

United States Department of Housing and Urban Development

Moving to Work Demonstration Program

Promising Practices Report for

ATLANTA HOUSING AUTHORITY (AHA)

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INTRODUCTION

Atlanta Housing Authority (AHA) joined the U.S. Department of Housing and Urban Development's (HUD) national Moving to Work (MTW) Demonstration Program in July 2003. AHA's MTW program focuses on developing AHA as an economically viable and self-sustaining entity, diversifying its housing portfolio, and promoting upward mobility for its clients.

The historic level of growth in the City of Atlanta has generated a robust real estate market and unique challenges for AHA. As estimated by the U.S. Census Bureau in July 2007, the city of Atlanta had a population of 519,145. Atlanta's population grew 4.1 percent between 2006 and 2007, the seventh highest growth rate amongst U.S. cities. The major industries providing employment opportunities in the City of Atlanta include construction, wholesale trade, accommodation and food services, and transportation services. MTW flexibilities have enabled AHA to leverage AHA resources to form partnerships with private sector real estate professionals and help AHA's clients gain access to mixed-income communities. As of July 2006, AHA owned 19,188 public housing units and managed 18,771 Housing Choice Vouchers (HCVs).

The CATALYST program is AHA's plan for implementing the MTW agreement. AHA's activities under CATALYST are focused on using MTW flexibilities to achieve three strategic goals:

- Quality living environments – provide quality affordable housing in healthy mixed-income communities with access to excellent quality of life amenities;
- Economic viability – maximize AHA's economic viability and sustainability; and
- Self-sufficiency – facilitate opportunities for families and individuals to build wealth, reduce their dependency on subsidies, and ultimately become financially independent.

AHA's vision is to promote "Healthy Mixed-Income Communities" and its mission is to "provide quality affordable housing for the betterment of the community." The vision and mission serve as the foundation for the agency's five *Guiding Principles*:

- End the practice of concentrating the poor in distressed, isolated neighborhoods.
- Create healthy communities using a holistic and comprehensive approach to assure long-term marketability and sustainability of the community and to support excellent outcomes for families.
- Create mixed-income communities with the goal of creating market rate communities with a seamless affordable component.
- Develop communities through public/private partnerships using public and private sources of funding and market principles.
- Residents should be supported with adequate resources to assist them to achieve their life goals, focusing on self-sufficiency and educational advancement of the children.

This report highlights a number of the initiatives AHA has undertaken using the flexibility afforded through its participation in the MTW demonstration program. Because of the continuing evolution of AHA's MTW program and the absence of specific metrics measuring the impact of these initiatives, the discussion in this report of AHA's activities focuses on the innovative

aspects of AHA's efforts, rather than on any determination as to the efficacy of these actions. AHA is working meanwhile to resolve the lack of program impact metrics through its commission of the MTW Benchmarking Study by the Boston Group (discussed in greater detail later in this report). Additionally, only those activities that have actually been implemented to date are discussed. AHA has proposed undertaking a wide range of activities across all of its business lines, but several are still in the planning stage or have not yet been used in practice.

This report is based on interviews with housing authority staff and HUD MTW coordinators. It also draws on reports and data on MTW participants collected by AHA, HUD, Abt Associates and Optimal Solutions Group over the course of the demonstration.

The report is organized around the three strategic goals previously mentioned. Because many AHA programs reflect multiple goals, each will be highlighted in the most relevant section. The MTW Benchmarking Study commissioned by the AHA is discussed at the end because of its overarching relevance and impact on AHA's MTW efforts.

QUALITY LIVING ENVIRONMENT

Higher Inspections Standards for HCV Program

Annual Housing Quality Standards (HQS) inspections were traditionally conducted based on the expiration dates of individual housing contracts. HQS inspectors would visit different housing sites to conduct a few inspections at a time, depending on which contracts had expired. AHA found this system to be fragmented and inefficient. Furthermore, AHA believed that current HQS inspections were not stringent enough to detect obsolete and distressed housing properties ridden with crime.

Using MTW authority, AHA established its own inspection standards above HQS using private real estate market principles and practices. AHA established multi-family procedures for inspecting tenant-based and project-based multifamily properties. AHA worked with professional property management companies (PMCOs) to implement enhanced inspection standards addressing health and safety issues. In addition, AHA shifted to a proactive approach for property management, implementing additional inspection systems including elevator, asset risk, and site security inspections.

