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PROMOTING EMPLOYMENT THROUGH RESIDENTIAL STABILITY: STATE AND LOCAL INITIATIVES TO PROVIDE HOUSING ASSISTANCE TO FAMILIES MOVING FROM WELFARE TO WORK

by Barbara Sard and Jeff Lubell

In the last year, the federal government, two state governments, and one county have all initiated new programs designed to provide housing vouchers to families attempting to make the transition from welfare to work. The funding of these new programs reflects growing recognition of two related propositions:

- The lack of stable, affordable housing can be a significant obstacle to families' ability to obtain and retain employment.

- Housing vouchers can be effective in helping families afford decent, suitable housing.

This paper explores the rationale for state and local initiatives to provide housing assistance to families moving from welfare to work, analyzes the design considerations involved in setting up such programs, and discusses sources of funding.

The Value of Housing Subsidies to Welfare Reform Efforts

Housing subsidies can help families move from welfare to work in at least three ways.

- By making housing more affordable for low-income families, housing subsidies help to stabilize their living situations, better enabling them to obtain and retain jobs.

- Housing subsidies free up funds within the budgets of low-income families for work-related expenses, such as child care, work clothes, and transportation.

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- Housing subsidies (particularly housing vouchers) can help low-income families move to areas offering greater economic opportunities.

Housing Subsidies Can Help Stabilize Poor Families' Living Situations: Many housing and welfare professionals believe that poor families need a stable housing situation to focus more fully on finding and retaining employment. Reflecting on site visits to 21 nonprofit organizations involved in self-sufficiency efforts in 13 states, Rachel G. Bratt of Tufts University and Langley G. Keyes of MIT noted that their "field work underscored the importance of housing being secured first, before people could pay serious attention to non-housing issues....Housing is at the core of family stability."[1]

Families that cannot afford housing of their own may be forced to move frequently from the home of one friend or relative to that of another. While necessary to ensure continued shelter, such moves can interrupt work schedules and jeopardize employment.[2]

Even if families with high rent burdens are not forced to move frequently, they may experience distractions that can cause them to lose their jobs. Particularly in low-wage positions, the need to leave work to attend to a family emergency can lead to loss of employment. In various ways, housing subsidies can help to reduce the amount of time that families need to devote to such non-work activities.

- **Child Health and Behavioral Concerns**. Inadequate housing has been linked to increased rates of asthma and respiratory disease and lead poisoning.[3] By enabling families to afford better-quality housing, housing subsidies can reduce the extent of these health hazards and the resultant interruptions in parents' work schedules. Similarly, by reducing housing costs to a smaller share of families' budgets, subsidies permit poor families to spend more money on food, potentially reducing child health and behavioral problems caused by inadequate nutrition.[4]

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[1] Rachel G. Bratt and Langley C. Keyes. "New Perspectives on Self-Sufficiency: Strategies of Nonprofit Housing Organizations." Medford, MA: Department of Urban and Environmental Policy, Tufts University (1997), at 77, n. 3.

[2] The housing stability provided by vouchers may also lead to benefits in the area of education. Studies show that the children of families that move frequently tend to do less well in school. By enabling poor families to find and keep affordable housing, vouchers help them to remain in a stable school setting, improving their children's educational prospects. **[Add cites.]**

[3] "Not Safe at Home: How America's Housing Crisis Threatens the Health of Its Children," A Research Report by the Doc4Kids Project of Boston Medical Center, Children's Hospital (1998). **[Add URL.]**

[4] For example, a study in Boston found that children of families on a waiting list for housing assistance were six to seven times more likely to suffer from stunted growth than children of families receiving housing subsidies. Allan R. Meyers *et al.*, "Housing Subsidies and Pediatric Undernutrition." *Archives of Pediatric Adolescent Medicine* (1995); 149:1079-1084. Similarly, poor children who do not receive housing assistance are 50 percent more likely to be iron-deficient than children of poor families receiving housing subsidies. Allan R. Meyers *et. al*, "Public Housing Subsidies May Improve Poor Children's Nutrition." *American Journal of Public Health* (1993); 83:115.

- **Juvenile Crime**. Housing subsidies can help reduce interruptions in work schedules related to juvenile crime. Data from the Moving to Opportunity (MTO) demonstration project suggest that providing families with housing vouchers and helping them to relocate outside areas of high poverty concentration can help reduce the incidence of violent crime among children in those families.[5]

- **Domestic Violence**. Housing vouchers can help victims of domestic violence escape abusive living situations. In addition to the important benefit of reducing the likelihood of incidents of violence, such assistance can help prevent disruptions in work schedules that can lead to loss of employment. Without access to housing subsidies, domestic violence victims may be forced to leave their homes and become homeless, which can have acute ramifications for their employability and their children's health.

Housing Subsidies Can Help Families Afford Necessary Work-Related Expenses: In 1995, three of every four poor renters without housing assistance spent more than half of their income on housing. Such high housing costs can leave families with little remaining income for basic necessities or to pay for child care, work clothing, transportation, and other expenses that often must be met if families are to move from welfare to work.[6] Housing subsidies can help families making the transition to work afford necessary work-related expenses.

Housing Subsidies Can Help Families Move to Areas With Greater Job Opportunities. Households receiving tenant-based subsidies use them to rent housing in the private market. There are few formal restrictions on the locations in which tenant-based subsidy holders may live; they generally may rent wherever they find an agreeable landlord. By helping recipients rent apartments they could not otherwise afford, tenant-based subsidies can enable poor families to move to areas with greater employment opportunities. Some subsidized housing developments (known as "project-based" subsidies) also are situated near job opportunities. Promoting access by poor families to such developments can similarly help to support welfare reform goals.

The Shortage of Affordable Rental Housing for Families Moving from Welfare to Work

Although the rate varies from state to state, on a national basis, about one-fourth of families receiving AFDC/TANF income also receive housing assistance from the U.S.

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[5] See Jens Ludwig, Greg J. Duncan and Paul Hirschfield, "Urban Poverty and Juvenile Crime: Evidence from a Randomized Housing-Mobility Experiment" (Draft: September, 1998). **[Add URL.]**

[6] A study by Kathryn Edin and Laura Lein found that mothers in low-wage jobs (less than $8 per hour) have significantly higher expenses (an average of $1,243 per month) than mothers relying primarily on welfare (an average of $876 per month). Among other items, wage-reliant mothers had higher expenses than welfare-reliant mothers for transportation, child care, medical care and clothing. Wage-reliant mothers with housing subsidies paid $150 - $200 less per month for housing than wage-reliant mothers in private housing. *Making Ends Meet: How Single Mothers Survive Welfare and Low-Wage Work* (1997), pp. 91-93.

Department of Housing and Urban Development (HUD).[7] Of the 4.4 million families receiving AFDC income in mid-1996, only about one million also received federal housing assistance.[8] The limited number of families on welfare receiving federal housing subsidies reflects the limited supply of such subsidies, rather than a limited need for them. Federal housing assistance is not an entitlement. Families frequently wait at least several years before receiving a subsidy.

Without housing subsidies, lower-income families are unlikely to find decent, affordable housing. In 1995, the most recent year for which such data are available, about 70 percent of renter households with incomes below 30 percent of the area median income (AMI) and without federal housing assistance – some 4 million households – spent more than half of their income on housing or lived in severely substandard housing. (Nationally, 30 percent of AMI is roughly equivalent to the poverty line for a family of three; in major metropolitan areas, 30 percent of AMI exceeds the poverty line.)

Most families leaving welfare for work have incomes below 30 percent of AMI and thus are likely to have severe housing affordability burdens, live in severely substandard or overcrowded housing, or be without housing of their own. A November 1998 survey of studies examining earnings among employed former recipients of welfare and recipients combining work and welfare found that such families typically earn between $8,000 and $10,800 annually.[9] Similarly, a national study of single mothers who were working five years after leaving welfare found that their earnings averaged just $10,740 per year, also below 30 percent of the national median income.[10] By contrast, 30 percent of the national median income in 1999 is estimated to be about $12,900 (as adjusted for a family of three).

Many working families – even with incomes in excess of 30 percent of AMI – have severe housing problems. A recent HUD study found that in 1995 about 2.4 million renter households with earnings as their primary income source and incomes below 50 percent of AMI (currently about $21,510, as adjusted for a family of three) spent more than half of their income on housing

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[7] AFDC is an acronym for the former welfare program known as Aid for Families with Dependent Children. TANF is an acronym for the new federal welfare block grant known as Temporary Aid for Needy Families.

[8] *See* "Jill Khadduri *et al.* "Welfare Reform and HUD-Assisted Housing: Measuring the Extent of Needs and Opportunities." Presented at Fannie Mae Foundation/CBPP Conference: Managing Affordable Housing Under Welfare Reform: Reconciling Competing Demands. June 26, 1998; Barbara Sard and Jennifer Daskal, "Housing and Welfare Reform: Some Background Information." Center on Budget and Policy Priorities, November 1998. Available on the Internet at: *http://www.cbpp.org/pubs/housing.htm.*

[9] Sharon Parrott. "Welfare Recipients Who Find Jobs: What Do We Know About Their Employment and Earnings?" Center on Budget and Policy Priorities. Nov. 16, 1998. Available on the Internet at: *http://www.cbpp.org/11-16-98wel.htm.*

[10] Daniel R. Meyer and Maria Cancian, *Life After Welfare: The Economic Well-Being of Women and Children Following an Exit from AFDC,* Institute for Research on Poverty, University of Wisconsin, Discussion Paper No. 1101-96, August, 1996, p. 20. The $10,740 figure cited here reflects the study's finding as measured in 1999 dollars. These mothers were not necessarily employed continuously throughout the five-year period, and some may have received some welfare assistance since initially leaving the rolls.

or lived in severely substandard housing. More than half of these 2.4 million households had earnings equal to or greater than full-time, year-round work at the minimum wage.

In short, most families making the transition from welfare to work cannot obtain stable, affordable housing without a housing subsidy.

The Insufficient Supply of Federal Rental Assistance

Although federal housing subsidies help many families, the number of families in need of rental assistance far outstrips the number of available federal subsidies. Through state and local housing agencies, the federal government provides rental assistance to about 4.1 million households, of which about 2 million are families with children.[11] Each year, a portion of the federally subsidized housing stock becomes available for new families as a result of ordinary turnover. If current trends regarding turnover rates and usage by families with children continue, about 108,000 housing vouchers, 71,000 public housing units and 62,000 units in privately owned housing projects will become available each year for families with children.

The approximately 241,000 units that become available each year for new families with children are plainly inadequate to serve all families in need of housing assistance throughout the country. In 1995, there were ___ million families with children and incomes below 50 percent of AMI (about $21,510, as adjusted for a family of three) and without federal rental assistance that spent more than half their income on housing or lived in severely inadequate housing.

As of 1998, households with federal housing vouchers had waited an average of 28 months for assistance.[12] Families not receiving "preference" for admission under the local housing authority's admissions plan must wait significantly longer and may not get on the waiting list at all. Although some housing authorities give preference to working families, most do not give preference to families participating in workfare or other self-sufficiency activities. Among the many groups competing for preference to receive newly available housing subsidies are the homeless, the elderly, persons with disabilities, and individuals fleeing domestic violence.

The Federal Welfare-to-Work Housing Voucher Program

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[11] This number only includes "deep" subsidies that cover the difference between 30 percent of a tenant's income and a rental payment standard. An additional 300,000 households benefit from "shallow" subsidies that provide more modest assistance. This figure also does not include families residing in units funded through the low-income housing tax credit. While an important source of affordable housing for families with incomes between 40 and 60 percent of AMI, the low income housing tax credit generally does not produce housing that is affordable to families below 30 percent of AMI unless the family utilizes an additional federal subsidy, such as a housing voucher.

[12] Office of Policy Development and Research. U.S. Department of Housing and Urban Development. *A Picture of Subsidized Households in 1998: United States Summaries*, p. 14.

For 1999, Congress has appropriated 50,000 new housing vouchers for families making the transition from welfare to work. This is the first substantial appropriation of new housing assistance by Congress in five years. For the next fiscal year (FY 2000), the President has requested an additional 25,000 welfare-to-work vouchers. Congress has not yet acted on the President's request.

To be considered for a federal welfare-to-work housing voucher, a family must be eligible to receive, currently receiving, or a recipient within the past two years of federal or state welfare funds.[13] In addition, the housing voucher must be "critical" to the family's success in obtaining or retaining employment.

The vouchers families receive through the welfare-to-work voucher program will subsidize the rents of apartments they locate in the private market. Families receiving welfare-to-work vouchers will pay approximately 30 percent of their income in rent; the difference between the family's rent payment and a "reasonable rent standard" for housing will be paid by the PHA with funds obtained through HUD. The vouchers do not carry a time limit.

APPLYING FOR FEDERAL WELFARE-TO-WORK VOUCHERS

Applications for the federal welfare-to-work housing voucher program are due April 28, 1999. To obtain a copy of the request for proposals (termed a Notice of Funding Availability, or NOFA) and an application kit, contact HUD at 1-800-955-2232. The NOFA also may be obtained from the January 28, 1999 Federal Register or downloaded from the Internet at: *www.hudclips.org* (select "Current NOFAs" from the main menu).

Although the applicant for federal welfare-to-work vouchers must be a state or local public housing agency (PHA), PHAs must prepare their applications in coordination with state and local welfare agencies and local entities administering Department of Labor welfare-to-work grants. Local PHAs may apply for up to 700 new welfare-to-work vouchers; state housing agencies may apply for up to 2000 new vouchers.

The Center's overview of the federal welfare-to-work voucher program may be downloaded from the Internet at: *http://www.cbpp.org/pubs/housing.htm*

While a modest increase in the federal welfare-to-work voucher program may be achievable, that program is not likely to grow large enough or fast enough to provide housing subsidies to most families that need them to make a successful transition from welfare to work.[14] The federal welfare-to-work voucher program should encourage more collaboration among welfare and housing agencies and will provide an important source of innovative practices. The only way to ensure an adequate number of housing subsidies for families moving from welfare to

[13] These include federal funds provided under the Temporary Assistance for Needy Families (TANF) program and qualified state expenditures under section 409(a)(7)(B)(i) of the Social Security Act (sometimes known as Maintenance of Effort funds).

[14] As of late 1996, there were about 3 million families receiving AFDC income but not receiving federal housing assistance. The vast majority of these families had severe housing affordability or quality problems. With the decline in welfare caseloads of the past few years, the number of families receiving TANF income but not receiving federal housing assistance has declined. Because the wages of families leaving welfare are so low, however, such families are still likely to need help with housing costs.

work, however, will be for states and local governments to augment the supply of housing subsidies through state- or local-controlled funds.

State and Local Housing Programs That Help Families Move From Welfare to Work

In the last year, the states of New Jersey and Connecticut and the county of San Mateo, California have initiated housing allowance programs to provide housing assistance to families attempting to make the transition from welfare to work. A similar program has been in place for some time in the state of Minnesota. Policymakers and advocates in several additional states – including California, Florida, Iowa, Maryland, Massachusetts, North Carolina, Vermont and Wisconsin – are presently considering whether to develop proposals for a welfare-to-work housing allowance program.[15]

The subsidies provided through the New Jersey, Connecticut, Minnesota and San Mateo County programs all take the form of housing vouchers that subsidize the rents of housing that families locate in the private market. Depending on the program, the vouchers last for one to three years. The vouchers generally provide less assistance per family than the federal housing voucher program. The programs range in size from 75-80 families (San Mateo County) to 1,800 families (Connecticut).

Aspects of the housing allowance programs in New Jersey, Connecticut, Minnesota and San Mateo county are discussed in the sections on design considerations and funding, below. In addition, detailed fact-sheets on each program may be found in the Appendix.

Design Options and Considerations

Many issues must be considered in designing a state- or county-initiated housing subsidy program for families making the transition from welfare to work. Local decisions on program design are likely to be a product of policy and political considerations. The following is a brief summary of the competing concerns involved in four of the most important design considerations:

- Should subsidies be tenant-based or attached to particular developments?
- Should subsidies be time-limited?
- How deep should the rent subsidies be?
- Who should be eligible to receive the subsidies?

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[15] A number of states also have housing subsidy programs that are not targeted specifically on families moving from welfare to work. Those programs are not addressed in this paper.

Should subsidies be tenant-based or attached to particular developments?

The welfare-to-work housing programs implemented to date have all used tenant-based subsidies; participating families choose suitable housing on the private market and part of the rent is then paid by the administering agency to the private landlord.[16] Tenant-based rental assistance has five primary advantages for these programs:

- It can be dispensed relatively quickly to eligible families; no delay results from building or rehabilitating housing.

- It can be limited in time to a short period, such as the one-to-three year duration of the four existing state and county programs; it would be more difficult to time-limit assistance linked to a particular development.

- It can be used to prevent displacement of families already in suitable housing that is unaffordable.

- It can serve as a bridge during the wait for federal rental vouchers that have no time limit; families that receive a federal voucher can continue living in the same unit subsidized by the state program.

- Minority families may be able to move into predominantly white communities more easily using tenant-based subsidies than if local officials and neighbors had to be alerted to the proposed development of low-rent housing.

The central drawback of tenant-based assistance is that its success depends on the availability of suitable rental housing that landlords are willing to rent to program participants. Tenant-based subsidies alone may not be effective in markets where vacancy rates are extremely low, rental costs are so high that rents remain unaffordable despite subsidies, little rental housing exists near areas of job growth, or discrimination prevents access to suitable housing. Beyond supply-side considerations, if there is a desire to link the participants in the program with services that support work it may be more difficult to do so when families are spread throughout a metropolitan area rather than concentrated in one building or a finite geographic area.

Politically, a proposal to increase tenant-based assistance is less likely to be supported by housing developers, including non-profit groups, than a proposal to increase subsidies tied to particular units (sometimes known as "project-based" subsidies) or otherwise aid housing

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[16] At the discretion of housing agencies applying for the subsidies, a portion of the new federal welfare-to-work vouchers could be "project-based" – that is, attached to particular units – subject to the general limitation that no more than 15 percent of an agency's portfolio of Section 8 tenant-based rental subsidies may be project-based. The Minnesota Rent Assistance for Family Stabilization Program also permits a portion of the authorized subsidies to be project-based at the discretion of applicant job training agencies, but only two small college-assisted projects have had the rent subsidies attached to the units.

development efforts. The alignment of other potential stakeholders will vary depending on local circumstances.[17]

Should subsidies be time-limited?

Unlike federal welfare-to-work housing vouchers (which have no time limit), the special state and county initiatives are all of short duration. Connecticut and San Mateo County provide housing assistance for only one year; a family's participation in the New Jersey and Minnesota programs may last up to three years. Both New Jersey and San Mateo reduce the amount of the subsidy provided over the duration of the program.

The primary reasons for the short time limits attached to these rental subsidies are the desire to limit financial exposure and the pilot nature of each of the programs. Underlying the choice of the short time limit is an assumption that either families' incomes will increase sufficiently during the duration of the program so that they will be able to afford market-rate housing on their own, or that other more permanent housing subsidies will become available. Only the San Mateo program, however, selects families based on the likelihood that their incomes will increase substantially during their participation in the program, and provides on-going case management assistance to help families achieve their financial goals.[18]

Critics of these time-limited initiatives generally have two sets of concerns: that the program won't result in stable housing for the target families, and that it may undermine the political support for housing programs that offer ongoing subsidies. For programs that do not "cream" the families they select, as San Mateo does, there is reason to be concerned that families' earnings are not likely to increase sufficiently in one year, or even three years, to afford market rents in high-cost areas while still having sufficient funds to meet their families' basic needs and pay the additional costs of working. Research has shown that substantial earnings increases occur only for former welfare recipients who have participated in skill development or higher education programs.[19] Housing allowance programs could mitigate this problem by linking participating families to part-time education and training programs that could help increase their earning potential, and by helping to ensure that families are likely to receive other housing assistance should they still need help when the time-limited housing assistance has expired. In

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[17] Whether tenant-based or project-based, rent subsidies paid directly to a landlord rather than in cash to the tenant, as would be the case with a TANF grant increase, have the advantage of not increasing families' countable income for Food Stamp purposes. Families lose one-third of the value of a grant increase to a reduction in Food Stamps.

[18] Connecticut plans to survey participating families early in 1999 to determine whether their income has increased sufficiently to afford their housing without subsidy, but currently has no plans to extend the duration of assistance. ***I need to check in again with Conn.***

[19] An excellent compilation of the research in this area is contained in Julie Strawn, *Beyond Job Search or Basic Education: Rethinking the Role of Skills in Welfare Reform*, Center for Law and Social Policy, April 1998. Available on the Internet at: *http://www.clasp.org/pubs/jobseducation/beyondexec.htm*.

Minnesota, most program participants terminate their assistance after about one year due to obtaining federal Section 8 subsidies.

Concerning the potential risk that enacting short-term housing subsidy programs could "infect" other unlimited duration programs, there is no evidence so far that this will occur. Indeed, some advocates in Connecticut now think that the extremely short duration of the housing assistance provided -- one year -- will help prevent any proposal to apply such a time limit to the state's regular state-funded rental assistance program.

How deep should the rent subsidies be?

The state and county housing initiatives for families leaving welfare for work provide more shallow assistance than is common under the federal low-income housing programs, in which families generally pay about 30 percent of their income for rent. In Connecticut, families pay at least 40 percent of their income for rent, and more if their unit's rent is above the state-set standard, which is common.[20] In New Jersey, families pay at least 45 percent of their income towards rent in the first year, increasing to 65 percent by the third year. The subsidy in the San Mateo program is linked to the rent level rather than to income, and is likely to be more shallow than either of these state programs. The Minnesota program is probably the most shallow subsidy of the four, paying a maximum of $250 per month for families in high-rent metropolitan areas; families must pay a minimum of 30 percent of their income, plus any additional amount of the rent remaining after application of the state subsidy.[21]

Public benefit programs always have a tension between more adequate assistance for fewer households and less adequate assistance for more households. Unlike most income subsidy programs, federal low-income housing programs have tended to resolve this tension in favor of more adequate assistance for fewer families, subsidizing the cost of housing in excess of 30 percent of a family's income. In part, this policy resolution resulted from the failure of programs that required families to pay more in rent; a significant number of these families could not sustain the rent burden and lost their housing and subsidy. It remains to be seen whether the relatively shallow subsidies in these programs will be sufficient to enable participating families to have stable housing. On the other hand, it seems far more likely that families will retain their housing with these subsidies than without them.

