

Vermont Rental Subsidy Program

Six Month Evaluation and Recommendations

August 2012

This evaluation of the Vermont Rental Subsidy Program includes a timeline of the initiative's genesis, an overview of program design, description of partners and roles, outcome data, client success stories, lessons learned, and recommendations to further strengthen the program. The evaluation is being conducted approximately six months into the first year of operation and was developed and compiled by the AHS Director of Housing with significant contributions from members of the VRSP Advisory Committee.

INTRODUCTION

The **Vermont Rental Subsidy Program (VRSP)** is a local solution to homelessness which provides state-funded rental assistance to formerly-homeless families and individuals whose monthly income would otherwise be insufficient to afford the cost of renting in their communities. Participants are paired with a housing support worker who helps the family stay connected with essential services critical to their success as renters. This housing support worker is the point of contact for participating landlords should a problem arise with the tenancy. Subsidies are intended to provide support for up to one year while the household is actively working to increase their income or secure other forms of longer-term affordable housing. Beyond supporting stability and permanence, the program provides a cost-effective and humane alternative to homelessness and emergency motel stays, both of which strain public budgets and place unnecessary pressure on families. ***As of August 2012, the program currently provides affordable housing to 58 low-income families, consisting of 70 adults and 92 children.***

SUMMARY TIMELINE

This program was developed in the lead up to Governor Shumlin's 2011 Housing the Homeless Summit. Grasping the urgent need for viable housing solutions for low-income Vermonters, an advisory committee brought the initiative from a rough concept to an operational program in less than twelve months.

- February/March 2011 - Preliminary planning by the advisory committee begins.
- June 7, 2011 – A draft proposal presented to the Governor receives support.
- August 28, 2011 - Tropical Storm Irene visits Vermont causing widespread devastation and closing the state office complex in Waterbury.
- December 18, 2011 – First three households are approved for VRSP subsidies.
- January 1, 2012 - First household is leased up with a subsidy in Vergennes.

PROGRAM DESIGN

Potential participants access the Vermont Rental Subsidy Program through local **Housing Review Teams** consisting of shelter providers, community service providers and staff from the Agency of Human Services (AHS). Housing Review teams must demonstrate they can fulfill basic composition requirements before they may participate in the program.

The process begins when a housing sponsor presents a case to the local Housing Review Team. The Housing Review Team assembles to assess household applications to prioritize families for assistance and is responsible for submitting completed applications to the **Economic Services Division (ESD)**, the program's administrator within the Department for Children and Families. The Economic Services Division awards subsidies from a statewide waiting list where families with the highest scores (highest risk) are awarded as new slots become available.

Housing Review Teams meet regularly to ensure participants are engaged and fulfilling program expectations and to troubleshoot any problems as they occur. Tenants are paired with a designated **Housing Support Worker** who serves as a point of contact for the landlord if issues arise that could jeopardize a tenancy. The Housing Support Worker is generally a member of the local Housing Review Team and can use these meetings as a venue to work with their peers from other agencies to solve individual challenges that may come up during the tenancy.

Participants enrolled in the program pay 30 to 40 percent of their income towards their rental costs and the State of Vermont pays the difference directly to apartment owners through monthly vendor payments.

Apartment units funded through the VRSP must be at or below Fair Market Rental (FMR) rates for the county and meet Housing Quality Standards (HQS). HQS inspections are performed by field staff from the **Vermont State Housing Authority (VSHA)** at no cost to the apartment owner or tenant and ensure that any housing rented under this program is decent, safe and sanitary. Partnership with the Vermont State Housing Authority has also resulted in the creation of a local preference for a federal subsidy whereby eligible participants in the Vermont Rental Subsidy Program who remain in good standing with the program and their landlord receive a preference for a federal Section 8 housing choice voucher at the end of one year.

PARTNERS - CURRENT ROLES

Economic Services Division (ESD)

The Department for Children and Families, Economic Services Division - within the Agency of Human services - is the state administrator of the Vermont Rental Subsidy Program. Staff within ESD review all applications sent from Housing Review Teams, maintain the waiting list, ensure documentation is complete, track the status of applications, award subsidies, manage monthly payments to landlords and report out to the VRSP Advisory Committee on the status of the program.