Thus far, AHA clients and staff have indicated that the new system has improved living environments, management systems, and cost efficiency.

4-to-1 Elderly Assistance Policy

One of the core AHA objectives is to create mixed-use and mixed-income communities in public housing. Public housing high-rises often result in communities of concentrated poverty because uniform tenant admissions policies tend to result in a lack of diversity among tenants. AHA has experienced this in housing units, which have traditionally attracted seniors and young disabled assisted housing clients. At AHA, public housing units with a dense population of seniors and disabled clients often hindered the delivery of supportive services such as health and medical assistance.

Using its MTW authority, AHA implemented a 4-to-1 elderly assistance policy, which specifies that for every four senior clients admitted to the housing unit, one non-senior disabled client will be admitted. This policy was implemented in April 2006. To address the housing needs of non-elderly disabled residents, AHA is working to develop more appropriate housing options for this population by using its project-based rental assistance program, enhanced accessibility initiative, and human development programs.

Increasing Project-Based Rental Assistance

The HUD Reform Act of 1989 placed a restriction on the percentage cap on project-based vouchers assistance. In 1998, the Quality Housing and Work Responsibility Act increased the allowance of project-based vouchers to 20 percent. However, the Atlanta rental market is very expensive, and frequently, it is difficult for AHA's HCV clients to obtain quality rental units. Using MTW authority, AHA has exceeded the statutory cap on project based assistance to give more housing choices for its clients.

AHA currently uses 30 percent of its Housing Choice Vouchers for project-based assistance and has established a goal of increasing HCV use for such assistance to 50 percent. AHA believes that leveraging project-based assistance funds will allow the agency to negotiate with private developers to provide mixed-income housing. AHA maintains high standards in project-based developments, only placing clients in high-quality, multi-family housing that is no more than five years old. AHA has had tremendous success in using project-based rental assistance to attract private developers by offering assistance in underwriting to secure development funds.

Increasing project-based rental assistance has also enabled AHA to secure developments for special-needs populations such as the homeless, the elderly, and those with mental health needs. AHA has been able to engage in special development projects with private developers for the elderly by allowing up to 100 percent subsidy in particular developments.

AHA also has used project-based rental assistance to establish a Homeless Demonstration Program in collaboration with the United Way of Metropolitan Atlanta, Inc. AHA has allocated 100 vouchers annually for each of the next five years towards implementing this program. As AHA's partner in this effort, the United Way of Metropolitan Atlanta, Inc. has raised \$2 million for services to support the targeted population.

ECONOMIC VIABILITY

Through the MTW program, AHA has engaged in a number of activities that are designed to enhance the economic viability of the agency by streamlining its operations. These changes are designed to increase the efficiency and efficacy of AHA's operations in delivering services and programs by reducing administrative burdens and eliminating duplicative services. To ensure the organization's long-term viability in the face of ever decreasing federal funding, AHA has continued to structure its operations and management systems in the mold of a private business.

Automation of AHA Operations

The main thrust of AHA's efforts in enhancing the agency's efficiency and effectiveness has been the extensive automation of various processes. Many of these efforts are targeted to the Housing Choice Voucher program operations, including rent reasonableness and hearing database. Other areas to be automated include re-certifications, screening and approval of property owners, payments to property owners and utility companies, outbound portability billing, and collections. AHA is also converting its hard copy files into electronic files.

Biennial Income Recertifications for Elderly Clients

Normally, the income of elderly households changes little from year to year, but housing authorities are still required to assess elderly household income on an annual basis. In an effort to increase administrative efficiency, AHA now administers income verification for elderly households on a biennial basis. Using the MTW authority to revise rent policies, AHA exempted seniors from rent penalties and permitted them to keep additional employment income. This policy has been applied in both the public housing and Housing Choice Voucher programs.

SELF-SUFFICIENCY

The self-sufficiency measures at AHA include work requirement changes and the expansion of its comprehensive supportive services network. MTW has allowed AHA to alter program policies to create incentives for its clients to seek employment and gradually move towards self-sufficiency.