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[20] Connecticut's pre-existing state rental assistance program uses state-set maximum rents for different areas, which are $50 - $100 per month below the federal "fair market rents" used to determine subsidy levels in the federal Section 8 program. In Connecticut's new housing allowance program focused on families who lose their TANF wage supplement due to the state's 21-month time limit, families may use the subsidy to stay in a unit they had been renting before entering the program that has a rent above the state maximum. In this situation, families pay the excess rent above the applicable state maximum in addition to 40 percent of their income. Families that move with their subsidy are only permitted to rent units at or below the state maximum rent. State officials say that most participating families have rented in place.

[21] A survey of RAFS participants in 1998 found that 82 percent paid more than 30 percent of their income for rent, despite their RAFS subsidy. But the subsidy did reduce families' rent burdens: while 43 percent of participating families paid more than 70 percent of their income for rent prior to receiving the RAFS subsidy, only 7 percent continued to have such extreme rent burdens after entry into the program.

For time-limited programs that do not function as a bridge to ongoing rent subsidies, it may be sound to reduce the amount of the subsidy gradually so that families do not face a steep "cliff" when their subsidy ends. Reducing the subsidy to a lesser percentage of the rent, as San Mateo does, rather than requiring a family to pay an increasing percentage of their income, as New Jersey does, would appear to make more sense. Requiring families to pay an increasing portion of their income in rent could create a disincentive for families to increase their earnings. Such a disincentive would be particularly counter-productive in a program that depends for its ultimate success on families increasing their earnings over time.

Eligibility

Programs designed to assist families making the transition from welfare to work are likely to require eligible families to have some link to current or past welfare receipt. Each of the current programs, however, have established somewhat different eligibility standards.

- Connecticut requires that families have become ineligible for TANF benefits due solely to the state's 21-month time limit and that a family of three have earnings between __ and __ (the federal poverty level). The income brackets vary with family size.

- New Jersey requires that families' earnings be at least enough to have made them ineligible for TANF benefits (about ___ for a family of 3) but less than ____ (150% of the federal poverty level).

- The Minnesota and San Mateo programs only serve families who at least initially are receiving benefits under the state's TANF program, although families must also be employed or in training.

- The new federal welfare-to-work housing voucher program permits PHAs to serve families who currently receive, or are eligible to receive, TANF benefits, and families who received TANF benefits within the previous two years.

These differences result from different program goals rather than a determination that the eligible population has more severe housing needs than populations excluded from eligibility. All four programs seek to encourage work, but only New Jersey and Connecticut focus on job retention. Among the practical and political issues that may affect the choice of whether to link program eligibility to current receipt of welfare benefits, current employment coupled with previous receipt of welfare benefits, or simply to low-wage employment, are the following:

- In the context of the state's welfare policies and caseload reduction experience, is the concern to help families get off welfare, or to help them retain employment and stay off welfare (or otherwise prevent destitution in those states where time limits alone would preclude recidivism to the welfare rolls)?

- Will serving families still on welfare be perceived as a "reward" for remaining on public assistance rather than the reward for leaving public assistance that most states now want?

- Does it seem fair or politically desirable to distinguish among equally low-wage workers based on past history of welfare receipt? How is the answer to this question affected by the severity of the state's policies and practices to discourage families from applying for welfare benefits?

In addition, funding sources may affect the income level of families that can be served, and whether it is wise to assist families not currently receiving TANF benefits. See discussion of funding considerations below.

In addition to requiring current or prior receipt of welfare benefits, each of the state/county programs has required, as a condition of eligibility, that families be referred to the housing assistance program by the welfare agency. (San Mateo and Minnesota also permit referral by a job training agency.)[22] Both New Jersey and San Mateo use the referral requirement to enable the welfare agency to make a subjective determination of whether the family needs and is likely to benefit from housing assistance. Only families deemed to meet the welfare agency's subjective test are permitted to apply for the housing assistance program. The housing agency then determines whether the family also meets 'housing need' criteria, such as being homeless, at risk of homelessness, or under a severe rent burden.

Whether a program should rely on a subjective determination of the likelihood of housing assistance being critical to a family's retaining employment as an eligibility test is a difficult question. Some will contend that such a subjective determination is inherently arbitrary and subject to discriminatory application, and that housing need criteria – such as current lack of housing, imminent homelessness or severe rent burden – are better predictors of whether housing assistance is necessary to obtain or retain employment. Others believe that such subjective judgments can be reasonably accurate, and are a sensible means of allocating scarce resources, perhaps particularly if combined with more objective criteria of housing need. It is unclear whether welfare agency staff – or anyone else – can predict who critically needs housing assistance to obtain or retain employment. But a proposal to distribute scarce resources based on professional judgments of likelihood of success is likely to be politically attractive.

Another important eligibility-related question is whether to condition continuing receipt of housing assistance on compliance with employment or training requirements. Unlike welfare programs, housing programs traditionally have not linked continuing eligibility to employment. Each of the four special welfare-to-work housing programs departs from this tradition and terminates the housing subsidy of families that fail to remain employed (or, in San Mateo and Minnesota, enrolled in a job training or self-sufficiency program). The New Jersey program, however, permits continuation of the housing subsidy for a short period after job loss to permit

[22] In Connecticut, the welfare agency initially determines whether a family meets the objective financial criteria and time limit rules. If the number of qualifying families exceeds the number of subsidies available each month, a lottery will be used to select actual participants among eligible families; no additional eligibility criteria are applied. The need to obtain an eligibility certification from the welfare agency, and then make a subsequent application at the housing agency, is thought to have sharply restricted the number of families completing application for the rent subsidies.

finding another job, so long as the parent is actively seeking employment and, if deemed appropriate, is engaged in required self-sufficiency services. Such leeway is consistent with evidence that many former welfare recipients have difficulty remaining continuously employed, even when the economy is good.[23]

Funding Options and Considerations

Nearly every state currently has a budget surplus as a result of the generally good economy in the past several years.[24] In addition, many states have substantial amounts of unspent federal TANF funds from the first two years of the federal block grant. It appears that states have structural gaps between the costs of the programs and services they are providing and the TANF funds available. As a result, many states may be able to afford significant new investments to help move parents into the workforce or enable working parents to remain employed and support their families adequately.[25]

Also states need to monitor their spending ~~[illegible]~~ [illegible]

Assistance to enable families to provide stable homes for their children is a central purpose of the TANF program. Housing subsidies that pay a portion of families' rents directly to landlords certainly further this purpose. State revenues available as a result of the mounting budget surpluses and federal or state TANF funds can be used to provide such housing subsidies.[26] Using unrestricted state revenues presents no special issues: states generally can design spending programs with their own funds, although relevant state laws need to be considered. Using TANF funds, however, presents more complicated issues.

Subject to certain restrictions, federal TANF funds and state Maintenance of Effort (MOE)[27] funds can be used to provide housing assistance to families currently receiving TANF benefits, families who have left TANF for work, or other low-wage families that have never received TANF benefits. Decisions about which families to serve and what type of housing assistance to provide, as well as the competition for the types of funds available in each state, will

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[23] See Anu Rangarajan, *Keeping Welfare Recipients Employed: A Guide for States Designing Job Retention Services*, Mathematica Policy Research, Inc., June 1998.

[24] **Ed suggested checking NGA and NCSL web sites for their fiscal surveys.** I didn't have time. Can also check out Eugene Steurle, "The Extraordinary Growth in State Government Revenues," Urban Institute. **Http://www.urban.org/tax/10-19-98.htm**

[25] A number of recommendations for using unspent TANF funds can be found in *Reinvesting Welfare Savings: Aiding Needy Families and Strengthening State Welfare Reforms,* Center on Budget and Policy Priorities, March 1998. The report is available on the Center's web site at **http://www.cbpp.org/330rein.htm**.

[26] More than 35 states and a substantial number of counties and large cities currently operate state-funded housing programs. Approximately 200,000 units of housing for low-income people are funded annually by states from general or specially dedicated revenue sources. *Cite Dreier forthcoming?*

[27] To receive federal TANF funds, states are required to maintain their spending on low-income families at certain levels. Funds required to meet this obligation are known as Maintenance of Effort (MOE) funds.

affect the choice of funding sources. The following are some of the major considerations involved in selecting funding sources for a state housing allowance program:

- Federal TANF funds or state MOE funds can be used only to serve families with minor children or pregnant women. If a state wishes to promote the welfare-to-work efforts of single adults or families with older children, a state would have to use its general funds.

- It is best to use federal TANF funds only to serve families already receiving federal TANF assistance, unless funds are transferred as discussed below. If families are receiving cash assistance through the TANF program, their federal time clock is already running. As a result, they can also receive rental assistance without further affecting their five-year time limit. Providing rent subsidies through the TANF program to families not receiving TANF cash benefits, however, will count against families' five-year lifetime limit on receipt of federal TANF funds. For this reason, the San Mateo program wisely uses federal TANF funds to assist families receiving cash assistance (as well as for some administrative expenses) but uses other funds to provide rental subsidies to families that have left the TANF rolls.[28]

- Federal TANF funds that are transferred to the Social Services Block Grant (SSBG) can be used to provide rental subsidies (or other services) to families with children without any of the federal TANF restrictions. States are currently permitted to transfer up to 10 percent of their annual federal TANF block grant to SSBG; however, this transfer authority is scheduled to be reduced in the future.[29] About half the states transferred some funds to the SSBG in the past two years, but few states with unspent federal TANF funds used their full transfer authority.[30]

- Transferring federal TANF funds to SSBG has two other potentially significant advantages for a rent subsidy program:

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[28] Providing short-term housing-related benefits with federal TANF funds, such as a security deposit or the first month's rental payment, will not impose federal TANF requirements on families. This is because the federal Department of Health and Human Services has defined such one-time short-term benefits as "non-assistance," to which the federal time limit and other federal requirements, such as the duty to assign child support rights, do not apply. See proposed 45 C.F.R. 270.30 (HHS definition of "assistance"), 62 Fed. Reg. 62182 (Nov. 20, 1997). The final regulation may clarify the number of months a rent subsidy could be provided and still come within the definition of "short-term." As proposed, HHS would limit benefits to a one-time payment to assist with rent costs for not more than 90 days. It is unlikely that this definition will change so substantially that housing benefits for six months or longer could be provided with federal TANF funds without time limits running.

[29] The percent of TANF funds that states may transfer to the SSBG is due to be reduced from 10 percent to 4.25 percent in FY 2001. This amendment was enacted as one part of the financing of the 1998 highway bill. The President's budget for fiscal year 2000 has proposed moving up one year the reduction in the permissible transfer percentage, while increasing appropriations for SSBG.

[30] In fiscal year 1999, regular SSBG appropriations were reduced by $390 million compared with the previous year. States may seek to use part of their transfer authority to make up for this cut, but the reduction is only about 1/4 of the total funds that states could transfer annually to SSBG in FY 1999.

1. TANF funds transferred to SSBG can be used to serve families with incomes up to 200 percent of the federal poverty level – about $26,000 per year for a family of three; and

2. SSBG data collection and reporting requirements are far less onerous than the data reporting obligations for regular federal TANF or state MOE funds.

- It is likely that no TANF-related funds – federal or state – can be used directly for housing construction. The constraints are both legal (for federal funds)[31] and practical.[32] If there is a severe housing shortage in an area so that rental assistance alone is unlikely to be effective, or if capital expenditures for construction, substantial rehabilitation, or housing purchase are needed to operate an on-site service-enriched program, other funds would have to be used for the initial capital costs. TANF-related funds could, however, be used as project-based or tenant-based rental subsidies to enable such properties to serve eligible families. The costs of construction-related loans could be paid off through a portion of such an ongoing rental subsidy.

- Providing housing assistance with state MOE funds to working families not receiving regular TANF cash benefits does not count against families' federal lifetime limit on TANF assistance.[33] To assist working families with incomes near or above the poverty line, but in excess of the state's income eligibility threshold for TANF cash assistance, however, many states would need to establish higher eligibility guidelines *in their TANF plan* for housing and possibly other benefits.[34]

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[31] Generally, federal funds cannot be used for the construction or purchase of facilities owned by private parties without specific statutory authorization. HHS has indicated its intent to apply this general rule to TANF funds. (See 62 Fed. Reg. 62158 and proposed 45 C.F.R. 273.11.) Transfer of TANF funds to SSBG would not alter this restriction.

[32] States need to be able to identify the particular families who receive benefits or services provided with federal or state TANF funds. Data must be reported on the recipient families for expenditures to qualify as MOE in a particular year. State funds used to finance the construction or purchase of housing to be rented to eligible families (see below concerning "eligible families") could only count for MOE purposes if the housing is occupied within the grant year and the housing developer provides the required demographic and income data concerning the new tenants. Repayments on a construction loan through rental assistance on behalf of identifiable eligible families could count for MOE purposes.

[33] State funds spent in a "segregated" portion of the state's TANF program or in a "separate" state program do not carry the federal 5-year life-time restriction. There are a number of technical and legal differences between segregated and separate state MOE programs. Under HHS's proposed rules, neither program design is clearly preferable for a housing assistance program; state legal and political considerations are likely to be paramount. Staff at the Center are available to consult with agency staff or advocates weighing these different options.

[34] HHS staff have indicated in informal conversations that states could have a higher eligibility limit, such as up to 200 percent of the federal poverty line, for certain benefits or services to working families, while maintaining a lower maximum income limit on receipt of regular cash assistance under their TANF programs. This issue may be clarified in the final HHS TANF regulations. Until then, states are encouraged to seek clarification from HHS concerning the propriety of program options they are considering.

Such families are unlikely to be able to afford their housing without additional assistance; virtually no housing exists on the private market at the $300 per month level that a family with poverty-level earnings can reasonably afford. Yet there are competing policy considerations involved in a decision to increase the eligibility level for non-cash benefits under a state's TANF program. While such an increase can facilitate the provision of services and benefits that help working families retain jobs, escape poverty and stay off of cash assistance, it also may open the door to the diversion of other benefits to better-off families. Providing assistance to working families at or above the poverty line may be more attractive politically than providing the more intensive assistance that families still on cash assistance may need.

- It may be possible to use MOE funds to provide housing assistance to working families without raising the eligibility thresholds. In most states, housing assistance provided with state funds to families who are working part-time at low-paying jobs could count as MOE as their incomes would be less than the maximum permissible amount to receive cash assistance. Because of generous earnings disregards or the existence of a component of the TANF program that serves higher income families, housing assistance could be provided in some states to families with earnings approximately up to the poverty level and still qualify as MOE expenditures – again, without raising the eligibility thresholds.

In light of the constraints on the various TANF-related funding sources, a hybrid program may work best. For example, a state could establish a program to provide rental assistance for up to three years to a specified number of families in a range of different situations:

- Federal TANF funds could be used to provide housing subsidies to current TANF recipients working a specified number of hours or in approved training programs (perhaps who are homeless or imminently homeless);

- State MOE funds could be used to provide housing subsidies to former TANF recipients with earnings up to the maximum level qualifying as "needy," which in some states is as high as the poverty level;

- TANF funds transferred to the SSBG program or general state funds could be used to provide housing subsidies to former TANF recipients with incomes above the TANF eligibility levels but below 150 percent of the federal poverty level.

- General state funds could be used to provide housing subsidies to single individuals or couples who have worked their way off of state General Assistance benefits.

In addition to housing assistance, states may wish to provide case management services to all of the participating households to assist them to retain employment and increase their earnings.

The Center on Budget and Policy Priorities is a nonpartisan research organization and policy institute that conducts research and analysis on a range of government policies and programs, with an emphasis on those affecting low- and moderate-income families and individuals. The Center welcomes inquiries on the design and funding of state housing allowance programs and other initiatives at the intersection of low-income housing policy and welfare reform. The Center's Director of Housing Policy is Barbara Sard. Jeff Lubell works on housing policy at the Center as a Housing Policy Analyst. Those interested in further information and assistance should contact the Center by e-mail at: *lubell@cbpp.org* or by phone at 202-408-1080.

Appendix

Connecticut's Time-Limited Rental Assistance Program

Number of Families to be Assisted: Approximately 1800 in 18-month period

Funding--

Amount: Initially $10 million for 2 years, reduced to $7.5 million due to slow start-up

Source: State TANF maintenance of effort funds in segregated state program

Initial Eligibility:

- Former recipients of TANF
- Adult employed at time of application
- Ineligible for continuing TANF due to time limit (21 months) *and* income exceeds TANF payment standard (family would have been receiving TANF supplement to earnings due to Connecticut's 100% disregard of earnings up to the federal poverty level during time-limited period of receipt of benefits)
- Apply at local community action agency after pre-qualification by welfare agency within six months after exiting from TANF
- Selection by lottery if too many applicants
- Family does not already receive a rental subsidy
- Family lives in privately-owned rental housing

Benefits--

Duration: One year maximum

Amount per month: Likely approximately $500/month. Difference between 40% of tenant's adjusted gross income minus utility allowance (or 20% of gross monthly income, whichever is greater) and state-set maximum rent, which is approximately $50 - $100 or more below federal fair market rents.

Housing Features--

Maximum Rents: Families can use in current unit regardless of rent. If rent above state-set maximum rent, family pays difference in addition to income-based contribution. For families that move to new unit, rent must not exceed state-set maximum. Most participants rent in place.

Quality: Community action agency inspects units for compliance with housing quality standards.

Ownership Can only be used in private rental housing.

Grounds for Termination--

- Failure to comply with program administrative requirements
- Fraud

- Loss of job or return to state assistance

- Serious or repeated violation of lease or damage to unit

- Illegal drug or violent criminal activity

Administering Agencies:

Conn. Dept. of Social Services

Local welfare offices pre-qualify families at welfare exit interviews based on TANF status and verified income, and refer for separate application at contracted community action agencies. Lower than expected program enrollment attributed to many families not attending exit interviews when reach time limit, delay in pre-qualification, and need to file separate application at community action agencies.

Community action agencies

Three private non-profit agencies that also administer the regular state-funded rental assistance program for DSS, which administers both welfare agency and rental assistance programs.

Key Factors in Program Adoption:

Independent legislative initiative in appropriations bill as part of response to running of Connecticut's 21-month time limit in November, 1997. Funded as part of a comprehensive "safety net" program. Not proposed by Governor or advocates.

Contacts: Kevin Loveland, Director, Family Services Division, Connecticut Dept. of Social Services, 860-424-5031; Lucille Scafani, Administrator of Time-Limited Rental Assistance Program, Connecticut Ass'n for Community Action, 860-560-5846.

Work First New Jersey Housing Assistance Program

Number of Families to be Assisted: Approximately 400 families

Funding-- Amount: $6 million ($2 million/year for 3 years)

Source: State general funds

Initial Eligibility:

- Former recipients of TANF
- Working in unsubsidized employment
- Income below 150% of federal poverty level
- Recommended by County welfare agency
- Points based on relative housing need:
  - no fault homelessness (6)
  - received TANF homelessness prevention benefits (5)
  - 18 year old in special teen living arrangement (4)
  - rent burden of more than 50% of income (3)
- Points based on characteristics/behavior:
  - teen parent under 20 [if employed and ineligible for TANF] (2)
  - less than 2 TANF sanctions (1)

Benefits-- Duration: 3 years

Amount per month: Voucher model: subsidy = local Fair Market Rent minus 45% of income in first year, 55% of income in second year, and 65% of income in third year

Other Features: Escrow account based on subsidy savings from earned income increases. Escrow paid to family at end of 3 years in program without termination, or upon voluntary withdrawal from program if employed for at least 6 consecutive months with wages totaling 150% of federal poverty level

Participating families eligible for no-downpayment homebuyer program through N.J. Housing and Mortgage Finance Agency

Housing location assistance and ongoing case management provided by staff of county office of state housing agency

Housing Features–

Maximum Rents: Reasonable for local community. May exceed FMR.

Quality: Conforms with federal Housing Quality Standards

Grounds for Termination--

Loss of Employment:

No fault: subsidy terminates after 4 months unless re-employed. Extension is possible for additional 4 months if actively seeking employment and has sufficient available escrow funds

Due to temporary disability: subsidy continues until receipt of permanent disability benefits

Fault or voluntary quit: subsidy terminates after 2 months unless re-employed, *if* participant actively seeks re-employment and engages in required services during entire period

Fraud
Criminal or drug-related criminal activity
Eviction for breach of lease

Administering Agencies-- Partnership between state housing and welfare agencies

Participant Selection: N.J. Dept. of Human Services (state welfare agency), based on referrals by county welfare offices in 5 selected cities

Ongoing Administration: N.J. Dept. of Community Affairs (state housing agency that administers federal Section 8 and other programs), through field offices in 5 selected cities

Key Factors in Program Adoption:

- Leadership of state housing agency
- Agreement by state welfare agency that housing assistance would help welfare reform succeed
- Carrot of possible federal "welfare to work" Section 8 rental subsidies

Contact: Roy Ziegler, Div. of Housing and Community Resources, 609-633-8105

San Mateo County [CA] Housing Opportunities Program

Number of Families to be Assisted: 75 - 80 families in 1998-99

Funding--

Amount: $472,000 (one year budget)

Sources: CalWORKS (TANF) funds (staff and some housing scholarships for TANF recipients, $120,000); County general funds ($100,000); HOME funds ($77,000); foundations ($175,000).