VRSP Advisory Committee

The VRSP Advisory Committee began as a sub-committee of the Vermont Council on Homelessness. This committee, which has evolved over the past 18 months, was tasked with developing and implementing a program to provide affordable housing options for very low-income Vermonters who were homeless. Their proposal received strong support from Governor Shumlin at the Governor's June 2011 Housing the Homeless Summit. The group meets once a month to evaluate and address higher-level issues related to the program. Current members include three representatives from ESD, one AHS Field Services Director, the AHS Director of Housing, a representative from the Vermont State Housing Authority, as well as a shelter provider and service provider, both of whom are active on their respective local housing review teams.

Housing Review Teams

Housing Review Teams are the essential local core of the program in their respective districts, responsible for referring applicants to the program, assembling, assessing and submitting applications to ESD, and following up with tenants, landlords, and other key service providers to support effective provision of services, clear communication, tenant engagement, and positive tenancies.

Vermont State Housing Authority (VSHA)

The Vermont State Housing Authority conducts the majority of the Housing Quality Standards (HQS) inspections for the program. The VSHA section 8 preference created for this program provides a permanent, federal subsidy for people graduating the 12-month Vermont Rental Subsidy Program.

OUTCOMES: HOUSEHOLDS SERVED / RESULTS

While it is too soon to have complete outcome data for the VRSP in terms of long-term housing stability, resultant improvements in the quality of life for families served, and cost savings in related publicly-funded programs, preliminary output and performance data are reported here. In its first six months, the VRSP has transitioned 58* low-income Vermont households, consisting of 162 persons, from homelessness to affordable housing at an average cost of \$590 per household per month.

Household Composition of Families Currently Housed through the VRSP

- 40 single-parent families with children
- 10 two-parent families with children
- 6 individuals
- 2 couples without children
- **58 Households**
- Adults - 70
- Children – 92
- **162 persons**
- Households Receiving Reach Up Benefits – **38**
- Households receiving SSI benefits – **10**
- Households receiving both Reach Up and SSI benefits – **2**
- Households who have applied for SSI benefits – **2**
- Other households under 125% of federal poverty guidelines - **6**

Program Performance

- Number of AHS Districts where VRSP subsidies have been awarded - **12 (100%)**
- Families approved for the program and looking for vacant rental unit – **19**
- Families approved and leased up – **58 (75% of initial target of 77)**
- Applications ready to grant from the statewide waiting list – **39**
- Applications pending, additional information requested by ESD - **24**
- Applications in review by ESD - **6**
- Applications denied, closed or withdrawn for various reasons – **71**
- Average time from application to approval – **34.6 days**
- Average time from approval to lease-up – **35.0 days**
- Shortest review time – **Same Day!**

Program Cost Analysis

- Average amount of monthly rent paid by Tenant (*all bedroom sizes*). **\$ 257**
- Average amount of monthly rent paid by DCF (*all bedroom sizes*). **\$ 590**
- As compared to average cost of one month in a state-funded motel. **\$1,659**
- Projected average cost per household for full year of VRSP subsidy. **\$7,080**

**All data current as of August 2, 2012.*

SAMPLE CASE STUDIES

The following narratives were received from local Housing Review Teams and AHS Field Service Directors based on their experiences over the first six months of the program.

Brattleboro

In Brattleboro, the Vermont Rental Subsidy Program has proven to be an essential lifeline for single mothers and their young children. By opening doors to sustainable housing, the program has brought stable lives to children who would otherwise grow up in tenuous situations in hotels, on couches and on the streets of southeastern Vermont. Across Brattleboro, stories like the following reinforce the need for the Vermont Rental Subsidy Program. Without it, gaps in housing support leave single mothers and their children on the streets. Thanks to this program, children across Brattleboro are able to grow up in stable situations, setting them up for lives of success.

1. Among our town's most compelling stories is a 19-year old mother of two. Despite working diligently with early education services and being wrapped in a web of social service support, she continued to couch surf with her children across Brattleboro. Because of the Vermont Rental Subsidy Program, she and her family were able to obtain their very first apartment, and have been housed since. She now looks forward to raising her young children in a place they can call home.
2. Another single mother was equally motivated, but unable to find housing before the Vermont Rental Subsidy Program. She was living between shelters and couches, but could not find stable housing. This was despite acceptance to the Transitions to Housing Program, which did not have a slot available for her. Still motivated to turn her life around, she had enrolled in college classes. Because of the Subsidy Program, she was stably housed and is now able to continue college while raising her infant child.
3. A final success story involves a couple with children whose lives were ravaged by crime and substance abuse. Because of their criminal and substance abuse histories, the couple was unable to secure housing. As a result, they lost custody of their children, a situation that rarely ends with happiness for any party. But because of the rental subsidy program, the mother was able to get her life in order and regain custody of her children.