Work Requirement in Public Housing and HCV Programs

AHA has made considerable efforts to increase the total tenant payment by creating incentives and support for residents to seek employment and opportunities for workforce preparation training. Using MTW flexibilities, AHA worked with community advocates and clientele to create a culture of work and self-sufficiency.

In FY 2005, AHA adopted work requirements as a condition of receiving assistance for both public housing and Housing Choice Voucher recipients. The policy requires at least one non-exempt family member to work thirty hours a week or be enrolled in school full-time. It also requires all eligible household members to be in a work preparation program. This policy is applied across the housing authority and to clients on the HCV and public housing waiting lists.¹ As of the end of FY 2008, 71 percent of public housing and HCV households were compliant with the work requirement.

AHA has found that implementing the workforce requirement has significantly increased workforce participation in both public housing and HCV programs. Workforce participation in public housing has increased by 39.7 percent since FY 2005 and average annual income among non-elderly and non-disabled households in public housing increased from \$8,485 in FY 2005 to \$10,893 in FY 2006. In the HCV program, workforce participation has increased by 7.4 percent.

¹ For clients on the waiting list there is a self-certification process at the point of being placed on the waiting list. Once clients are offered housing there is another, more stringent, verification process.

In the Housing Choice Voucher program, 41 percent of the 10,774 non-exempt adults are either working, in a training program or attending school.²

Comprehensive Supportive Services

The AHA CATALYST program was developed with high expectations for participants to take personal responsibility in achieving life goals. Through this program, AHA provides comprehensive resident supportive services to its clients. Moreover, AHA developed its Service Provider Network (SPN) to complement CATALYST's efforts. This enhanced service network was made possible through AHA's ability to direct funding to needed programs through the block grant funding approach enabled by the MTW program. Through the SPN program, AHA is able to provide a significantly enhanced level of services and linkages to human services providers for AHA-assisted families to ensure significant progress towards facilitating economically independent families, educated children, and self-sufficient elderly and disabled persons.

There are over 30 agencies in the AHA SPN network. Each year, AHA publishes and distributes the CATALYST Resource Guide containing information on a network of over 200 established Atlanta-based service providers with demonstrated capacity to serve as a resource for families preparing to participate in the workforce or become self-sufficient. These resources include education services, disability services, employment and training, homeownership counseling services, childcare, and senior supportive services.

MTW BENCHMARKING STUDY

One of the key challenges faced by housing authorities at the outset of the Moving to Work Demonstration Program was how to assess the impact of MTW-inspired initiatives on agency operations, resident self-sufficiency, and community well-being. All MTW housing authorities are obligated to provide inventory and leased housing information through the Public and Indian Housing (PIH) Information Center (PIC) and through required HUD reports. However, in many cases, HUD reporting standards developed for traditional housing authorities was not the most efficient way of documenting the demographic, administrative, and financial status of MTW authorities. The MTW demonstration program did not have any specific metrics in place to quantify the impact of MTW practices on assisted housing families, making it difficult for housing authorities to share successes and lessons learned.

AHA's flexibility under the MTW program allowed it to contract with the Boston Research Group to conceptualize a set of matrices to document MTW's impact on AHA clients and conduct an independent study of AHA's MTW program. The research will examine the:

- Impact of AHA's MTW program on improving neighborhoods in which AHA communities and families are located;
- Movement of AHA's families towards self-sufficiency; and
- Cost efficiencies of the various MTW-associated policies adopted by AHA, as calculated through a cost-benefit analysis.

² AHA FY 2006 Annual Report

The study will document these change in three reports: a FY 2006 Baseline Report, a FY 2008 Interim Report, and a FY 2010 Final Report. The FY 2008 Interim Report, through June 30, 2007, was released in August 2008. The key findings included:

- The key change to AHA's program since 1995 was the demolition and replacement of its public housing developments.
- The relocation of families from public housing developments to vouchers, mixed-income communities and project based rental assistance units allowed the families to improve the quality of the neighborhoods in which they lived.
- The revitalization of public housing developments did not cause families to lose their assistance.
- Children whose families received vouchers or lived in mixed-income communities did better in school than children living in public housing developments.
- The net social benefit of AHA's construction of 13 mixed-income communities was \$1.6 billion.
- Families receiving vouchers or living in mixed-income communities had higher average household incomes compared to those living in public housing developments.