



## **Ending Homelessness with Mainstream Housing Resources**

### **Whitepaper 2 of 3**

### **Local Preferences in Housing Choice Voucher Programs**

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## **AZCEH Introduction and Whitepaper Vision**

The [Arizona Coalition to End Homelessness \(AZCEH\)](#) provides leadership in statewide efforts to end homelessness through advocacy, education and coordination with local communities and initiatives. AZCEH activities include its annual statewide conference; coordination of focused service initiatives such as [Arizona StandDown](#) for homeless veterans and [Project H3: Home, Health, Hope](#) for long term vulnerable homeless individuals and families; and providing education opportunities for service providers, policy makers and advocates working on behalf of men, women and children experiencing homelessness.

AZCEH coordinates collaborative whitepapers as one of many tools in our advocacy and education efforts. This series of whitepapers seek to inform policy makers, service professionals and advocates on strategies to end homelessness with existing mainstream housing resources. We hope that these papers will serve as impetus to change agents and community leaders to call for systems change through the adoption of the policies and practices suggested herein.

In Whitepaper 1, we unveil the abundance of Housing Choice Vouchers available in Arizona to serve individuals and families experiencing homelessness through a reprioritization of turnover vouchers. This paper also discusses some of the policies and practices used by public housing authorities to maintain and update their waiting lists and the disparate impact of such policies on persons experiencing homelessness. Finally, the first whitepaper emphasizes the importance of making sure mainstream government resources are the last resort for individuals and families in need in order for these finite resources to have maximum impact in our communities.

The second whitepaper explores the creation of local preferences for individuals and families experiencing homelessness in Housing Choice Voucher programs. This paper will demonstrate the alignment of such policies with federal, state and local guidelines. It will lay out the mechanics for public housing authorities to implement these preferences and will look at examples of such strategies here in Arizona and across the country.

Our third and final whitepaper in this series explores the importance of coupling client centered, wrap-around supportive services with the Housing Choice Voucher program for formerly homeless individuals and families. The Housing Choice Voucher program is a tremendous resource for ending homelessness in communities, but our public housing authority partners are not expected to solve this problem alone. The third whitepaper will focus on the role of “Navigators” in Project H3: Home, Health, Hope, and how this unique service delivery system integrates best practices from existing supportive services and natural support systems to improve outcomes using “housing first” and recovery principles.

## Whitepaper 2: Local Preferences in Housing Choice Voucher Programs

As part of its [2010-2015 Strategic Plan](#), the U.S. Department of Housing and Urban Development (HUD) has established several laudable goals to guide its work. Two of HUD's sub goals describe the outcomes HUD aims to achieve around preventing and ending homelessness:

- [End homelessness and substantially reduce the number of families and individuals with severe housing needs.](#)
- [Utilize HUD assistance to improve housing stability through supportive services for vulnerable populations, including the elderly, people with disabilities, homeless people, and those individuals and families at risk of becoming homeless.](#)

This whitepaper will look closely at the use of a critical mainstream HUD resource, the [Housing Choice Voucher \(HCV\) program](#), formerly known as Section 8, to achieve the first goal. We will demonstrate federal, state and local support for using the HCV program as a means to ending homelessness in our communities. The third whitepaper in this series will explore the importance of coupling client centered, wrap-around supportive services with the HCV program for formerly homeless individuals and families.

### Alignment with HUD Strategy

HUD lists several strategies for accomplishing its goal to end homelessness and reduce the number of families and individuals with severe housing needs. We will focus on three of them here:

- Provide additional individuals and families with rental housing subsidies.
- Work with state and local governments to expand rental assistance and prevent homelessness.
- Improve access to HUD-funded housing assistance by eliminating administrative barriers and *encouraging prioritization of households most at risk for homelessness.*

These strategies align closely with our [Whitepaper 1](#) example of creating housing abundance for long term, vulnerable homeless persons by reprioritizing just a small percentage of existing HCVs. In particular, the third strategy is echoed by Fred Karnas, Senior Advisor to HUD Secretary Donovan, in his declaration at the [Arizona NAHRO 2010 Annual Conference](#) that “we need to move past using boutique programs for special populations to making mainstream HUD programs work for everyone.”

The HCV program does not currently work for everyone, especially for long term, vulnerable homeless individuals. The problem has less to do with cumbersome federal regulations and more to do with local policy and administration of the HCV program. Public Housing Authorities (PHAs) have a considerable amount of latitude in operating the HCV program, including how to target particular populations in their communities. To best support HUD's stated goals, PHAs should prioritize those individuals and families with the worst case housing problems for housing choice vouchers through the use of local preference systems.

## What is a Local Preference?

A [local preference system](#) is a method that PHAs may use in selecting applicants for participation in the HCV program. This method targets specific populations for assistance based upon local housing needs and priorities. HUD regulations require that PHAs base local preference systems on generally accepted data sources and consider public comment. They also must detail these systems in their administrative plans. Additionally, HUD allows PHAs to limit the number of applicants that may qualify for a local preference, thereby creating a designated number of vouchers “set aside” for a target population.

