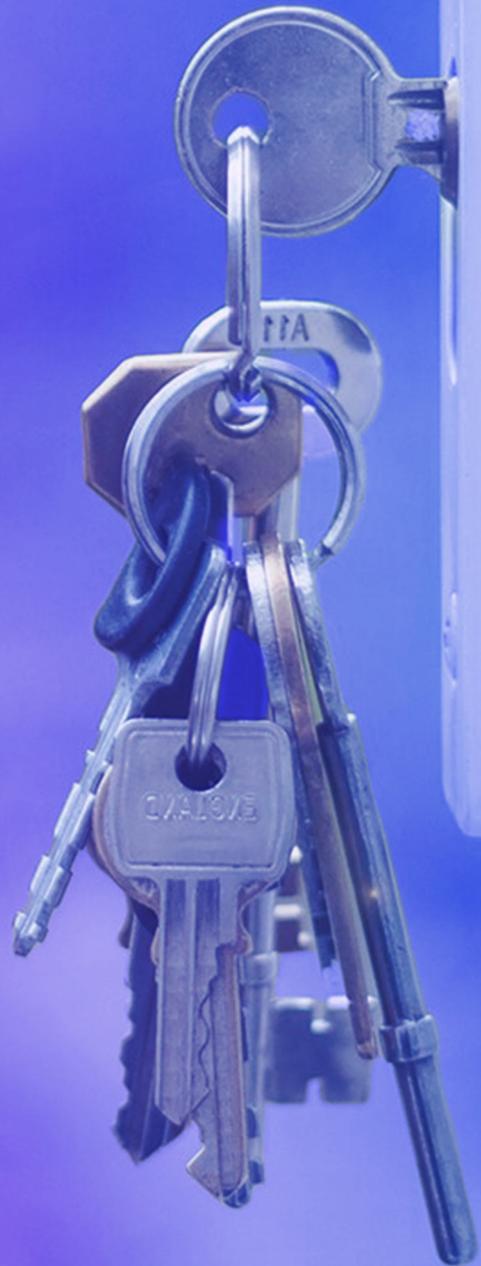# On the way home

Supporting housing stability through housing subsidies and voucher programs

Why is housing stability so important?

Where a person lives is one of the most significant components of overall health outcomes, life expectancy, and access to opportunity. This is due to not only an individual's exposure to environmental issues such as pollution and toxins, but also to the impact on physical and mental health of households and access to critical needs such as childcare, employment, healthcare, and other resources (Medical News Today, 2021). For individuals who experience housing instability or homelessness, prospects for future educational attainment, employment growth, health stability, and family preservation can be significantly reduced (United States Interagency Council on Homelessness, 2019).

Why is housing stability such a challenge?

There are various challenges that can impact an individual's ability to achieve housing stability. Some of those key challenges include:

Individual and household challenges

Even before the COVID-19 pandemic began, homelessness was increasing across the country. As of January 2020, there were 580,000 people in the United States experiencing homelessness, an increase of nearly 12,000 from 2019, according to the most recent point-in-time data from the US Department of Housing and Urban Development (National Low Income Housing Coalition, 2022). The rise of the homeless population is due to various social issues, including but not limited to substance abuse, domestic violence, rising unemployment rates, rising housing costs, and access to preventative services.

National challenges in affordable housing access

Since the pandemic, housing stability, or the ability for a household to remain consistently housed, has become increasingly challenging. Only 36 affordable and available rental homes exist for every 100 extremely low-income renter households (National Low Income Housing Coalition, 2022). To worsen matters, in many major cities the cost of rent has been increasing for all households. From 2020 to 2021, the average rent has increased 14 percent nationally, while cities such as Austin, New York, and Miami have seen rent increases ranging from 30 percent to 40 percent (Redfin, 2022). This is due to various reasons, among them rising mortgage rates, an increasingly competitive housing market for first-time home buyers, and the market demand from renters with an unmatched supply (The Washington Post, 2022).

Environmental disasters and housing security

Climate-related disasters—floods, storms, droughts, and heatwaves—can have direct impact on the ability for tenants and homeowners to achieve housing stability. According to the 2021 CoreLogic Climate Change Catastrophe Report, over 1 in 10 homes in the United States were impacted to some degree by natural hazards in 2021. This equates to 14.5 million single and multifamily homes, with an estimated $56.92 billion in property damage (CoreLogic, 2021). In addition to property damage, environmental disasters also impact local businesses and other necessities that might force renters and homeowners to leave an area.

