

Moving to Work Demonstration Program



Testing New Approaches
in Public Housing

Introduction

- Appropriations act of 1996. 24 sites
- To test various methods for providing and administering housing assistance
- To reduce costs and achieve greater cost effectiveness
- Provide work incentives to promote self-sufficiency, and provide greater housing choices for low-income families

Tulare County



Problem

- Geographically diverse housing needs
- Different target populations require different approaches



QHWRA Targeting

- Public housing must admit at least 40% of their new admissions under 30% of Median Income
- Section 8 must admit at least 75% of their new admissions under 30% of Median Income

Effects of Targeting Fiscal Year 2005

Size	Median Income	30% of Median	50% of Median	60% of Median	80% of Median	TANF	Soc Sec & SSI	Min Wage*
1	34,400	10,300	17,200	20,640	27,500		9,984	14,040
2	39,300	11,800	19,650	23,580	31,400	6,660	17,484	14,040
3	44,200	13,250	22,100	26,520	35,350	8,268		14,040
4	49,100	14,750	24,550	29,460	39,300	9,850		14,040
5	53,000	15,900	26,500	31,800	42,400	11,208		14,040
6	57,000	17,100	28,500	34,200	45,550	12,588		14,040
7	60,900	18,250	30,450	36,540	48,700	13,800		14,040
8	64,800	19,450	32,400	38,880	51,850	15,060		14,040

*2005 Minimum Wage \$6.75 x 2080
hours

Our Solution

- Flat rents in public housing
- Fixed subsidy amounts in voucher program
- Term limits of five years
- Establishes three key partnerships
- Optional for elderly and disabled
- Optional for existing tenants

Flat Rents

- Pre-Brooke approach
- Deemed fairer by applicants and tenants
- Simpler and cheaper to administer
- No interim redeterminations or retro-rents
- Incomes to 80% at admission (75% @ 50% snapshot)
- Covers PHA expenses
- Tenants keep increases in income
- Eliminates incentive to under report income

Fixed Subsidy Amounts

- Subsidy amounts are approximately 50% of FMRs
- Increases number of vouchers PHA can issue
- Incomes to 80% at admission (75% @ 50% snapshot)
- Landlords welcome the simplicity
- Families can easily calculate what their rent will be when looking for a unit

Our Goals

- Make the program simpler and fairer
- Remove the incentives for fraud and abuse
- Save the tax payer money through program efficiencies
- Create opportunities for working families to become upwardly mobile

Subsidy Considerations

- Rent burden
- Average cost vs. income based subsidy
- Lease up success
- Time to lease units

Five Year Term Limits

- Mirrors welfare reform
- Speaks to the issue of “temporary”
- Obvious motivation to increase income
- Allows tenants to save money
- Not a lifetime ban, tenants can re-apply after they have “timed-out”

Three Key Partnerships

- Agencies refer clients who receive a preference for rental assistance
 - Tulare County Health and Human Services agency
 - Administers TANF and GAIN
 - County Economic Development Corporation
 - Encourages new industries and creates jobs
 - Community Services & Employment Training
 - A Local Job Training Agency

- Our clients receive priority for their services

Partnerships Benefit Clients

- Referral agencies have funding for job training, education, child care, and transportation
- Economic Development Corporation of Tulare
 - Rental assistance to eligible employees of employers who create a minimum of 25 new jobs
 - Added incentive for employers to locate here
 - Rental assistance creates more job loyalty, less turnover

