

# WELFARE TO WORK VOUCHER PROGRAM FINAL REPORT

## SECTION 3

### LESSONS LEARNED

While it is too early to report quantitatively on program results, PHAs, partner agencies, and HUD have learned a great deal during the first year of implementation. Highlighted below is a compilation of lessons learned, based on feedback obtained from individual sites and Quadel's experience over the past year providing technical assistance to WtW PHAs across the country.

#### **IMPACT OF WtW ON REGULAR HOUSING CHOICE VOUCHER ADMINISTRATION**

*For many PHAs the WtW program has led to positive changes in the administration of the regular housing choice voucher program.*

The WtW program forced PHAs to think more creatively about administering the program, servicing clients and owners, and improving community relations. Many PHAs streamlined processing in order to meet the demanding leasing schedule. Streamlining efforts included: Changing the process for opening the waiting list to more efficiently collect and organize applications; conducting group intake; conducting group briefings; combining intake and briefing activities; improving the quality of the briefing, briefing materials, and processing forms; expediting the third party verification process; and instructing inspectors to execute the HAP contract when a unit passes inspection. Quadel's technical assistance activities proved to be valuable mechanisms for sharing best practices and innovations.

PHAs are more aware of the need to track and monitor leasing progress in both programs. Agencies learned to track applicants during the critical stage between selection from the waiting list and leasing a unit. Many PHAs began to think creatively about ways to assist families searching for housing and recruit owners to the program. While not many PHAs have the resources, some agencies found funds to pay for broker's fees, holding fees to landlords, incentives to landlords to participate in the program, and security deposit and move assistance.

The program required managers to adjust regular staffing arrangements to accommodate increased intake and leasing workloads. This has led to increased cross-training among staff, specialization of functions, increased use of clerical and temporary staff, and an increase in the number of staff persons dedicated to intake.

The WtW program served as a vehicle for developing more positive relationships with landlords, as well as creating new community partnerships and increasing the visibility of the PHA in the community. The program provided PHAs with additional revenues, which PHAs are using to improve operations of the WtW program and other programs as well.

*For PHAs with limited resources, implementing the WtW program negatively affected their ability to administer the regular housing choice voucher program.*

For PHAs with limited resources, the WtW program created an administrative burden that negatively affected staff morale and the agency's ability to perform basic functions, such as returning calls in a timely manner, servicing walk-in clients, and completing regular program re-certifications or inspections on time. WtW vouchers were leased at the expense of regular voucher program leasing and other occupancy activities.

*For PHAs lacking capacity, administering the WtW program highlighted the need for basic training on housing choice voucher program rules.*

Some PHAs required technical assistance to understand voucher program basics including: Exception payment standards, success rate payment standards, income-targeting requirements, income limits, portability, verification requirements, tenant screening requirements, and recent changes in the time allowed for voucher holders to search for housing.

*The WtW Program changed the way PHA staff services non-WtW clients.*

The program created more staff awareness of the need for supportive services for regular program families moving toward self-sufficiency. Because WtW PHAs are linked to the local service delivery system, staff knows the resources available and is better positioned to help all families access these services. This has resulted in overall improvements in customer service. PHAs report that the WtW program has changed the way intake and occupancy staff communicate with clients because staff members have greater sensitivity to the needs of their clients and to the reality that many families need more than a voucher to succeed.

## **PROJECT START-UP**

*Successful implementation requires the dedication of significant time, resources, and money for start-up activities.*

PHAs with successful WtW programs attribute success to a qualified and well-trained staff, a sufficient amount of resources committed to the program, and true commitment to the program from all levels of the organization, including the Board of Commissioners, Executive Director, and front-line staff. The program involved more work and staff resources than most Executive Directors and Section 8 Managers anticipated and, in some cases, more than they were willing to invest up front. Some PHAs initially viewed the program as "just another allocation" and were surprised by HUD's subsequent emphasis on services and coordination with other agencies. WtW sites experienced implementation delays due to open staff positions in admissions, inspections, and leasing. Managers with primary responsibility for the success of the WtW program often had no authority to influence the timing of hiring decisions that affected their program.

