termination (eviction, failure to comply with program obligations, etc.)</li><li>• Loss of eligibility</li><li>• Received notice to vacate/move</li><li>• Voucher expired before finding another unit</li></ul>

### ***HOP households have higher rates of negative exits.***

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Though the numbers are lower than THA may desire, the likelihood of HCV households exiting under positive circumstances is double that of HOP households. Of all HOP households, CHAP participants are more likely to experience a positive exit. This is due in part because graduation is considered a positive exit and is only applicable to CHAP. Despite higher positive exits, CHAP participants were nearly twice as likely as other HOP households to have their housing assistance end for negative reasons – likely due to more stringent program requirements. Based on the sample of households, HCV households have the highest proportion of positive exits and the lowest proportion of negative exits.

## Exit Type by Program



### ***HCV households have a greater likelihood of exiting due to self-sufficiency.***

Even though reaching the time limit is the most common reason for HOP exits, it only applies to about 20% of all exits. For the remaining 80% of exits, PIE's review of account notes uncovered a wide variety of reasons why HOP households exit early. Unfortunately, achieving self-sufficiency (reaching >80% AMI) appears to be as common a reason as eviction or death. Conversely, self-sufficiency is the third most common reason for program exit for HCV households.

HOP Exit Reasons	% of exits between 2018-2020	HCV Exit Reasons	% of exits between 2018-2020
Time limit	19%	Death	21%
Moved out (no reason)/Self terminate	17%	Termination/Loss of Subsidy	19%
Expired shopping voucher	14%	<b>Self-sufficient</b>	<b>18%</b>
No longer eligible	10%	Self-Termination	13%
Termination/Loss of Subsidy	7%	Voucher Expiration	12%
Moved to other subsidized housing	7%	Moved (out of state, in with family, assisted living)	11%
Death	6%	Unknown	5%
Evicted	6%	Eviction	1%
<b>Over income/Self-sufficient</b>	<b>6%</b>	Purchased a home	1%
Graduated	3%		
Admin error	3%		
Moved, new unit won't take voucher	2%		
Unknown	2%		

***Across nearly all groups, HCV participants have a greater likelihood of exiting assistance under positive circumstances.***

The HOP subsidy model was created to allow more households to be given a chance to find housing with a voucher and for households on the waitlist to be served sooner. Further, one of THA's stated goals is to deliver housing assistance that is transformative and temporary. The exit data compiled and analyzed for this report suggests that while the assistance provided through HOP is temporary, it is unclear just how transforming it has been for current and past households.

Exit Types	HCV		HOP	
	Positive	Negative	Positive	Negative
All clients	18%	30%	8%	32%
Female	20%	32%	7%	32%
Male	13%	25%	10%	33%
BIPOC	20%	32%	7%	32%
White	13%	25%	10%	33%
BIPOC - Female	24%	33%	12%	40%
White - Female	12%	29%	0%	20%
BIPOC - Male	12%	29%	13%	27%
White - Male	14%	14%	0%	67%
African American/Black	22%	32%	10%	40%
American Indian/Alaska Native	0%	100%	0%	0%
Asian American	21%	14%		
Multiple Races	25%	50%	0%	0%
Native Hawaiian/Pacific Islander	33%	33%	0%	100%
White	15%	27%	9%	22%
Unknown/Did not disclose			5%	33%
Hispanic White	29%	29%	33%	11%
Hispanic BIPOC	38%	25%	0%	0%
Hispanic (race not disclosed)			8%	42%
Non-Hispanic White	13%	27%	0%	23%
Non-Hispanic BIPOC	20%	33%	9%	45%
Non-Hispanic (race not disclosed)			0%	29%
Not Single Parent	18%	28%	8%	32%
Single Parent	22%	38%	8%	33%

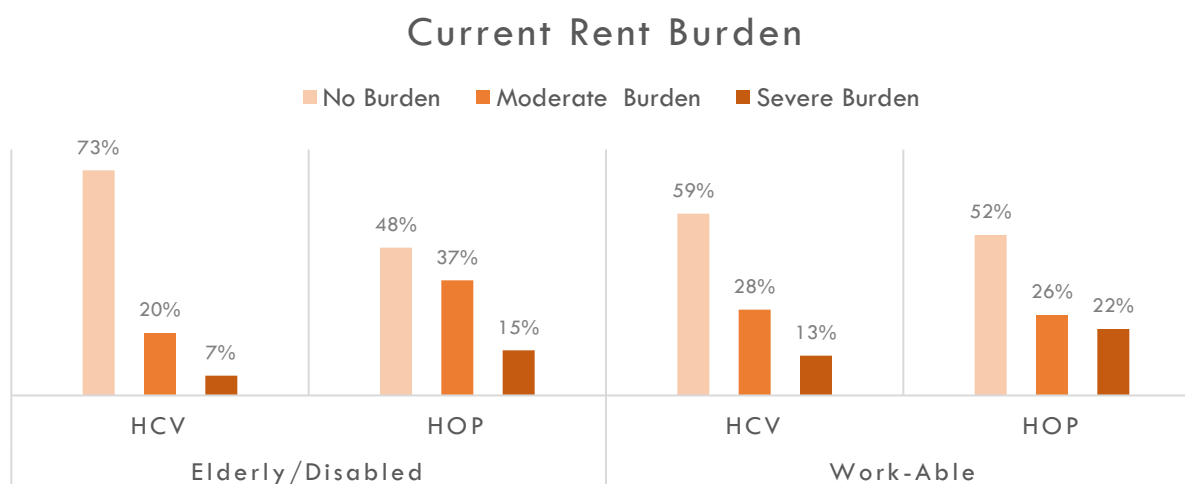
## RENT BURDEN

The HOP subsidy model's central hypothesis is that time limits and flat subsidies incentivize work-able households to increase their earnings so they can afford private market rent once their assistance expires. The previous sections have shown that HOP households do not drastically increase their income while on the program. Additionally, when HOP households exit, they often do so before their time limit is up and likely for reasons outside of their control or due to negative circumstances. To better understand how these households are expected to fare on the private market without THA assistance, PIE analyzed market rent burdens (i.e. the proportion of income a household spends on rent) for current and exited households. We follow this analysis with findings from the Late Rent program administered in late 2020, which provided insights into which households were struggling to pay rent, even while receiving a subsidy.

The average rent burden calculations do not include households with \$0 income. To more accurately represent how households fare in Tacoma's rental market, rent burdens are categorized as not burdened (a household pays 30% or less of their income on rent), moderately burdened (a household spends 31-50% of the income on rent), or severely burdened (more than 50% of a household's income is spent on rent).

### ***Current HOP households face a greater rent burden on assistance than HCV households.***

Despite HOP households having a higher income than HCV households at entry, roughly half are currently experiencing moderate or severe rent burdens while receiving assistance.<sup>9</sup> The HOP subsidy was designed to “thin the soup” by creating a slight increase in rent burden in order for more families to be served. The original HOP proposal estimated that the average rent burden would be only a few percentage points higher than the average HCV rent burden. However, severe rent burdens (>50% of income goes to housing expenses) are almost twice as likely on HOP than HCV.



<sup>9</sup> In 2013 THA waived the 40% rule, allowing households to spend more than 40% of their income on rent in order to promote client choice and access to higher cost neighborhoods.

***Across all populations, HCV households are more likely to have lower rent burdens and less likely to experience severe rent burdens while receiving THA assistance.***