Rental voucher and subsidy programs help address housing stability

Federal, state, and local governments have been addressing rental housing needs through various programs in public housing, rental assistance/subsidy housing, and voucher programs. Available funding opportunities include the development of new housing subsidies and grants made available through legislation such as the American Rescue Plan Act and CARES Act, as well as increases and eligibility adjustments to existing housing programs. Each of these programs address different housing needs based on various eligibility criteria and allow tenants the flexibility to gain

housing stability through public housing or through privately owned residences. These programs can also pay for various housing expenses—rent, arrears, and utilities being the most common—and can be administered and funded by various federal, state, local, and community counterparts.

While these programs can be tremendously beneficial to people who need them, there are several key considerations housing agencies and local governments should consider when implementing their housing voucher and subsidy program to maximize their impact:

Design your subsidy and voucher program with your stakeholders at the forefront.

Crafting solutions to address housing stability must be done using a thorough understanding of the challenges and needs of all stakeholders. Given this, it is important to embrace a user-centric design by including front-line workers, providers, landlords, brokers, and residents/tenants in designing all components of your program.

Create subsidy and voucher processes that are streamlined for tenants, while also flexible to adopt change where needed.

While housing programs may have different funding sources and oversight agencies, programs are most successful when there is a consistent and streamlined application and enrollment process for applicants. This can reduce questions from confused applicants and can allow for reuse of processes and platforms across programs. To help manage any ongoing eligibility changes from oversight agencies and to accommodate users with different language needs and abilities, the platforms and supporting processes must also be designed with enough flexibility to easily adapt to change where different needs are identified.

Define your outcomes, then drive the data.

Housing and homelessness data are rich with actionable insights to help improve programs, but accessing and understanding the data is a challenge. When designing the data strategy to leverage your housing and homelessness data, start by first defining the outcomes that can be mapped to specific data sets. From there, assessment of data elements—including data quality assessments and ongoing governance strategies—should be developed.

Plan for your program's compliance and monitoring strategy up front, not just downstream.

Housing subsidies and vouchers need to comply with various regulations to meet oversight needs and stakeholder expectations. These regulations can be from various sources—from the US Treasury to local reporting needs. Developing your compliance and monitoring plan as part of program design can help identify areas of fraud, waste, and abuse at program launch and can help streamline reporting needs.

Strategic collaboration is key between your agency, provider, tenants, and private market stakeholders.

No solution to address housing stability can be carried out alone. Nationally, providers, healthcare agencies, public safety authorities, educational institutions, housing agencies, and private entities are all working to address the issue of housing stability in our communities. Collaboration, inclusion, and buy-in are essential to effectively implementing and understanding how to improve housing stability in your community.

KPMG can help with your housing stability needs

KPMG has worked with several local, state, and federal housing agencies, providers, landlords, tenants, and provider teams to streamline voucher and subsidy management operations.

We bring extensive experience in the housing and homeless space.	KPMG has been engaged by several state and local government entities that are exploring efforts to address a housing crisis that is impacting the lives of its residents. Our team has supported various housing-related endeavors, such as state-administered programs, as well as several federal programs. We have also supported various homelessness services and public housing programs, overseeing program implementation, system implementation, data and analytics, and compliance within these areas from the federal, state, and local level.
We bring insights from health and human services.	While directly managing housing and homelessness programs might be unique to specific agencies, addressing housing challenges as a solution requires close integration throughout health and human services agencies, from education, public safety, health/mental health, Medicaid, and child welfare to various others. The Health and Human Services (HHS) domain is a core capability of KPMG, with more than 800 partners and professionals who support national, state, and local government entities with their HHS needs. As one of the largest HHS consultancies in the US, we are proud of our reputation for quality, consistency, and integrity. Our extensive experience allows us to better assist you in navigating the intricacies and pressures of delivering critical services within a complex healthcare, social services, and policy environment.

