

Charlotte Housing Authority's *Moving Forward Program*

EARLY IMPLEMENTATION AND BASELINE DATA EVALUATION



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Evaluating the Charlotte Housing Authority's Moving Forward Program: Initial Implementation and Baseline Data

Executive Summary

The Moving to Work Demonstration (MTW) was enacted by Congress in 1996 to address criticisms of assisted housing programs that they bred dependency, undermined the work ethic and trapped participants in areas with limited opportunities for employment and education. The program affords selected housing authorities the flexibility to design and test innovative approaches to providing low-income families with decent, affordable housing. Participating housing authorities are guided by three program goals: to achieve greater cost effectiveness; to increase the housing choices for low-income households; and to assist participating households in achieving self sufficiency. The Charlotte Housing Authority (CHA) has been chosen as one of the thirty-five housing authorities across the country to participate in the MTW program.

The Center for Urban and Regional Studies at the University of North Carolina at Chapel Hill is conducting a long-term evaluation of the CHA's MTW program, which it calls Moving Forward. This interim report presents a description of the program and its initial implementation. It also presents a variety of baseline data on the characteristics of CHA's participants including their satisfaction levels; health; child performance in school; the characteristics of its housing stock; the social conditions in surrounding neighborhoods; and the use of its financial resources. These data provide a baseline that will be used over the coming years to assess the long-term impacts of the Moving Forward Program.

The Development and Implementation of the Moving Forward Program

The CHA has used the flexibility provided by the MTW program to undertake five major initiatives, as well as a large number of smaller ones. (A complete list of Moving Forward initiatives is provided in Appendix A). The five major initiatives include rent reforms, work requirements, the expansion of supportive services, educational initiatives, and the alteration of its housing portfolio.

Rent reforms are designed to increase incentives for residents to find employment. They include the establishment of minimum rents, beginning at \$50 and escalating by \$25 over a two-year

period, and ceiling rents based on bedroom size. In addition, rent payments will be based on \$2,500 income bands. Tenants will pay 30 percent of the bottom of the income band in which they fall. Finally, escrow accounts will be established for participants with income between \$12,500 and \$35,000. Depending on the income band in which they fall, the CHA will deposit between \$10 and \$50 per month into these accounts.

Work requirements are being phased in over a two-year period. During the first year unemployed non-elderly, non-disabled participants will be provided with training and other job readiness services. By the beginning of year two, the heads of households will be expected to show a good-faith effort to find employment for a minimum of fifteen hours per week. By the beginning of the third year, heads of households will be expected to work at least thirty hours per week. Participants who do not meet the work requirements will lose their rent subsidies.

The CHA's Moving Forward Supportive Services (MFSS) (formally called the Currents of Change program) will provide supportive services to those subject to the work requirements including GED classes, life skills workshops, referral to workforce development programs, job readiness classes, budgeting classes, healthy living classes, and conflict resolution. The MFSS program has three levels, each designed to address the needs of participants at different stages of work readiness. Educational initiatives include efforts to reduce truancy by modifying the lease agreement to include sanctions if school-age children in the household are routinely truant, and by contracting with the Communities in Schools and Partners in Out of School Time programs to provide supportive services.

Alteration of CHA's portfolio includes the use of its single-fund flexibility to develop additional housing units by: acting as developer, or by partnering with other affordable housing producers; increasing the acquisition and rehabilitation of existing multifamily developments; and by collaborating with social service providers to expand housing for persons with disabilities and special needs, including the homeless.

Challenges to the Implementation of Moving Forward

The CHA has embraced the flexibility offered by the MTW program by adopting a large number of new initiatives and procedures. Thus, it is not surprising that not all of those changes have

gone as planned. The main challenges the CHA has faced in implementing its Moving Forward program include:

- Insufficient communication about the MF program among CHA staff members;
- Differing opinions within the staff on the relative importance of the three MTW objectives;
- The slowdown in the economy and the lack of job opportunities;
- The lack of funding for case management and support services;
- Changing the CHAs data base management system to handle all the changes; and
- Staff vacancies and skills mismatches.