Across the country, PHAs have used local preference systems to target various types of applicants, including those that reside in specified geographic areas (generally the jurisdiction of the PHA), working families, persons with disabilities, families that include victims of domestic violence, and persons who are elderly, displaced or homeless.

## Historical Context for Local Preferences

Prioritizing those most in need in mainstream HUD programs is not a new concept. Prior to the [Quality Housing and Work Responsibility Act \(QHWRA\) of 1998](#), mandatory “federal preferences” required PHAs to target individuals and families:

- Paying more than 50% of their income towards housing
- Living in severely substandard housing, and
- Involuntarily displaced from housing.

These “federal preferences” helped to ensure that Section 8 certificates were targeted to people with the most severe housing problems first. The reform of the Section 8 program under QHWRA provided local jurisdictions the flexibility to determine how best to target this resource in their own communities.

## Reliable Data and Consistency with Plans

HUD requires that local preferences be based upon reliable and valid data on the housing needs of a community and that they be consistent with the PHA Agency Plan and Consolidated Plan for a PHA’s jurisdiction.

According to the [2010-2014 State of Arizona Consolidated Plan](#)’s Summary of Primary Housing Needs (Page 5):

*There remains a substantial need for a range of housing options and support services for people who are homeless and at risk of becoming homeless. The January 2009 statewide homeless count recorded over 14,000 homeless persons, over 6,000 of them unsheltered. The economic recession is placing an additional burden on the state’s resources to provide housing and support services. Homeless persons and at risk homeless persons have a significant need for prevention services, emergency shelter, transitional housing, and **permanent supportive housing**.*

Arizona also lays out three priorities in its [Strategic Plan](#):

- Priority 5: Encourage a range of services to help people move from homelessness to permanent housing and maintain independent living.
- Priority 6: Increase the number of transitional and permanent supportive housing units for the homeless.
- Priority 7: Offer services and funding to help prevent people from becoming homeless.

The [City of Phoenix 2005-2010 Consolidated Plan](#) (Page 34) states:

*Without permanent housing as an end goal, the entire Continuum of Care ceases to function as a dynamic system moving people toward stability and self-sufficiency. Instead, the system becomes a warehouse for people. **The only lasting solution to homelessness is access to housing that is affordable and, for certain populations, linked to necessary supportive services.***

The Phoenix Plan's overall strategy for the goal to effectively transition persons who are homeless to appropriate affordable, safe and quality permanent housing includes:

- *Provide permanent supportive or permanent independent housing,*
- *Utilize rental and utility assistance to prevent and create appropriate housing settings for persons who are homeless, and*
- *Develop new facilities/programs/housing units with minimal negative neighborhood impact.*

Arizona and major jurisdictions throughout have recognized the need to prioritize persons experiencing homelessness in their housing program efforts, citing permanent, affordable housing with supports when necessary as the solution to ending homelessness. Targeting housing choice vouchers through local preferences is an ideal strategy towards the accomplishment of the goals outlined in these federal, state and local plans and offers the greatest abundance of housing resources with minimal impact on neighborhoods.

### **Amending the HCV Program Administrative Plan**

Once a PHA has decided to create a local preference for persons experiencing homelessness in their communities, that PHA must amend its HCV program Administrative Plan. This process requires the PHA to provide an opportunity for public comment on the proposed changes, including comments from existing participants in the HCV program. Once public comments have been considered, the changes to the Administrative Plan must be voted on for final approval by the PHA's governing board.

### **Preference for Long Term Vulnerable Homeless**

Vulnerable and long term homeless persons face myriad barriers in accessing HCV programs, but strategically crafted local policies can help ensure maximum HCV accessibility. When developing local homeless preferences, PHAs should consider the requirement of an assessment measuring the vulnerability of persons experiencing homelessness to further define their target populations. PHAs may also require wrap-around supportive services designed to assist individuals or families in complying with their obligations in the HCV program.

The primary purpose of requiring the use of a vulnerability assessment is to help to ensure that communities target those most in need for these critical and finite resources. It is important that these assessments are reliable and consistent in their use and that they address the specific concerns of the local community in their efforts to define their target populations. Communities across our state possess varied degrees of capacity and concerns around their local homeless populations which will determine the creation or selection and use of vulnerability assessments in communities.

Our recommendation for the language of a PHA local preference for long term homelessness is:

*Individuals and families experiencing homelessness who have been determined vulnerable through the use of a vulnerability index. Applicants under this preference must also receive supportive services provided by an area agency designed to assist the individual or family in complying with their obligations in the HCV program.*

This preference requires a pool of potentially eligible applicants that have been determined to be vulnerable through the use of a reliable vulnerability index. The [Vulnerability Index™](#), developed by [Common Ground](#), highlights a narrow, reliable population of those most in need, the majority of which are also chronically homeless. As the Maricopa County initiative of the [100,000 Homes Campaign, Project H3](#) utilized the Vulnerability Index™ to determine vulnerability amongst the street homeless population in April 2010. Consistent with national results, 43% of those surveyed in Project H3 were determined vulnerable, averaging 7.8 years on the streets. 92% of those determined vulnerable also met the HUD definition of chronic homelessness.

