

# HOUSING AGENCY WAITING LISTS AND THE DEMAND FOR HOUSING ASSISTANCE

PAHRC



Public and Affordable Housing Research Corporation // FEBRUARY 2016

# RESEARCHSPOTLIGHT



## ABOUT THE PUBLIC & AFFORDABLE HOUSING RESEARCH CORPORATION (PAHRC)

PAHRC is HAI Group’s independent, non-profit research center dedicated to conducting research that promotes the national conversation about the importance of affordable housing. Through industry collaboration, data collection and independent research, PAHRC spotlights the impact, outcomes and value affordable housing brings to the families it serves and to the communities it supports. PAHRC also delivers data and tools that assist researchers, practitioners and advocates to build an evidence-based case for why affordable housing matters.

HAI Group is a family of companies dedicated to making a difference in the public and affordable housing community. For housing providers that face unique challenges, HAI Group is the one-stop-resource and trusted choice for best-in-class, proven solutions tailor-made for housing. Working in partnership with industry leaders to support mission critical goals, HAI Group turns ideas into reality with innovative solutions that help move housing forward for our more than 1,400 stakeholders. HAI Group is governed by housing providers, with deep industry connections and a social mission dedicated to serving the best interests of the public and affordable housing community since 1987.

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## INTRODUCTION

**Chicago, Illinois:** The Chicago Housing Authority (CHA) opened its public housing, Housing Choice Voucher (HCV), and property rental assistance program waiting lists in 2014 for four weeks. Each of the lists had been closed for at least four years<sup>1</sup>. More than 282,000 people registered for a chance to be placed on one of the waiting lists, representing approximately 50% of all low-income eligible households in the city and more than a quarter of all of the city's households<sup>2,3</sup>.



The 96,000 families placed on the waiting lists by a lottery were vying for fewer than 3,000 new units plus any units that might open up due to turnover<sup>4,5</sup>. In 2013, about 2,000 households were taken off of CHA's waiting lists and awarded housing assistance in the next year<sup>6</sup>. Nearly 16,000 waiting list registrants reported being homeless, living in a shelter or transitional housing. This was more than double the number of homeless individuals previously thought to be living in the city. Once they are registered, families on the public housing waiting list in Chicago wait three and a half years on average before receiving assistance<sup>7</sup>.

This story has been repeated many times across the country. As the need for affordable housing rapidly outpaces the supply, housing agencies are forced to put families in need of housing on waiting lists. In 2012, the last time national waiting list data was collected, there were approximately 1.64 million families waiting for public housing units and 2.76 million families waiting for HCVs with only 80% of housing agencies reporting<sup>8</sup>. A full census of housing agency waiting lists would likely raise this number significantly. Nearly all housing agencies had a waiting list in 2012. Only 4% of agencies with public housing and 1% of agencies with HCVs reported zero families waiting for assistance<sup>9</sup>. At the same time, approximately 48% of HCV waiting lists and 6% of public housing waiting lists were closed to new applicants<sup>10</sup>,

artificially capping the number of families waiting for rental housing assistance and underestimating the true count. Moreover, the number of families waiting for assistance does not encompass all families that need assistance, since it excludes those that do not apply. It is estimated that 19 million households may qualify for assistance<sup>11</sup> and that 7.7 million households currently do not receive assistance and are paying more than 50% of their annual income for housing and or live in severely inadequate housing<sup>12</sup>. There are estimated to be 7.12M units of federally subsidized housing<sup>13</sup> most of which are currently housing families.

This feature explores the mechanics of rental housing assistance waiting lists at housing agencies and the factors that impact how long and how many people might wait for assistance. It also estimates a 'corrected' waiting list count, which suggests that nearly three times as many families would be waiting per HCV and 6% more families would be waiting for each public housing unit if a significant number of housing agency waiting lists were not closed due to overwhelming demand. Based on these estimates, just over 2 million families would be waiting for public housing and approximately 9.5 million families would be waiting for HCVs<sup>14</sup>, above the already 3.6 million families currently receiving assistance through the public housing and HCV programs<sup>14</sup>.



**19M** Households may qualify for assistance



**7.1M** Assisted Units

**2.8M+** Families waiting for HCV



**1.6M** Families waiting for public housing

**48%** Of PHAs with HCVs



**6%** Of PHAs with Public Housing

**3X** As many waiting per HCV without closures



**6% MORE** Waiting per public housing unit without closures

**9.5M** Families would be waiting for HCVs without closures

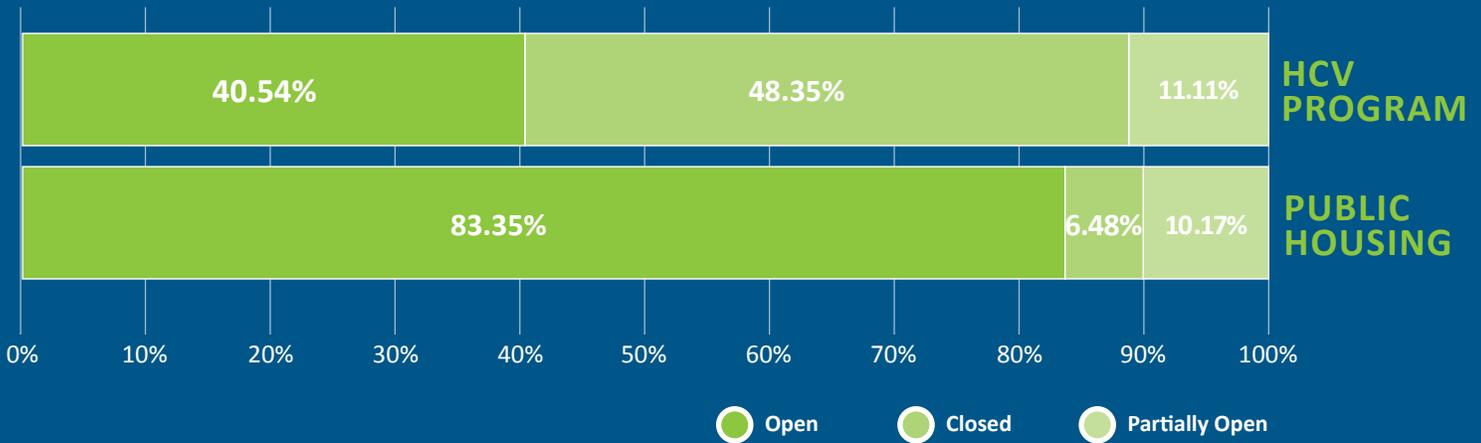


**2M** Families would be waiting for public housing without closures



## HOUSING AGENCY WAITING LIST STATUS 2012

PAHRC tabulation of the Public Housing Authority (PHA) Homeless Preferences Survey 2012



# A BRIEF OVERVIEW OF HOUSING AGENCY WAITING LISTS

## WHAT IS A WAITING LIST?

Housing agencies manage the allocation of housing assistance under the oversight of the US Department of Housing and Urban Development (HUD). Standards established by federal law reserve eligibility for housing units based on a family's adjusted annual income and specific income targeting percentages<sup>15</sup>. When there are no available public housing units or HCVs, families can add their name to a waiting list to potentially be selected for admission when housing units open. Most housing authorities maintain two separate waiting lists for public housing and HCVs, but some agencies combine these lists since families can apply for both programs at the same time. Housing agencies administering public housing can also maintain individual site-based waiting lists for each public housing development. Some waiting lists are regionally centralized since families may be willing to move outside of their community to obtain affordable housing in a metropolitan area.