Lessons Learned in Implementing the Moving Forward Program

The following lessons can be drawn from the CHA's early experience in implementing the Moving Forward Program.

- The flexibility provided by the MTW program challenges PHAs to develop their own initiatives, which require skills beyond those traditionally needed by PHA staff.
- Given the major new initiatives as well as the smaller changes in regulations and procedures resulting from participation in the MTW program, good communication among PHA staff members, and between the staff and the board becomes all the more important.
- Expect differences of opinion among both staff and board members on the relative importance of the three MTW objectives as well as on the wisdom of major new initiatives such as work requirements and rent reforms.
- Expect MTW initiatives to evolve over time as local conditions change and program evaluations provide information on the impacts of those new initiatives.
- Implementing the MTW program will require major changes in PHA data base management systems, which may be both time consuming and costly.
- Substantial participant outreach is needed in the design and implementation of major MTW initiatives, such as the Customer Annual Planning Sessions that CHA has conducted.

- When possible, implement major new program initiatives on a pilot basis so that actual impacts can be assessed before authority-wide implementation.
- Look to other MTW PHAs for ideas on new program initiatives, but make sure they are appropriate for your organization and community.
- Educate the public about the MTW program and major new initiatives in order to maintain community support.

Outcome and Impact Measures

In the outcome and impact measures section of this report we present the reasoning for the selection of particular outcome measures as well as the specific impact measures that we will use to assess the long-term impact of the Moving Forward program. For example, the work requirements are expected to increase household incomes and lead to increased rent payments. Thus, one impact measure will be the average rent paid by participants after completing the MFSS program, compared to the amount they were paying before they graduated. The work requirements may also lead to more participants being forced to leave the program or, alternatively, to having the income to leave on their own. Thus, we will be tracking the number of persons who leave CHA-supported housing over time and the reasons for their departure. Other outcome and impacts measures are described in this section of the report.

Data Collection Methods

Several types of data are being collected as part of our evaluation of the long-term impacts of the Moving Forward Program: key informant interviews with CHA staff and service providers; resident surveys; secondary data including the data contained in CHA's YARDI data base; CHA budget documents; Charlotte Neighborhood Quality of Life Reports; and the U.S. Census Bureau.

Baseline Budget and Expenditures Data

An analysis of CHA budget documents shows how the CHA has used its budget flexibility in the first year of the program. Between FY 2008-09 and FY 2009-10 funds were shifted from the administrative fees and expenses, capital fund, and Section 8 budget categories to the traditional public housing and equity categories.

Baseline Resident Survey Data

We have conducted a resident survey in Section 9 developments to establish baselines measures of resident satisfaction, health, children's school performance, and other social indicators. A total of 933 completed surveys were received from 1,252 household heads; a response rate of 75 percent. The findings of this survey include the following:

- Seventy-five percent of the respondents moved to their current home after 2004, while about a third moved there within two years of completing the survey.
- When asked about reasons for moving to their current home, the most frequently cited reason was that they wanted a better place to live.
- When asked how long they would like to live in public housing, 37 percent of respondents said they would like to move as soon as possible, while 35 percent said they would like to stay as long as possible.
- In response to a question on how satisfied they are with their current housing, 81 percent offered that they were either very or somewhat satisfied. A majority of respondents are either somewhat or very satisfied with six dimension of CHA's management.
- Turning to ratings of neighborhood conditions, a majority of respondents rated schools, public transportation, health services, access to child care and access to parks and recreation facilities as either excellent or good. Access to job opportunities, job training programs, and police response times were less favorably rated.
- A majority of respondents viewed drug sales, shootings and violence, and drug use as problems in their neighborhoods.
- A substantial majority of resident with school-age children felt their oldest child is doing well in school.
- During the last year, 4 percent of the respondents reported that a child in the household dropped out of school, 6 percent reported a child pregnancy, and 4 percent reported that a child was arrested.
- Over 75 percent of the respondents were not working for pay, and less than 50 percent had looked for work in the past month. Unemployed respondents reported that a lack of jobs in their neighborhoods was the primary reason for their inability to find employment followed by not having enough education and lack of child care.

