LEARNING FROM OUR NEIGHBOURS TO THE SOUTH:
THE U.S. HOUSING CHOICE VOUCHER PROGRAM -
EVIDENCE AND LESSONS FOR CANADA

Social Planning
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Briefing Note
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“LEARNING FROM OUR NEIGHBOURS TO THE SOUTH” — A NATIONAL HOUSING DAY RELEASE

NEW RESEARCH ON THE U.S. HOUSING CHOICE VOUCHER PROGRAM PROVIDES EVIDENCE & OFFERS LESSONS FOR CANADA

Friday, November 22, 2019 – Today, on National Housing Day, Social Planning Toronto releases its new report, “Learning from Our Neighbours to the South: The U.S. Housing Choice Voucher Program - Evidence and Lessons for Canada”. This in-depth review of the Housing Choice Voucher Program, the largest portable housing program in the United States, provides an important base of evidence to guide the development of the Canada Housing Benefit, a key component of Canada’s National Housing Strategy and housing allowance programs in general. The report offers lessons from the U.S. experience, identifying principles and practices that best support positive outcomes for tenants, as well as, articulating the limitations of portable housing benefits for addressing housing needs.

CANADA’S NATIONAL HOUSING STRATEGY & THE CANADA HOUSING BENEFIT

Two years ago today, the federal government introduced its National Housing Strategy, a 10-year, $55 billion plan aimed at reducing chronic homelessness by 50% and ending core housing need for 530,000 households over the next decade. As part of the strategy, the federal government promised to work with provinces and territories to develop the Canada Housing Benefit.

This benefit will provide direct financial support of up to $2,500 per year to Canadian households in core housing need. As a portable benefit, it will be directly provided to households rather than attached to a specific housing unit. The Canada Housing Benefit is aimed at supporting individuals and families, potentially including those in social housing, on waiting lists, and in private rental housing.

The benefit will be phased in over eight years, resulting in a total investment of $4 billion, cost-shared by federal, provincial and territorial governments. By 2027-28, the federal government estimates that a total of 300,000 households will have been assisted through this program. The Canada Housing Benefit is expected to be launched on April 1, 2020.
According to the 2016 census, 1.7 million Canadian households live in core housing need. Individuals and families across the country face serious challenges paying the rent each month. Housing advocates have identified the Canada Housing Benefit as a potential support for tenant households struggling with the high cost of rental housing. However, groups have also identified problems and voiced concerns about the housing benefit.

Issues raised include inadequate reach, since only a fraction of households in core housing need will be assisted, a long timeline for full funding of the initiative, inadequate benefit levels to meet the need of those with the greatest affordability gap, and the risk that landlords, through rent hikes, will be the significant beneficiary of the program rather than tenants.

Nonprofit housing providers have called for the federal government to ensure that the housing benefit is integrated with existing provincial and territorial housing programs; that funding for the benefit is over and above funding levels for existing housing programs; that nonprofit and social housing residents who are not already fully subsidized have access to the benefit; that the program prioritize the lowest income households by using income to determine eligibility; and that regular evaluation is conducted by external evaluators to improve program effectiveness.

Building on the existing analysis and policy recommendations from housing advocates, Social Planning Toronto’s new report provides further evidence to inform the development of the Canada Housing Benefit. We take a deep dive into the U.S. Housing Choice Voucher Program, examine a variety of outcomes of the program, and put forward lessons from our neighbours to the south. As federal, provincial and territorial governments meet to work out the details of the new benefit, for launch in April 2020, we encourage officials to develop the housing benefit in accordance with the evidence presented in this report and to follow the good advice of housing advocates and nonprofit housing providers.

**LESSONS FOR CANADA**

“Learning from Our Neighbours to the South” introduces the U.S. program, presenting key facts about its administration, including its allocation procedures, eligibility criteria, and guidelines with regards to rent and unit selection. It reviews research on the program, with a focus on two major policy experiments—Moving to Opportunity and HOPE VI—and large studies examining vouchers as a tool to address family homelessness. Drawing on extensive research, the report identifies several limitations of the program, including low program coverage, low uptake of vouchers by tenants, low neighbourhood mobility among voucher holders, difficulties
tenants face in relocating out of public housing, and problems in the private market for public housing tenants. Finally, the report identifies lessons for Canada based on the U.S. experience.

SEVEN KEY LEARNINGS

1. **Ensure clear, consistent, and enforceable standards:** The Housing Choice Voucher Program demonstrates that clear, consistent, enforceable standards are necessary for the success of a housing benefit policy. These include mechanisms to prevent rent inflation, ensure housing quality, and calculate rent geared to income.

2. **Tailor program to meet local needs:** Research on the Housing Choice Voucher Program suggests the importance of local implementation to ensure the program functions as intended in different housing markets.

3. **Provide permanent benefits to ensure long-term success:** Studies show that housing benefits can help end family homelessness, but only if they are permanent. Temporary benefits can lead to an ongoing cycle of housing instability.

4. **Ensure that housing benefits are not used to replace existing public housing:** The large body of evidence from the Moving to Opportunity and HOPE VI programs makes clear that schemes to replace existing public housing by relocating tenants into private rental units through housing benefits have considerable adverse effects on tenants. Housing benefits can be beneficial for tenants living in private rental housing and families who are experiencing homelessness, provided the approach is consistent with the learnings described in this report.

5. **Recognize that housing benefits alone are not sufficient to ensure access to housing:** Given those complexities, and the risks that all low-income tenants face in the private market, housing benefits alone are not sufficient to ensure households’ access to housing. Instead, jurisdictions must provide additional ongoing services to benefit recipients.

6. **Invest in the development, rehabilitation, and repair of social housing and tenant services:** The evidence also shows that investing resources in the development, rehabilitation, and repair of social housing, and in services for tenant households, can yield lasting benefits. Such investments may even prove more cost-effective than vouchers and the additional services they require.
7. Act on discrimination in rental housing and support a broad approach to delivering on the right to housing: Finally, portable housing benefits do not eliminate all housing barriers faced by low-income, racialized, woman-headed, disabled, and older adult tenants. Among other failings, they do not address discrimination in the private market. As such, housing benefits can never be a complete solution to the housing and homelessness crisis. They can, however, serve as one component of a broader housing program, if the considerations explored here are taken into account.

This research makes clear that portable housing benefits are not a panacea for resolving the affordable housing crisis. The evidence shows that housing benefits should not be used to replace existing public housing, are limited in their ability to address the range and complexity of housing problems that tenants face, and decline in value over time.

Solutions to the affordable housing crisis are well supported, including the development of new nonprofit affordable and supportive housing, measures to rehabilitate and repair existing social housing, programs to prevent eviction and promote tenant rights, and actions that address the serious problem of financialization of housing. Housing benefit programs act as an important stopgap in a context of high and escalating rents and inadequate and stagnant incomes. Housing benefit programs, informed by the best available evidence, can provide support to tenants struggling to pay the rent, particularly those living in private rental housing and families experiencing homelessness.

OPPORTUNITY FOR ACTION

On October 21, 2019, Canadians went to the polls and elected a minority government. During the election, most of the major political parties put forward substantial proposals to increase access to affordable housing in Canada. Now, they will need to work together to make progress on this issue. It is imperative that the new Parliament move swiftly with bold investment and action to address the country’s affordable housing and homelessness crisis affecting communities across the country.

READ THE REPORT