Initial Eligibility: Eligible applicants must satisfy all of the following criteria:

- Current recipients of TANF (CalWORKS) or eligible to receive TANF
- Recommended by County welfare agency or job counselor
- Completed at least 75% of job training program or employed
- Assessed by job counselor as highly motivated and reasonably likely to be able to pay own rent or earn more than 50% of area median income within one year
- At risk of homelessness or paying more than 50% of income for rent

Benefits--

Duration: 1 year

Amount per month: For first 6 months, 50% of approved rent; For last 6 months, 25% of approved rent, regardless of family's income. Annually, $4200-5000 per family. See below regarding "approved rent."

Other Features: Nonprofit administering agency provides substantial assistance in recruiting landlords.

Families receive case management services and life skills training, including tenancy skills.

Housing Features--

Maximum Rents: Approved rents limited to local Fair Market Rent for 80% of participating families. For 20% of families, approved rents may be up to 120% of FMR if reasonable for local community.

Quality: Conforms with federal Housing Quality Standards

Grounds for Termination-- Failure to comply with program contract. Program contract requires continuation of training or employment unless the parent has good cause for termination, compliance with the lease, and attendance at monthly case management meetings and life skills workshops, and prohibits involvement in criminal activity.

Administering Agency-- Human Investment Project (HIP), a nonprofit housing development agency, in collaboration with county human service agency.

Participant Selection: Tenant selection subcommittee of Housing Opportunity Program Advisory Board. Persons referred by county welfare agency or job training program must make separate application at HIP.

Ongoing Administration: Human Investment Project

Key Factors in Program Adoption: In 1995, County conducted major reassessment, involving many community agencies, of how best to deliver welfare assistance. County plan concluded that comprehensive approach needed, including housing assistance in light of extremely expensive housing market with very low vacancy rate. County Board of Supervisors requested and received State waiver to administer TANF according to County plan. The plan included an initial housing pilot serving 37 families.

Program expanded based on success of pilot: 28 of the initial 37 families successfully completed first year in June, 1998, with average earnings of $13/hour and significant increase in self-confidence.

Contact: Judy Gaither, Executive Director, Human Investment Project, 650-348-6660.

Emily.Camp@phila.gov
11/10/99 12:12:29 PM

Please respond to Emily.Camp@phila.gov

Record Type: Record

To: housingwelfare@lists.cbpp.org

cc: John.Kromer@phila.gov, Dainette.Mintz@phila.gov
Subject: Request for Info:TANF/MOE Homelessness Prevent'n & Utilities

---

Dear Housing-welfare list serve members:

A public/private group in Philadelphia is developing a proposal to the State of Pennsylvania for the use of TANF and/or MOE funds for housing. We would like our proposal to be bolstered by information on other programs around the nation that are funded by TANF/MOE for:

-- housing / utility costs for homeless families
-- repair or replacement of heating systems in owner-occupied units to prevent homelessness
-- families at risk of homelessness due to eviction, foreclosure, or utility shutoff
-- payment of utility/rent/mortgage arrears (or forward payments), and related case management services, to prevent homelessness

We are incorporating information from Barbara Sard and Jeff Lubell's "State and Local Housing Initiatives to Support Families Moving from Welfare to Work" into the section of our proposal that discusses expansion of an existing transitional housing program. Information we are seeking through this message is on programs with the goal of preventing homelessness ("provide assistance to needy families so that children may be cared for in their own homes or in the homes of relatives") -- including homelessness prevention through assistance with homeowners' heating crises ("...provide low-income households with assistance in meeting home heating and cooling costs"). Both quotes are from the TANF law passed in Aug 1996.

Thank you in advance for your responses. For more background on this request, please see the end of this message.

Sincerely,

Emily Camp
Housing Program Analyst, Special Needs Housing Unit
City of Philadelphia
Office of Housing and Community Development
1234 Market Street, 17th Floor
Philadelphia PA 19107
(215) 686-9756 phone

(215) 686-9801 fax
emily.camp@phila.gov

[Some background information:
The City of Philadelphia, through the Office of Housing and Community Development, administers federal CDBG and HOME funds for transitional housing for homeless families and individuals through a tenant-based rental assistance program. Supportive services in this program are funded with State Homeless Assistance Program funds.

OHCD also administers City General funds (local dollars) for the Community-Based Homelessness Prevention Program, which provides security deposits, and arrears and forward payments for rent, mortgage, and utilities; and case management and employment assistance services for up to 6 months to at-risk and homeless households. This program operates out of seven existing community organizations around the city.

OHCD's Emergency Heater Hotline is funded by State dollars through the Dept. of Community and Economic Development, and assists low-income homeowners that have heating system emergencies.

The City, advocates, and nonprofits are working together to develop a proposal to use TANF/MOE funds for expansion of all three of the programs noted above, within the Federal and State guidelines for those funding streams.]

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10 copies

paul_a._leonard @ hud.gov
03/07/98 04:52:00 PM

Record Type: Record

To: Andrea Kane

cc:
Subject: No subject given

AGENCIES TEAM UP TO HELP WELFARE RECIPIENTS GET JOBS, Macon Telegraph, 2/28/98
Four government agencies agreed Friday to work together to help put welfare recipients to work. ``We're not going to work at cross purposes with each other anymore,'' said Peggy Peters, director of the Georgia Department of Human Resources' Division of Family and Children Services. ``This is an official a rrangement that we are working together,'' agreed Jeanette B. Greer, president of the Georgia Association of Housing and Redevelopment Authorities. The other two organizations are the Georgia Department of Community Affairs and the U.S. Department of Housing and Urban Development. The objective is for two or more of those departments to work together when dealing with the same welfare recipient, to help remove problems that would keep the recipient from going to work. For example, the Department of Community Affairs has as its mission to encourage welfare recipients to get off the dole and into the work force. But welfare recipients who live in public housing may see their rents skyrocket if they land jobs, said John Hiscox, executive director of the Macon Housing Authority, who served on the joint committee that hammered out the agreement. He said that, under current regulations, a newly employed single mother with three children in public housing would see her $60 monthly rent almost triple immediately. And, she may lose her food stamps at the same time she's facing increased transportation and clothing costs, Hiscox said. All this serves to discourage her from finding work, he said. ``If you're materially worse off going to work rather than staying home, why should you go to work other than the threat of sanctions that your (welfare) check is going to be cut off? '' Hiscox asked. It's that sort of problem that Friday's agreement will seek to solve, he said.

F A X

From the desk of...
JEFF LUBELL
Housing Policy Analyst

202-408-1080
Fax: 202-408-1056
lubell@cbpp.org

Center on Budget and Policy Priorities

To: Andrea Kane, 202-456-7431

Date: November 5, 1998

Re: State Housing Allowance Programs

As I indicated earlier this week, we have not yet completed our paper on state housing allowance programs. We hope to finish it within the next few weeks.

As a downpayment, I attach updated versions of the fact sheets Barbara has prepared on housing allowance programs in Connecticut, New Jersey, and San Mateo, California.

– Jeff

Connecticut's Time Limited Rental Assistance Program

Number of Families to be Assisted:		Approximately 1800 in 18-month period
Funding--	**Amount:**	Initially $10 million for 2 years, reduced to $7.5 million due to slow start-up
	Source:	State TANF maintenance of effort funds in segregated state program

Initial Eligibility:

- Former recipients of TANF
- Adult employed at time of application
- Ineligible for continuing TANF due to time limit (21 months) *and* income exceeds TANF payment standard (family would have been receiving TANF supplement to earnings due to Connecticut's 100% disregard of earnings up to the federal poverty level during time-limited period of receipt of benefits)
- Apply at local community action agency after pre-qualification by welfare agency within six months after exiting from TANF
- Selection by lottery if too many applicants
- Family not already in receipt of rental subsidy
- Family lives in privately-owned rental housing

Benefits--	**Duration:**	One year maximum
	Amount per month:	Likely approximately $500/month. Difference between 40% of tenant's adjusted gross income minus utility allowance (or 20% of gross monthly income, whichever is greater) and state-set maximum rent, which is approximately $50 - $100 or more below federal fair market rents.
Housing Features--	**Maximum Rents:**	Families can use in current unit regardless of rent. If rent above state-set maximum rent, family pays difference in addition to income-based contribution. For families that move to new unit, rent must not exceed state-set maximum. Most participants rent in place.
	Quality:	Community action agency inspects units for compliance with housing quality standards.
	Ownership	Can only be used in private rental housing.

Prepared by Center on Budget and Policy Priorities, 11/3/98

Grounds for Termination--

- Failure to comply with program administrative requirements
- Fraud
- Loss of job or return to state assistance
- Serious or repeated violation of lease or damage to unit
- Illegal drug or violent criminal activity

Administering Agencies:

Conn. Dept. of Social Services — Local welfare offices prequalify families at welfare exit interviews based on TANF status and verified income, and refer for separate application at contracted community action agencies. Lower than expected program enrollment attributed to many families not attending exit interviews when reach time limit, delay in prequalification, and need to file separate application at community action agencies.

Community action agencies — Three private non-profit agencies that also administer the regular state-funded rental assistance program for DSS, which administers both welfare agency and rental assistance programs.

Key Factors in Program Adoption: Independent legislative initiative in appropriations bill as part of response to running of Connecticut's 21-month time limit in November, 1997. Funded as part of a comprehensive "safety net" program. Not proposed by Governor or advocates.

Contacts: Kevin Loveland, Director, Family Services Division, Connecticut Dept. of Social Services, 860-424-5031; Lucille Scafani, Administrator of Time-Limited Rental Assistance Program, Connecticut Ass'n for Community Action, 860-560-5846.

Work First New Jersey Housing Assistance Program

Number of Families to be Assisted: Approximately 400 families

Funding-- **Amount:** $6 million ($2 million/year for 3 years)

Source: State general funds MOE?

Initial Eligibility:

- Former recipients of TANF
- Working in unsubsidized employment
- Income below 150% of federal poverty level
- Recommended by County welfare agency
- Points based on relative housing need:
  - no fault homelessness (6)
  - received TANF homelessness prevention benefits (5)
  - 18 year old in special teen living arrangement (4)
  - rent burden of more than 50% of income (3)
- Points based on characteristics/behavior:
  - teen parent under 20 [if employed and ineligible for TANF] (2)
  - less than 2 TANF sanctions (1)

Benefits-- **Duration:** 3 years

Amount per month: Voucher model: subsidy = local Fair Market Rent minus 45% of income in first year, 55% of income in second year, and 65% of income in third year

Other Features: Escrow account based on subsidy savings from earned income increases

Paid to family at end of 3 years in program without termination, or upon voluntary withdrawal from program if employed for at least 6 consecutive months with wages totaling 150% of federal poverty level

Participating families eligible for no-downpayment homebuyer program through N.J. Housing and Mortgage Finance Agency

Housing location assistance and ongoing case management provided by staff of county office of state housing agency

Prepared by Center on Budget and Policy Priorities, 10/26/98

Housing Features--

Maximum Rents:	Reasonable for local community. May exceed FMR.
Quality:	Conforms with federal Housing Quality Standards

Grounds for Termination--

Loss of Employment:

No fault: subsidy terminates after 4 months unless reemployed

possible extension for additional 4 months if actively seeking employment and has sufficient available escrow funds

Due to temporary disability: subsidy continues until receipt of permanent disability benefits

Fault or voluntary quit: subsidy terminates after 2 months unless reemployed, *if* participant actively seeks re-employment and engages in required services during entire period

Fraud
Criminal or drug-related criminal activity
Eviction for breach of lease

Administering Agencies--	Partnership between state housing and welfare agencies
Participant Selection:	N.J. Dept. of Human Services (state welfare agency), based on referrals by county welfare offices in 5 selected cities
Ongoing Administration:	N.J. Dept. of Community Affairs (state housing agency that administers federal Section 8 and other programs), through field offices in 5 selected cities
Key Factors in Program Adoption:	-Leadership of state housing agency -Agreement by state welfare agency that housing assistance would help welfare reform succeed -Carrot of possible federal "welfare to work" Section 8 rental subsidies

Contact: Roy Ziegler, Div. of Housing and Community Resources, 609-633-8105

DRAFT

San Mateo County [CA] Housing Opportunities Program

Number of Families to be Assisted: 75 - 80 families in 1998-99

Funding--

Amount: $472,000 (one year budget)

Sources: CalWORKS (TANF) funds (staff and some housing scholarships for TANF recipients, $120,000);
County general funds ($100,000);
HOME funds ($77,000);
foundations ($175,000).

Initial Eligibility: Eligible applicants must satisfy all of the following criteria:

- Current recipients of TANF (CalWORKS) or eligible to receive TANF
- Recommended by County welfare agency or job counselor
- Completed at least 75% of job training program or employed
- Assessed by job counselor as highly motivated and reasonably likely to be able to pay own rent or earn more than 50% of area median income within one year
- At risk of homelessness or paying more than 50% of income for rent

Benefits--

Duration: 1 year

Amount per month: For first 6 months, 50% of approved rent;
For last 6 months, 25% of approved rent, regardless of family's income. Annually, $4200-5000 per family. See below regarding "approved rent."

Other Features: Nonprofit administering agency provides substantial assistance in recruiting landlords.

Families receive case management services and life skills training, including tenancy skills.

Housing Features--

Maximum Rents: Approved rents limited to local Fair Market Rent for 80% of participating families. For 20% of families, approved rents may be up to 120% of FMR if reasonable for local community.

Quality: Conforms with federal Housing Quality Standards

Grounds for Termination-- Failure to comply with program contract. Program contract requires continuation of training or employment unless the parent has good cause for termination, compliance with the lease, and attendance at monthly case management meetings and life skills workshops, and prohibits involvement in criminal activity.

Administering Agency-- Human Investment Project (HIP), a nonprofit housing development agency, in collaboration with county human service agency.

Participant Selection: Tenant selection subcommittee of Housing Opportunity Program Advisory Board. Persons referred by county welfare agency or job training program must make separate application at HIP.

Ongoing Administration: Human Investment Project

Key Factors in Program Adoption: In 1995, County conducted major reassessment, involving many community agencies, of how best to deliver welfare assistance. County plan concluded that comprehensive approach needed, including housing assistance in light of extremely expensive housing market with very low vacancy rate. County Board of Supervisors requested and received State waiver to administer TANF according to County plan. The plan included an initial housing pilot serving 37 families.

Program expanded based on success of pilot: 28 of the initial 37 families successfully completed first year in June, 1998, with average earnings of $13/hour and significant increase in self-confidence.

Contact: Judy Gaither, Executive Director, Human Investment Project, 650-348-6660.

Los Angeles Times February 2, 1998, Monday

Contact: Lois Koenig, Ass't to the Director, San Mateo Co DSS 415-595-7508

COUNTIES' TAILOR-MADE WELFARE REFORMS DEBUT; AID: FREE BIKES FOR TRANSPORTATION, A CASINO JOB-TRAINING EFFORT ARE AMONG INNOVATIONS MEANT TO MEET LOCAL NEEDS.

BY: VIRGINIA ELLIS, TIMES STAFF WRITER

In one month of historic reforms, the landscape of welfare has changed dramatically in California as counties embark on innovations to overcome barriers to employment faced by the poor.

In Ventura County, where transportation is a frequent problem, a pilot program allows the county to purchase used fleet vehicles, fix them up and sell them to recipients at low cost.

In El Dorado, where there are few big employers, officials work with two casinos in nearby Nevada to train and hire recipients.

In San Mateo, where jobs are plentiful but housing is costly, the county intends to provide short-term rent subsidies. Housing

And in Placer, the sheriff has been directed to give unclaimed bicycles to the welfare department for recipients who need transportation for short distances.

To comply with a legislative requirement that they devise new welfare plans by Jan. 10, California's 58 counties have designed vastly different systems tailored to problems and attitudes in their areas.

Their efforts have set off an explosion of experimentation, as each county grapples with the core issue of welfare reform: How to make poor parents, especially single mothers, self-supporting and ensure that their children are not neglected.

The result, a Times review of the plans found, is a crazy quilt of services, programs and requirements that vary from locality to locality.

"We've thrown them counties the biggest social change in this century, and most of them I think are pretty excited about it," said Diane Cummins, Gov. Pete Wilson's deputy director of finance. "They're thinking outside the box to make it work."

From tiny Del Norte at the Oregon border to San Diego, counties have made radical changes to convert welfare offices into centers that promote employment.

Some counties are experimenting with privatizing certain welfare functions; others are transforming welfare offices into one-stop centers that offer families on aid a smorgasbord of services.

Adopting a tough love approach, some counties require recipients to immediately engage in work or training at least 32 hours a week, while others settle for 20 hours.

"They've seized the opportunity for local flexibility," said Bruce Wagstaff, deputy director of the welfare-to-work division of the California Department of Social Services.

Unlike most states, California has turned welfare reform over to its counties. As a result, the new system did not actually take shape until last month, when the counties submitted their welfare plans to the state for certification.

Counties were given wide latitude as long as they complied with minimum work requirements and time limits set by federal and state laws.

In Santa Clara County, where the success of Silicon Valley has created both a booming economy and a high cost of living, officials decided that the challenge of welfare reform is to keep people employed and boost them up the job ladder.

Santa Clara invested heavily in job retention programs like "job keeper," a 24-hour hotline for recipients and former recipients who face a crisis that might threaten their jobs. The county also established Employment Connection Centers equipped with phone banks, job listings, computers and staff to assist those who lose their jobs. And officials have been urging employers to provide training that helps entry-level employees move to higher-paying jobs.

"In our county, due to the dynamic nature of the jobs, even our most highly skilled people must constantly upgrade their skills," said Alette Lundeberg, manager of the county's Employment Support Initiative. "I think getting our moms and dads to do that once they're employed may be the hardest part of our job in the long run."

In neighboring San Mateo County, officials addressed the high cost of living by establishing a low-interest family loan program with private funds and a short-term rent subsidy program for new jobholders. Special family self-sufficiency teams were organized to deal with families where long-standing problems such as domestic violence or drugs are barriers to employment.

"People who end up on welfare for long periods usually have a number of issues in their family," said Lois Koenig, assistant to the Human Services Agency director. "You need to deal with those issues . . . otherwise they'll be back six months later."

The county plans appear to reflect local attitudes about welfare recipients and the political climate.

In Fresno, a county with high unemployment, the Board of Supervisors decided to require 32 hours a week of work activity although community groups protested that job shortages would make that too burdensome for recipients.

In San Diego, officials said they intended to seek state permission to punish entire families when the adults fail to participate in mandatory employment activities.

"Our Board of Supervisors was crystal clear that it wanted a strong emphasis on work-first and sanctions," said Health and Human Services Agency Director Robert K. Ross.

Los Angeles and Orange counties said they may consider offering community service jobs to recipients who lose aid when they reach the 60-month federal time limit.

In the agricultural counties, the design of welfare plans was dictated by the realities of high unemployment and shortages in transportation services. "Rural communities are at a tremendous disadvantage," said Kim Gaghagen, Glenn County Human Resources Agency director. "We have to develop many of these things from scratch. We have to develop transportation systems where there are none. We have to develop child-care systems where there is none."

To cope with its transportation problems, Glenn County worked out an agreement to transport some recipients to work in taxis. Gaghagen said the county also plans to have recipients take turns driving each other to work in shuttle vans.

Several rural counties said job shortages had forced them to place recipients in jobs many miles away.

El Dorado County said it already had an informal agreement with Harrah's of Lake Tahoe and Harvey's Resort and Casino to hire and train recipients for casino jobs in Nevada.

Officials in Plumas County said their search for jobs had stretched all the way to Chico, 90 miles away, and Reno, 80 miles away.

The plans by the counties are scheduled for a review before the Assembly Human Services Committee on Tuesday. Chairwoman Dion Aroner (D-Berkeley) said job creation and transportation problems are among the issues she intends to highlight.

"They are issues we never really addressed when we approved welfare reform legislation," she said.

(BEGIN TEXT OF INFOBOX / INFOGRAPHIC)

A Patchwork of Plans

Under state and federal guidelines, California's 58 counties have been required to come up with individual welfare reform plans. A review of these plans shows that welfare in California has become a patchwork, with each county having a unique program for steering recipients into employment. Some highlights of the state's new picture:

* Work requirements: Counties were almost evenly divided between those that decided to require recipients to work 32 hours a week and those requiring only 20 hours. A few opted for 26 hours and one county, San Mateo, required 40 hours.

* Exemptions: More than a third of the counties took a tough approach to work requirements for the mothers of newborns, allowing an exemption of only 12 weeks. Other counties permitted six months to a year.

* One-stop centers: To make it easier for recipients, many counties are offering job placement, training and mental health and drug counseling at a single location.

* Job stability: To help former recipients keep their jobs and stay off welfare, many counties are offering counseling, transportation and child-care assistance for up to a year after people have become employed and left the rolls.

* Private sector: For the first time, every county in the state has involved the private sector in welfare reforms, using business people to help find jobs and set up training and counseling for recipients.

****

Selected features of welfare plans in major counties:

* Los Angeles: Has set up an experimental program under which the county will guarantee child support to some working mothers to keep their families off welfare.

* Orange: Has developed major partnerships with big employers such as Xerox and Marriott to hire and train welfare recipients.

* Ventura: Has set up a program to train parents ages 18-25 who do not have custody of welfare children so they can get jobs that will enable them to pay child support.

* San Francisco: Is contracting with a private company to help place recipients in jobs. The hotel and restaurant union is working with officials to establish culinary training opportunities.

* San Diego: Pays wages, rather than welfare benefits, while providing community service jobs for hard-to-employ people and those living in economically distressed areas.

* Marin: Has established a mentor system for recipients who find jobs but still need employment counseling. A mentor is assigned to each recipient for a minimum of three months with the hope that the relationship will last at least a year.

Chicago Tribune February 2, 1998 Monday

JOB-TRAINING SCAMS LIKELY TO INCREASE, EXPERTS FEAR; WELFARE CLIENTS AT RISK FOR TRADE SCHOOL ABUSES

BY: By Flynn McRoberts, Tribune Staff Writer.