Those PHAs that did dedicate additional staff resources to critical start-up activities (solidifying partnerships, clarifying roles and responsibilities, establishing processes and procedures,

obtaining additional resources) and to intake and leasing activities generally have better designed programs overall and have been more successful in leasing WtW units.

*WtW PHAs struggled to meet the competing demands of 1) fine-tuning the design of their programs and solidifying partnerships and 2) expediting intake and issuance activities.*

It has been difficult for most PHAs to simultaneously dedicate sufficient resources to leasing activities and supportive service coordination. In many cases, one program component suffered at the expense of the other. Some PHAs focused entirely on intake and leasing. HUD's emphasis on lease up created the misperception to many PHAs that the program's self-sufficiency and employment objectives are secondary. Other agencies focused on partner agency coordination and the design of a comprehensive supportive service plan but lagged behind in intake and leasing. Few PHAs have been able to successfully meet both demands.

HUD and Congress must recognize that a PHA's leasing rate is only one indicator of success. PHAs that have met or are on track to meet the leasing deadline may not have the partnerships or supportive service plans in place to support newly leased families.

*PHAs would have benefited from clearer guidance from HUD prior to implementation regarding HUD expectations, program requirements, and areas where flexibility and discretion are allowed.*

When HUD allows flexibility in program design, agencies implementing the program may interpret this flexibility as lack of structure, guidance and direction. While flexibility may be viewed as a strength, HUD needs to provide guidance regarding the establishment of selection criteria, family obligations, and work requirements; how to address portability issues; establishing landlord incentives; and applicability of income targeting requirements. Many PHAs also would benefit from more guidance related to the role of the PHA in supportive service provision, case management, and monitoring progress in achieving employment goals.

## **FAMILY OUTREACH AND SELECTION**

*Selection criteria must be narrow enough to target families with the potential to achieve program goals, yet broad enough to ensure a sufficient pool of eligible families.*

Even though HUD instructed PHAs that following TANF eligibility requirements was not enough, agencies struggled to develop proper selection criteria. Many PHAs chose to select families as long as they met one or more of the program's TANF eligibility requirements. These PHAs may have difficulty demonstrating program success, including that the voucher was critical to the ability of the family to obtain or retain employment. Not all families meeting the program's eligibility criteria may actually be "employable". Other PHAs developed selection criteria that were too narrow or too complicated. This had the effect of limiting the pool of eligible families, and outreach efforts failed to generate a sufficient pool of eligible families to ensure successful lease up. Also, selection criteria that worked well for some PHAs may not be successful for other agencies.

The status of local welfare reform efforts influences a PHA's ability to locate eligible clients. In some areas welfare reform has been so successful in moving welfare recipients into permanent employment that many working families are not interested in or eligible for the WtW voucher program. Some PHAs are struggling to find an adequate number of eligible applicants even using the broader, basic eligibility criteria.

### **LEASING, HOUSING SEARCH, OWNER OUTREACH**

*Limited experience leasing a large number of vouchers in a short period of time made achieving 100 percent lease-up a challenge for most PHAs, even after HUD extended the leasing deadline.*

WtW represented the first significant voucher award for many agencies. PHAs were organized and operating under systems best equipped to handle small voucher increases and regular program turnover. The amount of the award, coupled with the newness of the program, made leasing within the deadline a challenge. Some PHAs asked for more vouchers than they expected to receive from HUD. When HUD awarded the amount of vouchers requested, agencies were overwhelmed. Some WtW voucher award amounts were unrealistic in that the WtW voucher award represented a significant increase in the size of the PHA's overall program.

*Especially in states with successful welfare reform, PHAs have found that they are dealing with a much harder-to-serve population than anticipated, and this has affected leasing success.*

In States where the welfare rolls are dwindling, PHAs are finding that the program attracts the hard-to-serve populations, including young, needy families with substantial barriers to employment and leasing. These families often have poor credit histories and little experience searching for housing in the private market. Once on the program, they face barriers such as limited work experience and education. PHAs dealing with hard-to-serve populations are experiencing greater difficulty meeting the leasing deadline because of the lack of success these families experience in leasing units and the consequent need for the PHA to provide more housing search assistance for these families.

