

United States Department of Housing and Urban Development

Moving to Work Demonstration Program

Promising Practices Report for

HOUSING AUTHORITY OF THE CITY OF PITTSBURGH (HACP)

November 2008

INTRODUCTION

The Housing Authority of the City of Pittsburgh (HACP) signed their Moving to Work (MTW) agreement with the U.S. Department of Housing and Urban Development (HUD) in November 2000. From its beginnings, the HACP MTW program has been focused on making improvements in a number of key areas to help the agency meet the MTW goals of promoting self-sufficiency, increasing housing choice, and reducing administrative costs.

The Housing Authority of Pittsburgh is located in the city of Pittsburgh in Allegheny County, Pennsylvania. The city's economy is largely based on healthcare, education, technology, and financial services. While Pittsburgh remains the second largest city in Pennsylvania, its declining population means that relative to other cities, it boasts a somewhat low cost of living. According to the U.S. Census Bureau's North American Industry Classification System County Business Patterns for 2006, the industries with the most employees in Pittsburgh include health care and social assistance, manufacturing, and professional, scientific & technical services.

The Housing Authority of Pittsburgh is an MTW block grant agency serving 9,881 households, as of September 1, 2007. When HACP joined the MTW demonstration program, they served only 9,145 households. Utilizing MTW flexibilities, HACP has been able to develop innovative housing policy through:

- initiating redevelopment in their most distressed communities;
- creating a low income public housing (LIPH) family self-sufficiency (FSS) program that mirrors the Housing Choice Voucher FSS program and enhanced the services provided;
- establishing innovative youth programming that is reducing violence and improving youth outcomes;
- expanding homeownership opportunities available to low income households by creating a combined Section 8 and LIPH homeownership program; and
- restructuring internal organization practices to utilize site-based management.

Pittsburgh is a unique community in a number of ways, and HACP has worked to respond to local needs. One key obstacle has been addressing the plethora of substandard housing in the city, which HACP has addressed by devoting much of their MTW block grant funding to repairing, replacing, and redeveloping the old and dilapidated housing stock. Second, Pittsburghers possess an unusually strong neighborhood identity, so the waiting list for certain

The City of Pittsburgh has suffered substantial population decline over the past several decades, resulting in a soft housing market.

– *Housing Authority of Pittsburgh Site Visit Report, 11.10.03*

housing sites can be as long as ten years. Third, the poverty in Pittsburgh is generally multi-generational, deep-rooted, and often coincides with race. Because poverty in Pittsburgh is so deeply ingrained, the focus on building-self-sufficiency and providing resident services is an especially important priority.

This report reviews the HACP's best practices under the MTW Demonstration program and discusses the agency's progress towards meeting MTW program objectives. The report is based

on interviews with housing authority and HUD field staff. The report also draws on reports prepared by HACP, Abt Associates Inc., and Optimal Solutions Group, LLC over the course of the demonstration.

This document is organized based on the broad goals of the Moving to Work Demonstration Program: (1) providing work incentives to encourage resident self-sufficiency (2) implementing administrative simplicity and program cost reduction (3) increasing housing choice and homeownership. Many of the HACP programs fall under multiple goals, but will be highlighted in the most relevant section.

SELF-SUFFICIENCY

The Housing Authority of the City of Pittsburgh has focused much effort on improving resident self-sufficiency since becoming a MTW agency. The agency has primarily done this by using their block grant flexibility to redirect money from the HCV program for use in self-sufficiency and resident services programs. HACP has specifically tried to help residents achieve self-sufficiency through the Resident Economic Attainment for Life (REAL) program, youth development activities, the Sojourner Mom's program, and resident savings accounts.

Realizing Economic Attainment for Life (REAL) Program

Promising Practice: The Resident Economic Attainment for Life Program is available to both LIPH and HCV assistance recipients. Residents in the REAL program sign Contracts of Participation, which help residents outline personal goals and attain them. The REAL program offers a number of other services, including:

- program service coordinator meeting with site managers to help cut back on evictions for residents who fail to recertify with HACP;
- a weekend on-call service to manage resident crises;
- a Cupboard of Hope program which serves over 130 families with emergency food help as well as Thanksgiving baskets and Christmas food boxes;
- case management services with contact at least twelve times per year; and
- a Resident Employment Program (REP) which helps residents secure employment and receive training.

Results

As of the end of fiscal year 2007, HACP had 347 LIPH residents actively enrolled in the REAL program. A number of those residents achieved significant results, including:

- 38 residents who enrolled in the homeownership program;
- 50 residents who were actively accruing money into their escrow savings accounts; and
- 254 residents who had secured employment.

Additionally, HACP enrolled 262 HCV recipients in the REAL program. Of those participants, there were:

- 11 residents who purchased homes;
- 95 residents who enrolled in the homeownership program;
- 126 residents who were actively accruing money in an escrow savings accounts; and
- 174 residents who had secured employment.

HACP's MTW status helped the housing authority operate programs such as the REAL program including the creation and funding of an FSS-type program for public housing residents. The authority could also provide the resources necessary as a result of being a block grant agency, to support a heightened level of service and case management to enhance the achievements and outcomes of enrolled participants. The housing authority has indicated that they could undergo efforts on their programs without having to clear the technical aspects of every effort, saving significant staff time and money. This allowed the staff greater time to focus on creating and running the programs to serve residents.

Youth Development Programs

When looking into what services were already available in Pittsburgh neighborhoods, HACP saw a strong need for the development of programs for youth between the ages of 13-21. Family support centers already had services for children up to five years of age, and a program called the Beverly Jewel Wall Loveless Program provided after-school services for children ages 6-12. Since the REAL Program existed for young adults once they turned 18, HACP saw a gap in programs geared towards teenagers. Therefore, HACP pursued a Youth Development Program as well as a Youth Services Investment Fund.