For a federal agency often derided by critics, the U.S. Department of Education caught on quickly to the scam being pulled by the owners of a storefront beauty school on Chicago's North Side.

The agency's bureaucrats flagged the Mid-America School of Beauty Culture for the high rate of students who had defaulted on their federal student loans. And when the school's owners figured out a new scam, federal prosecutors stepped in and busted them.

HUMAN INVESTMENT PROJECT, INC.

Creating housing opportunities

- Homesharing Help & Information Program
- Home Equity Conversion for Seniors
- Group Share Residences
- Self-Sufficiency Program
- Housing Opportunities Program
- Property Development
- Homelessness Prevention
- Mentoring

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Redwood City, CA 94063

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Housing Opportunities Program
Human Investment Project, Inc.
364 South Railroad Avenue
San Mateo, CA 94401

Pat West
Community Development Committee fo
262 Harbor Blvd., Building A
Belmont CA 94002

HIP

HUMAN INVESTMENT PROJECT, INC.

HOUSING OPPORTUNITIES PROGRAM

Our Mission: To provide housing scholarships and services that will support low income heads of households as they complete job training and transition to employment that will lead to self-sufficiency.

(415) 348-6660

WHAT IS THE HOUSING OPPORTUNITIES PROGRAM?

The Housing Opportunities Program (HOP) of the Human Investment Project, Inc. (HIP), provides scholarships of rental assistance and supportive services for up to one year for San Mateo County residents who are motivated to transition from AFDC/TANF.

Applicants must be actively enrolled in a job training or educational program, seeking employment, or currently employed. Families awarded rental scholarships are required to attend case management and life skills workshops focused on money management, good tenancy and parenting. Within one year scholarship recipients will complete their educational goals and secure and maintain employment.

Please refer interested families to HOP if the head of household meets the following eligibility criteria.

WHO IS ELIGIBLE FOR SCHOLARSHIPS?

Applicants must be:

- San Mateo County residents over 18 years of age or an emancipated minor
- Receiving, eligible for, or recently transitioned off AFDC/TANF

Applicant's current housing situation must match one of the following categories:

- Homeless
- At risk of homelessness
- Shelter
- Transitional housing
- Unsafe neighborhood
- Personally unsafe due to domestic violence
- Overcrowded conditions
- Rent exceeds 50% of income

Applicant's educational or employment status matches one of the following descriptions:

- Enrolled in a job training program for at least 4 weeks and be a student in good standing
- Completed 75% of an educational program leading to a certificate or degree
- Completed an educational or job training program within the past 6 months and actively seeking employment
- Currently employed, but earning less than 50% of the median income

WHAT IS THE APPLICATION PROCESS?

Interested heads of households can call HIP and ask to speak with the HOP Program Director. A brief telephone prescreening will ensure they meet eligibility criteria. Eligible candidates will be asked to complete an extensive application and essay-type questionnaire. References will be contacted, and credit and tenancy checks conducted. Appropriate applicants will be invited for a personal interview. Their completed application packages will be reviewed by the HOP Selection Committee. Nominations will be based on motivation for sucess and demonstration of commitment.

Scholarships will be awarded in the form of partial rental payments after housing is located and approved, and the lease is signed.

For more information, or to refer interested families, please call:

Diana Linn
Housing Opportunities Program
415-348-6660

housing vouchers
[illegible]

Barbara Sard <sard @ gis.net>
10/07/98 04:52:34 PM

Record Type: Record

To: John Bouman <johnbouman @ mindspring.com>

cc: jeff lubell <lubell @ cbpp.org>, Andrea Kane/OPD/EOP, Eileen Sweeney <SWEENEY @ cbpp.org>
Subject: Chicago housing welfare-to-work initiatives

John: I wanted to thank you for alerting me to the new Chicago Housing Trust Fund/CHA/Ill. Dept. of Human Services initiative, and to give you a heads up on a possible expansion of the pilot program that you might be able to influence.

Ed Doherty of the Housing Trust Fund put me in touch with Ngoan Le of the IDHS. She said that they are now discussing an expansion of the pilot to provide transitional rental assistance to TANF families that do NOT live in CHA housing. She said they expect to make a decision by early Nov. Apparently there would be some link to HTF-controlled resources that would provide up to 2 years of rental subsidy. I asked her if these were federal HOME funds, but she didn't know.

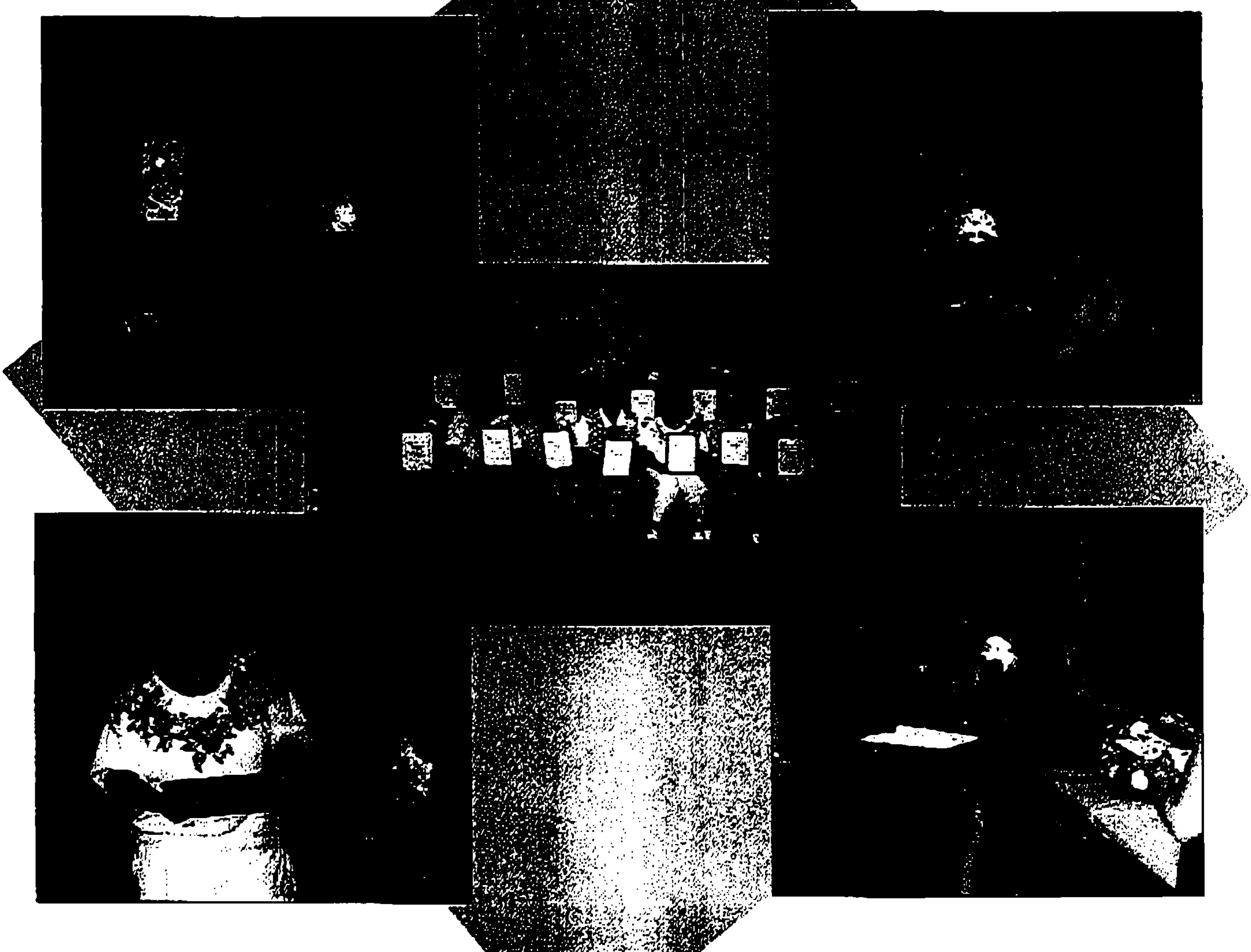
Ms. Le had a very interesting response to my question of why did IDHS decide to undertake this pilot. She pointed to 2 reasons: a number of public housing families had told IDHS that they were afraid to take the second and third shift jobs that were available to them because of security issues stemming from living in the projects. (I didn't ask whether this was concern for their own safety or their children's, or both.) As a result, IDHS wanted to see whether these security concerns could be overcome by helping families move to better neighborhoods with rental assistance. Secondly, IDHS is focusing the pilot on families in some of the projects due for demolition because they saw the housing instability that the families were facing as undermining their ability to participate in welfare-to-work activities.

The Trust Fund solicitation has brought about 100 possible rental units to the TF's attention that would not otherwise have participated in the sec. 8 program. If the units pass inspection, families would be referred. (I suggested to Mr. Doherty that they may want to look into linking other funds available to the City to this initiative for minor rehab., so that owners willing to rent their units, particularly 3+ BR units, to sec. 8 families, would be encouraged to do so through special rehab. loans or grants. He seemed quite interested. Perhaps your housing folks could follow-up on this. Margaret Turner at GBLS has been working with the City of Boston on a similar program.)

Ms. Le did not know what funds IDHS was using for the HTF pilot--TANF, MOE or other. She said she would find out and get back to me.

REACH HIGHER

WELFARE-TO-WORK PARTICIPANTS ACHIEVE SUCCESS



Housing Authority of Bowling Green
247 Double Springs Road
Bowling Green, KY 42101
502.843.6071
f 502.781.7091

Making a Difference

In the most sweeping reversal of public policy since the New Deal, Congress last year removed Federal guarantees of cash assistance to low income families through legislation known popularly as welfare reform. In the wake of this reform, individual states are now left to face the most galling and intractable

[illegible]

challenge of public policy toward people in poverty - how to move welfare recipients from dependency on public assistance to productive self-sufficiency.

This challenge is being met head-on in Bowling

[illegible] full-time employee in the cab- inet [illegible] Housing Authority [illegible] kids call me the [illegible] for welfare reform; they are my biggest supporters.

Green, Kentucky through a unique pilot program involving unprecedented collaboration between the Housing Authority of Bowling Green (HABG), the Department of Social Insurance (DSI), Western Kentucky University Campus Child Care (WKUCC), the Chamber of Commerce and private industry. HABG Director Abraham Williams, says Project Reach Higher promises hope and opportunity to welfare recipients in exchange for commitment and hard work.

Financing of the Reach Higher Program was supported by the Cabinet for Human Resources. "The Cabinet was pleased to support a program that blended all of the critical elements of welfare reform together to ensure that families had the support they needed to move toward self-sufficiency," said Viola Miller. Secretary of Cabinet for Families and Children.

Project Reach Higher selected twenty welfare recipients who reside primarily in public or subsidized housing in Bowling Green to participate in a six

Sheila [illegible] employee at [illegible] University's Child Development Center [illegible]

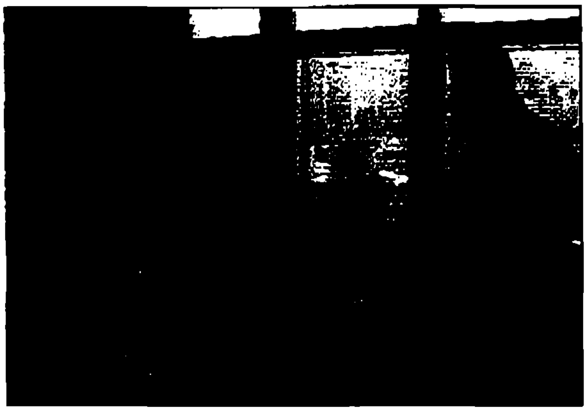
month work and training program which. successfully culminated in job placements for 18 of those participants at project's end.

"We accept no excuses for failure because we have removed all of the obstacles for participation," Williams announced to the participants during an initial orientation meeting. Indeed, there is plenty of evidence to back that statement up.

Traditionally, the number one disincentive to welfare recipients in seeking employment, particularly low paying, unskilled employment, is loss of crucial services such as Medicaid and housing subsidies. However, through special arrangements with DSI and through existing programs such as Bridge the Gap, trainees were able to maintain their safety net while they make the move from dependency to self-sufficiency.

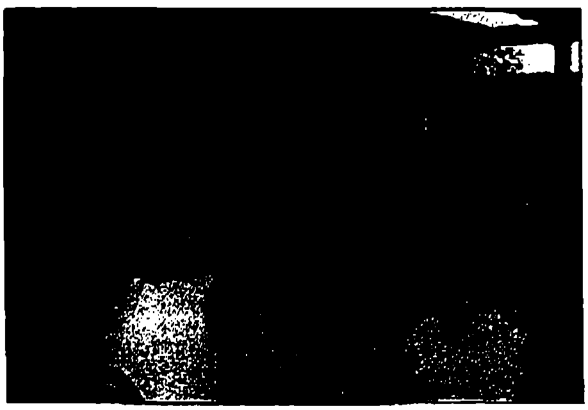
Positive Change

Solutions to personal obstacles such as child care and transportation are also provided through interagency collaboration.



The United Way of Southcentral Kentucky awarded the Reach Higher program with a venture grant that provides graduates with low-cost, reliable transportation.

"Transportation is a vital part of the success of people going from welfare to work. Cooperation between United Way, the Housing Authority and Bowling Green car dealerships have helped alleviate some barriers that keep people from obtaining gainful employ-



Dr. Phillip Meyers, director of sponsored programs at WKU, speaks to participants about team building and self-esteem.

ment," said the director of United Way Lynn Bosley.

The Housing Authority will use this money to buy cars for graduates of the program. They will then pay fifty dollars a month for a year for the car. DSI will assist with insurance an minor repairs. After one year the graduate can sell the car, but during the time of use, he/she must assist others in the program with transportation.

The participation of DSI, under the supervision of Carol McClure, has been critical to this effort as well.

"As soon as I heard that the welfare reform bill had been signed, I called the Housing Authority," Ms. McClure recalled at a recent interagency planning session. "I knew then that we would have to be more directly involved and more accessible."

As the project became a reality DSI case managers were on hand to help select the twenty participants

and to provide immediate access to necessary services. To deal with new problems as they arise, a special liaison from DSI had also been assigned to work at the Housing Authority offices for the duration of the project to provide immediate, storefront assistance to participants in need of services.

With their safety net firmly in place, then, the first order of business for Reach Higher participants is to go to work. In order to gain experience and training in specific job skills during the six month project, trainees work thirty two hours, four days per week for $4.75 an hour at jobs ranging from cabinet making, upholstery, secretarial, custodial and child care.

Nine of the participants, in fact, were placed with Western Kentucky University Campus Child Care in various capacities. WKUCCC Director Colleen Mendel points out that these placements are particularly appropriate in that the goals of her agency and those of Project Reach Higher are very similar.

Self-Sufficiency

"Head Start, which is the core program of WKUC-CC, was conceived thirty years ago as a vehicle to help break the cycle of poverty," Ms. Mendel says. "Since we are currently collaborating with both HABG in running two child care centers within Housing Authority developments, and with DSI in

[illegible]

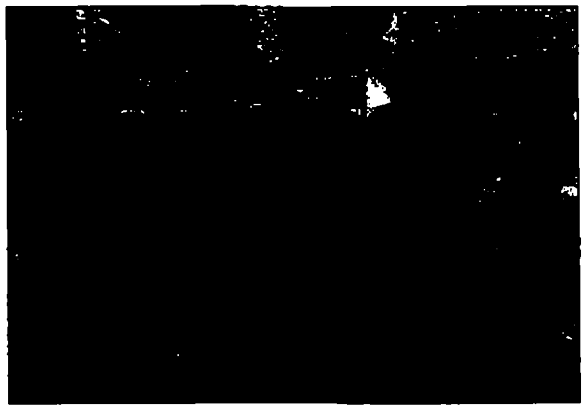
placing children and JOBS workers at our centers, we were a natural partner in this very exciting project." While in some cases, participants will earn marketable credentials such as the Child Development Associate (CDA) Credential training available through WKUC-CC, it is not the specific skill or credential that is most important to the program's success. Positive attitude, good work habits, self-esteem and expectations of success are all primary objectives of the Project Reach Higher."Life skills are just as important as job skills," explains Judy Garratt, the resident initiatives coordinator with HABG. "Managing and saving money (participants are encouraged to deposit fifty dollars each month into a personal savings account), planning ahead, and dealing with the everyday problems that go with holding down a job are some of the issues that we will be addressing during the six month training period."

To that end, participants gather at the Housing Authority offices every Friday for special training involving guest speakers and field trips to local industry designed to both demonstrate to participants that there are real possibilities for success out there in the world and to help them attain the basic skills and attitudes to achieve success.

But what becomes of people once the six months are over and the safety net has been removed? Abraham Williams has an answer to that question as well. "We have no interest in placing people in dead end minimum wage jobs," he assures his audience. "With the experience and training you receive with us, if you hold up your end of the bargain, we intend to find placements for you in well paying, full-time jobs, with benefits."

Williams is able to make that claim with high degree of confidence, in part, because private industry, as well as the Bowling Green-Warren County Chamber of Commerce, has been in on this project from the ground floor. Even as the initial discussions between agencies were taking place, Martin Jones, interim director of the Chamber was contacting employers in the private sector who were eager to see welfare reform succeed and who had positions available for applicants who could successfully complete the Reach Higher program.

"Of course, the ultimate success of this project depends upon the participants themselves," Abraham



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Williams points out. "They need to want welfare reform to work more that anyone else." Williams firmly believed that this project would succeed, and it has. Funding has been provided for another year and Abraham Williams, Judy Garratt and Teresa Boeckmann along with graduates and current participants in the program have been asked to speak to other agencies throughout the state that are interested in replicating the program.

"We were losing money," he said, noting that it was not clear whether the new arrangement would generate a profit for the company.

NPR SHOW: WEEKEND SUNDAY (NPR 12:00 am ET)
MARCH 1, 1998, SUNDAY Transcript # 98030104-215

Housing

NY Public Housing Shift

BY: Amy Eddings, New York; Liane Hansen, Washington, DC

Amy Eddings reports on one aspect of the debate over th concept of public housing. A program was started to give those who are without a first domicile, now, New York officials are rethinking the program to give preference to those who already have a job.

LIANE HANSEN, HOST: Over the next five years, reforms of the welfare system are expected to drastically reduce the amount of money public housing projects earn from rents. But, the federal government has also given more control to the cities over decisions about who can live in the projects.

The New York City Public Housing Authority has decided to raise revenues by giving a preference to applicants with jobs, over applicants on welfare. Critics say the shift undercuts one goal of public housing, helping people make the transition from welfare to work.

From New York, Amy Eddings prepared this report.

SOUNDBITE OF A CROWD IN HOUSING PROJECT

KAREN, PROJECTS RESIDENT: Me and my sister (Unintelligible) this was my grandmother's room when we first moved in.

AMY EDDINGS, REPORTER: Karen is giving a tour of her four- bedroom apartment in the Atlantic Terminal Projects in Brooklyn. The apartment is dimly lit and in need of a paint job and numerous repairs -- from the thermostat duct-taped to the wall to the rotten cabinets under the kitchen sink.

KAREN: And then when my grandmother died, my oldest brother took her room and, you know, we were switched back and forth, you know, to liven things up every now and then. Well I let the -- my kids sleep in here now. And I sleep in that room.

EDDINGS: With the TV.

KAREN: Yeah.

LAUGHTER

EDDINGS: Karen, who doesn't want her last name used, has lived in the apartment since 1976 when she was 10. Karen's now 31 and is raising her family here, three daughters ages 13, six, and two. She became pregnant when she was 18, went on welfare and finished earning her high school degree.

A job as a home care attendant kept her off welfare for six years. But Karen said she had to go back on public assistance in 1993 when she was laid off. She says she wants to get off welfare again. She gets $572 a month in cash. Her rent, which is tied to her income, is $169 a month.

KAREN: If I was out in a private house, I -- there's no way I could afford the rent. If I could pay the rent, then I couldn't feed my children. And if I fed them, then we'd be out on the street, because there's no way you can afford the rent out there today.

EDDINGS: Although many of the city's public housing apartments are like Karen's and in need of repair, housing experts say New York City Housing Authority's 342 projects are the best in the nation. They're also in high demand. The Housing Authority says there are 120,000 families on a waiting list with an average wait of five years.

For the past two decades, the housing authority's policy favored families like Karen's -- jobless and on welfare.

But now the housing authority has started jumping working families to the front of the waiting list. Hilly Gross (ph), a spokesman for the housing authority, says the change returns public housing to its roots.

HILLY GROSS, NEW YORK, HOUSING AUTHORITY SPOKESMAN: When housing was first established its concept was to be a transitional form of housing for people -- without getting melodramatic but nonetheless it was true, who were on their way up the ladder of the American dream. And this is the way it continued for many, many years, as late as 1983, we had one out of every two of our families were a working family.

EDDINGS: Now, Gross says, working families make up only one out of three families in public housing. And he says they need to be brought back into the system to keep it socially and economically viable.

The new plan gives preference to the working poor. That means a family of four, earning up $39,200 a year for example, would get a apartment before a family making less than $15,000 a year. The Housing Authority's view is supported by many social scientists and housing experts like Frank Berconi (ph).

He's the executive director of the Citizen's Housing and Planning Council, a non-profit policy group in Manhattan.

FRANK BERCONI, EXECUTIVE DIRECTOR OF THE CITIZEN'S HOUSING AND PLANNING COUNCIL: If they go to a point where -- where their portfolio is comprised of essentially entirely non-working families, you no longer have a health social environment in the projects, you no longer have a financially stable environment in the projects. And it doesn't serve the people you put -- you know, the poor people you're putting into them.

EDDINGS: The New York City's Housing Authority's plan to offer apartments to people who work echoes nationwide changes in the philosophy driving other public programs like welfare and food stamps: those who work get the extra help before those who don't.

