



Do Time-Limited Subsidy Programs Reduce Homelessness for Single Adults?

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Executive Summary

Over half a million people experience homelessness in the United States each year. The policy response has been to provide short-term solutions, like shelters, as well as long-term housing solutions, such as housing subsidies or permanent supportive housing. This policy brief and related working paper focus on time-limited subsidy (TLS) programs, often referred to as Rapid Re-housing (RRH). TLS programs help individuals move into market rentals and financially support their tenancy, with typical two-year time limits. Our study estimates the impact of TLS over a four-year period for 3,677 adults who were enrolled in TLS in Los Angeles County. Sixty-two percent of TLS participants received the intended financial assistance to move into a rental unit. Our study sample includes all enrollees in the program, not just people who moved in and received the subsidy, which is necessary for the research design and relevant for understanding the effects for all who were enrolled.

Key Findings:

- Enrollment in a TLS program in Los Angeles reduces future use of homelessness services by 25% over four years.
- These positive impacts exist for Latinx, Black, and White participants, although they are smallest for Black participants.
- We also examine the impact of TLS across populations with varying risk of future homelessness, including people who may typically be prioritized for permanent housing with supportive services. TLS also reduces future use of homelessness services for individuals at higher risk — an important finding, given the current constraints on expanding permanent housing with supportive services.
- Despite these benefits, there is room for program improvements since 38% of all enrollees do not end up moving into a rental unit and nearly 30% of participants still seek out homelessness services up to four years after enrolling in TLS.

Note: This policy brief shares findings from the working paper “[Do time-limited subsidy programs reduce homelessness for single adults?](#)” Please refer to the full paper for a detailed discussion of data sources, research methods, and findings.

Background on Time-Limited Subsidies in Los Angeles

Over 70,000 people experience homelessness on any given night in Los Angeles. The policy response for these individuals is a mix of interim-housing (e.g. shelters) and interventions where the goal is to place individuals in long-term housing solutions. One of these long-term housing solutions — time-limited subsidy (TLS) programs, often referred to as Rapid Re-housing (RRH) — has steadily grown from 7% of the “beds” counted nationally in 2013 to 24% of the beds in 2021.¹ These programs are particularly relevant in Los Angeles where they represented 64% of the long-term housing solution “beds” in 2019. TLS programs were originally conceptualized as a strategy to quickly rehouse individuals who experienced homelessness due to a financial shock. However, the program’s effectiveness can be limited by implementation challenges (like documentation requirements), tight rental markets, and/or rejection by landlords. In general, there is little evidence for whether TLS programs reduce homelessness, particularly for single adults.²

Our study examined four-year outcomes for 3,677 individuals enrolled in TLS in Los Angeles between July 1, 2016 and June 30, 2018. TLS participants are eligible to receive flexible financial assistance to support their tenancy for up to 24 months, with housing navigation and case managers working with participants to determine an appropriate exit point. For our study sample, the average total amount of financial assistance documented by caseworkers is \$5,815. We do not have estimates on total, per-person program costs during the study period, but more recent estimates are \$22,099, which includes all program and administrative components.³ A participant’s eligibility is regularly re-evaluated with monthly updates to establish: (1) the participant does not have an annual income that exceeds 50% of median income for the area, and (2) the participant lacks sufficient resources and support networks necessary to retain housing without TLS assistance.

Research Questions

To understand the impacts of TLS on homelessness, we explore 4 questions:

1. How many people enrolled in TLS are able to move into a market-rate rental and utilize the subsidy?
2. For those enrolled in TLS (regardless of move-in), does the program reduce homelessness, defined as use of Street Outreach services or Interim Housing, over a four-year period?
3. Do reductions in homelessness vary across racial and ethnic groups?
4. Do reductions in homelessness vary by participants’ risk of future homelessness?