Optional for Some Groups

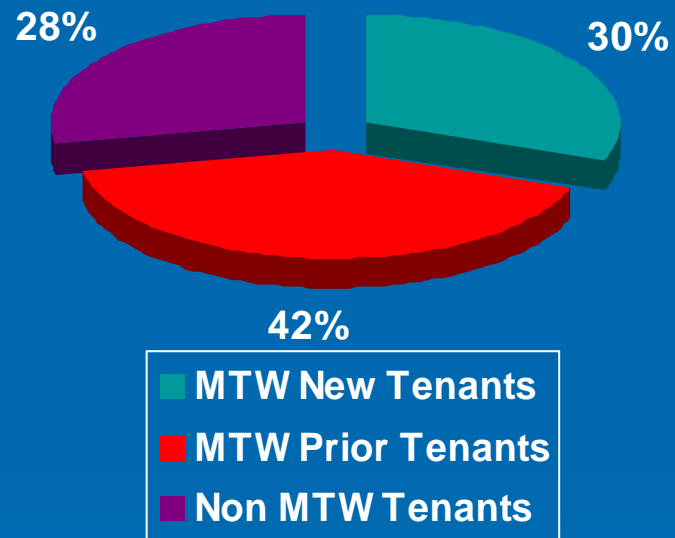
- Existing tenants (as of May 1, 1999)
 - We explained “Moving to Work.” Some chose to remain income based
- Elderly and disabled applicants
 - Because of fixed incomes, they can be excluded from Moving to Work

Where We Are Now

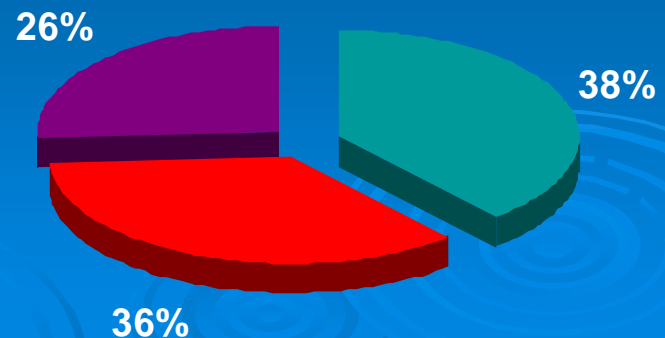
- Public Housing rents have gone up to \$300 average per month
- Partnerships are working well – greater cooperation between agencies
- Reported income has increased
- Acceptance appears to be widespread
- “Timing-out” tenants with little negative feedback

Current Tenant Population

Housing Choice
Vouchers

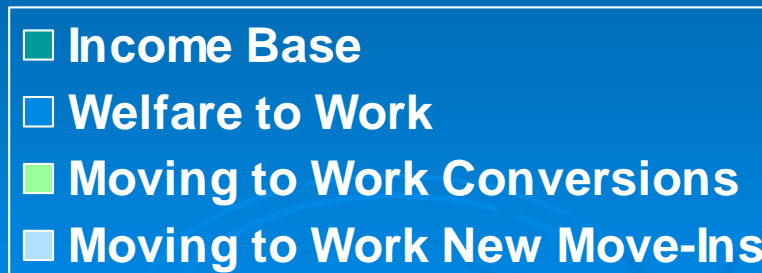
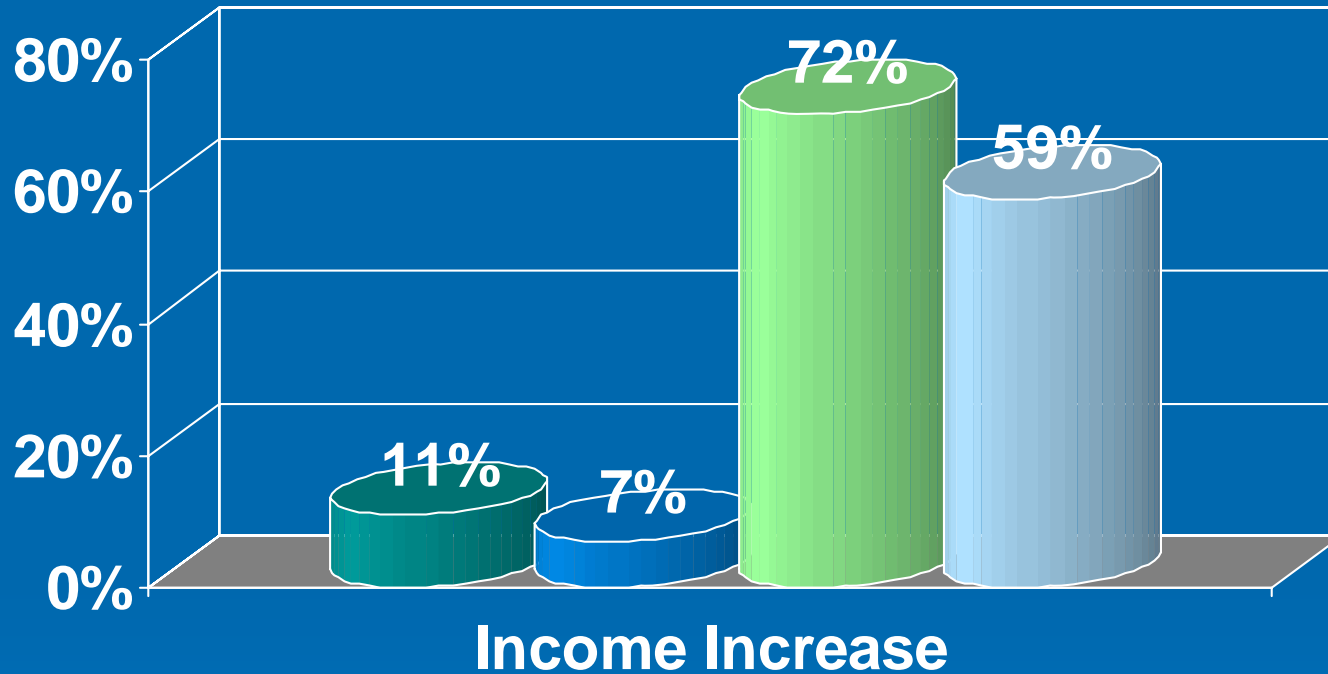