- A majority of respondents reported that they sometimes ran out of food, with about 12 percent of the residents saying that their food ran out before they had money to buy more.
- The rates of asthma, high blood pressure, and diabetes among residents are all substantially higher than comparable national figures. The asthma rate is a full three times the national figure.

Baseline Tenant Characteristics Data

By tracking the characteristics of the tenants in both public housing and those receiving Section 8 vouchers, we will show how the mix of incomes and household characteristics change over time. As of March 2009 the CHA's traditional Section 9 program provided assistance to 1,273 households in its family developments, containing 3,569 residents. Its Section 8 program supports 3,992 households, containing 11,226 residents. About 80 percent of both public housing and Section 8 households had only one adult in residence. The average number of children in CHA participant households averaged 1.6.

Turning to household income, 75 percent of households in public housing units have gross incomes under \$10,000, while less than 3 percent have incomes over \$25,000. The CHA's Section 8 participants have somewhat higher incomes. Only about half of Section 8 households have gross incomes less than \$10,000 and nearly 7 percent have income over \$25,000. About a third of public housing and Section 8 participants report some wage income, while about a quarter of public housing and one sixth of Section 8 recipients reported no income.

Baseline Unit Characteristics Data

As of March 2008 the CHA had 3,122 Section 9 units in 44 developments and 260 Project Based Section 8 units located in six developments. Of those units, 1,375 were family units, 630 are located in Hope VI or mixed-income developments, and 1,117 are for seniors. Most of the Section 9 units have either two or three bedrooms. Only 15 percent of traditional public housing units have four or five bedrooms, while 5 percent of the units in Hope VI and mixed-income developments have four or five bedrooms.

Baseline Surrounding Neighborhood Characteristics Data

Data on the characteristics of neighborhoods surrounding CHA housing indicates that a majority of CHA developments are located in neighborhood classified as either “stable” or “transitioning.” Only one development is located in an area considered “challenged” and it is currently being redeveloped with the assistance of a HOPE VI grant. The median household income of the surrounding neighborhoods is 24 percent lower than the city as a whole, while the average house value is about two thirds of that for the city. Violent crime rates are relatively high in most of the neighborhoods surrounding CHA developments. Six have violent crime rates that are more than twice the city’s average. Turning to the characteristics of neighborhoods in which there are concentrations of Section 8 program participants, the median household income is 27 percent less than the similar value for the city.

Conclusion

The MTW program provides selected housing authorities with the flexibility to develop innovative strategies for addressing limitations in the federal public housing program. The CHA has taken advantage of that flexibility to undertake a variety of initiatives designed to further the three goals of the MTW program. This report describes the development and implementation of these initiatives. As a demonstration program, however, it is important to assess the impacts of the CHA’s Moving Forward initiatives and to alter them as needed. To do this, baseline measures of tenant characteristics, tenant satisfaction, the number and type of units, the characteristics of the surrounding neighborhoods and other indicators are needed. This report presents those baseline indicators.

It is still early in this ten-year program. The CHA will undoubtedly develop additional initiatives thus new baseline data may need to be collected in the future. The next interim report, due in two years, will present updates of the baseline measures, which will begin to indicate how the Moving Forward program is impacting the participant households and the efficiency of providing affordable housing to Charlotte’s low- and moderate-income households.