*Providing housing search assistance and conducting owner outreach are even more critical in the WtW program than in the regular program, but few agencies have the time or resources to dedicate to these tasks.*

Housing search assistance should be a high priority in the WtW voucher program for two reasons. First, providing search assistance helps PHAs meet the program's leasing requirement, as families that receive search assistance are more likely to succeed in finding units. Second, an important objective of the program is to remove barriers, such as lack of access to employment, transportation, and child care, encountered by families struggling to obtain and regain employment. Search assistance can be an effective technique for educating families about housing opportunities near areas of employment, day care centers, and public transportation.

Recruiting owners to the program should be an equally high priority. Without owners willing to participate, families cannot succeed in leasing units. Because of the program's focus on families in need of housing in order to obtain and retain employment, PHAs finding they are targeting

owners to the WtW program that are not “traditional” Section 8 owners. PHAs are discovering the need for intensive landlord outreach in job rich areas or areas near transportation and services and for the development of strategies to attract these new owners. PHAs have learned that the WtW program can be an effective tool for recruiting landlords to the program. These PHAs are marketing the fact that WtW families are prepared to succeed and have received counseling or other services to prepare them to be good tenants.

Unfortunately, many PHAs have placed search assistance and owner outreach activities on their “to do” list. As PHAs achieve full lease up, they hope to commit more time and resources to search assistance and owner outreach. PHAs cite the lack of funds for these activities. Quadel TA Providers attempted to convince PHAs that providing search assistance is more cost effective than certifying additional families. In addition, TA Providers stressed that waiting to conduct owner outreach after lease-up is similar to putting the horse after the cart. More effort is needed to educate WtW coordinators in effective planning techniques.

*The WtW voucher program forced PHAs to become more educated about and to more aggressively tackle local housing market issues.*

The first year of the WtW program coincided with tightening of the rental market in jurisdictions around the country. In tight housing markets owners have no incentive to accept housing vouchers because they can charge higher rents in the conventional rental market. The difficulty voucher holders experience in finding owners willing to participate in the WtW program highlights the affordable housing crisis in this country.

The WtW voucher program had the effect of bringing housing market issues to the forefront of many PHA agendas. Market issues are of special concern to PHAs whose WtW voucher awards represent a significant increase in program size or whose markets have been saturated with WtW (and other program) vouchers. The program’s 18-month leasing deadline served to intensify housing market issues. PHAs are more aware of the effects of housing market issues on leasing success. The WtW voucher program has forced many PHAs to review their payment standard policies and pursue payment standard increases, HUD exception payment standards, and, more recently, success rate payment standards.

Nonetheless, finding landlords willing to partner with PHAs in tight housing markets remains a formidable challenge. PHAs have little immediate impact on the availability of suitable housing. Large families needing three or more bedrooms have a particularly difficult time finding housing. PHAs have been slow to provide incentives for owners to participate in the WtW voucher program, such as paying broker fees and holding fees. Some PHAs were uncertain if HUD allowed such incentives and worried about funding incentives from alternative sources.

## FAMILY OBLIGATIONS

*Work requirements and other family obligations are extremely useful in monitoring family progress in achieving the program's employment and self-sufficiency goals, but they also create challenges for the PHA administering the program.*

PHAs with established work requirements and other family obligations strongly believe these obligations affect the PHA's ability to influence family behavior, monitor family progress in achieving self-sufficiency, and demonstrate success in achieving program goals. In addition, WtW family obligations give families a sense of responsibility and help distinguish WtW clients from regular housing choice voucher families. PHAs find it difficult to develop family obligations, including work requirements, with the proper amount of flexibility to account for changes in family circumstances, particularly employment status. What works in one locale may not work in another, given various target populations, job markets, and economies with which PHAs work. Additional requirements sometimes serve as a disincentive to families thinking about applying to the WtW program. This makes leasing more difficult. Likewise, PHAs with special WtW family obligations may experience higher turnover due to failure to comply with the WtW requirements. WtW family obligations often require PHAs to monitor more diligently family adherence to such obligations, requiring the PHA to have the staff and systems in place to handle the additional workload.