Montpelier

Another family had an unstable housing situation, no transportation, limited income of SSI and Reach Up, limited education, and new DOC charges. There was an open DCF case and their daughter was in kinship care. The cousin who was fostering their daughter requested help for the couple as she was driving many hours a day transporting them to doctor appointments, school events, and other needs. Multiple housing applications were completed with state and local housing authorities and a land trust. The SSI application process was also started for the father. The application for the Vermont Rental Subsidy was approved and after being initially denied for an apartment from a land trust apartment, the appeal was approved. The family moved into a three bedroom apartment in Montpelier, near the supportive cousin, which prevented a change in school for their daughter. Within a month of living in the apartment, a Family Unification voucher was approved and they were able to smoothly transition to that program which provides federal housing assistance longer than 12 months. The family transition was smooth. Their daughter is stable. The family's income is adequate. Their housing is cozy and convenient.

Bellows Falls

The Vermont Rental Subsidy Program allowed a low-income family that had been sheltering in sub-standard housing to relocate. The family had previously been living in a seriously-deteriorated and un-insulated shack with a leaking roof, black mold, and a collapsing ceiling. He is a veteran with health problems who recently had surgery. They have two young children. They are now in a nice three bedroom unit with a good landlord. The mother is working full time and the father wants to work once he recovers from surgery.

Rutland

The Vermont Rental Subsidy Program assisted a woman in Rutland County who was fleeing domestic violence to move out of emergency housing. Once stabilized, she was able to develop a plan with her case manager and focus on personal goals of employment, housing and daycare. With support from her case manager as well as her own personal determination and work ethic, she found employment within one month. She also enrolled her child in daycare. She has established a positive rental history with her new landlord by paying her portions of her housing costs on time and complying with the lease agreement. Currently, she is working hard to achieve her ultimate goal of beginning community college courses by spring of 2013. She wants to achieve her high school diploma, and is clear that she wants her actual high school diploma, not just a GED.

CHALLENGES / LESSONS LEARNED

The Vermont Rental Subsidy Program is an effective tool for stabilizing very low income Vermonters in affordable housing where they can receive supports and address issues which lead to – and would otherwise likely lead back to - homelessness. The program is often the critical bridge that gets families from homeless shelters or emergency motels to longer-term affordable housing and a more viable situation in terms of employment or benefits. As would be expected in any new program of this type, the past 12 months have been enormously informative, bringing into focus a number of challenges. While many of these have already been resolved by the partners, others will need to be addressed in order for the program to achieve its full potential. This section is followed by a series of recommendations, most of which link back to challenges cited here.

Timely approval of households for subsidies

While complete applications with high prioritization scores often move rapidly through the review process and are approved quickly, there are other instances in which applications are delayed. One member of a local housing review team expressed frustration that the program brought an additional work load and that the approval process was so slow that it ran the risk of damaging relationships with landlords. ESD has also expressed concerns that many of the applications initially received from local Housing Review Teams are incomplete and that following up on these in all 12 districts requires a significant amount of time. When a key staff person at ESD transitioned to another division in the first three months of implementation, ESD found managing the waiting list, following up on incomplete applications, and keeping up with the high volume of email communication from local teams created a significant work load. The program does not have administrative funding connected to it, and so ESD has been trying to manage the program using existing staff that already have many other duties and feel stretched thin.

Locating available rental units in counties with low vacancy rates

In areas with extremely low vacancy rates, such as Chittenden County, some families who are approved for VRSP subsidies encounter challenges locating eligible units. The VRSP Advisory Committee has heard from a few members of Burlington's local Housing Review Team that they would prefer to use the VRSP to provide housing retention subsidies, as opposed to targeting the subsidies to people who are currently homeless.

Streamlining the VRSP application

The initial application developed for the VRSP was lengthy for a state-funded program of this type, with unnecessary sections which created a burden for the household, local housing review team, and Economic Services Division. This issue was resolved by members of the Advisory Committee and ESD staff who worked together to streamline the application down to its current length – an improvement that was universally appreciated.

Coordinating the Housing Quality Standards (HQS) Inspection

After scheduling HQS inspections, VSHA would occasionally hear from local Housing Review Teams that they were unnecessary as the unit had passed an inspection. This seemed to be isolated to larger communities, such as Burlington, that have their own municipal habitability inspection program for residential units. AHS addressed this by working with CEDO to develop a process where units that have passed an equivalent inspection in the past 180 days may be approved without an HQS performed by VSHA.

