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Universities Rebuilding America

HUD Grants Bring 'The Old College Try' to Gulf Coast Reconstruction

Assistant Secretary of Policy Development and Research Darlene Williams announces the URAP grants in New Orleans, as (from left) Xavier University President Dr. Norman Francis, Louisiana Senator Mary Landrieu, and HUD Secretary Alphonso Jackson look on.

Speaking from the once-flooded campus of Xavier University in New Orleans this past March, HUD Secretary Alphonso Jackson announced $5.6 million in grants to colleges and universities wishing to assist communities in the Gulf Coast Region. As part of the Universities Rebuilding America Partnership (URAP), 16 universities received grants of up to $350,000 under two separate programs.

Secretary Jackson said, "Xavier is here to stay. And New Orleans is here to stay, and the Gulf Coast is here to stay. And I am committed, and HUD is committed, to being your partner every step of the way." As part of this innovative program, HUD will tap the intellectual expertise and boundless energy on America's campuses to assist in the rebuilding process. Jackson said, "I want to inspire and empower students and faculty to get involved in one of the most important rebuilding efforts in our country's history." Nine URAP grants were awarded to Historically Black Colleges and Universities, and seven grants were awarded to schools of architecture, construction, and planning.

Each college or university identified a community partner with whom it would work. Xavier University, for example, received a grant to assist low- and moderate-income residents of three communities in New Orleans in establishing a health information center, and to recruit, train, and employ healthcare volunteers and professionals. Elizabeth City State University (ECSU) will use part of its grant to work with the Boys and Girls Clubs of Southeast Louisiana to repair club facilities and install new technology for academic learning programs. Tulane University will use its grant to develop the Tulane URBANbuild program, an outreach community design and construction program that will serve as a center for post-Katrina reconstruction efforts in the greater New Orleans area.

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The grants were written broadly in order to support projects that communities deemed to be essential. The director of ECSU's Community Development Program, Morris Autry, points to their own experience in eastern North Carolina as helpful in keying in on those essential needs: "We relate to the suffering caused by natural disasters. We are still recovering from Hurricanes Floyd and Isabel, which weren't as tough as what they've had in Louisiana, but we do have a sense of what they're going through." Thus, ECSU's plan is to focus on home repair assistance, housing counseling and referral services, and home financing assistance, in addition to the work they will do with Boys and Girls Clubs.

Meeting another essential need following the disasters, Ohio State University's Knowlton School of Architecture will provide planning services to communities in Harrison County, Mississippi. Ohio State will work with citizens, elected officials, and local planners to develop community plans, revise building codes, and modify zoning ordinances—all as an integral part of rebuilding and recovery. Assistant Professor Jennifer Evans-Cowley notes that, while students are contributing an essential service, they are also undergoing an incredibly rich learning experience: "We're spending our spring break holding town hall meetings in DeLisle and Saucier. We will also be holding a leadership meeting with the FEMA ESF-14 planners, the County Board of Supervisors, Planning Commission, staff and citizen leaders to discuss the planning priorities for the county to help guide our work over the next two years."

Eric Greitens—a White House Fellow at the Department of Housing and Urban Development—designed the Universities Rebuilding America Program in the

Photo credit: Robert Lemon

Citizens participate in a Visual Preference Survey in Harrison County, Mississippi, to help planners understand residents' vision for rebuilding their community.

Photo credit: Robert Lemon

Harrison County, Mississippi, residents line up to participate in the development of a community plan for their hurricane-ravaged neighborhoods.

days following the hurricane. According to Greitens, "Communities that were hit by the hurricanes and the floods obviously had tremendous needs. They also had a lot of strength and real ideas about how they wanted to rebuild. At the same time, we have tremendous talent in this country, much of it in our colleges and universities. So we designed a program that would assist communities by matching them with some of the expertise, energy, ideas, and funding that they would need in order to rebuild stronger communities."

Work funded by the grants will begin shortly. A full listing of the grantees and their projects can be obtained from the Office of University Partnerships, a part of HUD's Office of Policy Development and Research, at **http://www.oup.org**.