Karen is trying to play by the new rules of welfare. Although she has four more years until she's automatically taken off public assistance, Karen sought out a six-month job training program for

people on welfare called "Wildcat." She received encouragement from her sister, who graduated from the program herself and is now off welfare and in a full-time job.

In Wildcat, Karen gets computer training one day a week and works the other four days as a part-time clerk for the city's Department of Finance. She hopes she'll have a permanent job before the program ends. But Karen says help shouldn't have to be earned.

KAREN: I mean, what are they gonna do if you just want to help the people that you feel deserve it? And the people that you don't feel deserve it, where are they supposed to go?

Even if they don't deserve, they still need help.

EDDINGS: Scott Rosenburg (ph), an attorney with the Legal Aid Society says the nation's social policies were founded on the idea of helping the neediest. He thinks the housing authority's decision to move working applicants to the front of its waiting list is a perverse twist of those policies.

SCOTT ROSENBURG, ATTORNEY, LEGAL AID SOCIETY ATTORNEY: It would sound odd if we were to say, "those who can pay the most will receive welfare," or, "we see you have a lot of money, so we'll give you Medicaid." Instead of providing public housing for those who need it, the housing authority's providing it for the -- providing it to those who can pay for it the most.

Please contact Larry McSwain if you would like to receive the WR Daily Report by e-mail or if you have questions about articles found in this publication. (lmcswain@acf.dhhs.gov (e-mail) or 202-401-1230(voice)).

EDDINGS: Two year ago, legal aides sued to stop the city's working family preference plan. That lawsuit is still being worked out in the courts, but that hasn't stopped the housing authority from instituting the plan in most of its projects.

For NPR News, this is Amy Eddings, in New York.

MD cc: HV group

NPR SHOW: WEEKEND SUNDAY (NPR 12:00 am ET)
MARCH 1, 1998, SUNDAY Transcript # 98030105-215

MD Welfare Reform

BY: Amy Bernstein, Baltimore; Liane Hansen, Washington, DC

Amy Bernstein reports on how one county in Maryland is shiftin its welfare dollars from handouts to job support programs. While the program has shown some success, some are worried that the concept will be hard to sustain.

LIANE HANSEN, HOST: Public assistance caseloads are down by about 30 percent nationwide. So in some states, money that used to go to welfare recipients is now channeled into programs that keep people employed and off the roles for good.

In Frederick County, Maryland, for example, officials invest their share of welfare-related savings into everything from internships to driver education.

But as Amy Bernstein reports, the county's real challenge is to figure out how to sustain existing programs and add new ones when the bonus dollars dry up.

AMY BERNSTEIN, REPORTER: Frederick County used to be central Maryland's farm belt, but today the fast-growing city of Frederick dominates the landscape, a haven for families who want to escape crowded Washington, DC suburbs.

The usual urban problems exist here, but in some ways, the picture is rosy. Over the last year, the county's public assistance caseload has dropped from 1,100, where it had hovered for years, to 400.

Steven Mood (ph), who directs the Frederick County Department of Social Services, says the strong results are due to the fact that welfare reform has freed his agency to focus on long-term employment goals, rather than short-term assistance.

STEVEN MOOD, DIRECTOR, FREDERICK COUNTY DEPARTMENT OF SOCIAL SERVICES: If people do what we want them to do in terms of getting jobs, then we really need to be about the business of supporting them in that work, just as much as we were about the business of providing them welfare.

BERNSTEIN: Not surprisingly, the agency's new focus on employment has forced it to reorganize. Staff time used to be consumed by bureaucratic task like figuring how to calculate food stamp aid.

Now, though, it's not uncommon for case workers like Sabrina Musett (ph) to spend most of their time helping their clients obtain job leads, job training, and dependable child care, even once they're off cash assistance.

SABRINA MUSETT, CASE WORKER: It always seemed as if the people -- the people who were trying the hardest, we had the least amount of help available for, because they would work their selves right out of any kind of assistance. You know, and this is almost a reversal where we're doing positive reinforcement.

BERNSTEIN: That positive reinforcement is really working for Trina Hairston (ph), a single mother living in Frederick. Hairston, who's been off cash assistance since September, is working part-time for a market research firm. She'd like to find a better paying job in accounting, a field in which she has substantial training. But she's had difficulty getting to interviews, because she has no car.

TRINA HAIRSTON, SINGLE MOTHER: I didn't really think about the car thing until someone called me and told me they wanted to offer me a job in Walkersville, and I said, "oh God, this is like in my field, and I went to school for this." And what happened was, transit didn't go out there. And I was really hurt by it.

SOUNDBITE OF CAR STARTING

BERNSTEIN: Last month, the Frederick County Department of Social Services helped Trina Hairston obtain a car, a 1990 Mazda hatchback.

HAIRSTON: That's a pretty nice car. My daughter be happy. Oh God, she just totally would jump out of her skin.

LAUGHTER

BERNSTEIN: Hairston drove the $1,200 Mazda off the dealer's lot without paying cent out of pocket. But the car wasn't a donation. Hairston has agreed to wave five months of future temporary cash assistance in exchange for the car plus three months of insurance.

The lump sum is called a welfare avoidance grant. Hairston's case worker, Sabrina Musett, says that by accepting the deal Hairston is investing in her future.

MUSETT: Trina's found a job, it's now gonna help her keep that job – not keep that job, but get a better job.

BERNSTEIN: Though few agency clients receive services as tangible as an automobile, nearly everyone who walks through the agency's doors these days, leaves with something that puts them on the path to employment, if not a car, then driving lessons, an internship, or work readiness classes.

This year and next, the agency will have no trouble funding welfare avoidance grants and other work support programs, thanks to half a million dollars in additional federal grants and state reinvestment funds.

But even some agency insiders, like business manager Sam Andalora (ph), question whether so many programs can be sustained as reinvestment dollars and annual budgets shrink along with case loads.

SAM ANDALORA, AGENCY BUSINESS MANAGER: Part of welfare reform is to take your current recipients – your current customers, work with them, develop programs to meet their needs, to make them become self- sufficient. But there's going to be new people continually coming to us for help. And you need to design programs, and fund programs, that will be there five years, 10 years down the road, to continue this process.

BERNSTEIN: Agency Director Steven Mood says work and family support services for future welfare clients will have to be sustained and paid for at the local level.

MOOD: We don't want to reinvent another welfare system. We want to reinvent a community system that supports its own citizens. I think the reinvestment of welfare dollars into those functions is really where the emphasis needs to be – not to the Department of Social Services, but to local governments, to local entities they're able to say we're here to support.

BERNSTEIN: To this end, agency officials are beginning to rely on external partners rather than internal staff to provide assistance. The Ford dealership where Hairston picked up her Mazda recouped its costs from the state. Other partners, including local divisions of the YMCA and Manpower, participate under contracts also funded by state reinvestment dollars.

State delegate Sue Hecht (ph) says that as these community partnerships solidify, Frederick County's Social Service Agency will shrink down to serve only the very neediest citizens.

SUE HECHT, MARYLAND STATE DELEGATE: It's still scary because we're seeing fewer dollars. The pot is ever shrinking. But it causes, it creates a challenge for us, that then we bring private industry and private nonprofits to take the place of some of the governmental functions.

BERNSTEIN: It's not clear whether these new public-private partnerships will last, once state and federal seed money has dried up. But either way, it's likely that the task of keeping former aid recipients on the job will fall more and more to local jurisdictions like Frederick County.

The Maryland state legislature, for one, is counting on it.

For NPR News, this is Amy Bernstein, in Baltimore.

THE ORLANDO SENTINEL March 1, 1998 Sunday

FL

WELFARE REFORM IN FLORIDA;
LATEST CHANGES BRING EXCESS CHANGE

BY: By Jeff Kunerth, OF THE SENTINEL STAFF

The first wave of Florida's welfare recipients will begin losing benefits in October 1998 - just a month before many of the lawmakers who enacted the state's welfare reforms come up for re-election.

But there will be no reprieve this legislative session for recipients running out of time under the state's reforms.

Lawmakers and Gov. Lawton Chiles show little predisposition to extend the deadline for welfare mothers who haven't found jobs as required by Florida's Work and Gain Economic Self-sufficiency (WAGES) law.

Instead, the main debate in this session will be how to use the millions of dollars in unspent welfare money resulting from women who have left public assistance for the workplace.

Since July 1996, the state has seen its cash-assistance expenditures for welfare recipients decline by $226 million because of shrinking welfare caseloads.

But the state is restricted in how it spends those savings - federal funds that cannot be used for other programs such as school construction, prisons or highways.

Chiles proposes shifting $78.8 million of the savings to subsidize child care for working poor families and another $4.2 million to raise the quality of child care in Florida.

The $4.2 million would raise the state's reimbursement rates to child-care centers that achieve the highest standards.

The $78.8 million in subsidized child care would help welfare moms moving into the ranks of the working poor and help keep the working poor from falling into welfare.

"Clearly, people who lose their child care or can't get child care may end up on welfare," said Michael Poole, chairman of the state WAGES board.

"Child care is a diversionary tactic to keep people off welfare," Poole said.

The Legislature may have other ideas, but any shift in funds can go only toward social services for low-income residents or child-care development.

San Mateo County
HOP - Background

- set up design team for us, incl. a housing team, bringing together pub/priv housing entities
- need to stabilize housing for someone moving to work
- $ is collaborative

For 1st yr, during pilot, subsidy from tenant based rental assistance (Home Investment Partnership Program $154 K, + $50 K from HA reserves for mgmt/admin) 38 scholarships, w/ 1/2 time staff. Started this year - 1st families, started in 2/97

On ongoing basis, leveraging @ Penn. Comm. Foundation, Packard Found, CalWorks $50 for scholarships, $20K for mgmt/admin Co putting up $120K for rent + admin (mixing of fed/state $) seems that clock ticks anyway

Also receiving cash assistance, some may not be.

Mix of $ so wouldn't have clock tick on those not on aid.

ref'd by Workfirst site + others - to nonprofit provider who operates. Selection committee from Comm.

viewed as scholarship - reward for those moving to SS - submit applic.

look @ need - Homeless, in shelter, unsafe housing, overcrowded, paying over 50% for rent, in dv shelter.

Look at motivation, potential for SS.

About 45 applics for 38 slots

will be 70 this next yr

limited to one year

pay 50% of rent for 1st 6 mos, 20% in last 6 mos - find own units but provide some help thru Housing

no cap yet - but follow HOME guidelines
avg $880 (avg in area is $1,000 - $1,200)

not v. large welf pop - but large working poor who can't pay rent
3,300 TANF caseload
about 20-25% get pub/assist housing
25 of 38 are now working FT
18 now receiving "no govt subsidy" self sufficient

about 65% of those getting employed getting health benefits, so many not needing medicaid.
avg wage = $8.10/hr - so not likely to get fd stamps
7 have graduated - will be tracking / evaluating for 2 yrs
As of July 1, switch from HOME to Cal Works

Housing counseling, life skills workshops, SS Plan, how to be a gd tenant, problem solving
but don't duplicate Work First
HIP is contractor, does - been in community for 20+ yrs
comprehensive housing mgmt - keeping people ~~secure~~ family
also having to Work demo site - for welf recips going into Sec 8, TL to 6 yrs - linked to SS Plan

②

to alleviate homelessness ⊖

high rate of job retention @ 90 days ≅ 86% - but then tend to get another job quickly - strong job market

w/ WtW plan - using that for post-empl svcs - starting in July

portability:
about 20% of S8 used to go outside co - to areas w/ lower cost housing - but this raises transp issues - + ~~less~~ raises issues of ~~maint~~/inspec - don't want to push people out.

Employers very involved - have T.F. -
little land to build on, higher density v single-family, NIMBYism,

Housing + cc subsidy are two ongoing needs
huge waiting list for CC for working ~~poor~~
75% of poverty is a big barrier for moving over wage rates -

"Cromwell, Shawna" <scromwel @ clasp.org>
04/02/98 05:47:58 PM

Record Type: Record

To: See the distribution list at the bottom of this message

cc:
Subject: San Mateao Conference Call

I have scheduled the conference call as per Jodie's request for Tuesday 4/7/98 at 2pm EST. You should call (847) 619-6648 on the 7th approx 5-10 minutes in advance if at all possible. When prompted, enter your passcode 705565. You will then be entered into the conference call (each person will hear a beep) and you will have to introduce yourself at that point. If you have any trouble during the conference call press *0 and you will be transferred to an operator.

The attendees thus far are:

Maureen Borland, Director of Human Services Administration, San Mateo County ✓
Pat West, Housing Division, San Mateo County ✓
Carlos Valenzuela, Director, Family Loan Program, San Mateo County ✓
Laurie Wishard, President, Family Services Agency, San Mateo County ✓
Sterling Speirn, Peninsula Community Foundation Rebecca ✓
Paula Hekimian, San Mateo County ✓ PIO
Jodie Levin-Epstein, Center for Law and Social Policy ✓
~~Barbara Sa~~rd, Center on Budget and Policy Priorities Jennifer Daskal ✓
Paul Leonard, Housing and Urban Development
Debbie Greenstein, Housing and Urban Development
Andrea Kane, White House Domestic Policy Council

Thank you,

Shawna L. Cromwell
Center for Law and Social Policy
1616 P St, NW, Suite 150
Washington, DC 20036
(202) 328-5194
(202) 328-5195 fax
scromwel@clasp.org

Message Sent To:

"Levin-Epstein, Jodie" <jodie @ clasp.org>
"'sard@gis.net'" <sard @ gis.net>
"'hsa*phekimian@mail.co.sanmateo.ca.us'" <hsa*phekimian @ mail.co.sanmateo.ca.us>
Andrea Kane/OPD/EOP
"'daskel@cbpp.org'" <daskel @ cbpp.org>

"Levin-Epstein, Jodie" <jodie @ clasp.org>
03/31/98 03:17:00 PM

Record Type: Record

To: Andrea Kane/OPD/EOP

cc:
Subject: RE: Today's Audio conference

We finally connected with the San Mateo folks. They are suggesting Tuesday, April 7 at 2:00 (DC time). If you are available, I'll tell them it's a go and then if HUD/CBPP can join great. Who at HUD is the most appropriate person? If this time does not work for you, we can try and negotiate a time for the following week. When I agree to the meeting time, I will ask for any available paper. This has been a really difficult connection to make.

Jodie Levin-Epstein
Center for Law and Social Policy
Suite 150
1616 P Street, NW
Washington, DC 20036

Tel: 202 328 5174
Fax:202 328 5195

Web: www.clasp.org
e-mail: jodie@clasp.org

-----Original Message-----
From: Andrea_Kane@opd.eop.gov [SMTP:Andrea_Kane@opd.eop.gov]
Sent: Friday, March 20, 1998 2:50 PM
To: Levin-Epstein, Jodie
Subject: RE: Today's Audio conference

Fine to mention DPC participation. I understand we may be participating in a call on May 1st re: housing vouchers--need to explore further with you guys and HUD. It would be a great opportunity. The call was interesting...sounds like WtW $ is stimulating some very creative approaches in Philly. CBPP is also interested in learning more about San Mateo--would you be willing to try again to set up a mini-conference call with whoever is the right person in S Mateo, CBBP, HUD, and me?? Thanks. I do think you have a promising career in the talk show host business--you do it extremely well!

SENT BY: 4- 2-98 : 9:45AM : CLASP→ 202 456 5581:# 1/ 7

CENTER FOR LAW AND SOCIAL POLICY
1616 P Street, N.W. * Suite 150*
Washington, D.C. 20036-1492

FAX COVER SHEET

~~March~~ APRIL 1, 1998

Phone: (202) 328-5140 *Fax: (202) 328-5195/7*

ATTENTION: ANDREA KANE / Domestic Policy 456-7431
JEN DASKAL / CBPP [Jen - plz. get to Barbara DON'T KNOW YET IF SHE IS PART OF CONF CALL]

FAX NUMBER: PAUL LEONARD
DEBBIE GREENSTEIN / HUD 708-0309

LOCATION:

THIS FAX WAS SENT BY: JODIE

NUMBER OF PAGES (Including Cover): 6

If you do not receive all pages please call (202) 328-5140 and ask for the sender of this fax.

COMMENTS: BACKGROUND FOR APRIL 7 CALL AT 2:00 EST
WITH SAN MATEO FOLKS
WILL E-MAIL CALL-IN # WHEN
WE GET IT.

COUNTY OF SAN MATEO
HUMAN SERVICES AGENCY

DATE: December 1, 1997

TO: Honorable Board of Supervisors

FROM: Maureen D. Borland, Director, Human Services Agency

SUBJECT: Family Loan Program

RECOMMENDATION

Approve the January 1, 1998 implementation date and pilot of the Family Loan Program as a partnership with the Family Service Agency, Human Services Agency, and designated San Mateo County banking institutions.

BACKGROUND

The nationwide Family Loan Program is a cooperative effort between the Family Service Agency of America and the McKnight Foundation. It originated in Minnesota and has been in effect for ten years. The program is designed to benefit public assistance families and working poor families who are unable to secure credit due to few assets, uncertain credit history, or lack of financial security. The loan is used to help pay for expenses that interfere with getting a job, maintaining a job, or staying in school. Loans for up to $2,200 can be used for essential needs such as child care, purchase of work related uniforms and tools, and certain health and housing costs. Loans are most often used for car purchases or repairs.

The program typically operates through agencies in local communities. In this instance, the Peninsula Community Foundation secured $150,000 of funding to be used as the FSA match for $150,000 of funding from the McKnight Foundation. In addition, the PCF secured partial funding for the administration of the program by the FSA. San Mateo County is the first county in California to secure funding and implement the Family Loan Program and will be followed by Santa Clara County. Both counties will benefit due to the fund raising efforts of the PCF.

HSA staff will send referrals to the FSA. The FSA acts as a loan coordinator with the bank. Clients will submit a statement to the FSA describing the intended use of the loan. The request is submitted to a loan committee. The five or six member committee is made up of representatives from community based organizations, the Human Services Agency, community volunteers, employers, college counselors, former borrowers, or board members and staff of the host agency. After the committee review and approval, the client interacts directly with the bank. Loan recipients receive a reduced rate of interest. The interest is sufficient to cover the administrative costs incurred by the lending institution. The bank continues to work with the FSA for the duration of the loan period. The bank makes the loan to the family. The FLP acts as guarantor of the loan.

DISCUSSION

The Human Services Agency will make use of the Family Loan Program in two ways. First, it will be used in conjunction with the CAL WORKS Diversion program. The program will be used to provide an alternative source of funds for those who have unexpected expenses which may have precipitated an application for public assistance.

Second, the FLP will be available to public assistance recipients who have unexpected employment related expenses and other expenses associated with efforts to move from public assistance to self sufficiency.

FISCAL IMPACT

As presently structured, the FLP will not incur costs for the Human Services Agency with the exception of incidental costs related to referring families to the FSA. This is a new program for this County and it is difficult at this time to accurately estimate the potential savings.

It is anticipated that aid payments will be reduced by diverting TANF applicants from welfare. An increased number of diverted applicants will increase the County's opportunity to receive incentive payments. TANF Diversion program costs will be reduced with the availability of an alternative source of funds. Time on aid for working TANF recipients may be reduced for qualified families. The FLP is an innovative and significant resource for families moving toward independence and away from public support.

FAMILY
A PLACE TO THRIVE

Family Service Agency

Family Loan Program Highlights

The Family Loan Program is a proven, innovative program that provides small loans to help low-income parents without access to conventional loans cope with unexpected expenses that interfere with their ability to maintain self-sufficiency. ***The purpose of the loan is to help family members pay for unexpected expenses that could interfere with their ability to keep a job or stay in school.***

For low income families, the ability to find and keep a job or continue an education or training program can be undermined by unexpected expenses that they cannot afford. A car breakdown, the need for uniforms or tools or temporary child care can result in financial crisis and the loss of a job or schooling.

Initiated in 1984 by The McKnight Foundation, the Family Loan Program has had a successful history in urban, suburban, and rural locations in Minnesota. The program assisted more than 10,000 such families with over $10 million in loans. In a cooperative effort between Family Service America and the McKnight Foundation, the successful ten-year old program is now being further evaluated and piloted in several demonstration sites. New projects have started in Milwaukee, Kansas City, Akron, Indiana, Denver and Chicago.

The Family Loan Program resembles credit unions in concept. A pool of money is used to make loans at modest interest rates to members of the community in need. As the loan money is paid back, it becomes available for others in the same community. Initial funding for the loan fund and administration of the program has come through partnerships, although nationally some communities have had, state, local or federal funds provide for some support through HUD or Community Development Block Grants. The federal government has also ruled that banks can receive Community Reinvestment Act (CRA) credit by providing charitable contributions to establish the loan pool, administer the program, participate in the servicing of loans, or expanding the base loan pool using the banks loan funds.

The Family Service Agency of San Mateo County, in partnership with the Peninsula Community Foundation, San Mateo Human Service Agency and the Packard Foundation, has been selected as the first demonstration site in the state of California. To date, we have received a commitment of $450,000 to initiate the loan fund and three years of operating cost.

A United Way Supported Agency
1870 El Camino Real Burlingame, California 94010 415.692.0555 Fax: 415.692.3127 E-mail: info@fssm.org

National Evaluation: A 10-year evaluation of the program has shown that:

- overall 75% of the loan dollars have been repaid; in some sites over 90%.
- with reliable transportation (most loans are car-related) the borrowers were better able to reach educational and work goals.
- while approximately 3 / 4 of borrowers were receiving governmental aid at the time of the loan application, their use of public assistance had dropped by 40% within two years.
- fewer than 20% of borrowers felt it was difficult to make payments on their loans.

Banking Partners: Family Service Agency has received commitments from three local community banks to serve as our lending partners in the program. These institutions: Hal Fick at Borel Bank, William Peterson at Bay Area Bank and Rebeca Patino at Liberty Bank will service the loans approved by loan committees. Family Service Agency will deposit funds in each of the banks to guarantee the loans. Loans will be made up to a maximum of $3,000 with a repayment term of **24 months.