Public Housing



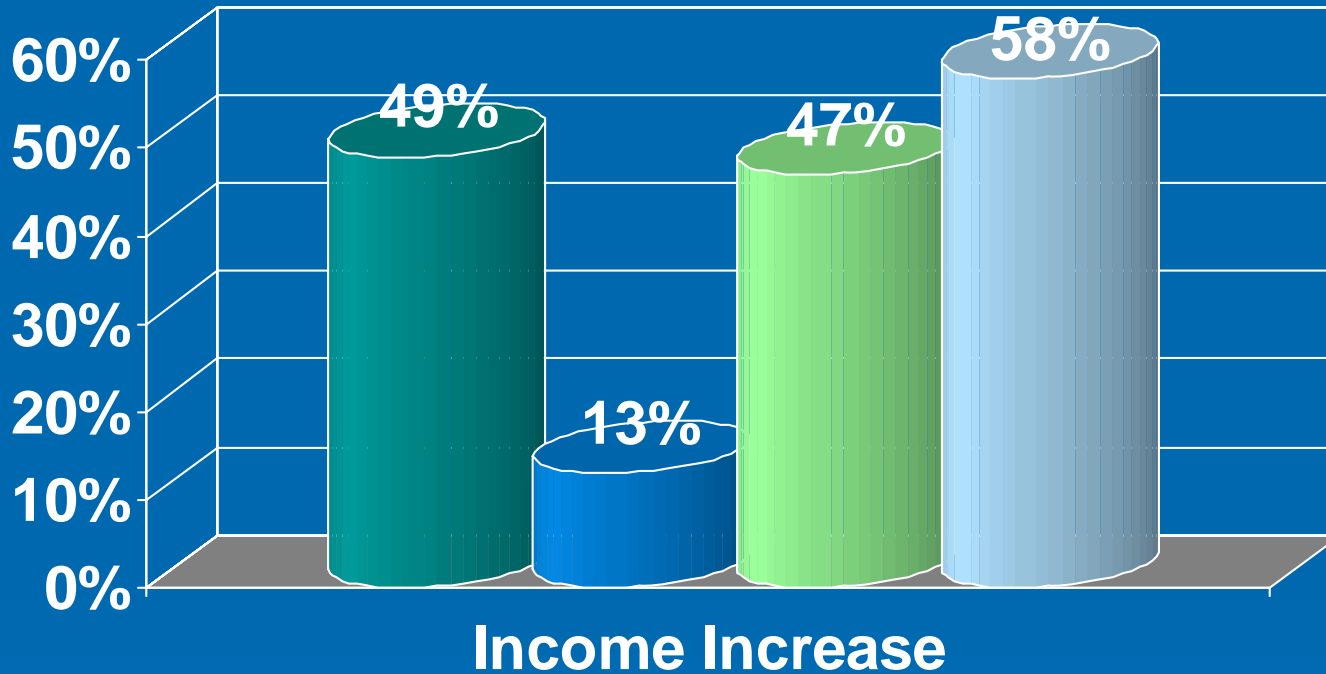
Income Increase Comparison

Housing Choice Vouchers



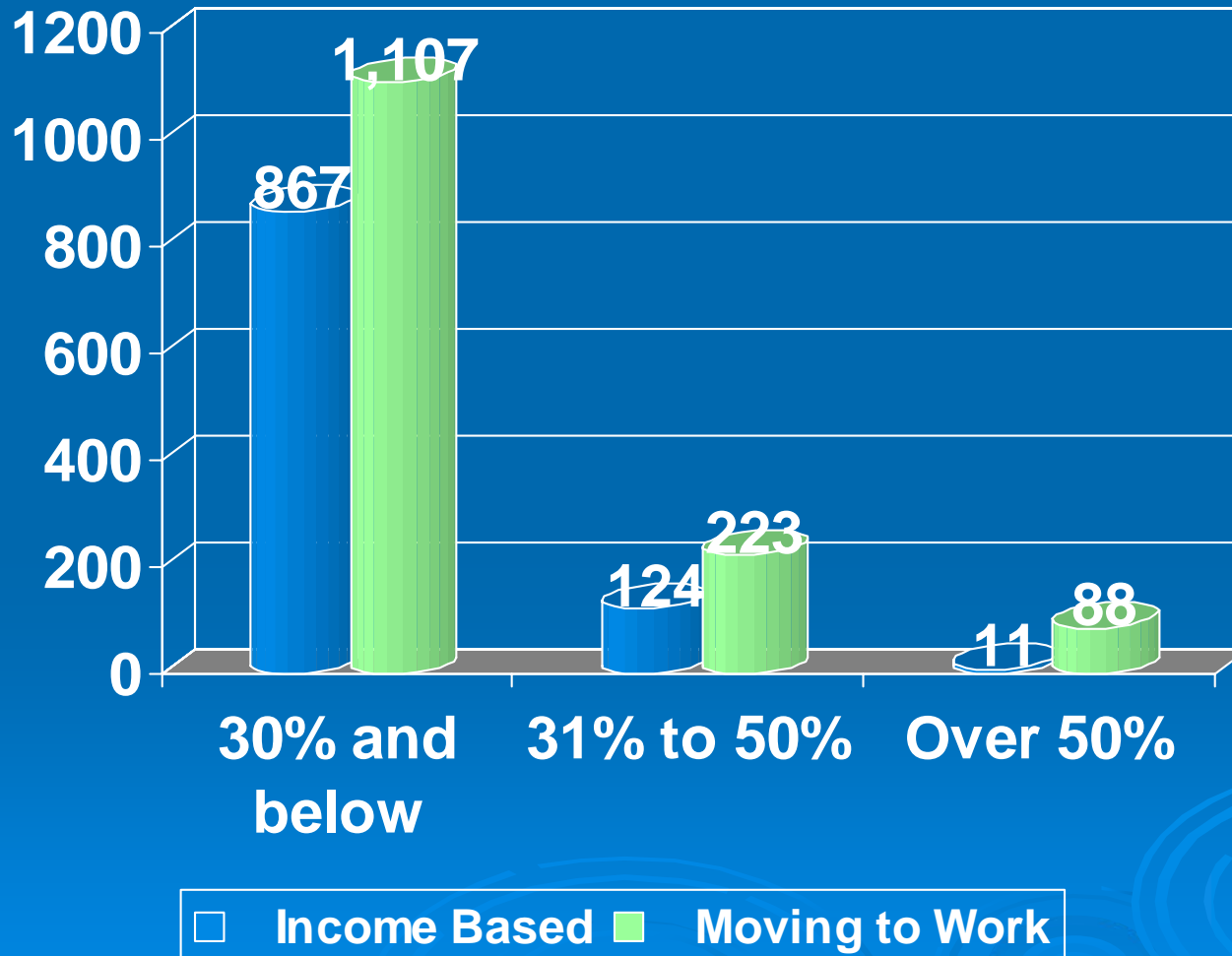
Income Increase Comparison

Public Housing