Evaluating the Charlotte Housing Authority's Moving Forward Program: Initial Implementation and Baseline Data

Introduction

In December 2007 the Charlotte Housing Authority (CHA) received final approval to participate in the U.S. Department of Housing and Urban Development's (HUD) Moving to Work Program (MTW). MTW was enacted by Congress in 1996 to address criticisms that assisted housing programs breed dependency, undermine participant work ethic, and trap participants in areas with limited employment and educational opportunities. MTW is a demonstration program that affords selected housing authorities with the flexibility to design and test innovative approaches to providing decent, affordable housing to low-income families. Participating housing authorities can request exemptions from the rules that apply to both the public housing (Section 9) and Housing Choice Voucher (Section 8) programs. MTW also allows housing authorities to combine their federal public housing operating subsidies, tenant-based assistance, and capital budgets into a single, flexible account. The regulatory and financial flexibility offered by the program are designed to further three goals:

1. Achieve greater cost effectiveness;
2. Increase the housing choices of low-income households; and/or
3. Assist households in achieving self-sufficiency.

The MTW agreement does, however, require participating agencies to ensure that at least 75 percent of the families assisted are very low-income, to assist substantially the same number of eligible families, and to provide housing for a comparable mix of family sizes as would have been served absent the demonstration. The term of the MTW agreement is ten years, although HUD can terminate the agreement if violated. The CHA is one of thirty-five housing authorities across the country participating in the MTW program.

As a demonstration program it is important to track the extent to which the CHA's MTW program is furthering the three program objectives and to learn from the experience in designing and implementing the program. To do this, the CHA has contracted with the Center for Urban and Regional Studies at the University of North Carolina at Chapel Hill to conduct a long-term evaluation of the program. This report presents a description of the program and its initial

implementation, and the early lessons learned about program design and implementation. It also presents data on the characteristics of the CHA's clients, units and budget prior to the implementation of MTW. These data provide a baseline for assessing the long-term impacts of the program.

The Development and Implementation of the Moving Forward Program

CHA interest in participating in the MTW program dates back to the late 1990s when the CHA staff submitted an initial application for program participation. The 1999 MTW legislation specifically named CHA as one of the agencies to participate, and HUD authorized CHA's participation in the program at that time, but the official MTW agreement languished for several years. Efforts to secure that agreement were reenergized in the mid 2000s and the design of the proposed MTW was revamped. Keys to the revised program were new ideas in the areas of rent reform, work requirements, expanding self-sufficiency programs, and enhancing the CHA's portfolio. An interim MTW agreement only covering the Section 8 program was signed in December 2006. The initial MTW agreement was signed in December 2007, followed by the Amended and Restated Agreement which officially started the ten-year demonstration time period in 2008.

The MTW program requires participating housing authorities to submit both annual plans and annual reports. CHA's initial MTW Annual Plan for FY 2007-2008 covered the Section 8 initiatives. The Annual Plan for FY 2008-2009 for the expanded program was developed by housing authority staff. Staff members responsible for developing that plan asked the staff of each major department to submit ideas for new initiatives. These ideas were screened by senior management and incorporated into a preliminary plan that was made available for public review, presented at a public hearing, and approved by the governing board. The Resident Advisory Council provided input for the plan from residents. This and subsequent annual plans include requests for waivers of HUD regulations to better accomplish the three MTW goals.

A complete list of the MTW initiatives requested in the 2007-2008, 2008-2009, 2009-2010, and 2010-2011 annual plans are listed in Appendix A of this report. The remainder of this section of the report will describe five major initiatives undertaken with the flexibility allowed by MTW: 1)

rent reform, 2) work requirements, 3) supportive services, 4) educational initiatives, and 5) the alteration of CHA's portfolio of affordable housing units.

Rent Reform

One of the long-standing criticisms of how rents are determined in the federal public housing program is that it discourages work effort. Basing rents on 30 percent of adjusted household income means that almost one-third of any increase in income goes to higher rent payments. To address this issue the CHA requested approval to establish its own rent policies designed to provide participants with financial incentives for increasing their earnings and to help participants build assets so they can move out of assisted housing.