*The lack of HUD guidance on portability as it relates to the WtW program resulted in inconsistent and sometimes questionable treatment of portability requests from PHA to PHA*

The lack of clarity on portability issues hampered the implementation of the WtW program. PHAs have either established special WtW portability requirements or have avoided the issue altogether by simply adopting the policy applied to regular program participants. The result is that many portability policies do not fully consider and address the possible range of issues and circumstances surrounding a WtW family's portability request. For example, some PHAs told WtW clients they could not port out and meet their family obligations. This decision was based on the assumption that, if a WtW client ports out of the PHA's jurisdiction, the client would not be counted in the originating PHA's lease up numbers. In this case, these families were limited in their housing choice beyond what regular housing choice voucher families experience.

## PARTNERSHIPS, CASE MANAGEMENT, AND SUPPORTIVE SERVICES

*PHAs that already have a strong history of cooperation and collaboration with local TANF and DOL agencies are in a better position to implement the program.*

In general, the WtW sites that have been most successful are those with long-standing, working relationships with their local TANF agency. Because of their history of working together on other programs, staff know each other and are accustomed to working together, agreements have already been signed, and the goals, objectives and constraints of both agencies are well-understood. Some of the agencies that are struggling to coordinate with their TANF agency have little to no prior history of cooperation between the two agencies, or tensions exist at higher levels and are preventing effective collaboration among lower-level counterparts.

*In general, the program has served to improve the working relationship between the PHA and the local service delivery system, including the local agencies administering TANF and DOL funds, but there is much more work to be done in this area.*

WtW PHAs have learned that combining the resources of service agencies and the PHA is far more effective than working independently to service the same target population. The prospects for success are strengthened exponentially, when PHAs leverage their resources and coordinates the WtW voucher program with existing local welfare-to-work programming. Some PHAs have been more successful than others, however, at coordinating supportive services, maximizing the use of limited resources, and tracking service provision. Many partnerships, particularly partnerships with the local TANF agency, are focused too narrowly on the leasing aspects of the program, i.e. referrals and verification of eligibility. Because case management and supportive services are essential to helping families meet the employment and self-sufficiency objectives of the program, PHAs need to continue strengthening and developing partnerships that go beyond referrals and give families access to needed services.

PHAs with weak supportive service components tend to have few working partnerships and operate under the assumption that they will eventually shift intake staff into case management roles. These same PHAs identify the lack of staff and resources dedicated to supportive service provision as a major barrier. Because the intent of the program was NOT for PHAs to operate independently of the local service delivery system, PHAs need to tap into existing community resources so that families receive the necessary supportive services to complement the housing assistance that the PHA is capable of providing.

PHAs have improved relationships with the local agencies administering TANF and DOL funds. While most PHAs report satisfactory relationships with TANF and DOL agencies, HUD should encourage further development of these relationships in the future. In general, the relationship between the PHA and the local agency administering DOL funds is the weakest. As leasing rates improve and the program shifts focus to helping participating families achieve employment objectives, it will become more important for PHAs to strengthen relationships with local agencies administering DOL funds.

*PHAs with strong FSS programs linking WtW and FSS are in a stronger position to implement the supportive service component of the program.*

PHAs excelling in implementing the supportive service component of the WtW voucher program are typically those agencies with strong FSS programs in place. Experienced FSS staff take the lead in marketing the FSS program to WtW families, assessing family needs, referring families to services, and monitoring family progress in achieving self-sufficiency goals and meeting other program requirements. PHAs with FSS programs have a strong network of social services agencies that families can access, alleviating some of the burden on the PHA to build new partnerships. The escrow account feature of FSS also provides families with added incentive to participate.

*WtW PHAs need to develop stronger relationships with employers and the business community.*

Few PHAs implementing the WtW program have strong relationships with members of the business community. The business community is a critical partner because, without employment opportunities, families cannot achieve the program's primary objective of moving from welfare to work. Linking WtW families with employers committed to the program's objectives should have a significant impact on program success. The probability of success increases when work-ready individuals are given real employment opportunities in supportive work environments. Business partners can help educate PHAs and families about job locations and opportunities available. They can also be instrumental in promoting the program to owners, other employers, and the larger community.