As units become available, families are selected in the order they were placed on the list and undergo a verification process to ensure their eligibility for assistance. Some

families or individuals may be prioritized for selection based on additional targeting criteria established by the housing agency in order to address critical local needs, such as homelessness (see 'Housing Agency Preferences' on page 7). Due to the large number eligible families vying for a limited pool of units, many housing agencies have a lottery system for determining who may be placed on the waiting list when spots open. When the list reaches a length at which the housing agency can no longer provide units to families within a reasonable time frame, it is often closed and names can no longer be added. A housing agency will re-open the list when enough waiting families have been served or the list becomes outdated.

## MAINTAINING THE WAITING LIST

Housing agencies have some discretion in how their waiting list is maintained. However, over the history of the public housing and HCV programs, waiting list administration has been heavily regulated by HUD<sup>16</sup>. Most housing agency waiting list policies are set by its Board of Commissioners and locally defined within the consolidated planning process.

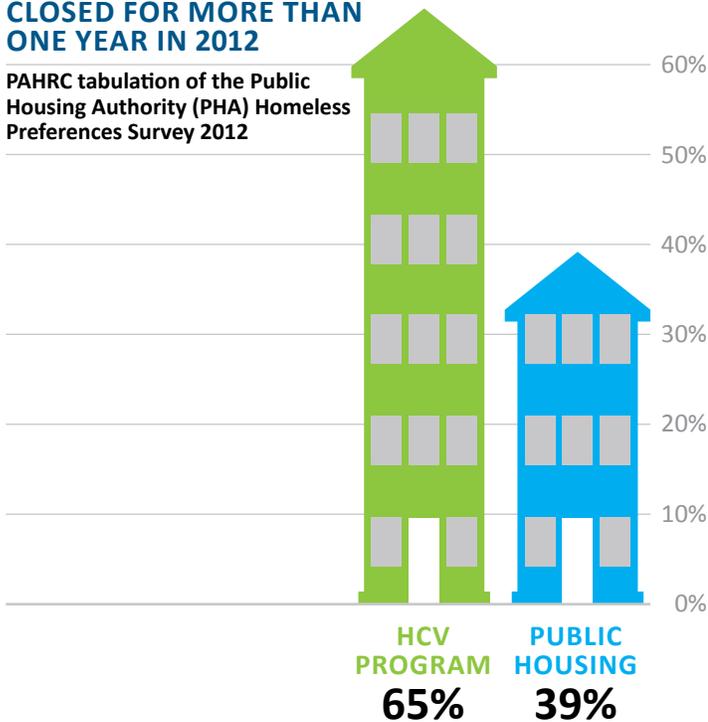
Internal housing agency policies regarding waiting list administration can have a large impact on the count of families waiting for assistance, the characteristics of those waiting, and wait times for various categories of families. For example, some housing agencies opt to keep the list open and periodically cull families that have moved or no longer need assistance rather than close the list, despite its length. Other housing agencies do not have enough employees to regularly track families on the list and it must be closed when it reaches a certain number of applicants. In addition, different housing agencies experience different turnover rates so that housing agencies with faster turnover rates might maintain longer waiting lists than those with slower rates of program churn. Keeping the list current can be problematic for all housing agencies as many waiting families are experiencing housing instability and cannot provide a permanent address. Sometimes a family that has moved to the top of the list cannot be located to notify that a public housing unit or HCV is available.

### Keeping the Waiting List Open

Housing agencies have the authority to determine whether their waiting list remains open indefinitely, for defined periods of time, or partially open to particular categories

### HOUSING AGENCIES WITH CLOSED WAITING LISTS CLOSED FOR MORE THAN ONE YEAR IN 2012

PAHRC tabulation of the Public Housing Authority (PHA) Homeless Preferences Survey 2012



of applicants that meet the housing agency’s established preferences (see ‘Housing Agency Preferences’ on page 7). In 2012, approximately 40% of HCV waiting lists and 83% of public housing waiting lists were open to the general public on an ongoing basis. The remaining waiting lists were either closed indefinitely or only partially open<sup>17</sup>.

### Closing the Waiting List

HUD advises housing agencies to close their waiting list when they have insufficient resources available to assist all families on the waiting list over a reasonable period of time, as defined by the housing agency. In 2012, approximately 65% of closed HCV waiting lists and 39% of closed public housing waiting lists had been closed for more than one year<sup>18</sup>.

A housing agency’s ability to cycle through their waiting list can be hindered by a low turnover rate, decreased federal funding, the tightness of the housing market, and a higher need for apartments sized to accommodate large families. Housing agencies in markets experiencing these factors may close their waiting lists for longer periods of time to allow them to serve those currently on the waiting list in a timely manner. Indeed the probability that a public housing or HCV waiting list is closed increases as area rents rise<sup>19</sup>.

### Re-opening the Waiting List

Local needs and circumstances play an important role in a housing agency’s decision to re-open a waiting list once it has been closed. These factors can include vouchers and housing unit availability, an old or dwindling waiting list, or the need to target specific populations. Whenever a waiting list is re-opened a housing agency must issue a public notice that reaches a wide group of people and includes information about the application procedure and the criteria for application<sup>20</sup>. When housing agencies re-open a waiting list that has been closed for some time, there is often evidence of pent up demand for housing assistance with many more families registering to apply for assistance than there are open spots available, as evidenced in Chicago (see page 3).