Promising Practice: The Youth Development program had enrolled approximately 300 active youth by the end of 2005. The agency used their MTW funding flexibility to develop a creative performance funding mechanism in order to ensure that enough quality programming was delivered to the participants. In order to make sure they saw real outcomes, the agency paid the service providers based on successes; for example, by the number of children who attended 80% of the sessions.

Sojourner MOMS

HACP has been able to use their MTW block grant ability in order to help house clients who they otherwise would not be able to help. HACP has been able to work closely with the group Sojourner MOMS, which is, according to their website, "a faith-based residential rehabilitation facility where addicted women learn to break the inter-generational cycle of poverty and chemical abuse while in their own apartment with their children." Sojourner MOMS houses mothers who possess a dual diagnosis of both substance dependencies and mental health illnesses.

Promising Practice: HACP has been able to work with Sojourner MOMS and the Allegheny County Department of Human Services to develop supportive housing for these women and children. On September 29, 2006 the agency committed \$1,300,000 in permanent loan financing in support of a 10-unit project. The Allegheny County Department of Human Services is committed to funding the services that are necessary to help the residents of this proposed project, and the units are expected to be completed in 2007. HACP's MTW status has enabled

them to use their block grant authority to provide funding to construct these units for Sojourner MOMS.

Lessons Learned: Despite the positive results shown, HACP has indicated that they have not seen enough turnover, that is, enough people move off of housing assistance to self-sufficiency. For this reason, they would like to look into using their MTW status to require residents to participate in FSS services, as well as possibly change their rent structure to include a minimum rent.

ADMINISTRATIVE EFFICIENCY

The Housing Authority of the City of Pittsburgh has utilized MTW flexibilities to increase administrative efficiency and cut administrative costs. The agency has indicated that their ability to block grant funds and waive regulations has allowed them the ability to more efficiently undertake activities because it allows them to focus on serving residents as opposed to staying within regulations and complying with bureaucratic processes.

Site-Based Management

HACP has found that their efforts to move towards site-based management have been helpful from an efficiency standpoint. Site-based management allows the housing authority the ability to track income and expenditures by property. By tracking the costs and expenses of each property, it became easier for HACP to hold certain people or properties accountable, and it also became easier for the agency to determine which properties were successful and which were unsuccessful. This system also allows each property to do their own lease enforcement and maintenance, and this decentralization helped to meet local needs by providing more accountability.

HOUSING CHOICE AND HOMEOWNERSHIP

The Housing Authority of Pittsburgh has been able to make great strides in improving housing choice and promoting increased homeownership since becoming an MTW agency. HACP has made it a priority to focus on increasing housing choice and homeownership opportunities, and has done so by using the MTW waiver and block grant flexibilities offered to them.

Capital Improvements

Pittsburgh is an old Northeastern city, and much of its housing has been weathered and either in a state of disrepair or outdated for many decades. Some of the units in various public housing sites, such as Addison Terrace, have plumbing from the 1940's. Other locations which house senior citizens have open hallways which get icy in the winter time. HACP has recognized that conditions such as these have needed to be rectified and has made it a main priority to use their MTW funding flexibilities to focus on repairing and rebuilding sites. In FY 2006, according to their Annual Report, HACP "obligated an additional \$12,556,255 for capital development (in addition to amounts obligated in previous years) and expended \$19,955,225 for capital development in 10 HACP communities." Some of this funding has come from HACP's ability to

amass a Housing Choice Voucher residual fund under their MTW authority, which they then used to fund needed capital improvements at housing sites.

Capital Development

As noted above, in FY 2006, the HACP obligated an additional \$12,556,255 for capital development (in addition to amounts obligated in previous years) and expended \$19,955,225 for capital development in 10 HACP communities. HACP's MTW block grant ability has helped the agency by allowing them to spend public housing capital funds on creating new mixed-finance and senior buildings, which are of much higher quality than their existing public housing stock.

Promising Practice: With HOPE VI funding as well as with MTW funding fungibility practices, HACP was able create new mixed-income opportunities. The agency used HCV funds to address shortfalls in development, helping them to create lower density sites and redevelop old housing stock. The HACP and its partners and affiliates continue to pursue all possible financing tools to replace obsolete and non-viable housing units with new mixed-income housing developments that are a positive force in the surrounding neighborhoods.

Homeownership – the 5(h) Homeownership Program

Over HACP's time as an MTW agency, the housing authority has been able to work towards increasing homeownership in two ways. They have been able to a) use their ability to block grant their funds as an MTW agency to devote additional resources to homeownership, and b) waive regulations in order to create their own homeownership program. A focus on homeownership is particularly apt for a place like Pittsburgh, where housing prices are somewhat reasonable due to the declining population. In their homeownership activities, HACP was able to create a single combined homeownership program by waiving a regulation, through MTW, that had previously mandated homeownership programs be separate for public housing and HCV participants. HACP acted to support the residents in the purchase price and closing costs of the homes, and allowed people to be reimbursed for 50% of this cost up front.

"It is easier to move people to homeownership here than in other places, because the overall housing market is not that strong."
- David Weber, HACP

Lesson Learned: While HACP has engaged in a number of activities working towards homeownership, recently their activities in this area have been scaled back significantly due to a lack of funding. This has shown that not all problems can be solved by the MTW ability to fudge funds, as HACP, a block grant agency, has still had to pare down their efforts on homeownership. Part of the problem with this specific homeownership program was that the funding going towards residents was all frontloaded, and became too much for the agency to handle.