Family Self-Sufficiency Program Promotes Change

Individual case management services and financial incentives that have helped low-income families move toward economic self-sufficiency are the underpinnings of HUD's Family Self-Sufficiency program (FSS). FSS has helped Housing Choice Voucher (HCV) holders and public housing agency (PHA) residents train for work, pursue an education, reduce dependence on public assistance, and achieve economic self-sufficiency. One measure of the program's success is that FSS participants who enrolled in the program in 1996 experienced a *72-percent rise in median income* between 1996 and 2000.

Recently released by HUD, *Evaluation of the Family Self-Sufficiency Program: Retrospective Analysis, 1996 to 2000* examines the FSS program, its participants, and outcomes during a 5-year period, and compares FSS families to those not enrolled in the program. Evaluators conducted site visits to seven PHAs with FSS programs, where they interviewed staff members and conducted participant focus groups. Additional tenant data were extracted from the 1996-2000 Multifamily Tenant Characteristics System (MTCS), including family demographics, type of subsidy received, income sources, and any household changes. The FSS Addendum provides additional information on each participant, including educational level, employment status, case management services received, and status of the participant's escrow account (a program component that's described in more detail below).

An FSS contract drawn up between the participant and the PHA describes goals and milestones that the participant is expected to meet during the 5-year contract period, culminating in economic self-sufficiency. According to focus group participants, the appeal of the FSS program was two-fold:

- Case management to identify needs and arrange for services such as job training, education, childcare, and transportation. Some PHAs also hired job developers to work with local employers and to provide pre- and post-placement counseling to FSS participants; and
- A financial incentive in the form of an escrow account to help participants build assets. As an FSS participant's salary increases, he would continue to pay 30 percent of income in rent. The PHA would place in an escrow account an amount equal to the difference between the rent being paid at the time the FSS contract was signed and the rent currently being paid because of increased employment. On successful completion of the contract, the escrow funds are released to the participant, who can use them for a variety of purposes, including education, transportation, or the downpayment on a home.

HUD's Family Self-Sufficiency program enabled more than 1,800 people to leave public assistance.

FSS Participants

During the 5-year period between 1996 and 2000, 52,350 families were enrolled in FSS programs at approximately 1,400 PHAs nationwide. Eighty-seven (87) percent of FSS participants came from the Housing Choice Voucher program and 13 percent were public housing residents. According to the data, 68 percent of the participants were single mothers, ages 25 to 44, with minor children living at home; 11 percent were two-parent households; and 12 percent had no children. Approximately 51 percent of participants were white, and 47 percent were African American.

Although 47 percent of participants were high school graduates, training and education were still identified as the largest service needs (60 percent). Participants also required assistance with transportation (22 percent), childcare (29 percent), and job search/placement (55 percent).

Outcomes

The evaluation examined four requirements in the FSS legislation and HUD regulations. To be considered successful, FSS participants would:

- Gain employment or a better paying job;
- No longer require public assistance;
- Acquire a high school diploma or higher education degree;
- Achieve economic self-sufficiency.

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Promoting Work in Public Housing

From 1998 to 2003, a consortium of funders, led by HUD and the Rockefeller Foundation, in partnership with MDRC, a nonprofit, nonpartisan social policy research organization based in New York, sponsored an ambitious research demonstration project called the Jobs-Plus Community Revitalization Initiative for Public Housing Families (Jobs-Plus). This comprehensive program was deployed in selected public housing developments in six cities, and was designed to help residents secure employment and increase their earnings.

Jobs-Plus had three main components: employment-related services, conditional rent reductions that allowed residents to keep more of their earnings as an incentive to work and earn more, and the promotion of social ties among residents to create community support for work. It was targeted to all working-age, non-disabled residents in the selected housing developments and was implemented by a collaborative of local organizations.

Jobs-Plus was not the first employment intervention in public housing, but its scale and scope surpassed those of other current and past initiatives. It was also the subject of the most in-depth evaluation of any other such program in public housing — or of any undertaken as part of a comprehensive community initiative.