## HOUSING AGENCY PREFERENCES

HUD mandates require that 75% of households admitted to the HCV program and 40% of households admitted to the public housing program in a given year are extremely low-income (ELI), or 30% of the area median income or below<sup>21</sup>. Yet local preferences can help target assistance to families that embody specific community needs. Preferences can be established for certain categories of families or individuals by selectively opening the waiting list or by moving targeted households closer to the top of the list. Housing agencies can also opt to limit the number of families that qualify for each established preference. Approximately 62% of housing agencies have established some kind of preference for determining entrance into their HCV and public housing programs<sup>22</sup>. These preferences do not prevent any income eligible households from receiving housing assistance, but can expedite the process for households that meet the housing agency's preference criteria. Local preferences do not include special purpose vouchers provided by HUD, which are set aside to serve specific national needs, such as veteran homelessness.

Example preferences include priority for the elderly, veterans, victims of domestic violence, or those experiencing homelessness. According to a study conducted in 2004 by the National Low Income Housing Coalition (NLIHC), the most common preferences were for families who were involuntarily displaced, victims of domestic violence, or residents that lived and worked in the housing agency's jurisdiction. Housing agencies administering public housing waiting lists also commonly expressed a preference for working families or those unable to work due to a

disability<sup>24</sup>. In 2012, among housing agencies with already established preferences for homeless individuals or families, the most common additional preferences were for victims of domestic violence, victims of natural disasters, and local residents<sup>25</sup>.

Housing agencies develop preferences based on their analysis of local housing needs and input from community residents and leaders. Before establishing preferences, housing agencies must hold local hearings and have the measures approved by their Board of Commissioners. Housing agencies cannot establish preferences that discriminate against families based on where they currently live, where they will live with program assistance, or based on protected classes such as: age, race, color, religion, presence of children, gender, national origin, and marital and disability status<sup>26</sup>. Waiting list preferences and policies must be documented in a housing agency's Annual Plan, which is part of the community's collaborative local strategy for community development<sup>27</sup>.

Approximately 62% of housing agencies have established some kind of preferences for determining entrance into their HCV and public housing programs<sup>22</sup>.



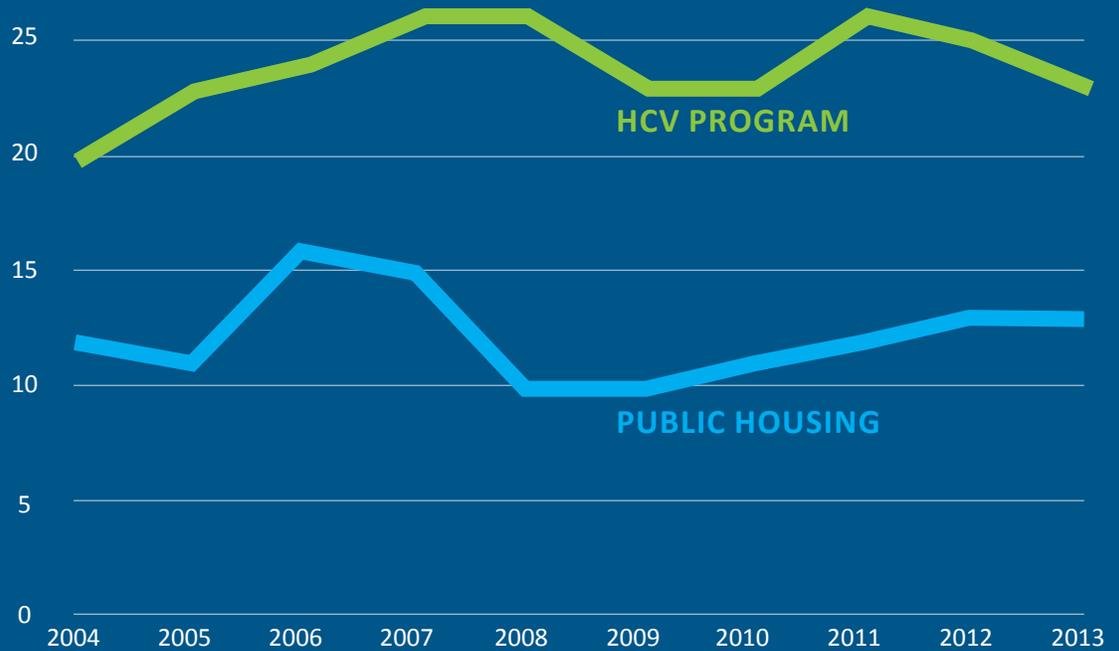
### TYPES OF HOUSING AGENCY PREFERENCES<sup>23</sup>

- Local Residents
- Severe Rent Burden
- Substandard Housing
- Displaced by Public Action
- Displaced by Natural Disaster
- Veterans
- Homeless
- Elderly
- Disabled (elderly and non-elderly)
- Victims of Domestic Violence
- Families Referred by Child Welfare Agencies
- Youth Aging Out of Foster Care
- Household Transitioning from Other Voucher Programs (VASH, HOPWA, etc.)



### AVERAGE MONTHS SPENT ON HOUSING ASSISTANCE WAITING LISTS 2004-2013

PAHRC tabulation of Picture of Subsidized Households 2004-2013



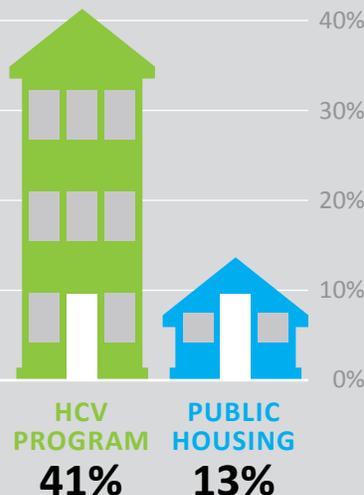
# AVERAGE TIME SPENT WAITING FOR RENTAL ASSISTANCE

Although HUD recommends that the wait time for assistance not exceed two years, as the need for housing assistance grows due to worsening economic conditions for low-income families and federal funding for housing assistance shrinks, meeting this goal becomes difficult. Under such conditions, fewer families can make ends meet without assistance, which slows program exits and increases wait times for applicants. In 2013, approximately 41% of

housing agency HCV programs and 13% of housing agency public housing programs had average wait times longer than two years<sup>28</sup>. Based on the estimated number of families waiting for housing assistance in 2012, it would take 9.3 years, on average, to provide every family currently on waiting lists with rental assistance at an assumed 15% turnover rate if all families waiting were eligible for assistance<sup>29</sup>.

### HOUSING AGENCIES WITH AVERAGE WAIT TIMES OVER TWO YEARS 2013

PAHRC tabulation of Picture of Subsidized Households 2013



The average time families nationwide spent on waiting lists for HCVs and public housing units fluctuated between 2004 and 2013, with counts in both programs peaking in 2006 and 2007 before the recession. The most recent data from 2013, shows newly admitted families spending an average of 23 months on HCV waiting lists and 13 months on public housing waiting lists before receiving assistance<sup>30</sup>.