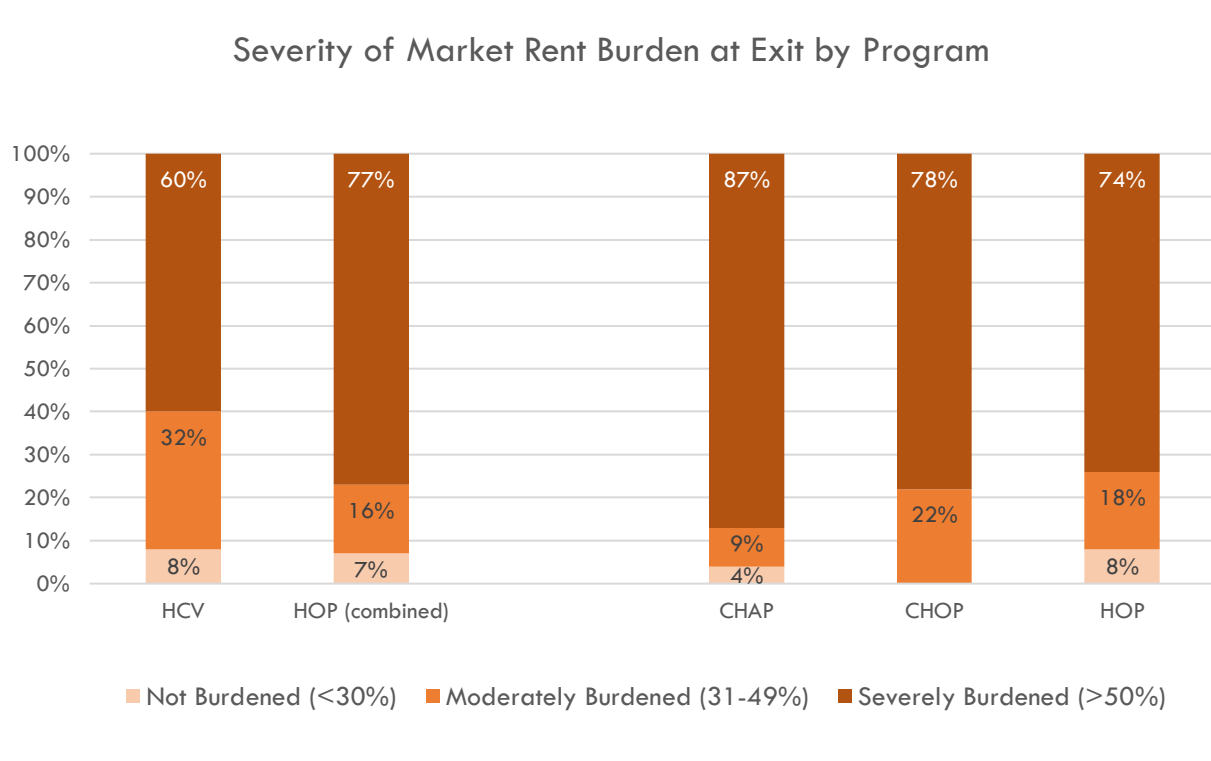
While HCV faces a slightly higher market rent burden, this data demonstrates that all households, regardless of subsidy program, face impossible rent amounts without THA's assistance.

Current Rent Burden	HCV			HOP		
	No Burden	Moderate Burden	Severe Burden	No Burden	Moderate Burden	Severe Burden
All clients	<b>66%</b>	<b>24%</b>	<b>10%</b>	<b>50%</b>	<b>33%</b>	<b>18%</b>
Female	<b>64%</b>	25%	<b>11%</b>	50%	32%	19%
Male	<b>74%</b>	20%	<b>6%</b>	50%	36%	14%
BIPOC	<b>64%</b>	25%	<b>11%</b>	49%	36%	15%
White	<b>72%</b>	23%	<b>5%</b>	55%	27%	18%
BIPOC - Female	<b>62%</b>	26%	<b>12%</b>	49%	36%	15%
White - Female	<b>69%</b>	25%	<b>6%</b>	55%	24%	21%
BIPOC - Male	<b>74%</b>	20%	<b>6%</b>	50%	36%	14%
White - Male	<b>80%</b>	17%	<b>3%</b>	55%	35%	10%
African American/Black	<b>64%</b>	24%	11%	33%	56%	11%
American Indian/Alaska Native	<b>70%</b>	25%	<b>5%</b>	51%	35%	14%
Asian American	<b>76%</b>	21%	<b>3%</b>	56%	28%	17%
Multiple Races	<b>63%</b>	28%	9%	44%	50%	<b>6%</b>
Native Hawaiian/Pacific Islander	<b>61%</b>	30%	<b>9%</b>	44%	11%	44%
White	<b>71%</b>	23%	<b>6%</b>	54%	27%	19%
Unknown/Did not disclose	<b>53%</b>	27%	<b>21%</b>	42%	36%	22%
Hispanic White	<b>64%</b>	24%	<b>12%</b>	48%	30%	22%
Hispanic BIPOC	<b>72%</b>	24%	<b>3%</b>	53%	13%	33%
Hispanic (race not disclosed)	<b>41%</b>	38%	22%	36%	55%	<b>9%</b>
Non-Hispanic White	<b>72%</b>	23%	<b>5%</b>	55%	27%	17%
Non-Hispanic BIPOC	<b>66%</b>	24%	<b>10%</b>	49%	37%	14%
Non-Hispanic (race not disclosed)	<b>59%</b>	24%	<b>17%</b>	38%	33%	29%
Not Single Parent	<b>68%</b>	23%	<b>9%</b>	50%	38%	13%
Single Parent Household	<b>59%</b>	28%	<b>12%</b>	50%	23%	26%
Elderly/Disabled	<b>73%</b>	20%	<b>7%</b>	48%	37%	15%
Work Able	<b>59%</b>	28%	<b>13%</b>	52%	26%	22%



***HOP households were more likely to exit with a severe rent burden than HCV households.***

2018-2020 exit data indicates that while HCV and HOP have similar rates of households exiting with a manageable low market rent burden, double the proportion of HCV households exit with a moderate rent burden than HOP households (32% compared to 16%). Across all programs, CHAP households exited with the highest rate of participants who were severely market rent burdened (87%). This is consistent with the findings in the previous sections – households exiting the HOP programs do not fare as well as households exiting HCV subsidy program and CHAP households appear to be the worse off than all other programs.



### ***HOP households have higher rates of exiting with a severe market rent burden.***

The vast majority of THA's households do not exit with manageable market rent burdens. However, households headed by BIPOC women (who make up the largest portion, roughly 50%, of THA's voucher holders), are twice as likely to exit with no market rent burden from the HCV program than from HOP. Further, across all groups, HCV households have lower rates of experiencing a severe market rent burden upon exit.

Rent Burden at Exit	HCV			HOP		
	No Burden	Moderate Burden	Severe Burden	No Burden	Moderate Burden	Severe Burden
All clients	8%	32%	60%	8%	18%	74%
Female	11%	26%	63%	8%	18%	74%
Male	0%	50%	50%	9%	15%	76%
BIPOC	14%	21%	64%	10%	17%	73%
White	0%	45%	55%	5%	16%	80%
BIPOC - Female	18%	18%	64%	9%	16%	75%
White - Female	0%	38%	63%	6%	21%	74%
BIPOC - Male	0%	33%	67%	14%	19%	67%
White - Male	0%	67%	33%	0%	0%	100%
African American/Black	17%	33%	50%	8%	17%	75%
American Indian/Alaska Native				0%	75%	25%
Asian American	0%	50%	50%	50%	0%	50%
Multiple Races	50%	0%	50%	0%	13%	88%
Native Hawaiian/Pacific Islander	0%	0%	100%	0%	0%	100%
White	0%	36%	64%	9%	18%	74%
Unknown/Did not disclose				7%	17%	76%
Hispanic White	0%	0%	100%	25%	25%	50%
Hispanic BIPOC	20%	30%	50%	11%	0%	89%
Hispanic (race not disclosed)				9%	9%	83%
Non-Hispanic White	0%	45%	55%	5%	16%	79%
Non-Hispanic BIPOC				6%	21%	73%
Non-Hispanic (race not disclosed)				7%	29%	64%
Not Single Parent	12%	35%	53%	11%	16%	73%
Single Parent Household	0%	25%	75%	5%	20%	76%
Elderly/Disabled	0%	0%	100%	0%	0%	100%
Work Able	11%	42%	47%	10%	22%	67%

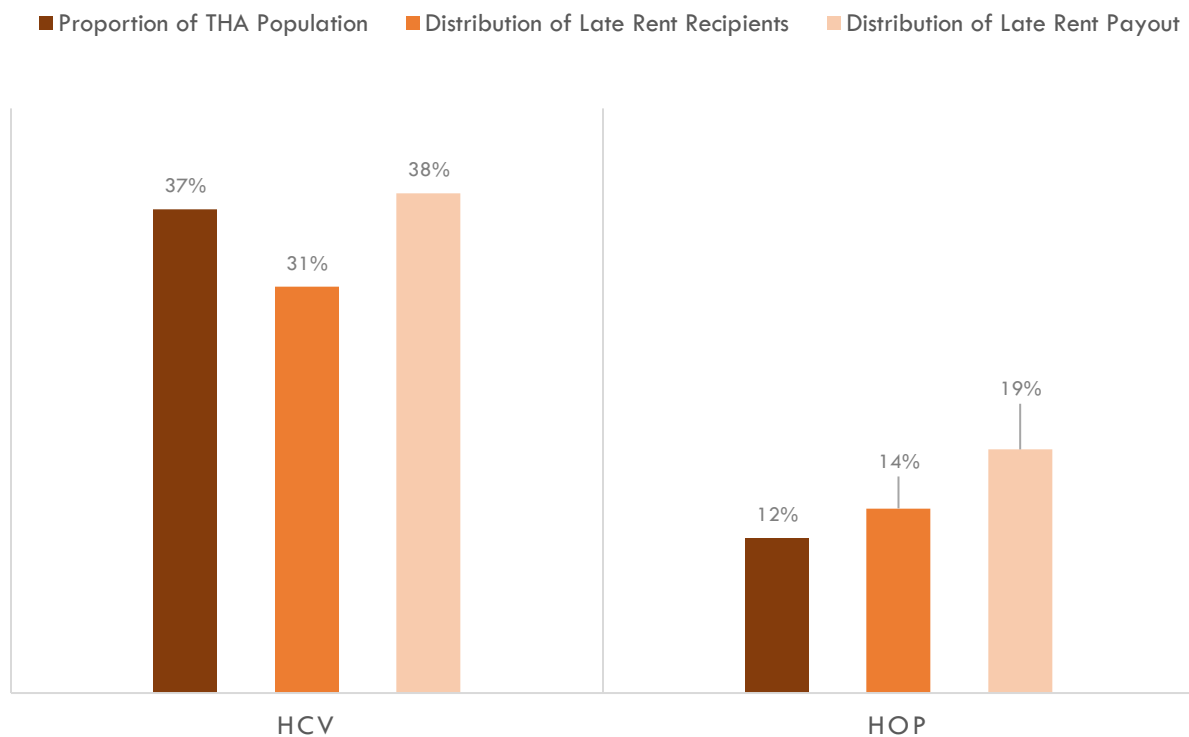
### ***HOP households were overrepresented in the Late Rent program.***

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In November 2020, Pierce County initiated a Late Rent program to help tenants address late rent balances. THA administered the program for THA households. In total, 11.75% of THA clients (592 households) received up to three months of late rent assistance. This figure only represents clients that were served through THA and not another agency. PIE staff were able to compile data from the late rent project to shed light on which THA client populations were most impacted.

