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#### **IDEAS and TRENDS: AFFORDABLE HOUSING**

### **California County Aims at Self-Sufficiency, Housing Choice Goals in Moving-to-Work Effort**

By Joseph P. Poduska

More than four years into its version of the Moving-to-Work (MTW) program, the Housing Authority of Tulare County, Calif., (HATC) appears to be meeting the goals of increased economic self-sufficiency and greater housing choice for families receiving assistance, according a recent HUD monitoring report and Tim Sciacqua, HATC's executive director.

The HATC program features flat rents in public housing and a corresponding fixed subsidy in the Section 8 housing choice voucher program. Assistance is terminated when household income reaches 120 percent of area median income or after five years, whichever comes first. All newly admitted families are enrolled in the MTW program except elderly and disabled households, who are exempt.

HATC decided to participate in MTW because of "basic philosophical flaws" in income-based rents, said Sciacqua. "They encourage people not to report income, and we take away incentives for people not to improve their lot in life," he said. "We get this generational welfare mentality."

A leading proponent of flat rents, Sciacqua said it is basically unfair to have families who work paying more rent than those who do not. "We wanted to take away the incentives for people to underreport income," he explained

A second reason for flat rents, said Sciacqua, is to avoid the complexity of income exclusions, disregards, and other rules that make it difficult for tenants, landlords, housing agency clerks, and taxpayers to understand.

#### ***Waiting List***

HATC has about 7,000 people on its waiting list for public housing and vouchers, which is kept open despite the high demand. Sciacqua said this shows the need to graduate families from subsidized housing.

"The point is, you will never house everybody," he said. "Why should one family come in and stay for 20 or 30 years? Everyone who needs help should have a turn."

According to a HUD monitoring report performed by Abt Associates, Inc., 14 MTW families exceeded the program's income limit of 120 percent of median and moved into unsubsidized housing before reaching the five-year time limit. Sciacqua said that in the Central Valley area where HATC is located, single-family housing is still affordable, in the \$110,000 to \$120,000 range, and that some of the graduates have bought houses. Many HATC tenants view themselves as upwardly mobile, he said.

HATC asked for an amendment to its MTW contract to offer Section 8 voucher assistance for homeownership as a flat subsidy payment each month, but HUD said it does not have the statutory authority to do that. The agency offers some homeownership and self-sufficiency counseling to its tenants.

As of December 2003, HATC owned and managed 698 public housing units, of which 419 were occupied by families in MTW. HATC administers 2,708 vouchers, with 1,539 enrolled in MTW.

#### ***Increased Incomes***

According to the Abt report, families who enrolled in the HATC program directly from the agency's waiting list experienced an average increase in income of about 50 percent in both the public housing and voucher programs. The report uses data gathered from May 1999 to October 2003.

By contrast, families who paid an income-based rent increased their incomes an average of 10 to 13 percent, the report says. Participants in HATC's public housing flat rent program operated separately from MTW had income growth of 36 percent

Another major feature of the HATC program does not limit the percentage of income a Section 8 voucher holder can pay for rent. The rule of initially paying no more than 40 percent of income was waived.

Abt found "strong anecdotal evidence" that MTW voucher families are leasing units in a wider range of neighborhoods than families paying income-based rents. HATC housing inspectors report that they are conducting inspections in neighborhoods they have never been to before because landlords are more receptive to MTW. This can be confirmed later by analyzing the location of tenants, said Abt.

### ***Administrative Costs***

HATC so far has not realized significant cost savings, which is another goal for the MTW program. Abt said the lack of savings is mainly because the agency has had to run multiple programs and therefore has been unable to test the true impact of converting to a flat rent and time-limited system.

The MTW program so far has shown no adverse impact on HATC's cost structure, said Abt. The agency is among a few that receive no operating subsidy for its public housing, and it has been able to add about 600 new vouchers in recent years without increasing the number of intake and eligibility staff.

The staff reported to Abt that MTW families can have their paperwork processed faster than their income-based counterparts because there is no need to conduct interim recertifications and because MTW participants are much more forthcoming with information on household composition and income.

The first families enrolled into HATC's MTW program will reach the five-year time limit on assistance this May. As of November 2003, 50 public housing families and four voucher families were less than 12 months away from reaching the time limit.

HATC staff is informing participants about how much time they have left in the program, and the agency has a hardship committee to act on requests to remain beyond the time limit.

HATC has received a two-year extension of its original contract, carrying it through June 2006.

*(For more information, contact Tim Sciacqua, 559-627-3700.)*

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