***Loan term will range from 6 - 24 months, determined by loan amount.*

The Future: In the coming months, The Family Service Agency will be working with its partners to begin the process of building the Family Loan Program into a vital link with San Mateo County's welfare reform effort. There will be three loan committees formed, development of program literature and the creation of linkages with local businesses, lending institutions and educational facilities. There will be established a working relationship with consumer credit bureaus and money management professionals to assist in creating programs that will help customers meet their obligations when they receive loans. The ultimate goal is to help families stay self-sufficient, and turn them into bank customers with a positive credit experience.

Start Up Date: We will begin accepting applications January 1998, and to close on our first loans by the beginning of February.

Questions: **Direct questions and inquiries to:**

Family Loan Program Director
Carlos Valenzuela
1870 El Camino Real
Burlingame, CA 94010
650-259-1377 Office phone

The Housing Opportunities rogram (HOP) of the Human vestment Project, Inc. (HIP), provides cholarships of rental assistance and upportive services for up to one year r San Mateo County residents who are otivated to transition from FDC/TANF.

Applicants must be actively rolled in a job training or educational ogram, seeking employment, or urrently employed. Families awarded ntal scholarships are required to tend case management and life skills orkshops focused on money anagement, good tenancy and arenting. Within one year scholarship cipients will complete their educational als and secure and maintain nployment.

Please refer interested families to OP if the head of household meets the lowing eligibility criteria.

Applicants must be:

- San Mateo County residents over 18 [illegible] an emancipated minor
- Receiving, [illegible], or recently transitioned off AFDC/TANF

Applicant's current housing situation must match one of the following categories:

- Homeless
- At risk of homelessness
- Shelter
- Transitional housing
- [illegible]
- Personally unsafe due to domestic violence
- Overcrowded conditions
- Rent exceeds 50% of income

Applicant's educational or employment status must match one of the following categories:

- Enrolled in a job training program for at least 4 weeks and be a student in good standing
- Completed 75% of planned educational program leading to a certificate or degree
- Completed an educational or job training program within the past 6 months and actively seeking employment
- Currently employed, but earning less than 50% of the median income

Interested heads of households can call HIP and ask to speak with the HOP Program Director. A brief telephone prescreening will ensure they meet eligibility criteria. Eligible candidates will be asked to complete an extensive application and essay-type questionnaire. References will be contacted, and credit and tenancy checks conducted. Appropriate applicants will be invited for a personal interview. Their completed application [illegible] will be reviewed by the HOP [illegible]. Nominations will be based on [illegible] for sucess and demonstration of commitment.

Scholarships will be awarded in the form of partial rental payments after housing is located and approved, and the lease is signed.

For more information, or to refer interested families, please call:

Diana Linn
Housing Opportunities Program
[illegible]

County of San Mateo

FAX TRANSMITTAL

400 Harbor Boulevard
Belmont
California • 94002
Telephone 650-595-7500
Fax 650-595-7516

Director
Maureen D. Borland

STAFF DEVELOPMENT FAX NO.: (650) 595-7576

Date March 29

Time: 4:30 Pacific

Transmittal to: Jody Levin Epstein

FAX Number: (202) 528-5195

Comments: Saved a few trees. This should be enough info to let you know what we're doing. I'll be back in the office on Thurs.

Ciao
Paula

Transmittal from: COUNTY OF SAN MATEO
Human Services Agency
STAFF DEVELOPMENT
400 Harbor Blvd.
Belmont, CA 94002

Name: Paula Hekimian

Telephone # (650) 802-6433

Number of pages transmitted (including this page): 6

HUD-IRC March 9, 1998

State and Local Welfare Reform Programs and Related Housing Initiatives

This outline summarizes general characteristics of state Temporary Assistance to Needy Families (TANF) programs for seven selected states. It includes examples of state and local initiatives for families on TANF. Also, it identifies localities with housing authorities participating in HUD's welfare to work programs.

California

The state's TANF recipient caseload decreased 14 percent between August 1996 and September 1997—from nearly 2.6 million to 2.2 million.

TANF Program Profile	
Time limit (in months)	24 (current recipients) 18 (new applicants)
Work requirement after enrollment (in months)	0
Community service requirement after two months	no
Eligibility for legal non-citizens	yes
Eligibility for persons convicted of drug-related felony	no
Transitional child care longer than 12 months	yes (24)
Transitional Medicaid longer than 12 months	yes (24)
Drug testing required	no

A key feature of Riverside County's Greater Avenues for Independence (GAIN) program—California's version of JOBS—is the use of education and basic skill levels to sort participants into tracks. AFDC recipients with a high school diploma participate in job search as their primary activity. Participants without a GED or who lack proficiency in reading or math are given a choice of job search, basic education, or English as a second language instruction. A 1994 evaluation by the Manpower Demonstration Research Corporation (MDRC) found that, after 3 years, Riverside GAIN participants experienced a 30 percent increase in average earnings, with single parents being the best off. Contact: Marilyn Kuhlman, GAIN Program Manager, Riverside County Department of Public Social Services, 4060 County Circle Drive, Riverside, CA 92503 (909) 358-3008.

Staff from the San Diego Housing Commission's Resident Service Department operate a large Family Self-Sufficiency (FSS) program (450 participants in summer 1996). The staff write collaborative grants with universities and other public and private organizations to target innovative services and programs for FSS families. Four senior coordinators provide case management to participating families. Each coordinator has an area of expertise, such as nontraditional occupations for women, microbusiness development, and job training. Featured in the September 1996 PD&R report, "Learning from Each Other: New Ideas for Managing the Section 8 Certificate and Voucher Programs." Contact: Cara Gillette, FSS Coordinator, San Diego Housing Commission, 650 Gateway Center Way, Suite D, San Diego, CA 92102 (619) 685-1096.

HUD's Welfare to Work Initiatives

- JobsPlus: Los Angeles (city)
- Moving to Opportunity: Los Angeles (city)
- Moving to Work: Los Angeles (county), San Diego, San Mateo, Tulare
- Economic Development and Supportive Services (1997): San Diego, Fresno, Dublin, Owens Valley IHA, Los Angeles County, Contra Costa, San Joaquin, Calexico, Los Angeles (city)
- Economic Development and Supportive Services (1996): Oxnard, Oakland, Marin
- Campus of Learners: San Diego, San Francisco
- Family Investment Center: Oxnard, Los Angeles
- Supplemental Empowerment Zone: Los Angeles

Florida

The state's TANF caseload decreased 30 percent between August 1996 and September 1997—from about 533,000 to 375,000.

Work and Gain Economic Self-Sufficiency (WAGES) Program Profile	
Time limit (in months)	48
Work requirement after enrollment (in months)	0
Community service requirement after two months	no
Eligibility for legal non-citizens	yes
Eligibility for persons convicted of drug-related felony	yes
Transitional child longer than 12 months	yes (24)
Transitional Medicaid (in months)	12
Drug testing required	no

Florida's Family Transition Program, a pre-welfare reform waiver demonstration, originally operated in Escambia and Alachua Counties in 1993, and then expanded to Lee, Duval, Pinellas, St. Lucie, Orange, and Volusia Counties in 1995. The program limits benefit receipt to 24 months over a 5-year period, requires minor parents and children to attend school, and decreases benefits for additional children conceived while the mother is on AFDC. Individuals who exhaust their transitional AFDC benefit but are unable to find employment are guaranteed a community service job paying more than the AFDC grant. Contact: Shirley Jacques, Program Operations Administrator, Department of Health and Rehabilitative Services, Economic Self-Sufficiency, P. O. Box 8420, Pensacola, FL 32505 (904) 444-5764.

In Clearwater, FL, an independent nonprofit, Partners in Self-Sufficiency (PSS), was established in 1988 to operate self-sufficiency programs for the Clearwater Housing Authority's Section 8 program. A key advantage of PSS's nonprofit status is the ability to do private fund-raising, primarily from corporations that sit on the PSS board of directors. Donations are used for a client services fund, which provides CHA Section 8 families with up to $150 per year to fund any services they need to get or maintain education or employment. The approach seems to work well for paying for items such as tuition, licensing exams, car repairs, and uniforms. Service vendors are paid directly by PSS. The client service fund allotments do not affect income calculations for welfare or housing assistance. Featured in September 1996 PD&R report, " Learning from Each Other: New Ideas for Managing the Section 8 Certificate and Voucher Programs." Contact: Sylvia Costello, Executive Director, Partners in Self-Sufficiency, P.O. Box960, Clearwater, FL 34617 (813) 461-3453.

HUD's Welfare to Work Initiatives
- Moving to Work: Tampa
- Economic Development and Supportive Services (1997): Metro-Dade, Key West, Lake Wales, Jacksonville
- Economic Development and Supportive Services (1996): Tampa, Lakeland
- Family Investment Center: Seminole Nation of Florida

Maryland

The state's TANF caseload decreased 25 percent between August 1996 and September 1997—from about 194,000 to 145,000.

Family Independence Program Profile	
Time limit (in months)	60
Work requirement after enrollment (in months)	24
Community service requirement after two months	no
Eligibility for legal non-citizens	yes
Eligibility for persons convicted of drug-related felony	no
Transitional child care longer than 12 months	no
Transitional Medicaid longer than 12 months	no
Drug testing required	no

Maryland's AFDC waiver, the Family Investment Program, has operated in Anne Arundel and Prince George's Counties since 1994, although many provisions have been expanded statewide. The latest version of the program requires able-bodied AFDC applicants to participate in job search as a condition of eligibility, certifies and recertifies benefits for up to 1 year periods, disregards 20 percent of earned income or 50 percent of self-employment income in calculating eligibility, and prevents AFDC enrollment where possible by offering one-time payments to families in short-term crisis. Maryland continues to operate under this waiver.

Without a broad range of community non-profits to serve its disadvantaged residents, Anne Arundel County created a one-stop center for social services and employment assistance in 1995, the Annapolis Job Center. In addition to administering TANF benefits and child welfare services, the Center has three components: the Job Center, Family Support, and the Learning Center. The Job Center works with clients on long-term career plans, job placement, and retention. The Family Support Center provides child care vouchers within 24 hours of a client request and also operates an onsite day care center, which clients use while they are meeting with Center staff, interviewing for jobs, or working. The Learning Center offers individuals help with GED and ESL classes, as well as other training that will help them find and keep jobs. A team comprised of a child support specialist, job counselor, job developer, a caseworker, and two co-managers is assigned to each client. Teams are evaluated based on client outcome. Job placement among welfare recipients using the Center has quadrupled (no exact number was provided). The Annapolis Job Center was recently featured by the Hudson Institute Internet site as a best practice in welfare reform. Contact: Vesta Kimble, Director, Anne Arundel County Department of Social Services, 80 West Street, Annapolis, MD 21401 (410) 269–4573.

HUD's Welfare to Work Initiatives
- JobsPlus: Baltimore
- Moving to Opportunity: Baltimore

- Economic Development and Supportive Services (1997): Baltimore
- Economic Development and Supportive Services (1996): Frederick, Montgomery County
- Campus of Learners: Prince George's County
- Bridges to Work: Baltimore
- Family Investment Center: Baltimore, Montgomery County
- Empowerment Zone: Baltimore

Missouri

The state's TANF caseload decreased 20 percent between August 1996 and September 1997—from about 222,000 to 177,000. Between January 1993 and June 1997, St. Louis County (St. Louis) reduced its caseload by 13.2 percent, Jackson County's (Kansas City) caseload declined 22.9 percent, Boone County's (Columbia) caseload declined 23.3 percent, and Green County's (Springfield) caseload fell by 38.4 percent. As of January 1998, 9,222 working families transitioning off of TANF were receiving services such as child care and Medicaid. Over 8,000 employers statewide are involved in hiring welfare recipients.

<u>TANF Program Profile</u>	
Time limit (in months)	48
Work requirement after enrollment (in months)	24
Community service requirement after two months	no
Eligibility for legal non-citizens	yes
Eligibility for persons convicted of drug-related felony	no
Transitional child care longer than 12 months	yes
Transitional Medicaid longer than 12 months	no
Drug testing required	no

The Missouri Division of Mental Health's (DMH) Division of Alcohol and Drug Abuse (DADA) has partnered with the Missouri Housing Development Commission and local housing authorities to obtain Missouri Housing Trust Fund Section 8 vouchers for AOD (alcohol and other drugs) clients. DADA's clients may receive Section 8 vouchers for up to 1 year. To be eligible, clients must be in treatment or connected to DMH services, be sober or drug-free, be employed, and have income at 25 percent or less of the area median income. Contact: Michael Couty, Department of Mental Health, Division of Alcohol and Drug Abuse, Jefferson City, MO (573) 651–4942 or Richard G. Grose, Executive Director, Missouri Housing Development Commission, (816) 759–6604.

DADA's Work in Recovery program is targeted specifically to Comprehensive Substance Abuse Treatment and Rehabilitation (CSTAR) clients in St. Louis County and Jackson County (Kansas City), who are receiving TANF benefits. Work in Recovery is designed to incorporate job training services with a client's treatment recovery program. Program goals are to: decrease the percentage of unemployment in DADA's client population, increase the number of clients who are employed at the time of discharge from treatment, and increase the number of clients who complete treatment because of involvement in job training. Payment of job training providers is based on client outcome measures, e.g., full-time job placement for 66 percent of clients, unsubsidized employment within 6 months of Work in Recovery entry, and post-employment follow-up at 3, 6, and 12 months. Contact: Michael Couty, Department of Mental Health, Division of Alcohol and Drug Abuse, Jefferson City, MO (573) 651–4942.

HUD's Welfare to Work Initiatives
- Economic Development and Supportive Services (1997): St. Louis County, Columbia
- Economic Development and Supportive Services (1996): Kansas City
- Campus of Learners: St. Louis County
- Bridges to Work: St. Louis (city)

New Jersey

The state's TANF caseload decreased 10 percent between August 1996 and September 1997—from about 275,000 to 247,000.

Work First New Jersey Program Profile	
Time limit (in months)	60
Work requirement after enrollment (in months)	24
Community service requirement after two months	no
Eligibility for legal non-citizens	yes
Eligibility for persons convicted of drug-related felony	no
Transitional child care longer than 12 months	yes (24)
Transitional Medicaid longer than 12 months	yes (24)
Drug testing required	no

Cooperation between the Department of Community Affairs' (DCA) network of county housing agencies and the Division of Youth and Family Services (DYFS) has resulted in three Family Unification Program allocations totaling 152 (Section 8?) certificates distributed among 10 counties. DCA and DYFS designate liaisons at both the state and county levels. Local advisory committees made up of service providers, county government, and other appropriate members help identify resources for participating families. DYFS caseworkers attend Section 8 orientation meetings with new program participants and help with their housing search. DCA's housing counselors are available to assist participants with problem landlords, rent payment, and other issues. Featured in September 1996 PD&R report, " Learning from Each Other: New Ideas for Managing the Section 8 Certificate and Voucher Programs." Contact: Jacqueline Grabine, Supervisor Special Housing Needs, New Jersey Department of Community Affairs, Division of Housing and Community Resources, CN 051, Trenton, NJ 08625 (609) 633-6154.

Mathematica Policy Research, Inc., recently sponsored an evaluation of the Newark Teen Parent Demonstration, an HHS/private foundation-funded program for first-time teen parents on AFDC. The program uses case management and mandatory education or job training to improve the mother's psychological functioning and parenting skills and the child's development.

HUD's Welfare to Work Initiatives
- Economic Development and Supportive Services (1997): Perth Amboy, Garfield, Newton, Paterson
- Economic Development and Supportive Services (1996): Long Branch, Millville
- Campus of Learners: Union City
- Empowerment Zone: Camden/Philadelphia

Ohio

The state's TANF caseload decreased 24 percent between August 1996 and September 1997—from about 550,000 to 418,000. As of January 1, 1998, Washington County in southeast Ohio had the highest success rate in moving TANF recipients into work-related activities—77 percent. Other results for moving TANF families into work-related activities in selected urban counties include: 49 percent in Hamilton County (Cincinnati), 29.6 percent in Cuyahoga County (Cleveland), 48.6 percent in Lucas County (Toledo), 27.7 percent in Franklin County (Columbus), and 48.8 percent in Montgomery County (Dayton).

Ohio First Program Profile

Time limit (in months)	36
Work requirement after enrollment (in months)	24
Community service requirement after two months	no
Eligibility for legal non-citizens	yes
Eligibility for persons convicted of drug-related felony	no
Transitional child care longer than 12 months	no
Transitional Medicaid longer than 12 months	no
Drug testing required	yes (in 7 counties for pregnant Medicaid patients only)

Since, 1992, the Cuyahoga Metropolitan Housing Authority has run an onsite substance abuse treatment/self-sufficiency program called Miracle Village in one of its 1993 HOPE VI sites, Outhwaite Homes. Miracle Village is a three-phase residential program: (Phase 1) pre-treatment; (Phase 2) 3 months of intensive residential substance abuse treatment in Miracle Village, a 30-unit development separated from the rest of Outhwaite; and (Phase 3) 21 months of aftercare and supportive services in Recovery Village, another a clustered group of Outhwaite apartments. In Phase 2, residents participate in mandatory drug-testing and treatment, case management, crisis intervention, parenting classes, and money management. In Phase 3, residents participate in vocational assessments, education, and other services. Services are also available to children. Of the 215 women served as of fall 1996, 65 percent remained alcohol and drug free; 18 percent were employed; and 17 percent were participating in GED preparation or community college. Contact: Ms. Claire Freeman, Chief Executive Officer, Cuyahoga Metropolitan Housing Authority, 1441 West 25th Street, Cleveland, OH 44113 (216) 348-5911.

HUD's Welfare to Work Initiatives

- JobsPlus: Cuyahoga Metropolitan, Dayton
- Moving to Work: Green Metropolitan, Portage Metropolitan
- Economic Development and Supportive Services (1997): Ashtabula County, Stark County, Allen County, Lorain County, Lucas County
- Economic Development and Supportive Services (1996): Youngstown, Trumbull County
- Campus of Learners: Cuyahoga Metropolitan
- Family Investment Center: Cuyahoga Metropolitan
- Supplemental Empowerment Zone: Cleveland

Wisconsin

The state's TANF caseload decreased 40 percent between August 1996 and September 1997—from 150,000 to 88,000.

Wisconsin Works (W2) Program Profile	
Time limit (in months)	60
Work requirement after enrollment (in months)	0
Community service requirement after two months	no
Eligibility for legal non-citizens	yes
Eligibility for persons convicted of drug-related felony	no
Transitional child care longer than 12 months	yes
Transitional Medicaid longer than 12 months	no
Drug testing required	legislation pending

Project New Hope is a foundation-sponsored self-sufficiency program operating outside the traditional public assistance system in 2 low-income Milwaukee neighborhoods. Operating since 1994, Project New Hope offers job search assistance, community service jobs, a monthly earnings supplement, subsidized health insurance, and subsidized child care to target *any* neighborhood residents who meet income requirements and are willing to work full time. New Hope is under evaluation by MDRC and Westat, Inc. Contact: Sharon Shulz, Executive Director, 623 North 35th Street, Milwaukee, WI 53208 (414) 342-3338.

The Housing Authority of the City of Milwaukee provides a comprehensive array of program and services onsite at its family housing developments, including before-school child care, a Boys & Girls Club, and two full-time Resident Employment Coordinators to assist residents with job search, job readiness, and job placement. The housing authority has established a working relationship with the W2 administration. Three of the five agencies that the state has contracted to administer W2 programs—Goodwill Industries, Maximus Inc., and Opportunities Industrial Center of Greater Milwaukee—will be providing services to public housing developments, hopefully onsite. The services they will provide include: financial planning, career planning, employment services, and referrals to child care, transportation, drug counseling, and education. Contact: Ricardo Diaz, Secretary to the Executive Director, Housing Authority of the City of Milwaukee, 809 North Broadway, Milwaukee, WI 53201 (414) 286-5900.

HUD's Welfare to Work Initiatives

- Moving to Work: Stevens Point
- Economic Development and Supportive Services (1997): Milwaukee, Madison
- Campus of Learners: Milwaukee
- Bridges to Work: Milwaukee
- Family Investment Center: Milwaukee

Examples of Existing Collaboration Between Housing and Welfare Reform

One important indication of interest is that PHAs are already using housing assistance making efforts to help families on welfare make the transition to work. HUD's Moving to Work demonstration includes several interesting examples of how PHAs are using housing assistance. These examples are indicative of the need for collaboration between housing and welfare providers - an area that the Department's proposal strongly addresses. The examples also illustrate the concern for welfare reform that is present in the public housing community.

Examples of How Welfare-to-Work Vouchers Could Be Used

Birmingham, AL will focus its MTW project on providing pre-employment skill development, job access, job retention, and the elimination of work disincentives to TANF recipients and other residents who are underemployed or interested in career advancement. Families in the MTW program will be given preference for Section 8 vouchers.

Los Angeles County, CA will serve fifty families, half of whom will be welfare recipients. They will be given self-sufficiency services and offered a place in one of four public housing developments. After one year of employment, they will be offered the option of Section 8 assistance instead of public housing. Rents will start at 20 percent of adjusted income and move to 30 percent after one year. If a family does not comply with its self-sufficiency plan, rents may go up to 40 percent of adjusted income.

The State of Massachusetts will serve families at two sites—one serving the homeless and the other serving very low-income participants in the state's welfare-to-work-program. The PHA will convert Section 8 assistance into a flat monthly stipend with a cap on the part that may be used for housing. The stipend will not decrease as family income decreases.

San Mateo County, CA proposes integrating its MTW/Family Self-Sufficiency program with the county welfare reform program. Participating families will receive support services through Families Self-Sufficiency and vouchers with payments set at 80% of fair market rent; 75 percent of rent increases resulting from increases in earned income will be placed in an escrow and 75 percent of rent increases resulting from the return of a father to a household will be deferred for two years. Assistance will be limited to six years.