Research Methods

To estimate whether the TLS program is responsible for reducing homelessness, we compare outcomes for individuals enrolled in the program to outcomes for similar individuals who were experiencing homelessness and eligible for TLS but who were not enrolled in the program. Using 10 years of de-identified administrative data from six Los Angeles County agencies,⁴ we observe dozens of client-level characteristics ranging from race, ethnicity and gender to detailed service histories, criminal legal involvement, and prior health/mental health diagnoses. We used enrollment in either Street Outreach or Interim Housing as a proxy for homelessness, since these represent the primary entry-services for those experiencing homelessness in LA. The combination of long histories of comprehensive data on participant characteristics and experiences enable us to identify an appropriate comparison group.⁵

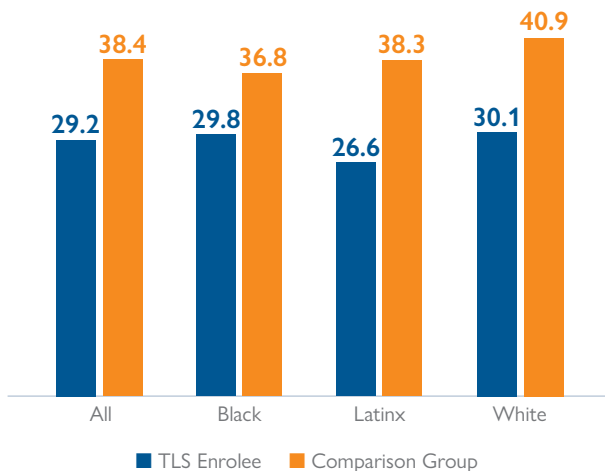
Key Findings

- 1. Implementation of time-limited subsidies in Los Angeles is challenging.** 3,677 unique individuals were enrolled in TLS during the study period from July 1, 2016 to June 30, 2018. Of those enrolled, 62% moved into a market-rate rental and received the subsidy. This finding suggests ongoing challenges to implementing TLS in Los Angeles and this particular data point is important for identifying areas for improvement in TLS.
- 2. Enrollment in TLS reduces future homelessness by 25%.** Enrollment in TLS programs decreases homelessness, defined as future enrollment in Street Outreach or Interim Housing services. Specifically, 38.4% of similar individuals not enrolled in TLS experienced future homelessness compared to 29.2% of TLS participants (a 9.2 percentage point reduction). We find

reductions in homelessness during the typical two-year period when rent could have been subsidized, but, importantly, we also see reductions in homelessness in the third and fourth years after the subsidy ended. In the fourth year alone, adults in the program were 34% less likely to experience homelessness than adults in the comparison group.

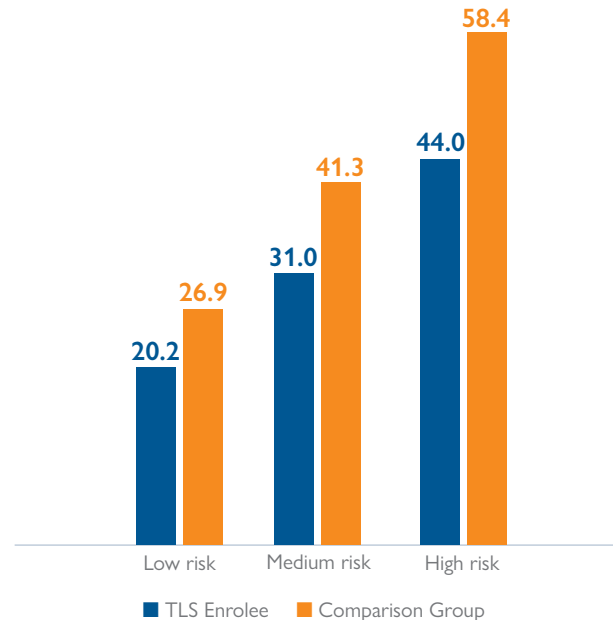
Reductions in homelessness among TLS participants appear to be largely driven by those who move into rental units and receive the subsidy. In an exploratory analysis, we find that program participants who moved into rentals experienced a 35.4% decrease in homelessness over a four-year period while those who did not move into a rental experienced a 6.4% decrease, which was not statistically distinguishable from 0.

FIGURE 1: Share of TLS participants who experienced homelessness vs. comparison groups, over a four-year period



Notes: Findings are from Tables 3 and 5 from the working paper. All differences between TLS and comparison groups are statistically significant at a 99% level of confidence.

FIGURE 2: Share of TLS participants with various risk levels for future homelessness who experienced homelessness vs. comparison groups, over a four-year period



Notes: Findings are from Table 7 from the working paper. All differences between TLS and comparison groups are statistically significant at a 99% level of confidence.

