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HUD SELECTS TWO INNOVATIVE PUBLIC HOUSING AUTHORITIES TO ELITE PROGRAM TO ENHANCE FEDERAL RENTAL ASSISTANCE PROGRAMS

Housing authorities in Boulder, Colorado and Lexington, Kentucky to gain special status

WASHINGTON – U.S. Housing and Urban Development Assistant Secretary Sandra B. Henriquez announced today that two public housing agencies – Boulder Housing Partners in Colorado and Lexington-Fayette Urban County in Kentucky – have been selected to participate in HUD's [Moving To Work Program](#) (MTW). This program allows housing agencies to design and test innovative strategies to strengthen the delivery of services to families living in public housing or who are assisted through HUD's [Housing Choice Voucher Program](#).

The two agencies will join 33 others across the U.S. that participate in the MTW Program. The agencies were selected from five agencies that applied for MTW designation last year and will have this designation until 2018 (see attached summaries).

"These agencies have a long history of implementing novel programs and forming successful partnerships that have improved the quality of life for families who need HUD's assisted housing programs," said Henriquez. "As MTW agencies, they will have more flexibility to build upon their success to use effectively scarce public dollars to maintain quality affordable housing that meets local needs."

The MTW program was created in 1996 as a demonstration or "test project" to give housing authorities the opportunity to design and test innovative, locally developed housing and self-sufficiency strategies for low-income families participating in HUD's public housing and Housing Choice Voucher (HCV) programs. HUD waives certain reporting requirements and permits these agencies to combine multiple sources of HUD funding into a single agency-wide funding source. MTW agencies also get considerable flexibility in determining how to use their HUD funding. These agencies are, however, required to serve substantially the same number and type of households as they would without MTW designation. The program aims to accomplish three goals:

- Reduce costs and achieve greater cost effectiveness in federal expenditures;

- Give incentives to families with children where the head of household is working, is seeking work, or is preparing for work by participating in job training, educational programs, or programs that assist people to obtain employment and become economically self-sufficient; and
- Increase housing choices for low-income families.

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HUD is the nation's housing agency committed to sustaining homeownership; creating affordable housing opportunities for low-income Americans; and supporting the homeless, elderly, people with disabilities and people living with AIDS. The Department also promotes economic and community development and enforces the nation's fair housing laws. More information about HUD and its programs is available on the Internet at www.hud.gov and espanol.hud.gov.

Boulder Housing Partners

Boulder Housing Partners (BHP) has a long history of successful collaboration and partner-based housing. For example, BHP was one of the first housing authorities in the nation to test a model in which public housing could be converted from an unreliable and insufficient asset to a financially feasible, environmentally friendly, service-enriched asset. BHP has also adopted a challenge of achieving a net zero status in energy usage in its public housing portfolio.

BHP administers 337 units of public housing and 857 Housing Choice Vouchers (HCVs) in a city with an established community goal of keeping 10% of its housing inventory permanently affordable, supported by a housing trust fund.

Through its participation in the Moving to Work (MTW) demonstration program, BHP plans to transform its housing stock by converting all of its public housing to a project-based voucher financing model that replicates the tremendously successful model it used with its first public housing conversion at Broadway East, use leveraged funds from the public housing conversion initiative to bring much-needed gap funds to two projects already in development, and address critical gaps in the housing continuum at the entry and exit points for the public housing and voucher program's participants.

In support of resident self-sufficiency, BHP plans to achieve 100% service enrichment at all of its public housing properties, focus substantial service support to the voucher population, expand the successful partnership that provides college tuition to BHP children who participate in the *I Have A Dream* program, and eventually move residents towards market-rate housing, thus increasing housing opportunities for those on the waiting list. BHP also will amend its rent structure and program administration guidelines to make the programs more user-friendly less staff-intensive and more conducive to economic self-sufficiency. Ultimately, BHP seeks to transform both the practice and perception of public housing into an environment where residents "Live, Learn and Earn."

Notable Proposed MTW Initiatives

Increase cap on project-based vouchers per development – BHP plans to increase the cap on project-based vouchers to dedicate up to 60 vouchers for housing for individuals re-entering the community following homelessness or incarceration. Boulder’s population of single adult men who are trying to re-enter the community need supportive housing as a temporary or permanent housing solution, but the current inventory of housing available to this population is limited to BHP’s one-bedroom apartments in its elderly or family buildings.

Rent Reform Study – BHP, in conjunction with its evaluation partner, the University of Colorado at Boulder, will design the system that will be used to rigorously test the effect of its proposed alternate rent strategies. The system will have both treatment and control groups to which participants will be assigned on a random basis. Rent reforms for elderly households and people with disabilities include rent based on 26.5% of income, triennial recertifications, disregarding earned income, and limiting interim rent decreases. Rent reforms for family households include eliminating interim rent increases and the earned income disregard, and eventually implementing a tiered rent structure. Rent reforms for all households include self-certification of assets, excluding certain assets in the calculation of rent, and allowing alternate sources for required income documentation.

Supportive housing for chronically homeless individuals – In partnership with the Boulder Shelter for the Homeless, BHP has purchased land to build 31 new units of housing for chronically homeless individuals. MTW funding flexibility will allow BHP to bring Replacement Housing Factor Funds to the project without the administrative burden of establishing and managing a separate public housing asset management project for a small number of units.

Significant Partnerships

BHP partners with more than 75 organizations in the community, providing resources that include units of housing to supportive services. BHP will work with 14 partners from this group in its implementation of its MTW program. Key partners include:

I Have a Dream Foundation (IHAD) – This partnership allows children at select BHP public housing sites to receive guaranteed college tuition in return for staying in school and graduating from high school. To increase the chance for success, IHAD offers after-school tutoring and support, as well as family intervention.