Seattle, WA will form a local partnership to create a time limited housing voucher program for welfare recipients participating in the Seattle Jobs Initiative program. Families from the PHA waiting list will be recruited, and in addition to the vouchers the will be given job skills training and other services and helped to find a job. For 2-3 years after initial employment, participants will receive additional job training and job retention services.

Tulare County, CA will target tenant-based assistance to families with incomes below 50 percent of median and focus its admissions on referrals from the welfare agency, a nonprofit training agency, and a county program to attract year-round employers to this agricultural area.

Welfare-to-Work Vouchers Help Solve Difficult Problems PHAs Face When Transitioning Residents From Welfare to Work

Other PHAs have indicated a high level of interest in and need for Welfare-to-Work vouchers. PHAs differed in their reasons for needing this type of assistance--in some cases it was long commutes to employment centers, in other cases extremely high rents in areas with jobs—but they were uniform in indicating the need for housing assistance for making local welfare-to-work efforts succeed. These conversations are summarized here.

Alameda County, California is faced with the problem of exceedingly high rents. Not just families on welfare, but the working poor as well, find it very difficult to afford to afford to live there. The County has the capacity to absorb welfare recipients into its work force, but without housing assistance, affordable housing for families in entry level jobs is located a great distance from the County's employment centers. Many people are forced to commute an hour and a half or more each way. While high rents have made it difficult to use Section 8 assistance in the past, even with exception Fair Market Rents, recently the success rate has gone up dramatically from about to 20 percent to 50 percent, so the County believes that it could make good use of Welfare-to-Work vouchers. According to the PHA, families on welfare "need all the help they can get to be able to take the jobs that are there." A great many of the families on the Section 8 waiting list receive welfare assistance and would benefit from the new vouchers.

Fort Worth, Texas is geographically very large. It has good public transportation in its downtown core, but the same is not true in the city's outer reaches. While some downtown revitalization is creating jobs in the city core, most development is in fringe areas of the city. For example, good job opportunities are available in and around the new Alliance Airport and in a number of new hotels and hospitals. According to the PHA, it is very difficult for very low-income people to keep jobs in the distant areas of the city because the bus transportation is so limited. Commutes often entail an hour or more in each direction. Many families are currently doubled-up with relatives or are living in substandard housing, and these factors exacerbate the challenge of keeping a job that requires a long commute. Housing is available in the neighborhoods where the jobs are located, but is not affordable to families with entry level wages unless they have housing assistance. The Fort Worth Housing Authority would work with its welfare agency to target Welfare-to-Work certificates to families who need to live where the jobs are in order to succeed and who would not otherwise receive assistance because they are so low on the waiting list.

Serving the Hard-to-Serve

The *New York City* Housing Authority has a Section 8 waiting list of over 200,000 families; at least 25 percent of these families receive welfare. The PHA's priorities are to serve families who are homeless, victims of domestic violence, or intimidated witnesses in criminal cases. Last year alone, some 3,000 homeless families were given Section 8 assistance. The housing authority would use the Welfare-to-Work vouchers as part of the tools they use in their ongoing effort to assist homeless families move into permanent housing and to be able to afford to go to work. In New York City, transportation and access to jobs is not as big a problem as in other communities, but the high cost of housing is a major obstacle. Without housing assistance, most families moving from welfare into entry level jobs cannot afford to pay for decent stable housing.

The *Clearwater, Florida* PHA could serve at least 100 families through the proposed Welfare-to-Work vouchers. With waivers from statutory and regulatory requirements, the PHA would use the welfare-to-work vouchers to put time limits on the length of time any one family moving from welfare to work could receive housing assistance. Time limits are currently enforced in the Clearwater self-sufficiency program, and the PHA believes they are an important motivational tool. There is a great need for vouchers among welfare families living in homeless shelters and the hidden homeless, who live doubled up with friends and relatives. The PHA would fashion a partnership that would support their training and entrance into the workforce, once their housing needs are met.

Moving Closer to Work

In *Florence, Alabama*, a housing voucher can be the difference for a single mother between going to school and getting a job that can support her family and remaining "a welfare statistic." There is no transit system in Florence, and child care is expensive. A decent two-bedroom apartment rents for $325 to $350 per month there, a three-bedroom for $400-$500. Full-time, entry-level jobs do not pay enough to make it possible to pay full rent, child care, and car costs. FSS clients in Florence concentrate on training and education opportunities with short-term payoffs: for example, 1 year of community college will prepare a student for work as an electrician or licensed practical nurse; 6 weeks of on-the-job training will qualify the student as a home health aide. With a housing certificate, participants can live near training and job opportunities. They would be able to afford the rent on decent housing for their families and still be able to supplement their child care grants to purchase quality child care.

In *Lincoln, Nebraska,* the Director of the PHA's self-sufficiency programs is confident that Lincoln would apply for Welfare to Work vouchers: the PHA sees self-sufficiency as a major issue for the agency, and a PHA employee sits on the board of the local Private Industry Council.

Nebraska is now in the second year of its welfare reform program, which has a

27-month time limit. Although Lincoln has less than 2 percent unemployment, there is a mismatch between the jobs and the households who need them. First, many of the jobs for which welfare mothers would be eligible are in the second and third shifts, when child care is difficult and expensive to obtain and when bus service, which stops at 7 p.m. is no longer available. Most low-income families, therefore, have cars, but they tend to be 10 to 15 years old, and they don't have any funds to repair them. Second, the largest and best-paying employers tend to be on the outskirts of town. Third, many welfare clients are lacking in employers' minimal job skills: dressing for work, getting along with co-workers and customers, punctuality. Lincoln could use the vouchers to help clients live closer to employment centers and offer them to families who complete work-readiness counseling offered by the welfare agency. Thus, families would be able to benefit from Lincoln's unusually good job market.

Chicago Tribune February 8, 1998 Sunday

IL
HOUSING

FAMILIES GET 'CLEAN START' OFF WELFARE; LONG-TERM PROGRAM AIMS TO CHANGE LIVES

BY: By Lynn Van Matre, Tribune Staff Writer.

Five years ago, Karen Quigley was a divorced mom with poor parenting skills, shaky self-confidence and a checkered work history of dead-end jobs, which paid so little the family had to get by on food stamps and subsidized housing.

Today, Quigley works full time as office services coordinator for an Oak Brook consulting firm. She serves proudly as a role model for her two daughters and looks forward to owning a home soon.

"I'm a new person," Quigley said. "My whole value system has changed. I used to think in terms of getting help from this or that government agency, getting something for nothing. Then I realized that I had to work for what I wanted."

For Quigley, 42, one thing has made the difference between self-pity and self-empowerment: the Family Self-Sufficiency program. It's a long-term, one-on-one life-skills project for low-income families administered by the DuPage County Department of Human Services. The department runs the program in cooperation with the DuPage County Housing Authority, Metropolitan Family Services DuPage, YWCA-DuPage District and the Job Training Partnership Act/Illinois Employment Training Center.

Under the program, known as FSS, case managers work with families for up to five years on a wide range of issues. Not all its stories have such happy endings, but the program has been so successful that County Board members recently raised its annual budget by 50 percent--from $200,000 to $300,000--and there are plans to use it as a model for several other county programs.

Human resources workers also see the program as a vital part of intensified efforts to nudge families on public assistance toward self-sufficiency in the wake of welfare reform. About 1,600 DuPage families with children under 6 will lose government subsidies within the next two years, said Joan Rickard, the program's principal case manager.

Said Jack Tenison, DuPage County's human resources director, "A lot of times with social services programs, you hear only anecdotal things about what has been accomplished, but with FSS, we have statistics showing the program is quite effective in moving people off welfare."

Since the program began in 1992, for example, nine families have become homeowners; 55 families have found full-time employment and have not needed public assistance for a year or more; 35 individuals have earned GEDs or vocational certificates; and 16 have earned college degrees. Of the 150 or so families participating in the program as of last year, 85 percent of the adults had found part-time or full-time work, and nearly 70 percent of the families that were receiving public aid when they entered the program no longer required cash assistance.

"People think that if you're poor, you must be lazy," Quigley said. "It makes me so mad when people say, 'There are lots of jobs out there.' But those jobs pay only $5 or $6 an hour, and you can't live on that.

"Most poor people aren't lazy, they're scared," Quigley said. "Some of us never learned the life skills we needed to handle our problems."

Quigley, a lifelong Addison resident and a high school honors student, said that her "downward spiral" began after her early marriage broke up.

Frustrated and angry when the jobs she got did not bring in enough to support her daughters, Quigley said she began using cocaine and "hung out with losers." In 1993, while on a waiting list for subsidized housing, she learned of Family Self-Sufficiency.

"I said 'yes' right away when they asked if I wanted to participate," said Quigley, who stopped using drugs around the time she entered the program. "Anybody who would think twice about getting into this program has got to be crazy. How often do you have a chance to change your whole life in five years?"

For whatever reason, however, some families are unwilling or unable to make the commitment. Only 60 percent of low-income individuals who express initial interest in the program complete the application process, which involves several introductory workshops, Rickard said.

"The energy and motivation have to come from the clients," Rickard said. "They have to be willing to take the necessary steps. If they aren't, there isn't much we can do."

The typical client is a single mother in her early 30s, Rickard said, though they have ranged from 20 to 48. About 46 percent are African-American, 42 percent Caucasian, 7 percent Hispanic and 3 percent Asian, Rickard said. A typical family of four might be receiving about $414 monthly in Temporary Aid to Needy Families, Rickard said.

After being accepted, participants are assigned a case manager, who will work with them for up to five years, helping them set personal and professional goals and develop the skills needed to take control of their lives.

"I don't want to run someone's life, but I have the experience to know what works," said Heidi Meyer, Quigley's case manager. "If someone does not have their GED, for example, I would direct them to a GED program. If they want to have a better relationship with their children, we talk about how they could do that."

Meyer, who handles as many as 30 or 40 cases at a time, also offers guidance and referrals on everything from family planning to proper nutrition to appropriate clothes for a job interview. One of the biggest challenges, she said, is developing a relationship of trust between herself and a client.

"In the beginning, I had trouble opening up to my case worker and talking about my problems," Quigley said. "But she wasn't there to judge; she was there to help me."

Recently, Quigley had a chance to help the program when her employer, CSC Consulting, asked for suggestions for its annual charitable donations. Quigley suggested Family Self-Sufficiency, and it was one of three charities to get a $3,000 check from the computer systems consulting firm.

"We like to give to organizations that our employees are actively involved in, and what impressed us about FSS was that the program is focused on helping people to help themselves," said CSC managing partner Dan Karpiak.

"When I finish this program, I'll have a clean start, a good job, a great family and a sense of pride," said Quigley, who is scheduled to "graduate" from the program in June. "It feels good."

Subj: RENTS RISING OUT OF REACH, REPORT FINDS LOWELL-AREA STUDY F
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(Sec 8 welfare to work - explain need)

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Headline: RENTS RISING OUT OF REACH, REPORT FINDS LOWELL-AREA STUDY F
Wire Service: BG (Boston Globe [1/80])
Date: Mon, Apr 26, 1971

09560335 RENTS RISING OUT OF REACH, REPORT FINDS LOWELL-AREA STUDY FINDS 43% UNABLE TO MEET AVERAGE COST Boston Globe (BG) - SUNDAY, March 1, 1998
By: Caroline Louise Cole, Globe Correspondent Edition: Third Section: Northwest Weekly Page: 1 Word Count: 1,099

MEMO: NORTHWEST WEEKLY

TEXT: LOWELL - The state's robust economy has pushed the cost of private rental housing beyond the reach of 43 percent of the families in Greater Lowell, partly because those families' adult wage earners are qualified only for lower-paying jobs, according to a newly issued report on the region's housing options.

The Home Coalition, a consortium of seven state housing advocacy groups, spent 18 months studying the metropolitan areas around four cities – Lowell, Boston, New Bedford, and Worcester – to assess the impact of cutbacks in state housing and homeless assistance programs. Researchers combed existing statistics and interviewed residents, housing advocates, and public policymakers to produce a 25-page report and a 37-page overview for the four areas.

"What this report does is document with hard facts the anecdotal stories of hardships we had been hearing about from our case workers," said Robyn Michaels, the coalition's director.

To judge the affordability of private rentals, the Home Coalition used a federal guideline, that wage earners should be contributing no more than 30 percent of their income to housing.

The number of renter households and fair market value statistics are based on the federal 1990 Census figures for Lowell and the surrounding suburban communities of Billerica, Chelmsford, Dracut, Dunstable, Groton, Pepperell, Tewksbury, Tyngsborough and Westford.

"Generally speaking, low- and middle-income wage earners who are spending more than 30 percent of their income on housing costs don't have enough money left for other necessities, like food and health care," Michaels said.

Using this guideline, a renter of a two-bedroom apartment in Greater Lowell must earn more than $13 an hour to afford the 1997 average rental cost of $683 a month for a two-bedroom apartment, the report said. And since the report was compiled, rents in Greater Lowell increased another 9.5 percent, to $711 for a two-bedroom and $569 for a one-bedroom apartment, Michaels said.

A renter in a $5.25-per-hour minimum-wage job would have to work 100 hours a week to afford the same $683 per month expense, Michaels noted.

"The situation becomes more acute for larger families who need three- and four-bedroom apartments," Michaels said, noting a four-bedroom apartment in the Lowell area currently averages $997.

Based on 1990 Census figures, there were 21,511 renter households in Lowell proper, which would mean 9,250 households in the city were unable to afford a two-bedroom apartment, according to Cushing Dolbear, a housing consultant who provided the study methodology to the Home Coalition.

In the areas studied, a two-bedroom privately owned apartment is renting for an average of $765 per month, with rates ranging from $568 in Fitchburg to $839 in Boston, the report said.
Ginny Hamilton, a housing policy coordinator for the Massachusetts Coalition for the Homeless, said the Home Coalition's assessment underscores the need for more public housing, particularly since even the working poor cannot afford the cost of decent private shelter. Residents of public housing are charged a flat rate of 30 percent of their household income.

"Women coming off welfare, who are doing everything they are supposed to being doing in terms of getting a job and putting their children in day care, simply can't make the rent private landlords can charge in this economy," Hamilton said.

Michael Stone, a specialist in government housing programs and a professor at the University of Massachusetts at Boston, said the report's findings are particularly timely in Lowell as the city debates the fate of the 284-unit Julian Steele public housing complex.

City officials want to raze the units and sell the property to a private developer for the construction of single-family and duplex homes.

"Coupled with Lowell's dramatic loss of manufacturing jobs in the last decade, these findings are particularly unsettling because wages for low-skilled workers have not kept up with rising housing costs," Stone said. "In fact, the prosperity which the state is undergoing now is masking these geographic and social inequities."

The report notes that the average wages paid by Lowell employers dropped from a high of $32,895 in the 1980s to $29,850 in 1994. The average wages earned in the manufacturing sector was $507 per week in 1994, compared to $359 offered in the service sector and $216 in retail, the report said.

"The loss of manufacturing jobs, which could be gotten without a college education, means many workers have had to settle for lesser-paying service and retail-sector jobs," Stone said. "The job growth the state is experiencing is happening in jobs that require high levels of skill, education and experience low-income people don't have access to."

And although city officials proudly point to Lowell's falling unemployment rate, currently 5 percent, Stone said, they fail to note the city's overall labor force has decreased by 6,107 between 1986 and 1996 while the city's population has fallen only by 2,466 during that period.

"What that says to me is that the effective unemployment rate in Lowell is much higher because those statistics taken together would suggest thousands of people have gotten so discouraged by their lack of job prospects, they have simply stopped looking and therefore are not recorded in the official jobless rate," Stone said.

Stone said Lowell has lost 12,012 manufacturing jobs since 1986, from a high of 18,723, and the city's total number of jobs decreased by 14,294 in the same 10-year period.

"What we're seeing is that an entire sector of the population is being left behind in this period of economic recovery," Stone said.

Hamilton said she hopes the report will help policy makers better understand the need for public expenditure on housing.

"These statistics are particularly frightening when you think what the lack of a stable home means to children and their futures," Hamilton said. "The public often thinks poverty would disappear if everyone just went out and got a job. What this report shows is that even the traditional two-wage earner family can't necessarily make ends meet."

SIDEBAR Low wages, high rents

The region's robust economy, which has prompted rental-rate increases for housing across the state, is seen as having an acute effect on low-income wage earners.

According to a report centered on Lowell, 43 percent of all families in the city are spending more than 30 percent of their income on housing.

One Two

bedroom bedroom

Average rent

$565

$683

Hourly wage needed to afford

$10.87 $13.13

Work hours per week at minimum wage

83

100

SOURCE: The Home Coalition "Communities On the Edge"

Globe staff chart

cole3 ;02/25 CAWLEY;03/03,09:08 NWRENT01

DESCRIPTORS: NORTHWEST; HOUSING; LOWELL

———————— Headers ————————

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CLASP Update 1/98

(10)

HOUSING

> Among poor renter households with children that do not receive housing assistance in which at least one household member works, about three-fifths - 59 percent - spent at least half of their income for housing in 1995.
>
> Center on Budget and Policy Priorities
> "Housing Bills Would Reduce Assistance Available to Poor Families"

At the same time as Congress is debating new housing legislation with "income targeting" rules that could make it more difficult for working poor families to access federally subsidized housing, President Clinton's soon-to-be announced budget includes 50,000 new housing vouchers to assist welfare recipients who need housing assistance in order to get or keep a job.

In addition to the President's initiative, a number of states are directing resources at the housing needs of welfare families working at low wages.

This issue of **CU** reports on what is currently known about the Clinton initiative and two state programs - Connecticut's Time-Limited Rental Assistance and New Jersey's Work First Housing Assistance. If there is a welfare/work rental assistance program in your state, please contact **CU** for future reports on this issue.

➢ For further information about the Congressional "income targeting" proposals see the CBPP publication above or see the National Low Income Housing Coalition website: http//www.nlihc.org.

50,000 New Welfare/Work Housing Vouchers in President's Budget. The following description of the President's initiative which will be formally announced the first week of February is excerpted directly from a summary prepared by the Administration:

The President's FY99 budget will take further steps to promote work and welfare reform through a new plan to provide 50,000 new housing vouchers to welfare recipients who need housing assistance in order to get or keep a job. Families could use these housing vouchers to move closer to a new job, to reduce a long commute, or to secure more stable housing to eliminate emergencies that keep them from getting to work every day on time. These targeted vouchers will give people on welfare a new tool to make the transition to a job and succeed in the work place. The $283 million proposal will help address the problem that in many regions, jobs are being created far from where many welfare recipients live. Currently, about two-thirds of new jobs are being created in the suburbs, but three of four welfare recipients live in rural areas or central cities. To make this daily commute possible, the President is fighting for a $600 million welfare-to-work transportation initiative as part of the reauthorization of ISTEA. But in some cases it makes more sense for someone to move closer to work, and this new proposal will make that move from welfare to work possible.

These vouchers will provide States and communities with a new flexible tool to help families who need housing assistance in order to achieve self-sufficiency. The additional vouchers will be available on a competitive basis to local housing agencies. Local housing agencies, including Indian housing authorities, may submit an application, developed in consultation with the state, local, or tribal welfare agency and the local Welfare-to-Work formula funds grantee (typically the Private Industry Council). The vouchers will be used where they are essential to a successful transition from welfare to work, that is, where housing assistance is critical for a family to get or keep a job. Families who receive the vouchers must be eligible for or currently receiving Temporary Assistance for Needy Families (TANF) or have received TANF within the past year. The initiative recognizes the direct link between affordable housing and self-sufficiency. Along with the Administration_,s proposal to increase the Low-Income Housing Tax Credit, this initiative will make decent, affordable housing available to more Americans.

A recent HUD study estimates that 5.3 million renter households nationwide do not receive housing assistance but have "worst case housing needs," meaning they live in seriously substandard housing or pay an extremely high share (more than 50 percent) of their monthly income for rent. Only a few families are in this group because the quality of their housing is deficient – for 89 percent of them, excessive rent burden is their only housing problem. Families that have to pay so much for rent are particularly vulnerable when their income is reduced for any reason. Many whose welfare and other benefits are cut back in the reform process will not only need to find a job, but one that keeps their income minimally at its previous level to let them continue making their rent payments and avoid eviction.

Excerpted from " Federal Housing Assistance and Welfare Reform: Uncharted Territory," G. Thomas Kingsly The Urban Institute New Federalism: Issue and Options for

Work First New Jersey Housing Assistance Program . The New Jersey Department of Community Affairs, in partnership with the New Jersey Department of Human Services, will administer the **Work First New Jersey (WFNJ) Housing Assistance Program** to provide time-limited rental subsidies to working families who are exiting welfare to begin unsubsidized employment. The program is expected to begin operations sometime later in 1998. The following is excerpted from Department of Community Affairs' materials on the program:

SCOPE. Up to $2 million in Temporary Assistance for Needy Families (TANF) state maintenance of effort funds will be transferred from the Department of Human Services to the Department of Community Affairs each year for a period of three years to provide subsidies under the **WFNJ Housing Assistance Program.** Ten percent of the funds will be used for the administration of the program.

A rental subsidy will be provided to approximately 350 eligible families for up to three years.

SELECTION CRITERIA. Families who are leaving Temporary Assistance for Needy Families (TANF) will be selected by the county agencies for referrals to the Department of Community Affairs and must meet the following criteria:

- Families who are no longer eligible for TANF because of placement in unsubsidized employment; and
- Families whose income is 150% or less of the Federal Poverty level, but who are no longer eligible for TANF; and
- Families whose cash assets do not exceed $4,000 (excluding an automobile) and are no longer eligible for TANF.