Wait times also vary by location and resident demographic factors. The following analyses<sup>31</sup> explore simple relationships between wait times, geographic location, and agency-wide average resident characteristics for newly admitted residents. They do not develop a specific set of characteristics that best explain how long recently admitted residents might wait for housing assistance, but provide some basic comparisons of wait times by typical resident character-

istics at housing agencies <sup>32</sup>. Because there are no data on applicants currently waiting, wait times of newly admitted residents are aggregated by housing agency. Overall, the comparisons suggest that waits are longer when and where families need more time to save or to make the labor market investments needed to afford market-rate rentals.

## WHO SPENDS LONGER ON THE WAITING LIST?

The average time a family spends on the waiting list at a housing agency varies significantly based on the demographics of the residents that the agency typically serves. Housing agencies with more vulnerable or potentially harder to serve residents generally report longer average wait times for new admissions to both the public housing and HCV programs. For example, agencies that serve larger families typically have longer wait times as do agencies with higher percentages of three bedroom units in their housing portfolios. Housing agencies serving higher percentages of Extremely Low-Income (ELI) residents also report longer average wait times for new admissions than housing agencies serving fewer ELI residents. Similar to large families, who may need more time to position themselves to afford higher cost, larger rental units, ELI households may take longer to find employment that allows them to afford housing on their own. It is also possible that housing agencies that

serve higher numbers of large or ELI families are located in more expensive areas where it is more difficult in general for families to afford housing. Indeed in the HCV program, housing agencies serving residents with higher household incomes report shorter average wait times when rental costs are held constant. This relationship suggests that families with more income might be better positioned to exit the program more quickly than poorer families, opening up spots more quickly for new admissions in the process.

Like large or ELI families, elderly and disabled residents might also be considered more difficult to serve if they have special needs that standard rentals cannot address. Moreover, they might be considered more vulnerable to poverty since they often have fixed incomes, which may never allow them to afford housing on their own. Yet in the public housing program, housing agencies with higher percentages of elderly or disabled residents report lower average wait times for new admissions. Subsidized seniors are reported to have more chronic health problems than their unsubsidized low-income peers that may require an early move to a facility that offers a higher level of care<sup>33</sup>. Thus housing agencies serving a higher percentage of senior and disabled residents may demonstrate shorter wait times than those agencies serving younger or more able bodied families because acute health needs may cause seniors to transition to other housing options more quickly.

### AVERAGE HOUSING AGENCY CHARACTERISTICS AND AVERAGE WAIT TIME FOR NEW RESIDENTS

| VARIABLE  | PUBLIC HOUSING WAIT TIME         | HCV PROGRAM WAIT TIME           |
|---|----------------------------------|---------------------------------|
| Larger Family Size (Higher Percent of units that are 3 Bedroom) | Increase                         | Increase                        |
| Larger Average HH Size  | Increase                         | Increase                        |
| Higher Average HH Income  | No impact (controlling for cost) | Decrease (controlling for cost) |
| Higher Percent ELI  | Increase                         | Increase                        |
| Higher Percent Elderly  | Decrease                         | No impact                       |
| Higher Percent Disabled   | Decrease                         | No impact                       |

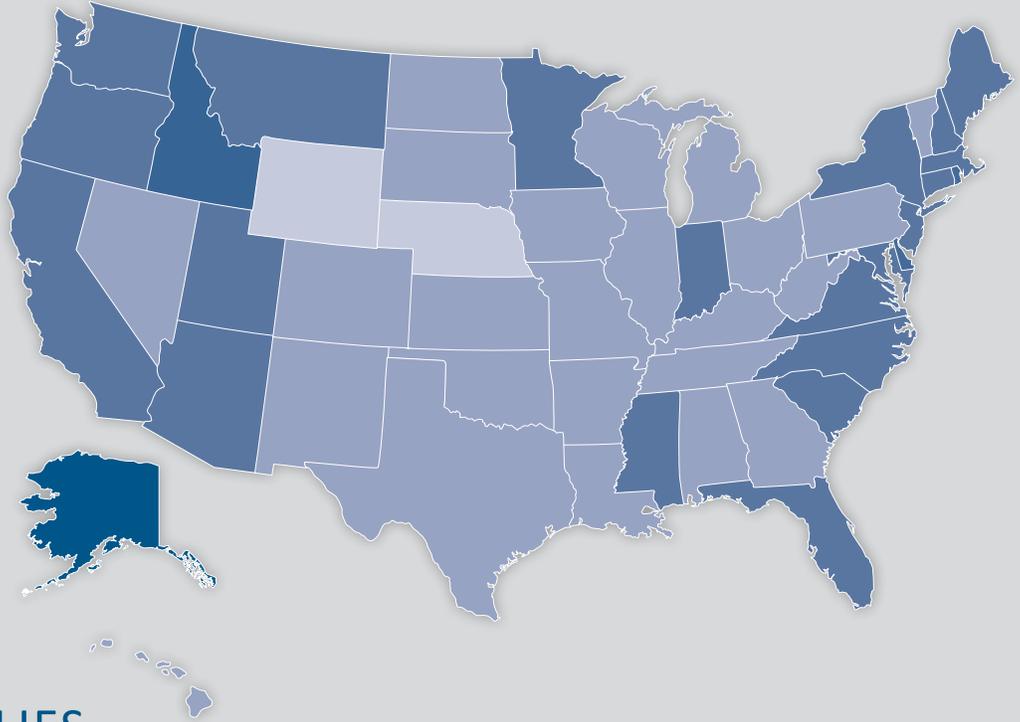
PAHRC analysis of Picture of Subsidized Households 2013

**CLICK HERE TO FIND THE AVERAGE WAIT TIME IN YOUR COUNTY.**

Average years waiting for HCV

- Less than 1 year
- 1 - 1.9 years
- 2 - 2.9 years
- 3 - 3.9 years
- More than 4 years

PAHRC tabulation of Picture of Subsidized Households 2013



## WHERE DO FAMILIES WAIT LONGER?

Housing agency geography and local market factors also play a role in how long families typically wait for a public housing unit or an HCV. Average wait times vary by location with some agencies near major cities, such as Washington DC and New York City, exhibiting average agency wait times over 10 years<sup>34</sup>.

Further analyses show that in both programs, average wait times for new admissions are indeed significantly longer in metropolitan areas<sup>35</sup>. Wait times are also longer at housing agencies with higher average housing costs and naturally, at agencies with longer average resident tenure. These relationships suggest that wait times are longer where it is more difficult for low-income families to afford housing on their own.