Ensuring capacity for providing case management/housing support

There is currently no funding for case management/housing support through the VRSP. Local communities are expected to identify these resources among existing programs and providers. In some areas of the state this may be an obstacle to local Housing Review Teams applying for subsidies and/or could impact the availability of ongoing support for households approved.

Training

In the first three months of program operation, some members of Housing Review Teams expressed confusion about the process for getting families approved for VRSP subsidies and had legitimate clarifying questions on program details. When it became apparent that updating the Frequently Asked Questions document was not enough, members of the Advisory Committee (Kristin Prior, AHS Field Services Director for Franklin and Grand Isle Counties, and Chris Dalley from DCF's Economic Services Division) developed additional training materials and provided successful regional trainings in Rutland and Montpelier.

Affordability / Sustainability

Initially, the VRSP required that tenants pay 40% of their income towards their rent, with the State paying the remaining portion. When this was combined with requirements on sustainability, many of the household budgets submitted as part of the application were deemed "unsustainable" and the state administrator was reluctant to award subsidies. This problem has since been partly fixed by changing the tenant share to 30% which makes the program more consistent with other subsidy programs. As with new guidance issued from HUD around the ESG program, sustainability for the VRSP should be viewed as a performance measure for the program operators, not a threshold requirement for households.

Clarifying Terms - Eligibility

The VRSP team has occasionally run up against confusion around terms such as "Transitional Housing." The solution here is to attach current and consistent definitions of "homeless," "at risk of homelessness," "emergency shelter," and "transitional housing" to any VRSP program guidance given to local Housing Review Teams.

RECOMMENDATIONS

Eligibility

The VRSP currently uses a two-part eligibility system: Threshold criteria and a scored prioritization assessment.

1. Under Threshold Requirements: Clarify any language pertaining to “transitional” housing and add language addressing the unsheltered homeless population (people living in vehicles, abandoned buildings, other places unsuitable for human habitation.)

2. For Scoring/Prioritization: Redesign checklist to address multiple issues with the current points system. Put families receiving only SSI income on par with families receiving SSI and employment income as requested by disability advocates. Prioritize households currently in homeless shelter.

3. Sustainability: Sustainability should be viewed as a performance measure for the program operators, not a threshold requirement for households.

Administration

1. Program Administration. Consider having ESD contract with the Vermont State Housing Authority or a similarly-equipped entity to: (1) continue to provide HQS inspections; (2) review all applications sent in from local Housing Review Teams; (3) award all subsidies; (4) manage all monthly payments to landlords.

2. Empower local Housing Review Teams. Develop the capacity of local Housing Review Teams to handle more aspects of the ranking, prioritizing process and to send applications directly to the VSHA intake department with sign off by the local AHS Field Service Director. Strengthen and support this model of the local housing teams by providing technical assistance and considering them for other, similar initiatives.

3. Maintain and Rebalance the VRSP Advisory Committee. The VRSP advisory committee should continue to meet monthly or bi-monthly. Composition of the VRSP steering committee should be expanded to add two additional service or homeless service providers from local housing review teams outside the northwest quarter of Vermont.

4. Define Roles. Now that the program has transitioned from planning to implementation, the roles of the State, the VSHA, local Housing Review Teams and the Advisory Committee should be more clearly defined and articulated to improve communication, process and clarity.

Funding

1. Seek level funding for VRSP subsidies through the administration and legislature.
2. Consider dedicating a reasonable percentage to program administration.
3. Consider dedicating or attaching existing housing case management (a.k.a. housing support, housing retention, service coordination) resources to local Housing Review Teams to ensure they have the capacity to provide effective services and coordination.
4. Consider dedicating coordination funding, or providing training and technical assistance, to support the capacity of local housing review teams.

Other Recommendations

1. Update all informational packets, training materials, application documents and web information accordingly to reflect the above changes. Consider posting more of the relevant VRSP documents on a web page.
2. Consider allowing districts with very low residential rental vacancy rates (below 1%) to use VRSP subsidies to support retention efforts for extremely low-income households (at or below 30% of AMI) who meet category 1 of the revised HUD definition of “at-risk of homelessness”.
3. AHS should identify a team to plan, execute and oversee the above programmatic and administrative changes in a responsible manner such that participants currently receiving subsidies or services and applicants on the waiting list are not negatively impacted by the transition.
4. Provide any necessary outreach to make all relevant parties aware of any changes. Provide additional trainings as needed.
5. The VRSP steering committee should provide a second evaluation to the Vermont Council on Homelessness and Agency of Human Services in 2013 that includes program comparison trend data and longer-term cost-savings and stability data.