According to MDRC's 2005 report of its evaluation, *Promoting Work in Public Housing: The Effectiveness of Jobs-Plus* by Howard S. Bloom, James A. Riccio, and Nandita Verma, Jobs-Plus substantially boosted earnings for people in high-poverty housing developments, particularly when the program was skillfully implemented. It offered the first hard evidence that a work-focused intervention based in a public housing environment can effectively promote residents' self-sufficiency.

The earnings effects of the program were particularly significant for at least four reasons: (1) they occurred in high-poverty public housing environments; (2) the effects were substantial and sustained throughout the four-year follow-up period; (3) they were particularly striking for men (a group for whom past employment programs have had mixed success); and (4) they occurred in both good economic times and bad.

For policymakers, the findings point to a promising strategy for increasing employment opportunities and self-sufficiency among public housing residents, as

The Jobs-Plus Initiative increased participants' salaries by 14 percent in Dayton, Los Angeles, and St. Paul.

called for by federal law. MDRC's report also indicates that success requires the commitment of housing officials who see a broad mission for public housing in the nation's social safety net, as well as the active partnership of the welfare and workforce systems.

MDRC's research tracked more than 5,000 people over six years of the demonstration project's duration in Baltimore, Chattanooga, Dayton, Los Angeles, St. Paul, and Seattle. The study compared the results for residents living in developments selected for Jobs-Plus with those of residents living in similar developments who did not participate in the program. The report's key findings are as follows:

- Even before Jobs-Plus began, a majority of these residents — some of the nation's poorest people — worked in the formal labor market during the booming 1990s. This finding challenges conventional stereotypes about the work commitment of people living in public housing. However, many residents did not work in steady jobs or in positions offering good pay and fringe benefits.
- Jobs-Plus markedly increased residents' earnings at the Dayton, Los Angeles, and St. Paul sites, boosting earnings by 14 percent, or an average of $4,563 over what they would have been without the program during the last four years of the study. The program's effects grew more substantial over time, increasing to a 20-percent gain in the final year of data collection. Jobs-Plus had no earnings effects in two of the sites.
- At three sites, Jobs-Plus was effective for a wide range of residents based on gender, race and ethnicity, age, immigration status, past employment,

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Employment

The report found that the percentage of income from employment for FSS participants increased from 47 percent to 74 percent between 1996 and 2000. The percentage of income from employment for the non-FSS comparison group rose from 45 percent to 63 percent during the same period. Median income for the FSS group increased from $6,936 to $11,960 between 1996 and 2000. Median income for the non-FSS comparison group rose from $6,606 in 1996 to $8,996 in 2000. More than half of FSS participants in 2000 were employed full time (32 percent) or part time (24 percent); 45 percent were not employed.

Leaving Public Assistance

Fifty-seven (57) percent of FSS participants in 1996 received Temporary Assistance for Needy Families (TANF)/Aid to Families with Dependent Children (AFDC) income, which accounted for 33 percent of total participant income. By 2000, TANF recipients comprised only 23 percent of the participants and accounted for only 9 percent of total income.

High School Diploma

FSS data show that educational levels among FSS participants did not increase during the 5-year study period. Forty-six (46) percent had high school diplomas in 1996; by 2000, the percentage was 45. However, the report notes that many FSS programs offered skills-based training that did not lead to a diploma or degree, but focused instead on specific skills that could help participants find immediate employment.

Self-Sufficiency

Evaluators found that 1,826 people successfully completed their FSS contracts in 2000, having moved off the TANF or state general income assistance rolls at least 12 months earlier. Of those, 47 percent were in the program for more than 4 years, and 29 percent had participated for up to 3 years before completing their contracts. Successful participants received escrow funds totaling 30 percent of any income increases received during their contract period. The median escrow account disbursement for a successful FSS participant was $3,351. According to evaluators, the case management support provided to participants aided their departure from public assistance, while the escrow account provided a means of asset accumulation that could help them buy a home or continue their education.