Neighborhood quality also has an impact on wait time. In the HCV program, when housing costs are held constant, agencies with more properties located in neighborhoods of higher poverty have lower wait times. This relationship suggests that in areas where landlords accepting vouchers are more concentrated into higher poverty areas, competing market-rate rentals may be affordable without a housing subsidy. This dynamic lowers wait times for HCVs. However agencies with public housing units concentrated into higher poverty areas have higher wait times, on average, until rental costs are held constant. This relationship suggests that housing agencies with more units located in high poverty areas might also operate in more expensive markets where low cost housing is more difficult to find and more families need housing assistance, slowing down turnover.

### AVERAGE HOUSING AGENCY CHARACTERISTICS AND AVERAGE WAIT TIME FOR NEW RESIDENTS

| VARIABLE                                  | PUBLIC HOUSING WAIT TIME            | HCV PROGRAM WAIT TIME              |
|---|-------------------------------------|------------------------------------|
| In Metro Area (CBSA)                      | Increase                            | Increase                           |
| Longer Average Resident Tenure            | Increase                            | Increase                           |
| Higher Average Census Tract Poverty       | Increase                            | No Impact                          |
|   | No impact<br>(controlling for cost) | Decrease<br>(controlling for cost) |
| Higher Average Total Rental Cost per Unit | Increase                            | Increase                           |

PAHRC bivariate regression analysis of Picture of Subsidized Households 2013



## DRIVERS OF THE COUNT OF HOUSEHOLDS WAITING PER UNIT OF HOUSING ASSISTANCE

| HCV PROGRAM               |             |                  | PUBLIC HOUSING PROGRAM         |             |                  |
|---------------------------|-------------|------------------|--------------------------------|-------------|------------------|
| Variable                  | Coefficient | (Standard Error) | Variable                       | Coefficient | (Standard Error) |
| Percent of Renters ELI    | 0.023~      | (.014)           | Population                     | 0.000***    | (.000)           |
| Gross Median Rent         | 0.008***    | (.001)           | Gross Median Rent              | 0.008***    | (.001)           |
| Unemployment Rate         | 0.011***    | (.002)           | Homeless Population            | 0.000~      | (.000)           |
| Percent Vouchers Utilized | -0.060***   | (.008)           | Total Subsidized Units         | -0.0001***  | (.000)           |
| Probability of Response   | -7.654***   | (1.667)          | Probability of Survey Response | -13.592***  | (3.233)          |
| Constant                  | 7.292***    | (1.747)          | Constant                       | 7.262**     | (2.776)          |

PAHRC analysis of the Public Housing Authority (PHA) Homeless Preference Survey 2012. Censored Ordinary Least Squares Regression. \*\*\* p<.001 \*\*p<.01 \*P<.05 ~p<.10

# ESTIMATING DEMAND FOR RENTAL HOUSING ASSISTANCE

The public housing program currently serves 1.12 million households and the HCV program serves 2.45 million households with at least 1.64 million additional households waiting for a public housing unit and 2.76million additional households waiting for an HCV in 2012<sup>36</sup>. While being listed on a waiting list does not guarantee that a household qualifies to receive assistance, waiting list counts can be helpful barometers of unmet demand for rental assistance. A study by the NLIHC found that over 80% of families on waiting lists for public housing and HCVs had extremely low-incomes, suggesting that most waiting families would indeed qualify for assistance<sup>37</sup>. However, waiting list counts underestimate the true level of unmet demand because they are often closed and thus artificially capped. A more accurate estimate of unmet demand would incorporate families who wanted to apply, but could not. Understanding the level of unmet demand allows communities to better plan for and meet their affordable housing needs. It is important to keep in mind, however, that the demand for rental assistance does not necessarily reflect the true need, since not all families who would benefit from housing assistance actually apply even when waiting lists are open.

## CORRECTING THE COUNT OF FAMILIES WAITING FOR ASSISTANCE

The following analyses utilize statistical models<sup>38</sup> that adjust for data censoring (or artificial caps) that occurs when waiting lists are closed. They also adjust for housing agency capacity (or program units counts) since larger housing agencies have larger waiting lists. As a result, the models shown above predict a ‘corrected’ number of families waiting per unit of housing at each housing agency for each housing program<sup>39</sup>, based on a number of local factors that reflect the need for housing, the supply of low-cost housing units, local market factors, and other socio-economic features of a housing agency’s jurisdiction. Waiting list counts come from the *PHA Homeless Preferences Survey 2012*<sup>40</sup>. Economic, demographic, and housing data come from a variety of sources<sup>41</sup> and are at the jurisdictional level of the housing agency<sup>42</sup>, accounting for centralized lists<sup>43</sup> and an agency’s probability of survey response<sup>44</sup>.

Current waiting list counts show that there are nearly 1.5 families waiting for every HCV under contract<sup>45</sup> and 1.7 families waiting for every public housing unit, on average. Thus if every unit was replaced with a waiting family once it was vacated, half of available HCV units could be filled a second time with families waiting for HCVs and 70% of the public housing units could be filled a second time with families waiting for public housing. Corrected estimates predicting waiting list counts without closures show that nearly 4.0 families would be waiting for every HCV under contract and 1.8 families would be waiting for every public housing unit, on average, if a number of waiting lists were not closed. These estimates are 250% above replacement for HCVs and nearly three times higher than the current count of families waiting per HCV. Thus if 48% of HCV waiting lists were not closed, each existing HCV unit would need to be filled almost four times to accommodate all the waiting families and approximately 9.5 million families might be waiting for an HCVs nationwide. For public housing, corrected estimates are 80% above replacement and nearly 6% higher than the current count of families waiting per public housing unit. Without waiting list closures there would be closer to 2 million families waiting for a public housing unit nationwide.

These estimates vary by location. Estimated waiting list counts in some areas are predicted by the model to be up to 12 times higher for HCV's and 15 times higher for public housing. The map below depicts the estimated number of families waiting per HCV by state. You can drill down to view county level estimates on by clicking the link below.

As noted above, estimated waiting list counts are predicted based on socio-economic factors in a housing agency's jurisdiction. The factors that best predict the number of families waiting per unit of housing assistance without waiting list closures as well as the impact of these factors on waiting list counts are explained in more detail below. The table on page 11 provides values associated with the statistical models. The models show that socio-economic factors do play an important role in driving waiting list counts and that the factors that are most important in predicting the count of families waiting per unit of housing differ by housing assistance program. However, the models also suggest that other factors like internal policies on waiting list administration might be additional drivers of waiting list counts and should be incorporated into future models when data are available.