## MONITORING AND TRACKING

*Most PHAs do not have adequate systems in place to track program performance.*

Most PHAs have done little about data collection and tracking systems. PHAs and their partners failed to determine how they would define program success and what data they would track. Due to pressure to lease units, PHAs fell further behind in collecting and tracking data on WtW clients. PHAs identify the barriers to monitoring and tracking information as:

- Lack of guidance regarding what information to track;
- Lack of technical/computer support to create a tracking system from which data can be easily analyzed and extracted;
- Lack of staff time and resources to dedicate to systems design, maintenance, and data collection and analysis; and
- Delay in the implementation of the new MTCS and, specifically, the use of the new Form HUD-50058 FSS/WtW Addendum.

PHAs recognize the importance of monitoring and tracking systems. Most PHAs are tracking some critical family data, particularly for FSS families. PHAs lack the mechanisms for compiling data in the aggregate to obtain and analyze program results on an agency-wide basis. PHAs need technical assistance to develop these systems.

*The delay in the implementation of the form HUD-50058 hampered monitoring and tracking efforts and the ability for HUD and PHAs to obtain performance data on a program or nationwide basis.*

HUD announced at the national conference there would be no additional reporting requirements for the WtW program beyond what is currently required for the regular voucher program. HUD planned to monitor compliance and performance using data collected through MTCS. The new HUD-50058 contains a WtW/FSS addendum that will capture critical data for WtW families from which program success can be measured. Many PHAs opted to wait until implementation

of the new HUD-50058 instead of developing parallel tracking systems. Because implementation of the new HUD-50058 has been delayed, PHAs have entered the second year of program implementation without access to MTCS WtW data and reports.

There are two additional concerns related to MTCS and the WtW program. First, once the new HUD-50058 is in effect, HUD will not require WtW PHAs to submit addenda for families already participating in the program. This information will not be collected until the next reexamination. Because of this, MTCS will not contain comprehensive baseline data for the WtW program until one year after implementation of the new HUD-50058 or well into year three of WtW voucher program. Second, although the FSS/WtW addendum and other parts of the HUD-50058 contain valuable data from which PHAs can monitor performance, MTCS currently lacks standardized reports for the WtW program. One possibility is for WtW PHAs to use the ad hoc reporting tool to generate reports, if this tool is available under the new MTCS.

*Most PHAs do not have effective systems for communicating with partner agencies and tracking/quantifying the services partners are providing to WtW families.*

PHAs are aware of the types of services partner agencies provide but are unable to report on the number of WtW families receiving such services. Partner agencies have data on the numbers of families they assist, but some cannot provide reports on WtW families using their services. To monitor family progress and overall program success, PHAs and partner agencies must work together to establish a system for collecting data regularly for all families in the program.

*HUD field offices can play an important role in both monitoring program progress and providing needed technical assistance, but staffing and resource constraints at the field office level prevent many field offices from making positive contributions to the program.*

A few field offices have assumed active roles in assisting WtW PHAs in their jurisdictions implement the program. Some field offices have taken on a coordinating role, ensuring that WtW PHAs within the same State or region have access to the same resources, are sharing ideas and innovations, and are not duplicating efforts. These field offices, for example, have sponsored special workshops and coordinated regular planning meetings. Other field offices have intervened when a PHA has encountered major roadblocks. For example, some field offices have been instrumental in facilitating meetings between the PHA and partner agencies to clarify roles, responsibilities, and priorities. Other field offices have shared their expertise in areas related to housing market issues, owner outreach, and housing search assistance. The field offices that have been able to provide these resources and services have been instrumental in providing needed assistance to PHAs implementing the program.

The majority of field offices, however, has taken a more passive role in monitoring PHA progress and is fully aware neither of the challenges PHAs in their jurisdictions are facing nor the successes they have realized. PHAs that do not have access to support at the field office level must rely on HUD headquarters and contract staff that is not as familiar with local needs, priorities, and conditions. Finding ways to more actively involve field office staff in monitoring the program and providing technical assistance should be an important HUD priority in the future.