Distribution of Late Rent assistance was mostly reflective of how households are distributed across THA's programs. However, while HOP was overrepresented in the clients applying for assistance, HCV was underrepresented. HOP participants make up 12% of THA's population, they were 14% of the late rent recipients, but they received 19% of the total assistance paid out. However, even though HCV participants are 37% of THA's population, only 31% of the late rent assistance went to HCV clients.

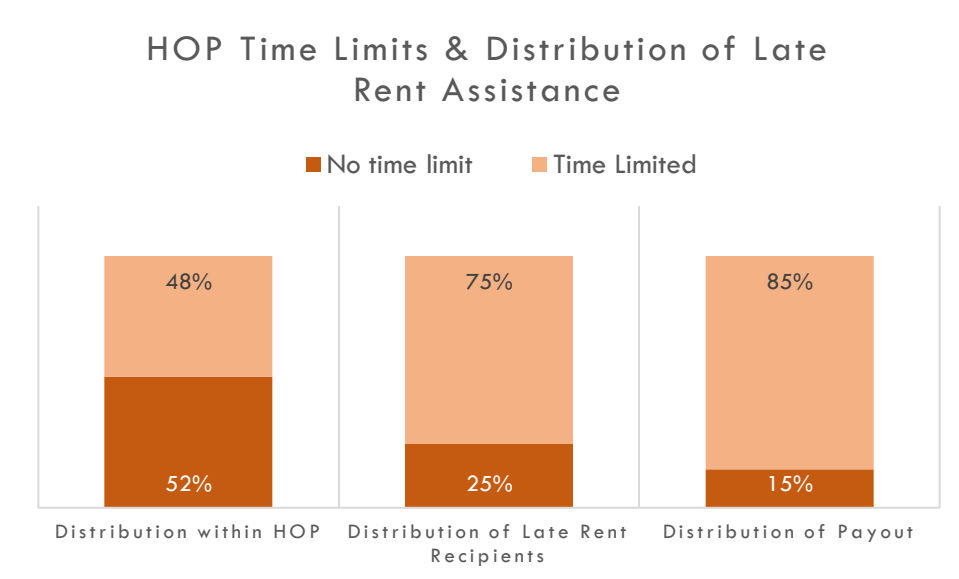
#### **Late Rent Distribution by Program**



***HOP households that are subject to the time limit were overrepresented in the Late Rent program.***

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Nearly half of all HOP households are subject to time limits (meaning they do not qualify as elderly or disabled) yet these households represent 75% of HOP households that received late rent assistance. In terms of the amount of assistance provided to HOP households, a striking 85% was paid on behalf of households subject to time limits. It is very likely that this reflects COVID's impact on wage earners.



Across multiple measures (market rent burden and Late Rent Program assistance), HOP households appeared to be worse off than the HCV population. HOP households subject to time limits had the highest calculated market rent burden and received a disproportionate amount of Late Rent assistance, in terms of proportion of households and payout amount. These findings suggest that HOP households experience a higher level of instability and financial vulnerability, even though they enter the program with a higher average income than HCV households.

## SUMMARY & DISCUSSION – HOP INTENT VS. OUTCOMES

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THA's Moving to Work flexibility allows us to design and implement innovative programs to uncover if there are more effective and efficient ways to serve households in need of housing support. The Housing Opportunity Program is one of these innovations. The two main features that set HOP apart from HCV is the flat subsidy and time limit. HOP functions by giving everyone a little bit less with the intention to serve more. The time limit on assistance is one method to ensure THA can meet the goal of ensuring no one on our waitlist has to wait more than two years for assistance and that households in need of assistance get their turn on a THA program.

The goal of this report is to understand how the Housing Opportunity Program performs given the recent changes in the rental and economic landscape. Specifically, this report addresses which types of households are being effectively served by HOP and evaluates how effective HOP has been at fulfilling THA's mission:

*The primary mission of the Tacoma Housing Authority is to provide high quality, affordable housing and supportive services to persons and families in need. We seek to do this in ways that also get two other things done. First, we want the households we serve to succeed, not just as tenants, but also, as our mission statement contemplates, as "parents, students, wage earners and builders of assets." If they are capable of working, we want their time on our programs to be transforming in those ways, and temporary. We want this certainly for grownups. We want this success emphatically for children and youth because we do not wish them to need our housing when they grow up. Second, we want to help our communities succeed, and to do so equitably, with a shared prosperity. We want their success to leave room for all types and incomes of households. We seek to do our part in making neighborhoods "attractive places to live, work, attend school, shop, and play", and to help Tacoma and Pierce County be "safe, vibrant, prosperous, attractive, and just." When these efforts work, they are a very good use of a housing dollar.*

### **Notable Outcomes & Implications**

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The findings presented throughout the report highlight a few areas where HOP does not appear to be meeting our mission in the ways described above. To start, fewer households succeed in terms of securing housing. While this may aid in working through the waitlist at a faster rate (for every person whose shopping voucher expires another person from the waitlist gets pulled for a voucher), the data tells us that the households that are most economically marginalized are those less likely to be served by HOP. While HOP has enabled THA to serve more households, unfortunately, it does not do so indiscriminately.

Secondly, data indicates that HOP households are less likely to increase their wages than HCV households. While this may seem counterintuitive, there are a few factors to consider. The income-based subsidy is responsive to a household's change in income. This stability may allow a client to take a pause and use the available support to train for, find, and secure higher wage employment rather than take the first opportunity available for fear of getting behind on bills. The income-based subsidy may also be more appealing to landlords. The security that comes in knowing that THA's subsidy can be adjusted should a family encounter unanticipated financial troubles, especially when there is not a time limit on assistance, would likely be more appealing to landlords – especially those local "mom and pop" landlords. These

factors could increase chances of households being able to secure housing in areas with increased access to higher wage jobs, public transit, affordable childcare, etc.

Further, the time limit on HOP subsidies has been cited as the primary method used to help ensure households on the waitlist get a turn at assistance. It is undeniable that when we remove someone from our program or when someone is unsuccessful at leasing up with a voucher it creates an opportunity for someone else. However, the assumption that a voucher is a “golden ticket” and time limits will “spur people to strive” or “encourage families to increase their wages” is not supported by the data presented in this report. The HOP webpage states:

*The goal is to help our participants achieve true self-sufficiency by assisting them with their housing needs for a specific term. This incentivizes our participants to focus on securing better employment and prepares them for a better future. Families receive notices at every annual recertification indicating the number of years remaining on their term-limited subsidy along with continuous referral services to a variety of available resources.*

While it was assumed that a time limit and flat subsidy would provide extra motivation for households to increase their earnings, and despite higher referrals to the case workers and resources provided by the Client Support and Empowerment department, the outcomes suggest this is not an issue of individual motivation but a reflection of an increasingly unaffordable rental market and stagnant wages. Further, it is worthwhile to note that programs in which housing is conditioned upon external factors, such as school enrollment, demonstrate significantly lower positive outcomes for BIPOC households.

## **HOP Benefits & Efficiencies**

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Though client outcomes do not match THA’s original expectations, HOP has some proven successes regarding the administrative efficiencies that have been implemented with the program.

One significant benefit is that HOP allows for self-certification of income. There are specific instances where self-certification has proven accurate and efficient, such as for families with fixed incomes.

Another benefit of HOP, for the client, is that it permits alternative housing options. Specifically, a client can rent a room or lease from a relative in the following circumstances:

- A household cannot lease up because of poor credit
- A household would rely on the relative to help with childcare
- A household with poor rental history has remediated the root causes of for the bad rental history
- A household cannot lease because of poor criminal history that has shown proper rehabilitation

Given the competitive nature of Tacoma’s rental market, these alternative housing options increase housing opportunities for households that face added barriers.