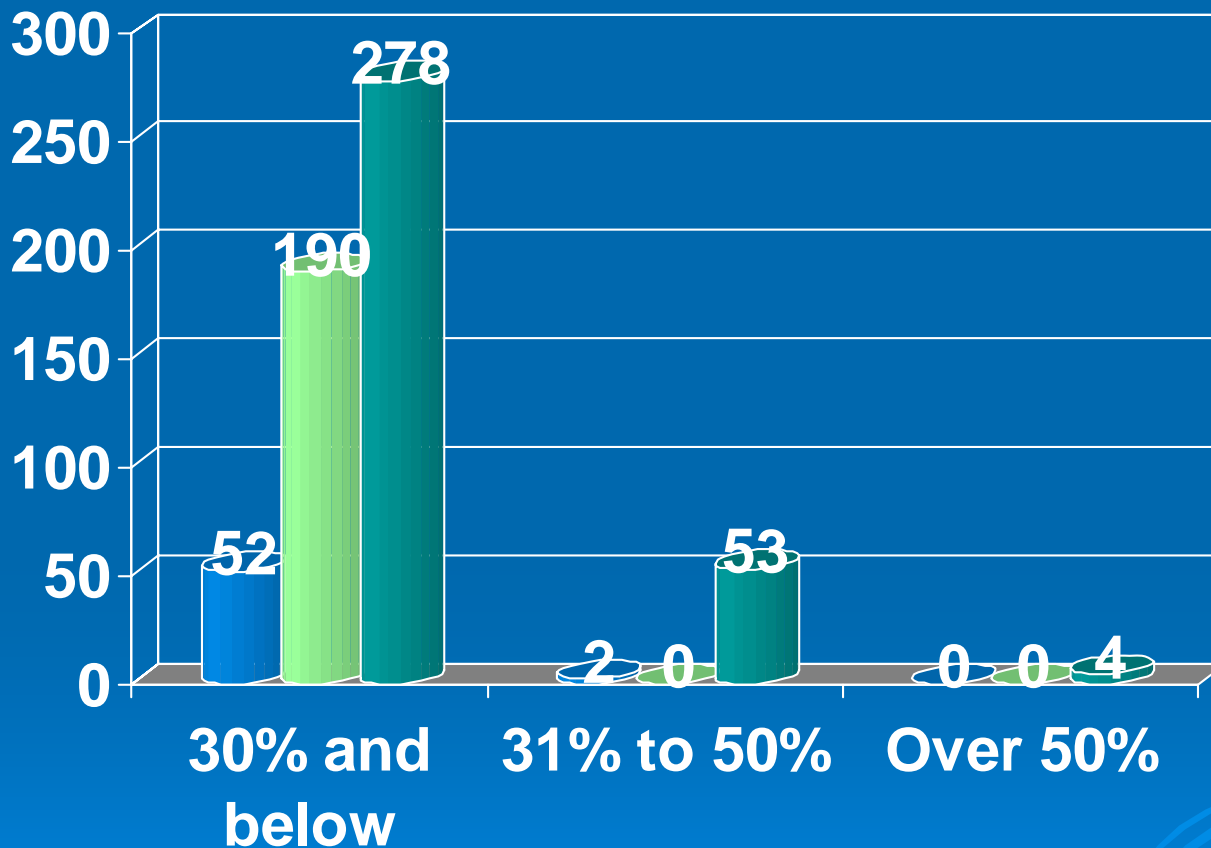
Rent Burden

Housing Choice Vouchers



Rent Burden

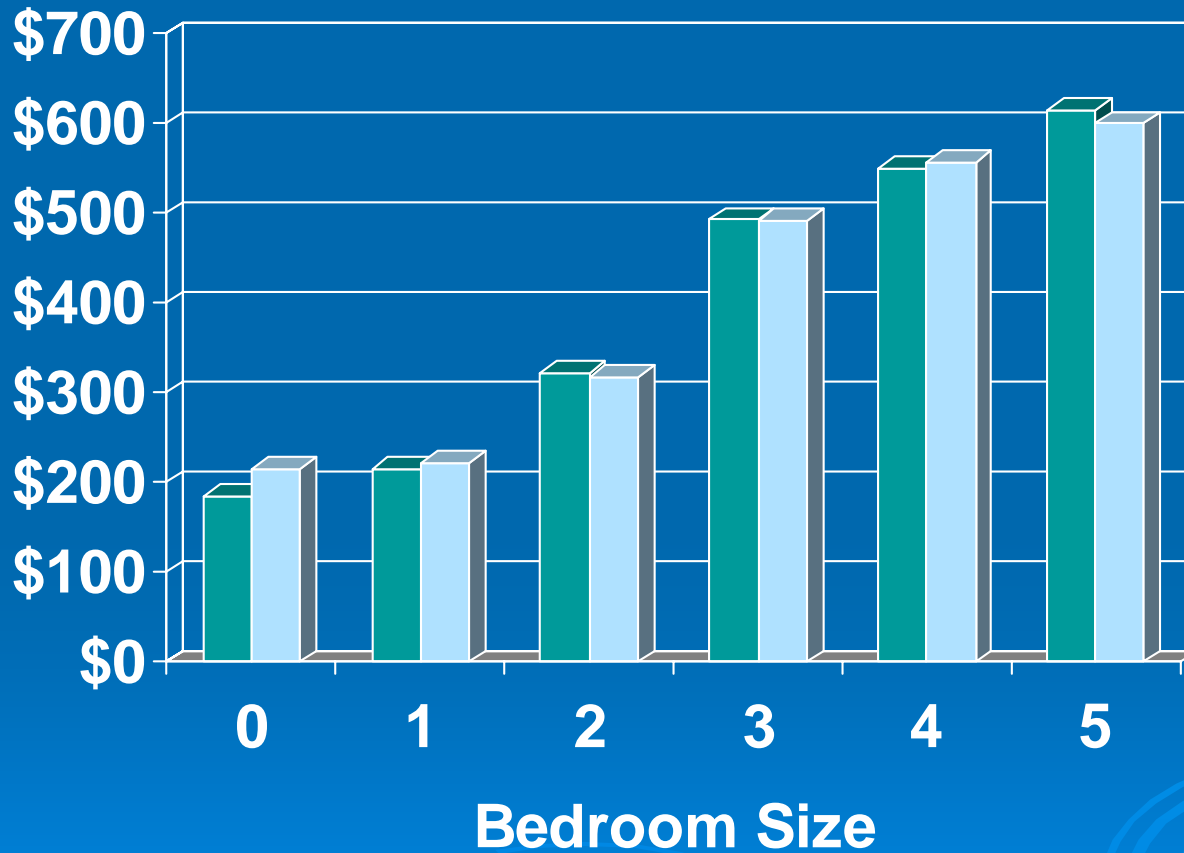
Public Housing



□ HUD Flat Rent ■ Income Based ■ Moving to Work

HAP Comparison

Moving to Work Housing Choice Vouchers



Income Based HAP Amount Moving to Work HAP Amount

Bottom Line

- Income-based rental programs discourage reported income
 - 58% of timed-out hshlds would have had zero subsidy had they have been income-based
- Our MTW structure is perceived as fairer by participants and understood by the public
- Time-limits are one potential answer to large waiting lists and public perception