Evaluation of the Family Self-Sufficiency Program: Retrospective Analysis, 1996 to 2000 can be downloaded from the HUD USER website at **www.huduser.org/publications/econdev/selfsufficiency.html** or ordered for a nominal fee from HUD USER at 800.245.2691.

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and past welfare receipt. For instance, Jobs-Plus increased the average four-year total earnings of Latin American men in Los Angeles by $12,994 (or 28 percent) and of Southeast Asian men in St. Paul by $8,517 (or 21 percent). For African-American women in Dayton, Jobs-Plus increased four-year total earnings by $4,576 (or 16 percent).

- Normally, public housing residents' rents are raised as their earnings increase, which can be a disincentive to working in the formal economy. In Jobs-Plus, rent was held stable or rose less quickly than usual. This encouraged residents to participate in the program and helped them increase their work efforts and earnings. The findings suggest that strategies which combine rent-based work incentives with employment-related services may offer lessons for other housing assistance programs.
- Jobs-Plus offers a model for how local collaboratives made up of the housing authority, resident representatives, the welfare department, and the workforce development system can create a successful employment initiative located in public housing developments.

"The findings suggest that if the Jobs-Plus strategies were implemented widely and well, they could help thousands of people in very poor public housing communities advance on the road to self-sufficiency," said James A. Riccio, Jobs-Plus research director and co-author of the report.

For a copy of the full report or for more information about Jobs-Plus, visit MDRC's website at **http://www.mdrc.org** or write to MDRC, 16 East 34th Street, New York, NY 10016.

Recent Studies Analyze Assisted Housing

The latest issue of *Cityscape: A Journal of Policy Development and Research* (Volume 8, Number 2), an in-house publication of HUD's Office of Policy Development and Research, takes an in-depth look at the 4.4 million households who receive housing assistance from HUD. Assisted housing exists in every metropolitan area and in every state. Eighteen (18) percent of this housing stock is located in rural and non-metropolitan areas, 17 percent in suburban areas, and 56 percent in central cities. Of the households themselves, 1.1 million live in public housing units that are managed by some 3,200 public housing authorities. Another 1.4 million live in HUD-subsidized privately owned projects, including Section 8 and other multifamily assisted programs. Close to 1.9 million households receive assistance under the Housing Choice Voucher (HCV) program, formerly known as tenant-based Section 8, in which households secure individual housing units owned by private landlords. As of 2004, a significant portion of these assisted households—39 percent—consisted of families with children. Nearly one-third were headed by an elderly person. Twenty (20) percent were headed by a disabled person.

The articles in this issue of *Cityscape* cover research projects that are designed to shed light on areas of concern to housing policymakers. One such issue is housing assistance tenure. How long do households need assistance? What circumstances lead to the longest stays in assisted housing and which ones are predictive of leaving? A second issue explored from different perspectives is the relationship between housing assistance and employment. Findings related to each of these issues are discussed below.

Length of Stay in Assisted Housing

Researchers from the University of Virginia, University of Kentucky, and Columbia University all contributed articles that add to the accruing knowledge about assisted housing tenure. Although their studies differ in design and focus, their findings generally support the thesis that the length of stay in assisted housing is attributable to both economic conditions and demographic characteristics of the assisted households. Some of the specific findings from these studies suggest that:

- Households are more likely to leave assisted housing during periods of economic expansion, and less likely to leave during periods of economic uncertainty.

The current issue of Cityscape *examines factors that affect the length of stay in assisted housing.*

- A higher vacancy rate in the local housing market and the availability of housing alternatives for low-income minorities appear to be important determinants of housing assistance tenure.
- A one-point increase in household income relative to area median income greatly increases the odds that a household will leave a tenant-based assisted housing unit or a public housing unit.
- Age and disability are by far the most important influences on the likelihood that a family will remain in the tenant-based voucher program.
- As the proportion of the non-English-speaking population increases, the less likely the household is to leave assisted housing.
- Large *decreases* in the program's payment standard and *increases* in the tenant contribution to rent will have small effects on program attrition, suggesting there are additional benefits to assisted housing.
- Life-cycle factors that predict residential mobility in general have a determining role in leaving housing assistance.