THA’s MTW status allows us to test new ideas and implement new processes in the hopes of discovering ways to administer housing assistance that is more effective and efficient than traditional methods. The HOP program has been a success in terms of the benefits discussed above. This innovation has given operations staff a different way of doing things that reduces the administrative burden on both the client and staff.

## RECOMMENDATIONS

Across the board, households receiving HOP subsidy have had greater challenges leasing, smaller income gains, more negative exits, and higher rent burdens than households receiving a traditional income-based subsidy. While PIE cannot make causal claims about the program design (as the analysis did not include an experimental component), there was consistent correlation between negative household outcomes and HOP. The recommendations that follow are in response to those findings.

### ***Recommendation 1: Transition HOP Households to an Income-Based Subsidy***

Disproportionate outcomes around leasing, income gains, rent burden, and late rent assistance lead to the conclusion that traditional income-based subsidies are more stabilizing and beneficial to a household's trajectory. To start, a troubling amount of HOP households are never successful at leasing up (36% for HOP overall and almost half for CHAP), leading one to contemplate if the flat subsidy is not enough to make up the difference between a household's income and market rent. Or, are they effectively closed out of the market? Additionally, the surprising outcomes around income gains and the subsequent impact on market rent burden could indicate that there is something stabilizing about a subsidy that is responsive to a household's financial reality and allows a family to make progressive steps toward increased income and self-sufficiency. Finally, the Late Rent project provided an indication of current need among the various populations. HOP households, especially those subject to time limits, were overrepresented by proportion and by payout amount, indicating there is greater need and instability among this population.

To ensure households can attain and sustain housing, PIE recommends transitioning households to the tiered income-based model that we use for HCV. The tiered income model allows households to increase their wages without increasing their portion of rent until they reach the next income tier. The tenant portion of rent is based upon the lowest income amount for the tier in which they fall.

In formulating this recommendation, PIE staff determined that one third of the HOP voucher holders would receive a smaller housing assistance payment (HAP) as a result of transitioning to an income-based subsidy. Though initially surprising, this reflects the fact that extremely low-income households are least likely to secure housing with a HOP voucher. As a result, HOP households generally have a higher income when admitted to the program compared to HCV households.

The table below identifies the average and median HAP increase and decrease for HOP households.

	Average HAP Increase/Decrease	Median HAP Increase/Decrease
Households with a higher HOP HAP	-\$166	-\$123
Households with a higher HCV HAP	\$211	\$200

Additionally, looking across all groups currently assisted through HOP, the data in the following table suggests that the benefits are fairly equitable across all groups and the increase in HAP is greater on average than the average decrease. Not only do more households benefit from an income-based subsidy than they do HOP, but the average increase in assistance is consistently greater than the decrease is for those households who would experience a higher rent payment. When THA households were previously consulted on HOP, they expressed a willingness to receive less support in order for THA

to assist more people. It's an incredibly admirable and generous outlook and we suspect public consult will reaffirm that households are willing to reduce their assistance amount if it means increasingly the likelihood of more positive outcomes for other households.

Impact of Conversion to Income-Based Subsidy	Household Whose Family Share Would Decrease			Households Whose Family Share Would Increase		
	%	n	Avg HAP Difference	%	n	Avg HAP Difference
All clients	67%	288	\$211	33%	141	-\$166
Female	66%	218	\$218	34%	113	-\$176
Male	71%	70	\$189	29%	28	-\$122
BIPOC	68%	124	\$212	32%	58	-\$155
White	69%	62	\$200	31%	28	-\$169
BIPOC - Female	70%	98	\$218	30%	43	-\$167
White - Female	64%	42	\$216	36%	24	-\$170
BIPOC - Male	63%	26	\$190	37%	15	-\$121
White - Male	83%	20	\$165	17%	4	-\$166
African American/Black	75%	67	\$221	25%	22	-\$141
American Indian/Alaska Native	67%	2	\$364	33%	1	-\$113
Asian American	67%	10	\$125	33%	5	-\$144
Multiple Races	47%	7	\$250	53%	8	-\$195
Native Hawaiian/Pacific Islander	71%	5	\$192	59%	2	-\$38
White	63%	73	\$202	35%	40	-\$169
Unknown/Did not disclose	66%	124	\$213	34%	63	-\$175
Hispanic White	48%	11	\$212	52%	12	-\$168
Hispanic BIPOC	78%	7	\$268	22%	2	-\$183
Hispanic (race not disclosed)	73%	22	\$203	27%	8	-\$176
Non-Hispanic White	71%	55	\$201	29%	23	-\$174
Non-Hispanic BIPOC	73%	80	\$210	27%	29	-\$154
Non-Hispanic (race not disclosed)	64%	68	\$227	36%	39	-\$158
Not Single Parent	68%	180	\$199	32%	83	-\$142
Single Parent Household	65%	108	\$230	35%	58	-\$199
Elderly/Disabled	68%	180	\$199	32%	83	-\$142
Work Able	65%	108	\$230	35%	58	-\$199



## ***Recommendation 2: Eliminate Time Limits***

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The steep market rent burden coupled with the rate of Late Rent assistance requests show that HOP households, in particular those subject to time limits, are at extreme risk of losing their housing without THA's assistance. When HOP was initially proposed and THA consulted its landlord partners, many warned that a time limited voucher is not attractive to landlords and could serve as an obstacle for households who are trying to lease up with only a couple of years left on their voucher. Exit data appears to support this. The third most common reason HOP households exited early was that they faced circumstances where they needed to move and they were unable to lease up before their shopping voucher expired.

In addition, the hypothesis that the time limit encourages income gains does not hold true. The median change in income for work-able HCV households was more than five times that of HOP households. Further, HCV households were more likely to experience an increase in income (85% of the total work-able population) than HOP households (60%) between the time they entered the program and exited. When they do exit, HOP households were more likely to face a severe market rent burden than HCV households. Additionally, HOP households were as likely to exit for being over-income or for achieving self-sufficiency as they were to exit due to death or eviction. Finally, THA does not track households once they exit our programs, so it is unknown how many are able to secure housing on their own, how many enter the homelessness system, or how many move in with friends or family. The THA waitlist has only been open for households of three or more to apply since the first cohort of HOP would have reached their time limit. As such, we cannot determine how many households who have exited HOP would seek further assistance from THA.

The state's eviction moratorium helped many tenants avoid eviction due to an inability to pay rent due to lost wages. However, to avoid eviction, tenants must enter into a payment plan with landlords. It is unknown how many of voucher holders have entered into payments plans. Given the higher need for late rent assistance that we saw among time-limited HOP participants compared to HCV participants, it is reasonable to assume these households have a greater likelihood of having a payment plan in place. In some cases, these plans may be of a duration that extends beyond their time limited assistance. Further, entering into a payment plan also means that these households are paying a larger amount in rent than what THA has on record. Ending assistance while a household is midway through a repayment plan will likely cause additional financial and housing instability, stress, and potentially eviction.

Additionally, across all THA program we are seeing that households are staying longer on assistance. This is telling and a clear reflection of the increasingly competitive rental market and lack of affordable housing in Tacoma. THA's assistance is more important now than ever to ensure families can have adequate time to achieve economic stability. However, it should not be ignored that wages have not increased at the same rate as the cost of housing. Until (if) this changes, Public Housing Authorities' main purpose is to ensure low wage workers can obtain and maintain stable housing.

These troubling outcomes paired with the economic outlook for the region and country lead PIE to recommend that THA eliminate the time limit associated with HOP assistance. Though the time limit is intended to help ensure no one is on our waitlist without an offer of assistance for more than two years, the data has shown that 80% of HOP households are exiting the program for reasons other than the time limit. Extending the time limit is not the only factor impacting voucher turn over and the speed at which we serve the waitlist.

Related, serving our households on the waitlist is a topic that involves a myriad of factors beyond HOP's time limit. Future discussions regarding the households on our waitlist should take into consideration the impact that special programs, Choice Mobility, lease up support and success, as well as waitlist management have on the speed at which THA is able to work through the waitlist. Rental Assistance staff have shared that roughly half of the people on the waitlist never respond to an offer of assistance when their name has reached the top. Given the infrequency in which we open our waitlist and the use of a lottery to populate the list, it would be difficult to argue that the THA waitlist, as it currently stands, is a true and accurate reflection/measure of the need for housing assistance amongst our community members. In addition, we currently do not have an efficient way to track how many people on the waitlist turn down offers of one form of assistance for another<sup>10</sup> and how many are over income by the time an offer of assistance is extended. Lastly, we should not overlook the opportunities THA has taken advantage of to serve more households through avenues other than our waitlist, including recent allocations of new voucher subsidies.