In addition to the above three requirements, the referrals will be for families who score the highest points according to the following priorities:

PRIORITIES	POINTS
• Family is recommended by the County Board of Social Services making the referral.	7
• Family may have been homeless but not have caused their homelessness by being a disorderly tenant, wanton destruction of property or criminal activity which has directly led to eviction from housing.	6
• Family who may have received rental assistance under TANF in order to prevent homelessness.	5
• Teen parent who will turn 18 years of age and has been living in a "Second Chance" home.	4
• Family is paying more than 50% of its gross earned income for housing expenses.	3
• Teen parent who is under the age of 20 who has been employed and no longer eligible for TANF.	2
• Family who has received less than two sanctions while on TANF.	1

RENTAL SUBSIDY. Participating families pay a percentage of their monthly income toward their rent, based on the following schedule:

- Year One–45 percent;
- Year Two–55 percent;
- Year Three–65 percent.

The program pays the remainder of the rent directly to the property owner up to the established Payment Standard for the rental costs in each county.

ESCROW/SAVINGS ACCOUNT. The program establishes escrow/savings accounts for participating families. These accounts will be funded by rental payments that would normally be made to landlords by the program on behalf of assisted tenants. Because tenants will likely experience increases in wages which require them to pay more towards their rent as a result, the rental subsidy would be reduced.

LOSS OF EMPLOYMENT. If Participant Loses Employment Through No Fault of His/Her Own:
- The rental subsidy will continue for four months. A possible extension of rental subsidy may be available for four additional months if the recipient demonstrates that he/she is actively seeking employment.
- The rental subsidy will continue after the four months of unemployment, and if applicable the extension of an additional four months or after the escrow account balance has been

expended, **only** if the participant has obtained unsubsidized employment. The remaining rental subsidy payment when added to the total of all previous payments **including** any use of escrow savings funds may not exceed the three years.

For more information, please contact Roy Ziegler, Assistant Director of the NJ Department of Community Affairs: Division of Housing and Community Resources, (609) 633-6150; or write NJ Department of Community Affairs, PO Box 051, Trenton, NJ 08625-0051.

Connecticut Time-Limited Rental Assistance. To assist families transitioning off the state's Temporary Family Assistance (TFA) Program, Connecticut, in its 1996-98 budget, added a new component to its state funded rental assistance program for low-income families, the elderly and handicapped. The new Time-Limited Rental Assistance program is available for 12 months to certain qualifying TFA families.

Time-Limited Rental Assistance Program: Utilization in month one: November 1997

TFA recipients offered exit interviews in anticipation of reaching 21 month limit	1776
of those:TFA recipients who attended exit interviews	1224
of those: TFA recipients with income below TFA maximum plus $90	639
of those: TFA recipients who qualify for rental assistance at interview	430
of those: TFA recipients who apply	68
Number of available rental assistance certificates	114
Number of recipients who receives certificates	68

Up to $5 million is available for this initiative each; however, the funding source is not yet finalized. The state is currently assessing which account to tap. It is weighing the possibility of using federal TANF funds which carry certain restrictions or whether to use state funds that count towards maintenance of effort. If state funds are used, the state expects to assess the use of separate state funds versus segregated state funds. [See CLASP's *The New Framework: Alternative State Funding Choices Under TANF* and *Analysis and Critique of Proposed TANF Regulations* for discussions of separate and segregated state funds] The program is administered by the Department of Social Services/Housing Services Unit.

Families who are working while receiving TFA are in an unusual predicament when they reach TFA's 21 month time-limit on cash assistance . These working families are not eligible for the 6 month extension(s) available for persons considered to have made a good faith effort to comply with rules yet unable to obtain or retain employment . Connecticut's rules allow families to receive TFA and work up to the federal poverty level until month 21 of TFA; however, welfare families with income over the TFA payment level ($544 for a 3 person family in the largest rent region) are automatically ineligible for an extension. Working families which lose TFA assistance need to continue to pay rent. For those without housing subsidies this means more of their paycheck must go towards rent.

The Time-Limited Rental Assistance program intends to ease this economic disruption for certain families. State policies include the following:

ELIGIBILITY. Families must:

- be transitioning off TFA due to the 21 month TFA time-limit
- have income at a level above the TFA cash assistance grant ($544 for a family of 3 in the largest rent region)
- participate in an exit interview for an automatic assessment of eligibility or contact case worker independently
- be selected for the rental assistance within six months of leaving TFA
- have a head of household who is employed at the time of application
- have a head of household at least 18 years of age
- not be receiving any other form of rental subsidy

SUBSIDY. The family must contribute the greater of:

- 20% of the monthly income or
- 40% of adjusted gross monthly income, less utilities

The time-limited rental assistance payment will be:

- the difference between the family contribution and the contract rent which shall not exceed the maximum allowable rent set by the Commissioner
- available for privately owned rental properties

SELECTION. Families will be selected:

- each month "at random" from a waiting list

The program, which got fully operational in November 1997, currently does not have a waiting list. Department of Social Services statistics for November 1997 indicate that only about 15% of those qualified for rental assistance applied for it; thus, in November, available rental assistance certificates went unclaimed.

➢ For more information contact Joseph Freyre, Administrative Manager, Housing Services Unit/DSS, at (860) 424 5872.

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Comments: After you look over this you + I (or you + Ed Lazere) should probably talk about how to characterize it.

Gebreaux research:
major reason people attributed

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March 3, 1998

Barbara Sard
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Re: MFIP Impacts by Housing Status

Dear Barbara:

The enclosed tables might interest you. Minnesota's pilot welfare reform project, the Minnesota Family Investment Project, has increased employment, earnings and had a notable anti-poverty effect for long-term, welfare recipients in urban areas. However, when the MFIP pilot groups are separated by housing status, the positive earnings and income results are only found in the public/subsidized housing group, suggesting that housing subsidies positively effect earnings and employment in a program like MFIP. These tables were not included in the recent MDRC report on MFIP. Feel free to call me if you have any questions, my direct line is (612) 222-3749, x107.

Sincerely,

Shawn Fremstad
Attorney

Enclosures

Joel Kvamme
612-296-4730
Minnesota welfare official we spoke with re this data

Housing as a Barrier to Employment
Impacts of MFIP by Housing Status

	Public\Subsidized Housing	Not in Public\Subsidized Housing
Increase in percent of MFIP participants ever employed	26.3	11.8
Increase in average earnings of MFIP participants	$2,041	$429*

* Not statistically significant

Source: Manpower Demonstration Research Corporation, Tables H1 and H3. Compares employment and earnings impact differences for long-term recipients in urban counties during first 18 months of MFIP pilot.

DRAFT

Table III

Impacts on Employment and Earnings for Full MFIP, MFIP/Voluntary Services and AFDC/Voluntary Services Long-Term Recipients in Public/Subsidized Housing in Urban Counties

	Average Outcome Levels			Full MFIP vs. AFDC/Voluntary Services		MFIP/Voluntary Services vs. AFDC/Voluntary Services		Full MFIP vs. MFIP/Voluntary Services	
Outcome	Full MFIP	MFIP/ Voluntary Services	AFDC/ Voluntary Services	Impacts of Financial Incentives Mandatory Services, and Reinforced Incentive Messages	Percentage Change	Impacts of Financial Incentives Alone	Percentage Change	Added Impacts of Mandatory Services and Reinforced Incentive Messages	Percentage Change
Ever employed (%)									
Quarters 2-7	79.5	68.7	53.2	26.3 ***	49.5	15.5 ***	29.2	10.8 ***	15.7
Quarter 1	35.2	31.1	27.9	7.3 **	26.3	3.3	11.7	4.1	13.0
Quarter 2	41.4	42.0	28.2	13.2 ***	46.6	13.8 ***	49.0	-0.7	-1.6
Quarter 3	48.5	42.9	29.6	18.9 ***	63.8	13.2 ***	44.6	5.7	13.3
Quarter 4	51.3	47.4	27.4	23.9 ***	87.5	20.1 ***	73.5	3.8	8.1
Quarter 5	57.8	47.1	30.9	26.9 ***	86.8	16.2 ***	52.3	10.7 ***	22.6
Quarter 6	60.1	47.5	33.9	26.2 ***	77.3	13.6 ***	40.3	12.5 ***	26.4
Quarter 7	60.1	46.8	36.1	23.9 ***	66.3	10.6 ***	29.5	13.3 ***	28.4
Average earnings ($)									
Quarters 2-7	5,965	4,457	3,924	2,041 ***	52.0	534	13.6	1,507 ***	33.8
Quarter 1	378	355	310	68	21.9	45	14.6	23	6.4
Quarter 2	512	490	443	69	15.6	46	10.5	23	4.6
Quarter 3	765	631	552	213 **	38.5	79	14.3	134	21.2
Quarter 4	900	773	562	338 ***	60.2	211 **	37.6	127	16.4
Quarter 5	1,140	858	689	451 ***	65.4	169	24.5	282 **	32.9
Quarter 6	1,285	843	767	518 ***	67.5	75	9.8	442 ***	52.5
Quarter 7	1,363	864	910	453 ***	49.8	-46	-5.1	499 ***	57.8
Sample size (total = 820)	261	285	274						

SOURCE: MDRC calculations using data from Minnesota Unemployment Insurance earnings records.

NOTES: The sample includes members randomly assigned between April and December 1994, excluding the small percentage who were receiving or applying for Food Stamps only at random assignment.

Dollar averages include zero values for members not employed

A two-tailed t-test is applied to regression-adjusted impact estimates Statistical significance levels are indicated as *** = 1 percent, ** = 5 percent; * = 10 percent

DRAFT

Table H3

Impacts on Employment and Earnings for Full MFIP, MFIP/Voluntary Services and AFDC/Voluntary Services Long-Term Recipients Not in Public/Subsidized Housing in Urban Counties

	Average Outcome Levels			Full MFIP vs. AFDC/Voluntary Services		MFIP/Voluntary Services vs. AFDC/Voluntary Services		Full MFIP vs. MFIP/Voluntary Services	
Outcome	Full MFIP	MFIP/ Voluntary Services	AFDC/ Voluntary Services	Impacts of Financial Incentives Mandatory Services, and Reinforced Incentive Messages	Percentage Change	Impacts of Financial Incentives Alone	Percentage Change	Added Impacts of Mandatory Services and Reinforced Incentive Messages	Percentage Change
Ever employed (%)									
Quarters 2-7	74.1	65.7	62.3	11.8 ***	18.9	3.3	5.3	8.5 ***	12.9
Quarter 1	32.2	34.0	30.2	2.0	6.6	3.8	12.5	-1.8	-5.2
Quarter 2	41.2	37.1	34.1	7.1 **	20.8	3.0	8.7	4.1	11.1
Quarter 3	45.3	39.0	38.7	6.6 **	17.2	0.3	0.8	6.3 **	16.3
Quarter 4	40.0	38.7	34.7	5.3 *	15.3	4.0	11.5	1.3	3.4
Quarter 5	44.7	38.1	35.9	8.8 ***	24.5	2.2	6.2	6.6 **	17.2
Quarter 6	49.3	39.1	37.2	12.0 ***	32.4	1.8	5.0	10.2 ***	26.1
Quarter 7	47.1	38.5	38.5	8.7 ***	22.5	0.0	0.1	8.6 **	22.4
Average earnings ($)									
Quarters 2-7	4,209	3,822	3,780	429	11.3	42	1.1	387	10.1
Quarter 1	320	388	343	-23	-6.7	45	13.3	-68 *	-17.6
Quarter 2	459	477	420	39	9.3	57	13.7	-18	-3.8
Quarter 3	589	571	547	42	7.7	24	4.4	18	3.1
Quarter 4	628	612	577	50	8.7	35	6.1	15	2.5
Quarter 5	773	655	663	109	16.5	-8	-1.2	118	18.0
Quarter 6	850	746	749	101	13.4	-3	-0.4	104	13.9
Quarter 7	910	760	823	87	10.5	-63	-7.7	150	19.7
Sample size (total = 1,224)	415	396	413						

SOURCE: MDRC calculations using data from Minnesota Unemployment Insurance earnings records.

NOTES: The sample includes members randomly assigned between April and December 1994, excluding the small percentage who were receiving or applying for Food Stamps only at random assignment.

Dollar averages include zero values for members not employed.

A two-tailed t-test is applied to regression-adjusted impact estimates. Statistical significance levels are indicated as *** = 1 percent; ** = 5 percent; * = 10 percent.

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cc: CR
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LEVEL 2 - 1 OF 1 STORY

The Providence Journal-Bulletin

February 7, 1998, Saturday, ALL EDITIONS

SECTION: EDITORIAL, Pg. 9A

LENGTH: 2053 words

HEADLINE: **Housing** key to **welfare reform**

BYLINE: M.J. Andersen

BODY:

WELFARE REFORM cannot work if stable, affordable **housing** is unavailable. That, anyway, is what the smart money says, and it seems to make sense.

Consider one scenario: A former recipient takes a low-paying job, but rent eats up much of what she earns. An emergency comes up, and she falls behind. She gets evicted. Lacking stable **housing,** she skips work. She gets fired. And so on.

There are 101 such hypotheticals, but they all revolve around the problem of establishing stability, once a dependable entitlement check, however small, is lost. If only, some advocates say, we could guarantee the **housing.** Yet such a hope is far from within reach.

Nationally, the picture is sobering. For the past few years, the federal government has been on a quiet glide out of the low-income-**housing** business. Meanwhile, for a much longer period, the gap between incomes and **housing** costs has grown. For 20 years, rents burgeoned while real wages stagnated or fell.

Demolition and gentrification have reduced the supply of cheap **housing,** even as demand has risen. Today, an estimated five million U.S. households pay more than half their pretax income for shelter.

Rhode Island is no exception to this picture; in some ways, it is worse off than the rest of the nation.

The federal Department of **Housing** and Urban Development regularly calculates the average rent in each state. This figure, known as fair market rent, recently stood at $ 539 for a one-bedroom apartment in Rhode Island, according to a report last fall by the National Low Income **Housing** Coalition.

At that rate, 42 percent of Rhode Island renters were unable to afford such an apartment. Fully half were unable to afford a two-bedroom. (The federal government calculates affordability as rent that consumes no more than 30 percent of a family's income.) Only two states, New York and Hawaii, had a bigger affordability gap.

Ultimately, looking at affordable **housing** means looking at income. The population of greatest concern to analysts is the "very low income" - those who live on less than half the area's median. Census figures show that 63,600 renter

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households in Rhode Island met the definition of very low income in 1990, meaning that they were living on $ 19,586 or less a year, according to Susan Bodington, assistant director for **housing** policy at the Rhode Island **Housing** and Mortgage Finance Corporation.

Some of those households contain students, or young people just stepping onto the income ladder. But many represent unskilled people stuck in low-wage jobs.

In his recently published book, Illusions of Opportunity, University of Arizona political scientist John E. Schwarz takes on the question of how much money it would take to provide a family of four with a minimally acceptable livelihood. His calculations are complex, and subject to debate. But he came up with $ 27,000 a year, a figure that seems reasonable on its face.

Census figures show that 145,000 Rhode Island households (38.5 percent) had pooled earnings of $ 25,000 or less in 1990.

Of course, not all households contain two children, or even two adults. The state's relatively high proportion of elderly also skews the picture. Nevertheless, the figures support a general portrait of a state in which, for numerous households, financial resources range from thin to thread-bare. And this is the population that puts pressure on the market for cheap **housing.**

The worst off, generally, are the people on public assistance.

After reform was instituted in May 1997, the number of families on welfare stood at about 18,800. Although all are eligible for federally subsidized **housing,** only a quarter get it, a proportion that mirrors national trends. According to recent figures from RIHMFC, about 20 percent have free **housing,** either through family or other arrangements. But about 55 percent must find **housing** in the marketplace.

To find out what that implied, RIHMFC bypassed the concept of fair market rent and, surveying statewide rents in 1994, averaged those in the bottom quarter. Even the cheaper rents turned out to be a strain for welfare families. A mother and child receiving a check under the old federal program (Aid to Families with Dependent Children) faced an average rent of $ 401 (including utilities) for a one-bedroom apartment. Paying the cost from her welfare check left the mother with only $ 48 for the rest of the month.

Under the new system, as Rhode Island has designed it, the same mother and child (the most typical size welfare family) are intended to be much better off once the mother finds a job. According to Department of Human Services spokeswoman Tracey Manni, if the mother earns minimum wage, she will be entitled to continued cash assistance of $ 88 a month. Her annual income would rise, from $ 5,388 to $ 13,566. And a $ 401 apartment would consume only about 35 percent of her budget (even less if she applied for the federal earned income tax credit).

However, everything depends on the woman's remaining employed. And in four to five years, her lifetime entitlement to aid would end. If her earnings remain low, even cheap **housing** will once again be a strain - provided that such **housing** is available.

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When **housing** costs become too onerous, Rhode Islanders resort to one of three strategies. First, they may double up with other families. About a sixth of welfare families list another family's home as their address, says Tanja Kubas-Meyer, executive director of the Rhode Island Coalition for the Homeless.

Those who do not double up may play the "landlord-tenant game," according to Brenda Clement, executive director of the Rhode Island **Housing** Network. They take an apartment, fall behind on the rent, and after a few months, move.

In the last resort, Rhode Islanders end up at homeless shelters. Roughly 4,000 people annually take advantage of shelter beds, a number that has remained fairly steady over the past few years. However, advocates say average stays are lengthening, suggesting that shelter users are having trouble finding affordable **housing** to move on to.

One person who expects **welfare reform** to create a gradual increase in the homeless population is University of Pennsylvania sociologist Kathryn Edin, who studies the income of single mothers. She points to early figures from Iowa, showing that while many families removed from the welfare rolls have seen their incomes rise, 49 percent have experienced a drop to what she considers hardship levels.

The Rhode Island program is structured to provide much more of a cushion than many states are offering. What is not known is what will happen once recipients' time limits run out.

No one really has a bird's eye view of the **housing** situation in Rhode Island. But those who see several pieces of it tend to say that the **housing** supply is ample. In some respects, there is even a glut. Providence, for instance, contains 500 abandoned residential buildings.

But affordability and condition are another matter. Much of the **housing** stock is old, and in need of costly repairs. Lead paint is a special complication that disproportionately endangers the health of low-income children.

Federally subsidized units exist, either in the form of project **housing** or rental vouchers tenants may take directly to landlords. But the federal government has stopped increasing the number of vouchers. And it stopped erecting new developments for poor families years ago.

Last week, federal **Housing** Secretary Andrew Cuomo unveiled a Clinton initiative seeking millions in new money for rental subsidies, as well as loan guarantees to spur construction of affordable units. But it is doubtful that Congress will want to change course.

In recent years, it has preferred focusing on tax credits to businesses that invest in low-cost **housing** efforts. The idea is a good one. The problem is that there are not enough of such projects to meet the overall need for affordable **housing.** And they are almost entirely geared to the "working poor," not the very low-income.

Like many states, Rhode Island has a collection of nonprofit organizations, also known as CDCs (community development corporations), that channel such

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efforts. During the past decade, according to Clement, they have added some 3,000 lower-cost units in the state. But, she says, the CDCs would need a significant infusion of resources to help house the very low-income.

The sheer costliness of subsidized **housing** has been a big factor in the federal government's retrenchment. But consider the **housing** subsidies granted to well-off Americans in the form of tax breaks for home owners. The New York Times Magazine of Oct. 20, 1996, put such subsidies at $ 66 billion a year, about four times what is spent on low-income **housing.** More than two-thirds of the help goes to families with incomes above $ 75,000.

Moreover, renters pay proportionally more for their **housing** than home owners, while subsidizing home owners' accumulation of wealth in the form of equity.

Rhode Island, according to Clement, is the only state that does not have a state-level agency or sub-department specifically designed to deal with **housing** questions. That role has been left by default to a quasi-public agency, the Rhode Island **Housing** and Mortgage Finance Corporation.

RIHMFC's original mission was to serve as a bank for low-income home buyers. But now, it also subsidizes some low-income rentals, and operates an emergency rental-assistance program. Despite having once pledged to, the state currently gives no dollars to RIHMFC.

In contrast, Massachusetts operates a state-financed rent-subsidy program. According to RIHMFC, the Bay State's **housing** appropriation for the last fiscal year was $ 131 million. Connecticut's was $ 62 million.

This year, Sen. Thomas Izzo of Cranston is pushing an initiative that would establish a state-level commitment to **housing.** In addition, the Rhode Island Public Expenditure Council (RIPEC) recently addressed the affordable **housing** issue in "Strengthening Cities," its report outlining a strategy for improving the state's urban areas.

Out of cost concerns, RIPEC kept its wish list modest, hoping to get through some pilot programs that might, if successful, be expanded. They included a fund to help first-time home buyers, and funds to eliminate lead-paint problems. But there is no recommendation related to the very low income; as consultant Daniel Varin remembers, "It was never really on the table."

Because **housing** is so expensive to construct and maintain, landlords can only go so far in lowering rents. To maintain affordability, either they need a subsidy, or their low-income tenants do.

One solution on the tenant side would be to expand the federal earned income tax credit, which can return to low-income families an annual cash payment of up to $ 3,500 a year. But that is not something the state can control.

The state could shore up support in other areas - health care; child care; Food Stamps. And on the whole, Rhode Island has done this. Yet Providence was in accord with a 29-city survey that found a 16 percent increase last year in requests for emergency food help. Since low wages and high **housing** costs were believed to drive the demand, it appears that nonhousing supports are not enough to balance a low-income family's budget.

With the federal government unlikely to dramatically reverse course, Rhode Island needs a state-level **housing** strategy. It should start committing some dollars, even if the funding can be only modest to begin with.

In the past two decades, CDCs have proved adept at putting together **housing** solutions on tight budgets. Charlotte, N.C., after analyzing its affordable **housing** needs, recently decided to commit more than $ 4 million annually to CDCs; small and densely-populated Rhode Island, almost a city-state, should consider similar action. An important immediate step would be to commit funds to RIHMFC's emergency rental-assistance program.

Jobs alone will not solve the welfare problem; a **housing** strategy must be part of the picture. As long as the devolution of power from federal to state governments continues, Rhode Island cannot afford to neglect a state-level role.

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