- 3. Positive benefits exist across racial and ethnic groups.** Black, Latinx, and White participants in TLS all experienced statistically significant reductions in homelessness. However, the benefits were largest for Latinx participants (30.6% decrease) and smallest for Black participants (19.1% decrease).
- 4. People with different risk levels of future homelessness benefit from TLS, but there are important differences.** TLS programs were originally designed to quickly rehouse people experiencing homelessness due to a financial shock, however, people with varying service histories related to health, mental health and criminal legal involvement, are increasingly enrolled in TLS. Because of this, we assess the program's effectiveness across a dimension of risk of experiencing homelessness again in the future. To do this, we stratify the people in our study into three groups that correspond to future risk of experiencing homelessness, and then estimate the impacts for each group. TLS participants from all three groups experienced a 25% reduction in homelessness compared to similar adults. This suggests that TLS can be effective for adults with both low and high risk of future homelessness. However, the reductions in homelessness among low-risk individuals were concentrated in the first two years of enrollment, while the reductions in homelessness for high-risk individuals was sustained in each of the four years. Because those in the high-risk group continued to experience the highest rates of future homelessness, the total reductions in homelessness from TLS were largest among this group.

Future research needs

TLS as an alternative to Permanent Supportive Housing

We do not produce any empirical evidence that would explain why TLS impacts differed by level of future homelessness risk. For lower-risk individuals, those not receiving the subsidy may eventually be able to self-resolve, which is why the impact may be concentrated in the first two years. However, for higher-risk individuals, the benefits may come from shifting TLS participants away from a path of chronic homelessness, and this shift is reflected over a longer time horizon. Whatever the explanation, it is clear that there is variation in needs among individuals experiencing

homelessness, and theories of what could work for whom should be tested and not assumed.

Despite the 25% reduction in homelessness for the high-risk group, 44% of these TLS participants still experienced homelessness, suggesting strategies to improve and update this program (especially for higher-risk populations), should be considered and studied. The high share of people still experiencing homelessness could be due to difficulties these individuals face in moving into rental units (44% of the high-risk group never moved in), but they may also face additional challenges that are not currently addressed by the program. The main alternative to TLS programs for those with higher needs is permanent housing with supportive services. New strategies that integrate supportive services with TLS could be tested. This may be the more scalable option as the supply of permanent housing units with supportive services is constrained.

Cost benefit analysis and increasing TLS subsidy take-up

Our work was not able to produce a rigorous cost-benefit analysis of TLS in Los Angeles, and this would be valuable. Given that TLS reduces future enrollment in Street Outreach services and Interim Housing, a cost-benefit analysis of TLS may show net benefits. In addition, since TLS reduced homelessness among individuals who may qualify for PSH, there could be net benefits to reducing the demand for PSH units. Finally, while 62% of adults enrolled in TLS were able to move into rental units and use the TLS subsidy, it is important to better understand why more than 1 in 3 enrollees are unable to use the subsidy. Similar move-in rates have persisted over time and policies to improve uptake of subsidies should be tested for impact.

Conclusion

There is a homelessness crisis in Los Angeles and successfully addressing it requires a multi-pronged approach, as well as rigorous research to show what programs are effective. Our research suggests that TLS, while imperfect, has been successful in reducing homelessness — not just during immediate receipt of a subsidy, but for two years after the subsidy ends. While there are concerning disparities, TLS also provides positive benefits across racial and ethnic groups, and it also reduces future use of homelessness services among people with varying risk of future homelessness.

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Endnotes

- 1 Author calculations based on Rapdi Re-Housing beds to total Permanent Housing beds using the Housing Inventory Count (<https://www.hudexchange.info/resource/3031/pit-and-hic-data-since-2007/>, last accessed 10/17/2023).
- 2 TLS evidence is reviewed by Byrne et al., 2021; Evans et al., 2021; and Gubits et al. 2018.
- 3 This was shared with us by a LAHSA program administrator.
- 4 For a complete description of data sources, please refer to the working paper available [here](#).
- 5 A full description of these methods, including tests to validate the strategy, are available in the working paper available [here](#).