The CHA first asked for a waiver of HUD's rent guidelines in its 2009-2010 Annual Plan. The major element of this original proposal was to continue charging rents based on household income, but for households that either increase their earned incomes by 20 percent or that make \$13,000 a year, a portion of further rent increases were to be placed in an escrow account. Those accounts could be drawn upon for any reason once the household left assisted housing, but while they remained in assisted housing they could only be used to overcome barriers to work.

Other aspects of the proposed rent reforms included the establishment of minimum rents--beginning at \$50 and escalating by an additional \$25 over the next two years--and ceiling rents based on bedroom size. If clients cannot meet the minimum rents, participants can submit Hardship Waiver Requests, which are reviewed by a Hardship Review Committee composed of CHA staff. That committee has a choice of six remedies to recommend to the CHA director.

Further discussion among CHA staff and between CHA staff and participants, however, led to reformulation of the original rent reform proposal. Participants found the new rent guidelines confusing and staff felt that charging rents based on income bands would be less likely to discourage work effort. Thus, the CHA proposed a revised rent structure in its 2010-2011 MTW plan.

The revised rent reform policy is based on income bands. The rents charged households will be based on the bottom of the \$2,500 income bands into which they fall. A household with annual income of \$11,000, for example, would fall into the \$10,000 to \$12,499 income band and the

rent charged would be based on \$10,000. Dividing that figure by 12 and applying the 30 percent-of-income rule would result in a monthly rent of \$250 per month. The logic behind this method of setting rents is that, in most instances, modest increases in annual income will not affect the rents paid. The minimum and ceiling rents and the hardship committee that were part of the original program were also included in the revised plan.

The escrow account provisions in this revised plan are also different. Escrow accounts will be established for participants whose incomes fall between \$12,500 and \$35,000. The monthly amounts deposited in these accounts will be based on the income bands discussed above and will range from \$10 to \$50 per month. The accounts stop growing after a participant's adjusted annual income surpasses \$35,000 or three years after a participant's adjusted income pass the \$25,000 level. Once the account stops growing, participants have two years to move if they want to draw 100 percent of their accrued deposits. The incentive account decreases by 20 percent every year thereafter. This is designed to encourage clients to move out of assisted housing.

CHA staff went to every public housing site and to Section 8 Participant Advisory Committee meetings with a detailed PowerPoint presentation to explain the rent reform and escrow initiatives to all participants. Although the implementation of these rent reforms were delayed due to the need to reprogram the Authority's software programs, they were applied to all conventional public housing and Section 8 households in December, 2010.

Work Requirements

Another criticism of the federal public housing program is that there are no provisions requiring able-bodied participants to work, or look for work, in order to remain eligible for housing assistance. In 2009 only 26 percent of the heads of households in CHA housing were employed. To address this issue the CHA proposed a work requirement in its 2009-2010 MTW Plan. That requirement was designed to "create a clear expectation that all participants who are non-elderly and non-disabled should work."

The proposed work requirement was to be phased in over a two-year period. At the beginning of the first year (April 1, 2009) all non-elderly, non-disabled, non-working participants were to undergo an assessment to determine any barriers to work. Participants would then be provided with training and other services such as life skills and short-term vocational training to overcome

those barriers. By the beginning of year two (April 1, 2010) the heads of households would be expected to “exhibit a good-faith effort” to find employment for a minimum of fifteen hours per week or if recommended by their case manager, participate in other work preparation activities. In addition, other adults in the household would be expected to work at least five hours per week. By the beginning of the third year (April 1, 2011) heads of households would be expected to work full time--defined as at least thirty hours per week—while other adults in the household would be expected to work at least ten hours per week.