While this recommendation reflects the evidence presented throughout this report, it is also supported by the findings in HUD's Family Options Study, a longitudinal, multi-site experimental study that allowed HUD to look at the impacts of different interventions for families experiencing homelessness. Housing Choice Vouchers with no services were compared to Rapid Rehousing with some services, and service intensive project based transitional housing. The study found that families offered a traditional HCV subsidy demonstrated greater success in terms of long-term housing stability, a reduction in intimate partner violence, psychological distress, food insecurity, and for children, a reduction in behavior problems, number of schools attended, and sleep problems.<sup>11</sup> A shift to income-based subsidies is also responsive to shifting national priorities and new investment in deep housing subsidy for qualifying households. The financial implications of these recommendations follow the recommendations.

### ***Recommendation 3: Halt Any Application of the HOP Subsidy to New Populations and Instead Offer Traditional Voucher Subsidies***

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While HOP serves diverse populations, the outcomes were consistent across households: leasing was a challenge, incomes did not increase as expected, and households exited with extreme rent burdens. However, CHAP participants experienced disproportionately negative outcomes compared to other HOP populations. This program, serving community college students experiencing housing insecurity and homelessness, also has strict eligibility requirements that could be contributing to this trend. Further recommendations for CHAP program changes, outside of the time limit and subsidy model, can be found in the appendix.

The findings presented in this report provide enough evidence to conclude that HOP is not producing the outcomes it was hoping to deliver. While PIE's investigation resulted in some more questions about the program, it has also affirmed that the model has not been effective to date and instead, resulted in negative unintended consequences for the households served. This is especially true when additional non-housing program requirements are a component.

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<sup>10</sup> Households on the waitlist can turn down one offer of assistance in order to receive a different subsidy. For instance, if a household is offered a HOP voucher they can decline it in order to wait for a THA unit.

<sup>11</sup> [Family Options Study: 3-Year Impacts of Housing and Services Interventions for Homeless Families, 2016](#)

Currently, there are two populations under consideration for HOP subsidy: households transitioning from the criminal justice system and households exiting Arlington Drive after one year of residence. The HOP subsidy should not be expanded to these households or any others. PIE instead recommends offering traditional voucher subsidies to these populations.

***Recommendation 4: Retain Practices that Reduce Administrative Burdens***

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As a result of changing rental market conditions paired with stagnation of wages, HOP has not made the impact the agency anticipated. However, it has allowed us to try new approaches to how we carry out recertifications. PIE recommends further consultation with the Rental Assistance department to consider if and how some of the administrative efficiencies can be applied to the HCV program.

## COST ANALYSIS

To understand the financial impact associated with these recommendations, PIE used current rental data from HOP households to convert their subsidy to HCV. This process involved identifying the appropriate income tier based on household size, adjusted annual income, and which utilities are covered by the landlord and tenant to determine the appropriate utility allowance based on their current residence and lease. This conversion was only carried out on households for which we have utility data. The resulting sample size was about 430 households, or 80% of current HOP (including CHAP and CHOP) households. The findings from those 80% are used to estimate the cost for all HOP, CHAP, and CHOP households.

COST OF TRANSITIONING TO AN INCOME-BASED SUBSIDY		
OPTION	ANNUAL COST	ADDITIONAL COST
Current Fixed Subsidy Program	\$4,018,545	-
Option 1: Convert all tenants to income based	\$4,579,170	\$560,625 (14% increase)
Option 2: No harm - THA pays the higher of the two HAPs	\$4,929,315	\$910,770 (22% increase)

Converting all current HOP participants to an income-based subsidy would increase THA's housing assistance payment by nearly 15%, or \$560,000 annually.

Since a third of households would experience a lower HAP if they were moved over to an income-based voucher, PIE also calculated the cost if we were to allow households to receive the highest HAP payment of the two subsidy options. If households can maintain their HOP subsidy as opposed to moving immediately to an income-based subsidy, it would cost THA just over 20%, or \$900,000 more per year. However, THA would only bare this cost temporarily if these households were eventually moved over to an income-based subsidy.

While it is unlikely that a large portion of HOP households will suddenly move out of their current living situation in response to receiving an income-based voucher (data indicates the vast majority are not underhoused), it is worth highlighting that THA could anticipate an increase in the number of extremely low-income households served. As new clients enter the program, the likelihood that these households will have greater success in securing housing with a subsidy deeper than HOP increases. In turn, it's worth noting that the estimated HCV cost for the current HOP households may be lower than future costs. However, an increase in extremely low-income households would be an indicator that THA has made progress at ensuring all households, regardless of income level, have the same likelihood for lease up success.

## CONCLUSION

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Across all four areas explored in this report (leasing, income, program exits, and rent burden), HOP was associated with poorer household outcomes. This pattern is likely due to the compatibility of the program design (a flat subsidy and time limit) waning in response to external forces that have negatively impacted access and availability of affordable housing. When originally implemented in 2013, Tacoma's market still had pockets of affordability and the promise that households, if provided some limited resources and support, could progress, and eventually afford rent without THA assistance. An increasingly competitive and constrained rental market paired with the devastating economic impacts resulting from the pandemic, necessitate THA to reconsider if HOP is properly serving the need. According to our analysis, it is not keeping pace with household need, in particular those with extremely low incomes. Fortunately, THA and its partners are positioned to address this need with the forthcoming additional housing resources committed by the federal government.

While it is the charge of MTW agencies to innovate and test new ways to serve more households, it is also our responsibility to pivot when those innovations are not producing the outcomes they were intended to produce. To ensure THA can continue to carry out its mission of providing high quality, stable, and sustainable housing, PIE encourages the Board to consider the recommendations put forth in this report and give its support to carry out a robust consultation with the public and THA's households.

## APPENDIX A: CHAP

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CHAP has recently undergone two third-party evaluations. Temple University's Hope Center has gathered preliminary findings on participants who applied to CHAP between 2017 and 2019. The Hope Center evaluation has shed light on how successful students are applying for the program and leasing up. Future reports will address the following portion of the program life cycle: if and how housing impacts academic outcomes and retention.

The second evaluation was conducted by BERK Consulting. This evaluation looked at all CHAP participants, including those using a property-based subsidy. The intent of this evaluation was to understand what additional barriers students face on the program and once housed. THA's hope with this evaluation was to gain insight into why a larger portion of students were having difficulty meeting and maintaining eligibility requirements.

The findings from the reports, as well as administrative data from TCC and THA, brought the following issues to our attention:

### ***CHAP is not effectively serving the intended population.***

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The Hope Center's research uncovered that only one quarter of students who apply to CHAP end up securing housing. Most concerning, the students who do lease up are more likely to show stronger pre-existing navigational and academic skills, compared to those who do not lease up. Further, males and Black/African American students are least likely to secure housing.

Both the Hope Center evaluation and BERK report discussed the various challenges students reported facing in the search for housing. The following quotes from BERK's interviews help paint a picture of the challenges students face:

*"I had to go out into the community and find a place that would A) accept me: homeless, with little income, poor credit, the wreckage of addiction, past evictions, and B) accept a voucher. This was a struggle. I hit a lot of 'nos.' It took a about 3 months."*

*"Most places wouldn't accept the voucher. Even those that did required a certain credit score and income level if you don't have a cosigner, and those in CHAP are typically lacking those resources or they wouldn't be homeless. In fact, one place I applied to required that I have 3x rent in income on top of the amount of the voucher."*

In an effort to ease the barriers associated with finding housing, THA partnered with private developers to buy down rents to affordable levels for student. Yet, while rents are below market value, to income qualify students must demonstrate that they have an income of 2.5 – 3 times the rent amount and are able to pay a deposit of \$500 to nearly \$1,200, depending on the property. As a result, TCC has had difficulty referring students who are homeless to the property because many have incomes too low to income qualify. From April to November 2020, 16% of CHAP applicants at TCC reported \$0 income and just over half of the applicants stated they were unemployed. While CHAP prioritizes serving the most vulnerable students through program policy, the reality is that students who are more financially secure,

academically strong, and experienced/savvy at navigating bureaucracies are the ones that are actually being served while those most in need are left on the waiting list until they disenroll or secure employment. Much like the larger HOP findings, we see that the intended population is not always aligned with the population getting served.

### **CHAP participants are experiencing inequitable outcomes.**

As mentioned in the previous section, the Hope Center evaluation found that Black/African American students were underrepresented in the number of students who were able to secure housing. In addition to disparities in becoming housed, the BERK evaluation identified that roughly 25% of participants exit the program early for not meeting eligibility requirements (drop in GPA, not maintaining fulltime enrollment, stopping out). However, as mentioned in the main report, PIE staff reviewed the account notes from a random sample of 50% (n=120) of HOP households that exited between 2018 and 2020. When the data was disaggregated by program, just over half of CHAP exits were a result of not maintaining eligibility.

CHAP Exit Reason	% of exits between 2018-2020
No longer eligible	52.17%
Graduated	17.39%
Moved out (no reason)/Self terminate	17.39%
Evicted	4.35%
Terminated	4.35%
Time limit	4.35%

BERK's report indicated half of the students experiencing a negative exit were single parents. In fact, 26% of BERK's survey respondents who are the sole or primary caregiver for dependents struggle to meet CHAP eligibility every quarter – a rate that is nearly four times as high as students without dependents.