Boulder Parks and Recreation Youth Services Initiative – This partnership has led to a model after-school program that addresses the need for a community-based, multifaceted approach to promoting the positive development of youth living in BHP housing communities, helping youth develop skills, competencies, positive values and self-esteem, as well as increasing literacy levels and strengthening families. Currently, 213 children and their families participate in the program, representing 19,300 contact hours during the school year and 6,600 contact hours during the summer.

Denver Regional Transportation District – Through this partnership, BHP offers a bus pass to residents at select housing sites along major transportation corridors. BHP plans to eventually offer this pass to all public housing residents.

Tobacco Education and Prevention Program (TEPP) – BHP has worked closely with the TEPP through the Boulder County Public Health Department to help implement its goal to transition 100% of its units to no-smoking communities. TEPP has offered cessation information, classes and materials to its

residents. By September 30, 2011, all of BHP's properties will have a no-smoking policy fully implemented.

Lexington-Fayette Urban County Housing Authority

The Lexington-Fayette Urban County Housing Authority (LHA), which presently manages 1,303 public housing units and 2,689 Housing Choice Vouchers (HCVs) throughout the Lexington community, seeks to provide safe and desirable affordable housing to low- and moderate-income individuals and families while partnering with community agencies to promote increased self-sufficiency and a higher quality of life for its residents.

LHA has developed local objectives for its MTW program, including increasing the number and quality of affordable housing choices throughout the Lexington-Fayette community; increasing the number of families moving toward self-sufficiency; increasing and strengthening the number of community partnerships benefitting residents with special needs, especially those not adequately served elsewhere in the community and those requiring a service-enriched housing environment; and reducing the agency's administrative costs while limiting the administrative burdens placed on staff and residents.

LHA has a wide range of development experience, including two successful HOPE VI projects, which demonstrate its ability to leverage federal funds with state, local, and private funding sources to achieve greater cost effectiveness in federal expenditures. LHA also has a history of implementing innovative programs, such as its 845 self-sufficiency public housing units scattered throughout the Lexington community, designed to reward working families or families whose head-of-household is a full-time student by offering units with more desirable features.

Notable Proposed MTW Initiatives

Five Alternate Rent Reforms – Embracing the idea of MTW as a laboratory, LHA's Executive Director challenged the managers of each of its four property management teams and its HCV program to design their own pilot rent reform initiatives targeting the residents served by their team. In the first year, LHA plans to implement the reforms that the front-line LHA staff believe will be the most effective, and by the second year, managers are expected to be ready to expand pilots that worked or implement an alternative strategy if necessary. Proposed rent reforms include increasing the minimum rent, implementing a tiered rent structure, moving to triennial recertifications, and prohibiting rent reduction requests for six months after initial occupancy for both the HCV program and for one public housing management team. In order to rigorously test the effects of alternate rent structures, LHA will implement each of these rent reform initiatives as a controlled study.

Incentivizing Educational Achievement for Households with Children in Elementary School – LHA plans to implement a pilot program that will reward parents and guardians who become more involved in their children's education. The program will operate on a point system, with LHA and Fayette County Public Schools working together to encourage and verify parents' participation and children's achievement. Adults will earn points by engaging in activities that demonstrate their dedication to their child's education, such as becoming active in the Parent Teacher Organization and volunteering at their child's school on a regular basis, as well as when children meet achievement measures like maintaining regular school attendance, earning good grades, and displaying consistently good behavior at school.

Households can then redeem points using a menu of incentives offered at a variety of different point levels, such as books, gift cards, bicycles or a free month's rent for the household.

Two-Year Time-Limited Housing Choice Voucher Option for Exiting Bluegrass HOPE VI Public Housing Residents – Beginning in 2012, families residing in the 294 self-sufficiency public housing units created through the Bluegrass HOPE VI revitalization will begin to reach the five-year term limit placed on this housing. While LHA has continuously encouraged these residents to take advantage of the self-sufficiency opportunities available to them, LHA is concerned that some households may still not be ready to seek housing in the private real estate market by the time they reach their five-year term limit. Through this initiative, LHA will offer these families two additional options: 1) a Family Self-Sufficiency voucher with a five-year time limitation or 2) a two-year, time-limited voucher.

Significant Partnerships

To help LHA better serve the needs of residents, LHA maintains a number of close partnerships with government agencies, local service providers, and community and faith-based organizations in the Lexington area. Key partners include:

Kentucky State University – Kentucky State will work with LHA to collect all relevant data, regularly report on progress against baseline and benchmarks, and recommend initiative modifications where appropriate. At the end of each year, they will help LHA determine which MTW activities should be continued or expanded, which should be modified, and which should be dropped. They will eventually create a final report summarizing the outcomes of all the agency's MTW initiatives - including their impact at the local and national level - and describing how successful activities could serve as replicable program models.

REACH – REACH manages LHA's HCV Homeownership Program and provides financial literacy and homebuyer education and counseling services to HCV participants residing at several LHA developments. These services allow participants to build their savings while improving their credit rating and paying down debt, and to qualify for mortgage financing and government down-payment assistance

Community Action Council (CAC) for Lexington-Fayette and the Community Ventures Corporation (CVC) – With the help of these partners, LHA offers self-sufficiency activities for 50 HCV Family Self Sufficiency (FSS) families. The CAC refers the lowest income participants in its programs to LHA's HCV FSS Program, and provides the FSS Program Coordinator, who conducts a skills assessment for each participant and develops personalized FSS plans. CVC provides one-on-one homeownership counseling (pre- and post-purchase) and financial literacy training to participants in LHA's FSS program.

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