### Housing Costs and Cost of Living

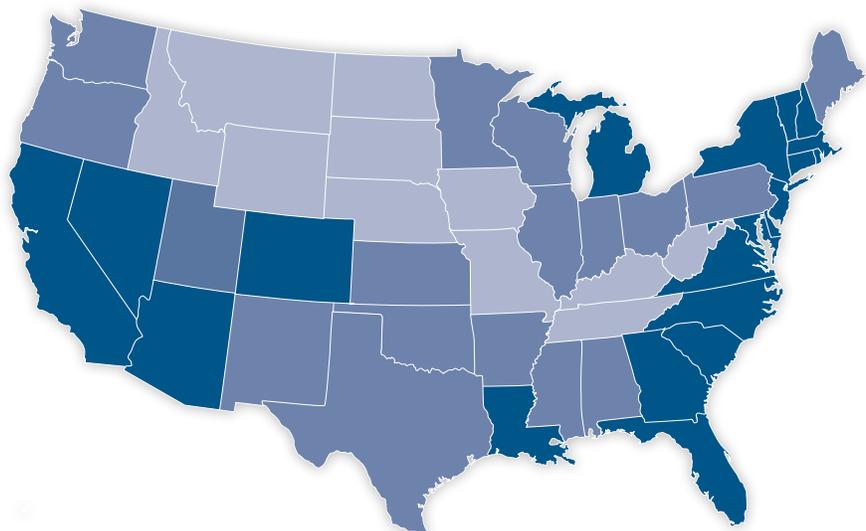
The cost of rental housing plays a central role in the size of an area's waiting list. For both the public housing and HCV program, increases in the area gross median rent are related to an increase in the number of families waiting per unit in the housing agency's jurisdiction. For every \$100 increase in the area gross median rent, the number of families waiting for each HCV or public housing unit increases by one additional family. For example, a city with a median gross rent of \$800 might have three families waiting for every existing public housing unit and HCV, but a city with a gross median rent of \$900 would have four families waiting for every unit. Other indicators such as area home values or area household income, which also reflect cost of living, are

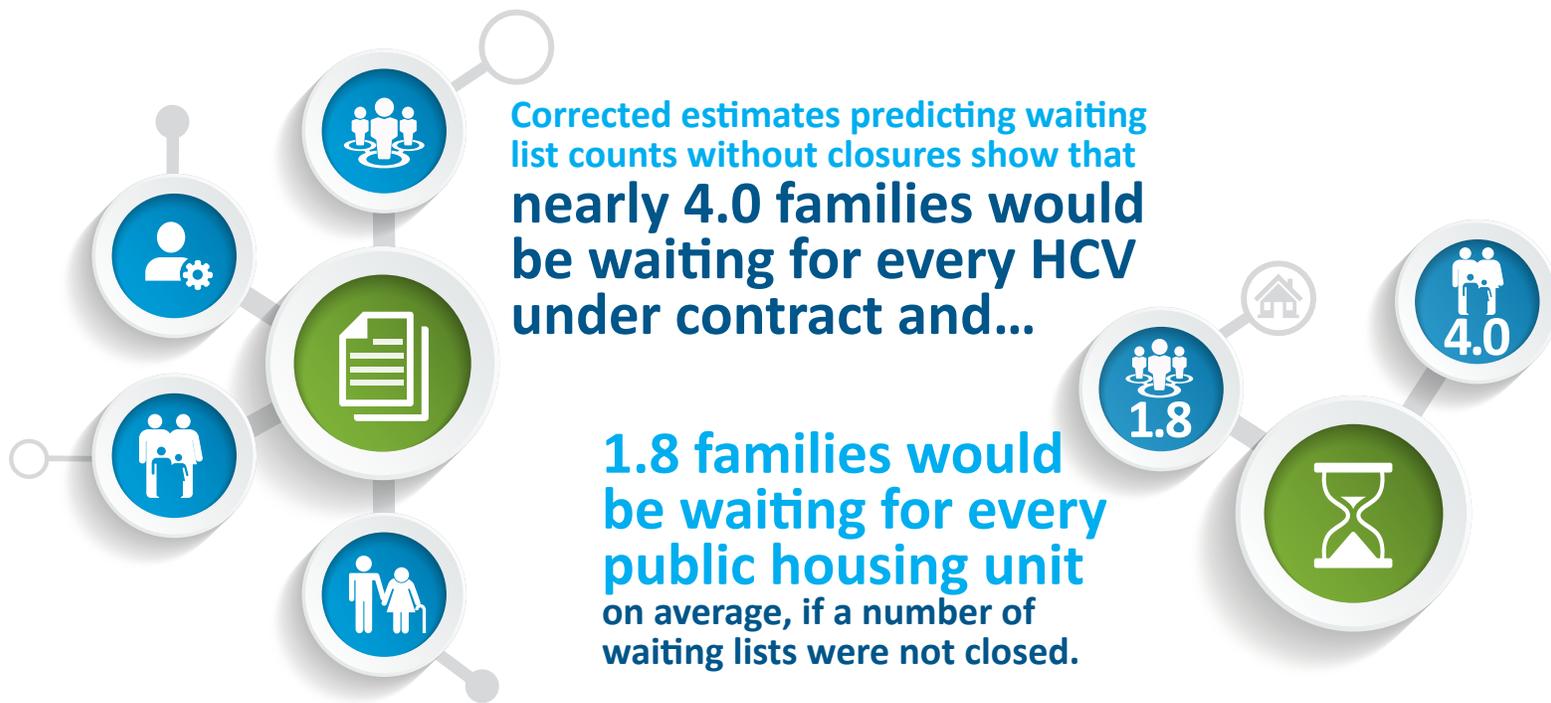
### CLICK [HERE](#) TO FIND THE CORRECTED VS. UNCORRECTED HOUSEHOLDS WAITING PER UNIT COUNT IN YOUR COUNTY

Corrected number of households waiting per HCV

- 2 households per unit
- 3 households per unit
- 4 or more households per unit

PAHRC analysis of Public Housing Authority (PHA) Homeless Preference Survey 2012





overshadowed by median gross rent as a predictor of HCV and public housing waiting list per unit counts. Cost of living, specifically rental cost, is an important driver of waiting list size and unmet demand for housing assistance.

### Demographic Factors

Higher population counts and location in a metropolitan area also predicts longer waiting list counts per unit of housing assistance. However, this relationship is more robust for public housing. Every additional 100,000 people in a housing agency’s jurisdiction increase the waiting list count per unit for public housing by one family. For example, a city with a population of 500,000 that has similar characteristics to a city with a population of 400,000 might have three families waiting per public housing unit, where the smaller city would have two families waiting per public housing unit.