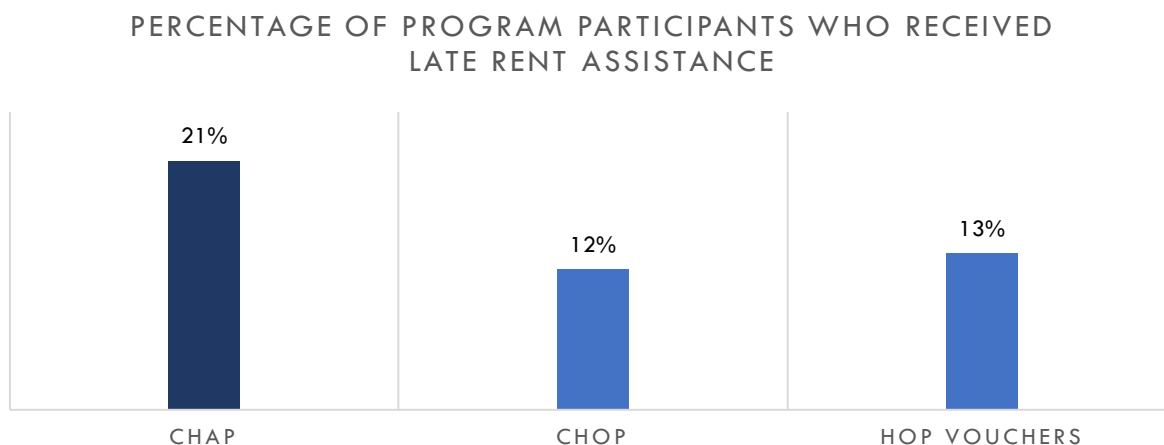
*"CHAP was amazing – I was a single mother of two kids, struggling financially. But a lot of requirements were things I couldn't do like being enrolled full-time. With my learning disabilities, I can't be enrolled full-time, be a single mother, work full-time, and also get good grades. But financially, I needed to work full-time... ..If I could have had financial support to guarantee that had I rent and bills paid, food on the table, and gas in the car, I could have stopped working and gone to school. Even if I had to go to school part-time, I could have focused on school full-time."*

When disaggregated by race and ethnicity, the data shows that the majority of students in every category are exited from the program due to negative reasons (no longer eligible).

CHAP Exits	% Positive Exit	% Neutral Exit	% Negative Exit	N
All CHAP Voucher Holders	14%	20%	66%	76
Female	11%	21%	67%	61
Male	27%	13%	60%	15
BIPOC	17%	17%	66%	29
White	10%	10%	81%	21
Unknown/Did not disclose	15%	31%	54%	26
BIPOC - Female	13%	22%	65%	23
White - Female	6%	12%	82%	17
BIPOC - Male	33%	0%	67%	6
White - Male	25%	0%	75%	4
African American/Black	18%	24%	59%	17
American Indian/Alaska Native	0%	0%	100%	2
Asian American	0%	0%	100%	1
Native Hawaiian/Pacific Islander	0%	0%	100%	1
White	15%	11%	74%	27
Other/Multiple Races	0%	0%	100%	1
Unknown/Did not disclose	15%	30%	56%	27
Hispanic BIPOC	0%	50%	50%	2
Hispanic White	33%	17%	50%	6
Hispanic (race not disclosed)	0%	0%	100%	1
Non-Hispanic BIPOC	15%	15%	70%	20
Non-Hispanic White	6%	11%	83%	18
Non-Hispanic (race not disclosed)	0%	67%	33%	3
Not Single Parent	24%	18%	59%	34
Single Parent Household	7%	21%	71%	42
Average Income	\$23,246	\$10,459	\$10,866	
Median Income	\$21,958	\$8,796	\$8,526	

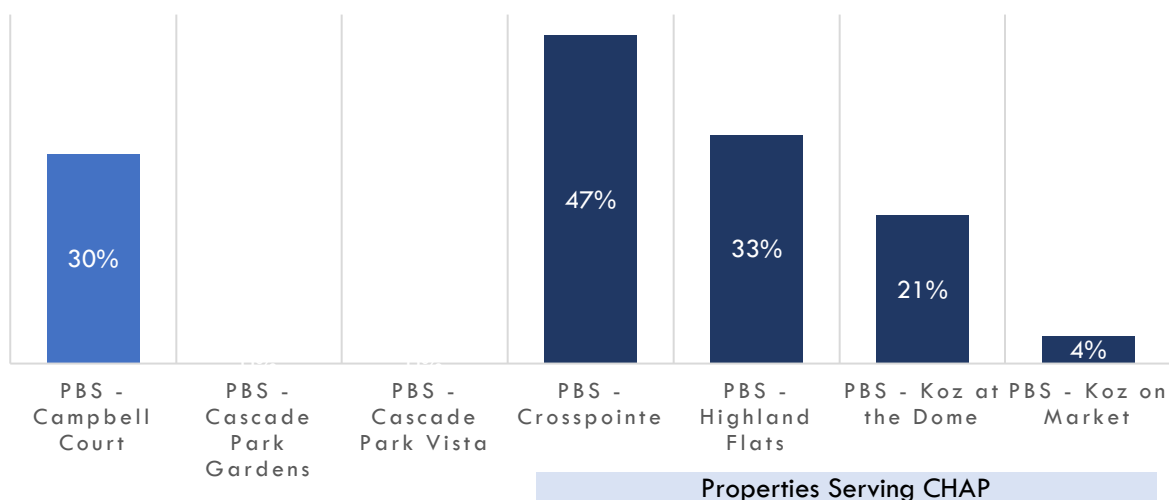


The data presented in the main body of this report demonstrates that CHAP participants are exiting the program worse off than most other households with a HOP voucher. They are more likely to experience a reduction in income while on the program (which may reflect the ability to reduce work hours in order to focus on school), have the highest rate of exiting with a severe market rent burden, and have the highest proportion of negative exits. Additionally, students using tenant-based vouchers were overrepresented in their need for late rent assistance in the fall of 2020 when compared to other THA households using the flat subsidy.



Even more surprising was that CHAP participants using the property-based subsidy had even higher rates of requests for late rent assistance. The property-based subsidy is a deeper subsidy than HOP in that THA pays more than 50% of the payment standard to ensure affordable rents. Despite receiving a deeper subsidy, CHAP participants still indicated a greater need for late rent support. Koz on Market was the only CHAP property with a low number of late rent requests. However, UW Tacoma has shared that during the initial lease up of that property verifying homeless or near-homeless status fell short. As a result, many residents of Koz on Market may not experience the same level of marginalization as those at the three other CHAP properties (it may also reflect differing student demographics, as Koz on Market primarily houses students from UW Tacoma).

## PERCENT OF PBS CLIENTS WHO RECEIVED LATE RENT THROUGH THA OR ANOTHER PROVIDER



The data on CHAP outcomes is deeply concerning. CHAP is intended to ensure students' post-secondary success is not thwarted by homelessness and housing insecurity. Affordable housing would ideally allow them to reduce their non-school workload to give greater attention and time to completing their degree. However, reducing one's workload and income brings with it an exceptional level of risk as the data suggests. These participants are incredibly vulnerable to any negative change in circumstance, and it is unclear just how many participants have entered back into homelessness or disenrolled from college upon being removed from/exiting the program.

Knowing that CHAP is a program intending to serve students whose basic needs are not met, it is important to reflect on whether post-secondary enrollment requirements and academic-based performance metrics are fair and equitable measures of success. How can CHAP incentivize continued post-secondary enrollment and completion while at the same time not punish participants who struggle to make progress, especially student groups that have historically been marginalized in higher education? When students lose rental assistance for not maintaining eligibility, is the program unintentionally recreating the very problem that it is attempting to solve?

*"My financial aid ran out before I got my degree. I could not financially continue school. I got kicked off the program, got behind, and ended back up in a hotel. THA wait lists weren't open. Some sort of collaboration there, resource, or guidance would have helped, like 'Here's what you do so you don't end up homeless again.'"*

### Administrative Challenges

While CHAP eligibility requirements have been modified to allow for greater flexibility, they still require intensive tracking and reporting from the colleges. The education partners must rely on existing institutional data sources/practices which cannot be easily modified to meet the needs of CHAP reporting. Internal tracking at THA is further complicated by the fact that, in addition to 75 voucher holders, there are nearly 225 additional students spread across four properties. The data on the bulk of CHAP's

participants is quite limited, occasionally inaccurate, and cannot be pulled in real time. For instance, determining the exact number of CHAP participants on a given day requires coordination between seven separate parties (two colleges, four properties, and THA) and would likely take nearly a week to compile.

Additionally, though originally envisioned to be a streamlined approach to providing subsidized housing, the PBS portion of the program has demanded a significant amount of administrative time and effort. Inaccurate reporting, landlord-tenant communication problems, safety, and referrals being made by institutions untrained on fair housing practices and landlord-tenant laws have required THA to get involved more than originally anticipated and have placed the college staff in unexpected positions where they serve as a mediator for landlords and tenants when issues arise.