AZCEH recommends the use of the Common Ground Vulnerability Index™ for consistency with the 100,000 Homes Campaign promoting consistent national data on vulnerable and long term homelessness. The Vulnerability Index™ is also recommended for its ease of use and ability to be administered by volunteers, rather than clinicians, enabling a greater number of homeless people to be surveyed.

### **Opening the Waiting List...and Keeping It Open**

PHAs currently close their waiting lists for HCV programs as soon as they have a sufficient number of families to select from when openings in these programs occur. Unfortunately, this means that the majority of Arizona PHA waiting lists for HCV programs are closed to new applications for assistance. In order for new vulnerable applicants to be eligible for local preference placement, thereby moving to the top of the waiting list for selection, these waiting lists must be open for new applications.

PHAs have [options in opening their waiting lists](#) for new applicants. First, they may choose to accept all applications from potentially eligible individuals and families. Still, the need for affordable housing in our communities is great, and the number of new applicants for admission to waiting lists is likely to range in the thousands, placing a difficult administrative strain on PHAs.

PHAs may also open their waiting lists exclusively for targeted populations, including those populations that they have identified for local preferences through the HCV program. Public notification of new waiting list openings must simply [state any limitations on who may apply for assistance](#). In effect, this option enables each PHA to close only a portion of its waiting list instead of the entire waiting list. The PHA may continue to receive applications from applicants qualifying for a specific local preference category, i.e. long term, vulnerable homeless individuals and families, while closing its waiting list to all other groups.

## Examples of PHA Partners in Ending Homelessness

Several PHAs across the country and in Arizona have employed strategies to prioritize their most vulnerable homeless for assistance in their HCV programs. Denver's PHA provides approximately 381 vouchers to special needs populations through a series of preferences for participants served by specific programs and organizations in the community. Washington D.C. has prioritized chronically homeless individuals with its HCV program through the use of the Common Ground Vulnerability Index™, ending homelessness for over 1,000 long term, vulnerable homeless in a little over two years. Salt Lake City's local and county PHAs have also used local preferences for scattered site and project-based vouchers for their homeless population, employing a vulnerability assessment to more effectively target the housing to those most in need.

Here in Arizona, several PHAs have recently created local preferences to prioritize persons experiencing homelessness in their HCV programs. In Tempe the PHA has approved a general homeless preference and is working with local service organizations to ensure that individuals and families experiencing homelessness in Tempe apply for assistance as they open their HCV waiting list this spring.

As a result of their partnership with Project H3, the Phoenix Housing Department set aside 25 vouchers in their program for long term, homeless individuals or families determined to be vulnerable by the Common Ground Vulnerability Index™. As of this writing, 14 households have been assisted with those vouchers, 2 are searching for housing and the remaining 9 vouchers will be leased up in the next 60 days.

In Glendale, the PHA updated its local homeless preference to target individuals and families surveyed during Project H3's survey week in Glendale. One individual has been housed in their HCV program as a result of these efforts with plans to identify additional candidates in the near future.

Tucson has also enrolled in the 100,000 Homes Campaign, and their [51 Homes](#) initiative will conduct its survey week in mid-April 2011. In Tucson, the local PHA is a strong partner in the 51 Homes initiative and has led in the commitment of housing opportunities through both HUD-VASH and HCV assistance for the long term, vulnerable homeless individuals and families identified through the Common Ground Vulnerability Index™. The Tucson PHA has approved a limited local preference for this effort in their Administrative Plan which has been approved by their City Council and Mayor and PHA Board.

[In Mesa, the Housing Governing Board approved the PHA's recommendation to adopt the local preference for long term, vulnerable homeless recommended by AZCEH.](#) Additionally, the Mesa PHA has opted to open the waiting list specifically for this local preference and will continue to accept applications from those meeting this local preference. Mesa has also innovated in the area of supportive services for this population, approving Community Development Block Grant (CDBG) funds for a community service provider to provide "Navigation" services to long term, vulnerable homeless admitted to the Mesa HCV program. Our third and final whitepaper in this series will focus on supportive services ideally combined with the HCV program.

## **Retooling Existing Resources for Systems Change and Immediate Housing Opportunities**

We know that permanent, affordable housing with appropriate supports as necessary is the solution to end homelessness. Scattered sites, tenant based rental assistance provided through the Housing Choice Voucher program is a viable solution to ending long-term and vulnerable homelessness when coupled appropriately with navigation services. While we must continue to support increases in funding for targeted HUD housing programs like the Shelter Plus Care and Supportive Housing programs, much can be accomplished by simply retooling mainstream resources already available to us in our communities. PHAs can have significant impact as partners and champions of ending homelessness through careful targeting of their HCV programs as strategic tools to combat homelessness in our communities.

A note on References: For space purposes this document contains underlined hyperlinks to on-line resource information as opposed to traditional references. If you are reading a printed version, please visit [www.azceh.org](http://www.azceh.org) to obtain an electronic version to connect to on-line resources for additional information or fact-checking purposes.