This relationship is not exhibited for HCVs. Per unit waiting list counts in public housing are likely more sensitive to population change than waiting list counts per HCV because the number of HCVs themselves are more responsive to population change than the number of public housing units. The number of HCVs has steadily grown with population over the last decade while public housing units have decreased<sup>46</sup>. As a result, increases in population would impact waiting per unit counts for public housing more than HCVs because new public housing units are not being added as the population grows to pick up unmet demand for housing assistance.

### Supply of Low-cost Housing

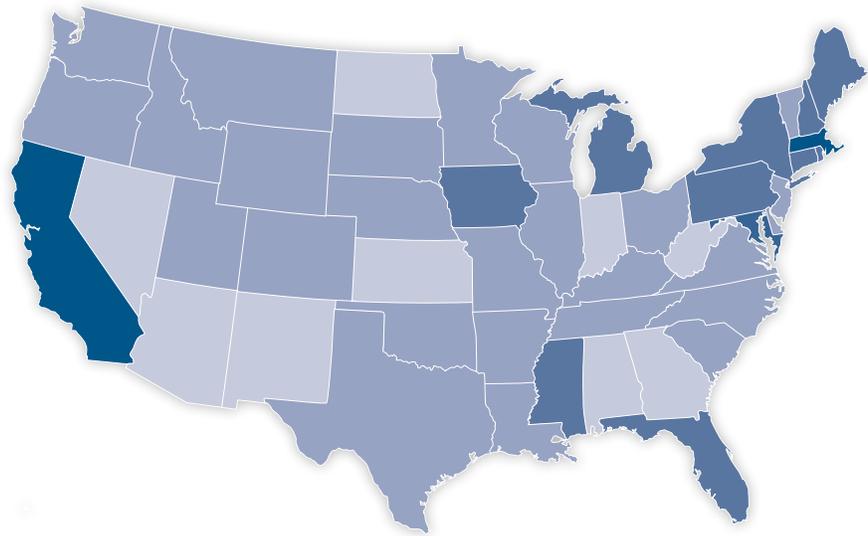
At the same time, the supply of low-cost housing also impacts waiting list size. A greater number of project-based subsidized housing units<sup>47</sup> lowers the count of families waiting per public housing unit, but has little impact on the count of families waiting per HCV. The addition of 10,000 project-based units in a housing agency’s jurisdiction would decrease the count of families waiting per unit of public housing by one family per unit. For example, a city with 50,000 project-based assisted units might have three families waiting for every public housing unit and a similar city with 40,000 project-based units would only have two families waiting for every public housing unit. Other measures of affordable housing supply, such as the number of units with rents affordable to very low-income families or the percentage of rentals in the overall housing stock, are overshadowed by the number of subsidized units in the area or area housing costs.

Utilization rates for available HCVs also play a role in the HCV program. As utilization rates increase by ten percent, waiting per unit counts decrease by half a family. For example, a city with 100% utilization of HCVs might have five families waiting per HCV and a city with an 80% utilization rate would have just four families waiting per HCV. This relationship suggests that fuller HCV programs are more readily able to tap into their waiting list to fill open spots. Controlling for rental costs and demographic factors, occupancy rates have little impact on the number of families waiting for public housing units.

**CLICK HERE TO FIND WHICH DRIVERS OF FAMILIES WAITING PER UNIT OF HOUSING ASSISTANCE ARE STRONGEST IN YOUR COUNTY**

Percent of renter households on public housing or HCV waiting lists.

- 2.1 - 5.0
- 5.1 - 10.0
- 10.1 - 15.0
- 15.1 - 20.0
- 20.1 - 66.5



PAHRC analysis of Public Housing Authority (PHA) Homeless Preference Survey 2012 and American Community Survey 2008-2012 (five year estimates)

**Need for Housing Assistance**

Measures of need, like the local homeless population, the percentage of renters that are ELI, and the percent of people out of work also predict waiting list size, particularly in the HCV program. For every 10 percentage point increase in the proportion of ELI families that make up all renters in a housing agency’s jurisdiction, the number of families waiting per HCV increases by nearly half a family per unit. Likewise, a 10 percentage point increase in the unemployment rate would increase the number of families waiting per HCV by a tenth of a family. A more significant predictor of larger waiting lists counts per unit in public housing is the size of the homeless population. An additional 10,000 homeless families in a housing agency’s jurisdiction would increase the number of families waiting per unit of public housing by one family per unit. These predictors overshadow the percent of households in poverty and the percent of households receiving another form of assistance, such food stamps, as predictors of demand for housing assistance.

Explore how the impact of socio-demographic factors on waiting list counts varies by location by clicking on our interactive map above.

**USING ADJUSTED WAITING LIST COUNTS AS A PROXY FOR THE UNMET DEMAND FOR HOUSING ASSISTANCE**

Waiting list data can be an accurate proxy of the number of people who might apply for housing assistance in an area if the waiting list is not closed. ‘Correcting’ waiting list counts for list closures predicts a near triple unmet demand for HCVs and a 6% higher unmet demand for public housing units than is shown by current estimates, nationally. Estimated waiting list counts may be even higher if data were available for each housing agency. However, it is important to remember that demand estimates based on waiting list counts only represent the people who might decide to apply for assistance, not those who need assistance and do not apply, a figure which is far greater. Thus waiting list counts once corrected for closures can be a useful estimate of unmet demand, but not of overall need for rental housing assistance.

Additionally, this analysis suggests economic and demographic factors have limited predictive power in estimating waiting list counts, particularly for the public housing program. These factors explain just a portion of variation in the number of households waiting per unit for the HCV program and the public housing program. Moreover, the public housing program is less sensitive to traditional factors of supply and demand than the HCV program. Additional agency-specific factors like a housing agency waiting list administration practices or staffing might prove to be stronger predictors of waiting list counts<sup>48</sup>. Future research examining the best models for approximating the unmet demand for housing assistance should incorporate such data. There is also more research to be done on pinpointing the predictors of demand for public housing units.

## CONCLUSION

There are many people in need of housing assistance as seen on housing agencies' waiting lists. Many housing agencies are overwhelmed by applicants and must close the list to new applicants. Nearly all housing agencies have some type of waiting list, even if they have available housing units. Estimates suggest that over three times as many income-eligible families would be waiting for each existing HCV and almost 6% as many for each existing public housing units if lists were not closed. Thus the total unmet demand would be just over 2 million families waiting for public housing and approximately 9.5 million families waiting for HCVs<sup>49</sup>, above the 3.6 million families currently receiving assistance through the public housing and HCV programs.