Administering CHAP is complex, not only for internal THA operations but also the program staff at the colleges. TCC has one dedicated staff member to run CHAP. This staff person serves students who are currently housed, students on the waitlist, and students inquiring about the program (roughly 300 students total). UW Tacoma's Office of Student Support and Advocacy has one staff person and two social work interns serving nearly 400 students a year. CHAP participants make up about one quarter of the full case load as this office serves the entire campus and supports students with a variety of needs, not just housing.

Additionally, none of the program staff at the colleges have been formally trained on fair housing laws and local landlord tenant laws. THA does not have a process for onboarding partners and ensuring they are equipped to abide by these regulations and policies. We also do not have an auditing process in place to ensure screening and referral practices are compliant with fair housing guidelines, nor do we currently have the capacity to develop one. We should be mindful that shifting housing-related responsibilities to a non-housing institution bring with it some risk if adequate training and oversight is not provided or available.

It is not surprising that the education partners are concerned about program staffing and sustainability. Administering CHAP requires a unique and specialized skill set that is hard to come by and takes times to develop. Addressing this problem, the BERK evaluation included a recommendation to explore if there is a Coordinated Entry (CE)-connected service provider who could assist with program screening and referral to alleviate the colleges from the housing-specific responsibilities.

## **Recommendations**

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### ***Recommendation 1: Convert the CHAP Tenant-Based Subsidy to an Income-Based Subsidy***

Unlike THA's general voucher programs, CHAP gives priority to students who are homeless. It is important that we recognize this is a population that may not have enough financial stability to income qualify for PBS units or afford to rent on the private market with a fixed subsidy. It is also a population that has a greater likelihood of having experienced trauma and would benefit from more intensive supports. Lastly, as a population participating in post-secondary education, an income-based subsidy will reduce the need to balance school, work, and family or leave students relying on additional financial aid/private loans to make ends meet. As such and given what we know about HOP's lower lease up success for extremely low-income households, PIE recommends converting the CHAP HOP subsidy to a traditional income-based voucher.

### *Recommendation 2: Limit Vouchers to Homeless TCC Students*

Should the voucher become an income-based subsidy, PIE staff recommend limiting vouchers to students who are currently homeless, using the definition that has already been established for CHAP:

Definition of homeless: A household that is:

- In an emergency shelter or in a transitional housing facility or living in a place not suitable for human habitation; or,
- Is a client of a case-management program serving the homeless; or,
- Has been discharged or is facing discharge from a public institution (e.g. incarceration, hospital, etc.) without a housing discharge plan; or,
- Is fleeing or attempting to flee domestic violence, has no other residence, and lacks the resources or support networks to obtain other permanent housing.

The previous and following recommendations help to address many of the concerns that THA and TCC were working through in trying to figure out how to better support students who are homeless and without income.

### *Recommendation 3: Designate Property Based Subsidies to Low-Income Students*

If homeless students were able to access income-based vouchers, then PIE staff recommend designating the PBS units to housing insecure/low-income (Pell-eligible) students.

Over the last two years, the education partners have shared that PBS units are not as accessible to homeless students. To qualify for a PBS unit, students must be at or below the 30% AMI limit, but they also must have an income of two times the rent amount. For unemployed or low wage earners, this is a challenge. They are not financially secure enough to lease up. Therefore, an income-based voucher would best serve the most vulnerable population.

On the other hand, we have also received feedback that the definitions of homeless and near-homeless are not broad enough and do not serve students who are trying to avoid becoming homeless. For instance, a student must have documentation of a pending eviction to qualify as near-homeless, yet a student who is not yet evicted and trying to avoid eviction by finding a more affordable place to move to does not qualify to participate in CHAP.

Given these challenges, PIE staff recommend designating PBS units to Pell-eligible students at or below the 30% AMI limit. (Pell-eligibility controls for instances where a student is a dependent as eligibility is based on family income.)

### *Recommendation 4: Reproportion PBS Units to Better Serve Households with Children*

The PBS model has greatly reduced the stress that students face shopping on the private market. However, the current stock of PBS units is largely made up of studios and one-bedroom apartments. Only 5.5% of PBS units are 2-bedroom. However, many of the people applying to CHAP are adult learners with

families. Using TCC's screening application data, between now and March 2020 almost 40% of the homeless and near-homeless students applying to CHAP would qualify for two or more bedrooms.

PIE staff recommend reducing the number of subsidized studio units in order to increase the number of 2+ bedroom units with full amenities (as opposed to kitchenettes) to better serve families.

*Recommendation 5: Maintain Time Limits, but Remove Non-Housing Related Program Requirements*

*"I didn't qualify [for CHAP] because the nursing application was down. I had been out [of school] for three quarters [...but] I am following my education plan exactly. The program was not there. I really had to fight to get the voucher."*

*"I find myself taking extra time-consuming classes for the sake of credits that aren't beneficial."*

Though we think of post-secondary education as being composed of two and four-year degree programs, the reality is that most students do not complete a degree within that time. Nationally, the average time it takes to complete an Associate's Degree is roughly *five and half years*. This suggests many students stop out for a period and/or do not attend school full-time.

Providing a fixed time limit of 5 years that is free of non-housing related continued eligibility requirements would allow students greater flexibility to pursue a program on a timeline that best fits their needs and post-secondary/career goals while aligning with the national average time it takes to complete a two-year degree. This is especially important in terms of providing time and flexibility for homeless households to stabilize and experience the effects of the wraparound support provided by their post-secondary institution and/or additional external supports. Also, it would not punish someone who determines college is not the best/most affordable/attainable path for them given their life circumstances. Instead, it affords them some grace to find a path of best fit.

Further, given the inaccessible rental market, we see some students purposefully extending their post-secondary participation due to the fear that they will be unable to afford housing once exited from CHAP. This may impact the accumulation of student loan debt and delay entry into fulltime labor market participation.

Participation in job training and higher education should be *incentivized* rather than serve as a prerequisite to having one's basic needs met. Through CHAP, post-secondary participation can serve as a method to accelerate access to affordable housing (bypassing the THA waitlist). Maintaining a time limit for the CHAP program reflects the purpose and responsibility of the post-secondary institution to ensure students of any background can obtain a post-secondary credential that will lead to a living wage job. Rather than punish participants for encountering disruptions in their post-secondary path by ending their assistance, this shifts some of the onus to the education partners. Ensuring participants are leaving the college with improved and marketable skills to participate (and succeed) in the labor market will help accelerate voucher/unit turnover. As a result, PIE staff recommend that THA no longer condition rental assistance on a person's postsecondary enrollment or success. Additionally, we recommend maintaining a 5-year time limit on assistance with vouchers and a limit of 4 lease renewals for property-based subsidies.

## **Conclusion**

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Together, these recommendations would simplify the administrative burden placed on the colleges and THA staff. These program changes would provide greater flexibility for students coming out of homelessness and put access to basic needs ahead of post-secondary success. They create a path to housing for students with little to no income as well as increased opportunities for students with larger households. Lastly, it calls for greater investment by the post-secondary institutions to develop targeted re-engagement plans and career advising to ensure participants on the program are leaving the program not because of life circumstances that got in the way, but because they have earned a credential and secured entry into a long-term and meaningful career.

## APPENDIX B: CHILDREN'S HOUSING OPPORTUNITY PROGRAM (CHOP)

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In 2012, THA and Washington State Department of Children, Youth, and Families (DCYF) recognized there were not adequate Family Unification Program (FUP) vouchers to serve child welfare system-involved families in need of housing. In response, THA's board of commissioners committed some of its general federal housing dollars for a local FUP-like program called the Children's Housing Opportunity Program (CHOP). CHOP is intended to:

- Prevent the need for a child's foster care placement, i.e. serve families for whom the lack of adequate housing is a primary reason for the imminent placement of a family's child or children in out-of-home care.
- Facilitate a reasonably imminent reunification of a foster child with his or her family (generally within three to six months from the start of receiving housing assistance).

The primary differences between FUP and CHOP are the following:

- The CHOP subsidy is a flat subsidy, like the other HOP programs, whereas FUP family vouchers are income-based.
- The length of CHOP assistance is limited to five years for workable families whereas FUP family assistance is not time limited.
- CHOP assistance is conditioned upon the household's cooperation with the DCYF's individualized service or family plan devised.
- CHOP assistance ends if parental rights are terminated.