Relationship Between Assisted Housing and Employment

A second set of research projects examines aspects of the relationship between employment and assisted housing. These contributors come from university campuses, government, and an urban studies think tank. One study explored what happened to a sample of women who used vouchers to move out of segregated, highly concentrated poverty neighborhoods in Chicago. Moving to more affluent neighborhoods had little or no impact on their employment, per se.

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The primary obstacles to employment for these women—childcare, illness and health problems, transportation, and layoffs from temporary jobs—remained the same, although transportation tended to present greater problems after the move.

Another study looked at the question of whether assisted housing helps or hinders the attainment of economic self-sufficiency. This project examined income, earnings, and employment of households receiving assistance across types of housing programs and household characteristics from 1995 to 2002. The results indicated that there are important differences. Researchers concluded that housing assistance does not have to impede gains in household income, earnings, and employment rates, but interventions must be tailored specifically to the program and the household in order to effectively help assisted households in becoming economically self-sufficient.

The effects of different types of housing assistance on earnings and employment was also examined by economists at the University of Virginia. Their conclusion was that each type of housing assistance is associated with receipt of lower wages, in comparison to similar households that are not assisted. However, participation in HUD's Family Self-Sufficiency program, an initiative within the public housing and housing voucher programs to promote self-sufficiency, is associated with significantly higher wages than those received by assisted the households who are not part of this initiative.

Finally, a U.S. Census Bureau analyst established that, during the 1990s economic boom, poverty and receipt of welfare decreased for households in subsidized housing, and they showed strong gains in employment, earnings, and income. However, families in public housing had substantially lower incomes in comparison to those in similar unassisted households, and poverty rates were 8 percentage points higher. Public housing residents live in census tracts with poverty rates averaging 8.8 percentage points higher than tracts occupied by the comparison group, so differences between these groups may be partly due to neighborhood effects.

For more in-depth coverage, order or download the latest *Cityscape*, which we make available at **http://www.huduser.org/periodicals/cityscpe/vol8num2/index.html** or in print for a nominal fee from the HUD USER Web Store by calling 800.245.2691, option 1. Back issues of *Cityscape* can also be downloaded at **http://www.huduser.org/periodicals/cityscpe/prev_iss/cspast.html** or ordered from the HUD USER Web Store.

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In the Next Issue of... research works

- Congress authorized the Mark-to-Market (M2M) program to contain rising rent subsidy costs, while preserving the financial viability of Section 8 properties. This enabled HUD to reduce rents to market levels on Section 8 properties financed with Federal Housing Administration (FHA)-insured mortgages, while at the same time restructuring the mortgages to a level supportable by lower rents. We'll discuss a recent evaluation of M2M, including its cost-effectiveness and its success in meeting the needs of owners and residents of Section 8 properties.

- Homeownership rates in the U.S. have increased steadily during the past five years. This article will focus on five reports that trace the post-purchase experiences of low-income homeowners, downpayment assistance to increase minority homeownership, the influence of household formation on homeownership, the role of wealth and income constraints in homeownership, and the extent to which households save or consume as their home prices appreciate.

- Developers use HUD's Low Income Housing Tax Credits (LIHTCs) to raise capital for constructing and rehabilitating affordable rental housing. Investors who purchase these credits receive dollar-for-dollar federal tax credits annually for 10 years. In turn, the tax credits help reduce the amount of money a developer has to borrow in order to finance the construction or rehabilitation project, resulting in lower, more affordable rents. We'll review the LIHTC program and the recommendations that have emerged from a recent study of how state officials can optimize the use of tax credits in constructing or rehabilitating affordable rental housing in their jurisdictions.

- To help community development grantees assess the performance of their programs, HUD sponsored the study *Promising Practices in Grantee Performance Measurement,* which identifies and documents viable measurement practices. In this study, five communities with emerging reputations for carrying out effective performance measurement in one or more community development programs were examined. We'll look at their procedures and practices in performance measurement, and will talk about some of the crosscutting lessons learned along the way that may prove useful to other localities.

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