Waiting lists can be important barometers of unmet rental assistance demand, yet imperfect measures of need for housing assistance because they only reflect families that made the decision to apply for rental assistance. Rental costs seem to be a primary driver of waiting list counts. When rental costs are high and families need additional time to be able to afford housing on their own, there is greater unmet demand for housing assistance. Additional rental assistance resources could be targeted to such areas to better address unmet demand.

The dynamics of waiting lists reflect a larger story about the need for affordable housing as demonstrated in Chicago. With only 28 units of affordable housing available for every 100 ELI families (23 of these affordable units are subsidized through a housing assistance program)<sup>50</sup>, there are many families who do not have stable, affordable housing and are at risk of homelessness or deepening poverty. **As such, increasing our nation's supply of affordable housing should be a top policy priority.**

9.5M

Families would be waiting for HCVs without closures



2M

Families would be waiting for public housing without closures

**HELP US LEARN MORE:** The National Low Income Housing Coalition (NLIHC) is furthering its earlier research on waiting list composition and is collecting data from housing agencies. You can help demonstrate the unmet demand for affordable housing in your area, especially for the neediest families, by completing their survey on waiting list composition [here](#). To learn more about the NLIHC's efforts visit their [website](#).



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WWW.PAHRG.ORG

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- 15 These standards are outlined in the Code of Federal Regulations, Title 24.
- 16 HUD guidance on waiting list procedures can be found in The Public Housing Occupancy Guidebook and HUD Handbook 4350.3: Occupancy Requirements of Subsidized Multifamily Housing Programs.
- 17 PAHRC tabulation of the Public Housing Agency (PHA) Homelessness Preferences Census Survey Data 2012. This number excludes housing agencies that answered 'clear my response' or 'refused.' Housing agencies that selected 'other' were reviewed and reclassified as open to the general public on an ongoing basis, closed on an ongoing basis, or partially open based on their open-ended response. Housing agencies with partially open waiting lists were open to the general public for a limited period of time or open to a particular category of applicants on an ongoing basis or for a limited period of time.
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- 28 PAHRC tabulation of Picture of Subsidized Households (POSH) 2013.
- 29 Turnover ratio was calculated based on the standards described here. The turnover ratio is the number years it would take for a housing agency to house everyone on their waiting list with the assumption that there are no new applicants and that there is a 15% annual turnover rate. The estimated turnover was determined for each housing agency by multiplying the total HCVs and public housing stock by 15%. The estimated turnover was then divided by the total HCV and public housing waiting list counts for that housing agency, yielding the turnover ratio. The estimated turnover for all housing authorities participating in Massachusetts's centralized Section 8 waiting list were added up and divided by the total Section 8 waiting list amount. If these housing authorities with a centralized waiting list also had separate public housing waiting lists the turnover ratio was then calculated.
- 30 PAHRC tabulation of Picture of Subsidized Households (POSH) 2013.
- 31 Analyses are based on HUD's Picture of Subsidized Housing (POSH) data, which come from mandatory reporting of resident and housing agency characteristics to HUD by each housing agency. Bivariate ordinary least squares (OLS) regression analysis allows us to see the impact of certain characteristics of housing agencies on wait times, isolated from other factors. Characteristics analyzed represent the average value for each housing agency. Estimates reflect waiting times for tenants that eventually move into an assisted housing unit and do not include applicants that do not qualify for housing assistance or those who find other low cost housing options before a unit becomes available
- 32 Wait time is likely driven by a number of factors and any of the variables explored may be overshadowed by another driver of average wait time, such as market conditions.
- 33 The Lewin Group. (2014). "Picture of Housing and Health: Medicare and Medicaid Use Among Older Adults in HUD-Assisted Housing."
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- 36 HUD Resident Characteristics Report (2015) Accessed December 2nd, 2015. PAHRC tabulation of the Public Housing Agency (PHA) Homelessness Preferences Census Survey Data 2012.
- 37 National Low Income Housing Coalition. (2004). "A Look at Waiting Lists: What can we learn from the HUD Approved Annual Plans?"
- 38 Censored Ordinary Least Squares (OLS) is used to predict waiting list counts with the censoring variable representing closed waiting lists. This technique allows analyses to account for right and or left data censoring on the dependent variable, where censored values vary between observations. Although waiting lists represent count data, the distribution of data does not allow censored maximum likelihood estimation models (which are often used to model count data) to converge. Waiting list counts are normalized by dividing the count by the number of units at the housing agency. Models were estimated for HCV waiting lists and public housing waiting lists separately.
- 39 Waiting list counts are divided by the number of HCVs or public housing units to estimate a per unit wait at each agency. This approach provides a better data distribution and also accounts for the number of units available at each housing agency, which is highly correlated with the waiting list count. Housing agencies were excluded from this analysis that refused to answer the waiting list count, that were part of Massachusetts' centralized waiting list, or that were missing data on independent variables. Thus this analysis included 2,299 housing agencies with public housing and 1,682 housing agencies with HCVs in 2012.
- 40 The PHA Homelessness Preferences Survey had an 80.5% response rate and contains data on 2,549 housing agencies with public housing and 1,829 housing agencies with HCVs.
- 41 Data sources include American Community Survey 2012 (five year estimates), Comprehensive Housing Affordability Strategy 2012 (five year), National Housing Preservation Database 2012, Picture of Subsidized Housing (POSH) 2012, and the Public Housing Agency (PHA) Homelessness Preferences Census Survey Data 2012.
- 42 Housing agency jurisdictions include city (census place), county, or state, which includes regional housing agencies. There were 2,746 city, 374 county and 42 state/regional housing agencies that responded to the survey.
- 43 Agencies taking part in Massachusetts centralized waiting list were excluded from this analysis because we could not reasonably divide the number of families waiting evenly between Massachusetts' housing agencies. Beyond Massachusetts, waiting list counts were corrected for centralized waiting lists within smaller jurisdictions by dividing the waiting list count by the number of housing agencies sharing a waiting list. This accounted for 73 housing agencies with HCVs and 47 housing agencies with public housing. Housing agencies with combined public housing and HCV waiting lists were not separated since households are legitimately waiting for both types of housing.
- 44 PAHRC logistic regression analysis of survey respondents. Housing agencies operating HCV programs were more likely to respond if they more vouchers, shorter wait times for a voucher, higher housing agency contributions to vouchers, also had public housing units, and vouchers were distributed in areas of lower poverty, on average. Housing agencies operating public housing were more likely to respond to the survey if they had higher PHAS Scores, shorter wait times for a public housing unit, were in a larger HUD designated PHA Size category, and had a lower percentage of minority residents.
- 45 The number of HCVs under contract is often lower than the total number of HCVs allocated to the housing agency since some HCVs are in the process of being leased due to turnover.
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- 47 This count includes public housing units and some units that may also accept HCVs.
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