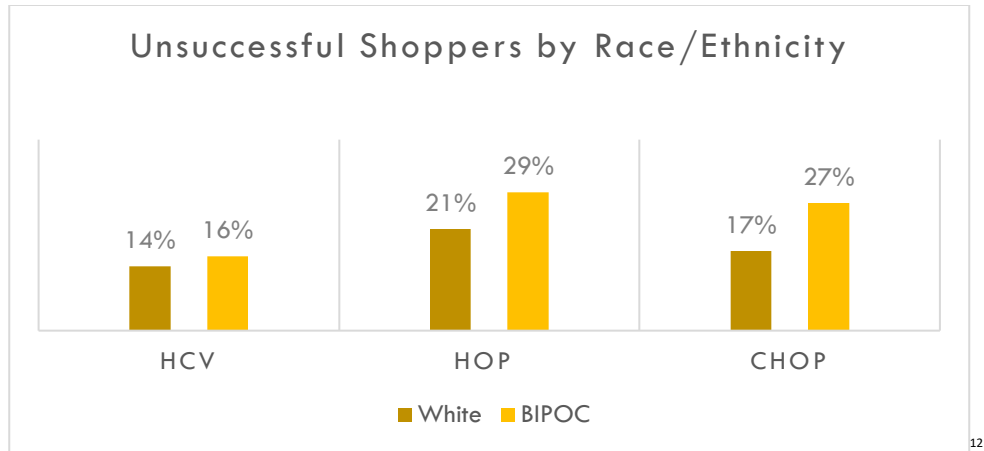
THA funds twenty CHOP subsidies, all set aside for families.

### ***CHOP participants are experiencing inequitable outcomes.***

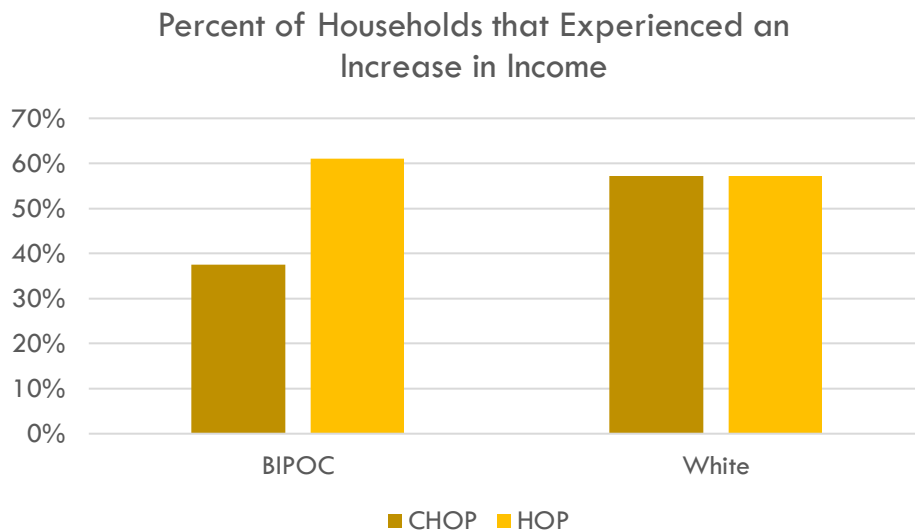
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The following findings are presented in the main report and summarized here for ease of review. It is important to note that, due to the program's size, the number of CHOP households included in the analysis is small, 27 households. When broken out by demographic characteristics, the populations get even smaller. However, PIE is committed to disaggregating data by race and ethnicity, as a rule. Regardless of population size, the findings show correlations that should be considered in future programmatic decisions.

When comparing lease-up rates to the general HCV population, CHOP participants experience somewhat comparable outcomes with 78% of the population successfully leasing a unit compared to 82% of the HCV population. However, when disaggregated by race and ethnicity, PIE observed that BIPOC-headed households receiving assistance through CHOP were unsuccessful at securing a unit at three times the rate of white-headed households.



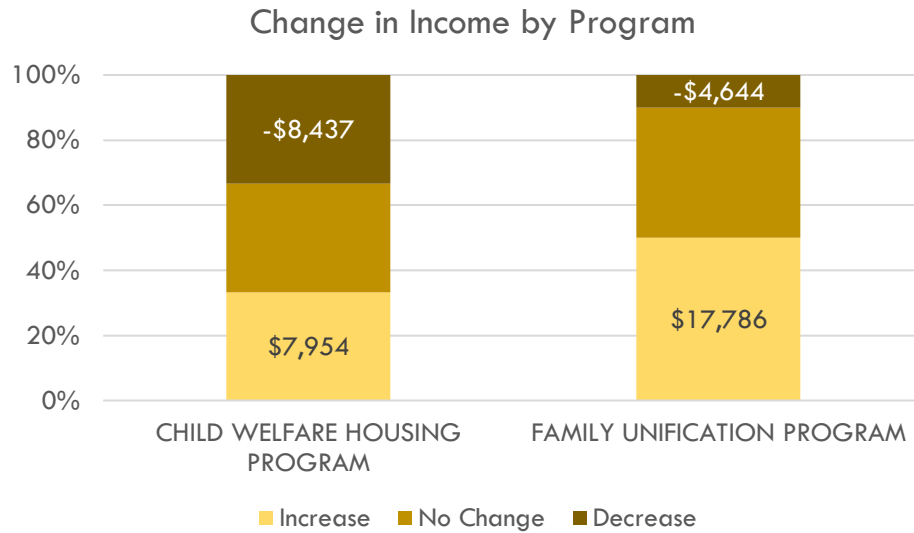
In terms of income gains, CHOP participants were among the lowest proportion of households that experienced an increase in income. In fact, CHOP households were more likely to have experienced an income *decrease* when compared to the general HOP and HCV populations. When disaggregated by race and ethnicity, PIE observed that BIPOC-headed CHOP households were less likely to experience an increase in income compared to their white counterparts on the program. These outcomes could be reflective of more stringent program requirements that have unintended and disproportionate negative impacts on people of color in addition to systemic barriers.



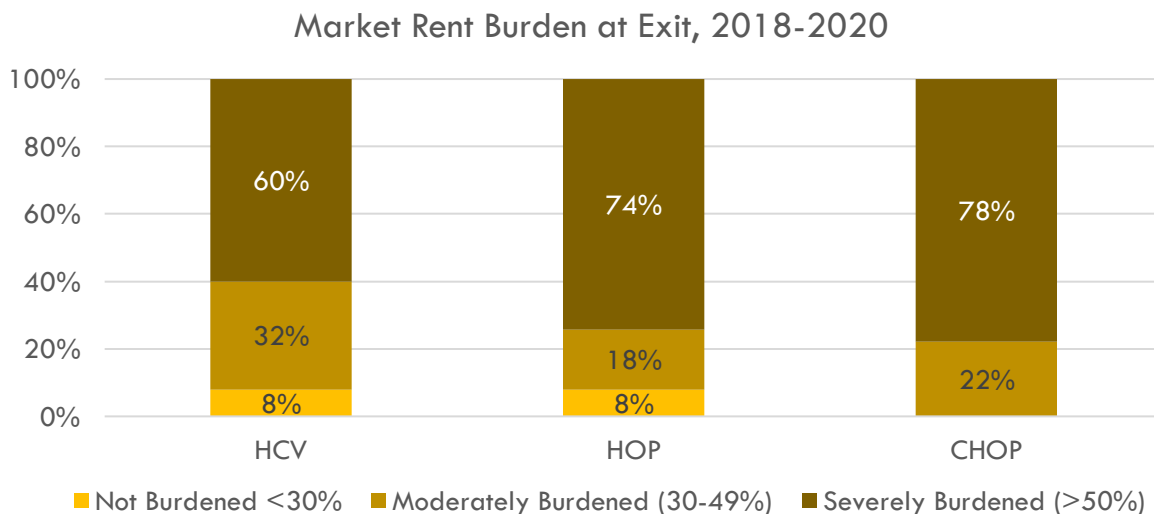
Comparing CHOP households that have exited to FUP households that have exited, the data shows that FUP households are more likely to experience an increase in income and their average income increase is more than double that of CHOP households.

<sup>12</sup> CHOP (n=27); HOP (n=889); HCV (n=450)





Finally, CHOP households face greater rent burdens than clients receiving HCV or traditional HOP assistance. When it comes time for households to exit the program, 78% of CHOP participants face a severe market rent burden (paying more than 50% of their income on housing costs) compared to 60% of the general HCV population.



These findings are consistent with previous findings around leasing and income progression: CHOP households are presenting greater barriers and at a disproportionate rate.

### **Recommendations**

Like the other HOP programs, CHOP is associated with poorer outcomes when compared to the traditional HCV program. Like CHAP, CHOP targets a special population facing multiple barriers to housing security and stability – families involved with the child welfare system in need of housing support. According to the shopping outcomes, CHOP households may not have enough financial stability to rent on the private

market with a fixed subsidy. Further, they have likely experienced trauma and could benefit from deeper and more intensive supports. Finally, DCYF partners have communicated that CHOP is not a fit for all of the families they serve as many need deeper subsidies to successfully secure and maintain housing. For these reasons, PIE recommends shifting the flat CHOP subsidy to an income-based subsidy.

In terms of length of assistance and program requirements, PIE recommends further consultation with its DCYF partners on the particular needs and barriers they observe in their interactions with this client population. DCYF also administers FUP assistance and likely have observations about what can be gleaned from that program and applied to CHOP.

Additional recommendations may follow the community consultation period.