Below are some of the key services that KPMG offers, which can be scaled depending on the needs of your community:

Program design: We can help you design and develop your program, processes, and policies	KPMG's program design services adopt a client-centric approach to addressing homelessness and rehousing efforts. Our team is highly skilled in developing effective and efficient program models that tackle the underlying causes and offer necessary assistance to those experiencing homelessness. By carrying out thorough, data-driven analyses, we gain a deeper insight into the needs and challenges faced by homeless individuals and families, providing a firm foundation for designing and implementing solutions. Our framework for collaboration with key stakeholders and partners, including government agencies, nonprofit organizations, and community groups, allows us to coordinate and align services and resources for enhanced impact. Additionally, our transformational advisory services can assist in the design and implementation of technology solutions, such as data management systems, mobile applications, and online platforms, that better prepare states supporting homelessness prevention, outreach, and rehousing efforts. Ultimately, our services drive better outcomes for individuals and families experiencing homelessness, improving the effectiveness and efficiency of programs that address this complex issue.
Governance and project management: We can help you run your program and manage your stakeholders.	Running your subsidy management and voucher process includes coordination with various local, state, and community stakeholders. KPMG can help bring the needed level of project management and governance discipline to create and adhere to a project plan, keep the project team and stakeholders up to date on progress on an ongoing basis, and better provide long-term project integrity. Implementing a disciplined approach to project management will also provide for proper communication between all team members, frequent validation of findings, and an avenue to collectively identify mitigation strategies and course corrections based on any risks observed.
Program compliance: We can help implement fraud, waste, and abuse controls within your program, and can help you meet your ongoing compliance and monitoring needs.	While housing voucher and subsidy programs can provide invaluable good in a community, KPMG understands the risk of fraudulent actors to take advantage of your program and how that can impact getting needed funds to the most deserving populations. While this risk cannot be eliminated, our approach considers risk and compliance throughout the entire lifecycle, from application and review of compliance with program requirements to payment disbursement by your selected payment vendor. KPMG brings decades of experience serving as an adviser to various federally funded grant programs.
Data and Analytics: We can use data to help reporting and drive outcomes	Addressing homelessness and affordable housing challenges requires a methodical approach to understanding available housing and related health and human service data such as eviction data, subsidy data, housing ownership, and rental stock data, just to name a few. Our Digital Lighthouse is a top-ranked and industry-leading data and technology Center of Excellence. Our Lighthouse team brings experience in leading technologies related to cloud, data lakes, data warehouses, data cleaning, governance, and more. One of the tools our team can leverage is the KPMG Signals Repository, a powerful platform enabling both macro- and granular analyses for thousands of constantly fluctuating data points, allowing development of strategic analysis, predictive models, and real-time dashboards.
Systems Integration and Quality Assurance: We can help build a powered platform	To power the implementation of housing needs, KPMG has an extensive network of alliances and partnerships to build a thorough solution to support your end users, from case management to grants management. Our platforms are built on three core fundamentals: resiliency, transparency, and scalability. Acknowledging nuance and complexity of legacy data, our technical team leverages the right tools to support the migration of legacy data and the retirement of legacy systems currently in your housing enterprise. Additionally, we can also oversee quality assurance services such as user acceptance testing and project management oversight to meet system integration needs.

We would welcome the opportunity to speak further with you on your community's path to housing stability. Please feel free to contact us!

Works cited

CoreLogic (2021). *2021 Climate Change Catastrophe Report.*

Medical News Today (May 13, 2021). *How can housing influence health?* Retrieved from Medical News Today: https://www.medicalnewstoday.com/articles/housing-and-health#summary

National Low-Income Housing Coalition (2022). *The Gap: A Shortage of Affordable Rental Homes.* Washington, DC: National Low-Income Housing Coalition.

Redfin (March 21, 2022). *Rental Market Tracker: Asking Rents Increased 40% Year Over Year in Austin.*

The Washington Post (February 10, 2022). *Four reasons your rent is going up.*

United States Interagency Council on Homelessness (May 2019). *The Importance of Housing Affordability and Stability for Preventing and Ending Homelessness.* Retrieved from United States Interagency Council on Homelessness: https://www.usich.gov/resources/uploads/asset_library/Housing-Affordability-and-Stablility-Brief.pdf

We would welcome the opportunity to speak further with you on your community's path to housing stability. Please feel free to contact us!

Cindy Cohen
Government Services
Principal, State and Local
Government Solutions
cindycohen@kpmg.com

Rory Costello
Partner,
Compliance Services
rcostello@kpmg.com

Liz Ceja
Senior Associate,
Compliance Services
lizceja@kpmg.com

Natalie Serock
Manager,
State and Local
Government Solutions
nserock@kpmg.com

Sarah Rodriguez
Director,
State and Local
Government Solutions
sbrodriguez@kpmg.com

Some or all of the services described herein may not be permissible for KPMG audit clients and their affiliates or related entities.

kpmg.com/socialmedia