Participants who do not meet the work requirements will be subject to rent sanctions. After a three-month probationary period, participants will lose half of their rental assistance; after six months of non-compliance they will lose all of their rental assistance, thus their rents will be based on established market or ceiling rents for their units. If participants are non-compliant for a six-month period the authority will move to permanently terminate their rental assistance contract. Again, there is a hardship exemption for which participants can apply. If granted, they are expected to participate in volunteer work with community agencies.

The implementation of these work requirements was delayed due to concerns about imposing a work requirement during a period of high unemployment, and a realization on the part of CHA staff that they did not have the funds or the staff to provide employment-related services to all households who would fall under the work requirement, and that it might be better to assess the impact of the program on a subset of the participants before introducing it authority wide. This led to a series of discussions on how best to phase in the program.

An initial decision was made to focus on participants of Section 9 developments since they are more concentrated and could be provided with employment-related services more efficiently. Two strategies for phasing in work requirements among public housing participants were discussed by members of the CHA board of directors and staff. Some argued for targeting participants who were best prepared to find employment. This, it was argued, would result in the best chance of success, defined as the number of participants that find full-time employment and that move out of assisted housing. However, the prospect of subjecting some but not all participants of housing developments to work requirements raised concerns that the affected participants would feel singled out. Others argued that it would be better to target entire housing developments so that a “culture of work” could be created and case managers could be located

on site. The latter argument won out. The 2011-2012 MTW Plan called for the work requirement to be implemented in selected developments where case management would be offered.

The final decision on phasing in the work requirements concerned how to select the developments for inclusion in the initial phase of the program. Here again there were two arguments. One was to select sites randomly in order to be able to compare the outcomes in developments subject to the work requirement to those not subject to the requirement. The other argument was to select sites that already had case management staff and to select several other sites based on three criteria: relatively high average wages and income, availability of youth services, and the presence of other resources. The CHA used these criteria to rank communities, and the highest scoring sites were added to the pilot sites.

Supportive Services

Supportive services go hand-in-hand with work requirements as they assist MTW participants in acquiring the skills needed to meet those requirements. At the time the CHA received MTW approval, it had a small Family Self-Sufficiency program (FSS). Several years earlier it had also offered the Gateway program, which helped prepare families for participation in the FSS program. A lack of funding, however, has led to the termination of the Gateway program.

The financial flexibility offered by the MTW program allowed the CHA to revive and expand the Gateway program. The new program, now called the Moving Forward Supportive Services (MFSS) program, modeled both the FSS and the Gateway programs. MFSS offers participants a variety of education, job training, work preparedness, and support activities including:

- GED classes;
- Life skills workshops;
- Referral to workforce development programs;
- Job readiness classes;
- Budgeting classes;
- Healthy living classes; and
- Conflict resolution.

To better understand the types of services needed by participants, the CHA contracted with Central Piedmont Community College to assess client readiness to find and keep jobs. The assessment of public housing residents was performed in 2007 and of Section 8 participants in 2008. This assessment resulted in the categorization of participants into four tiers. Tier I participants have the most severe challenges and will require a variety of services. Tier II participants have fewer, less severe challenges, while Tier III participants have relatively minor challenges. Tier IV participants are elderly or disabled and will not be subject to the work requirement.

The MFSS program has three components designed to address the needs of participants in Tiers I through III. Like the Gateway program, MFSS offers a constellation of support services for Tier I participants such as high school diploma/GED or trade school programs, basic keyboarding, and interview skills. It offers different support services for those in the Tier II category such as life skills and job skills training. MFSS offers additional support services for those in Tier III to assist them in finding jobs and remaining employed including assistance in finding job opportunities and addressing obstacles to remaining employed. The expectation is that participants will transition from lower to higher levels of the MFSS program over time. The MFSS program was included in the CHA 2010-2011 MTW Plan and subsequently approved by HUD.

The initial thinking of CHA staff was to implement the MFSS program and the work requirements for all eligible participants at one time. After considering the cost of case management and the availability of external support services--such as job training and day care assistance--the CHA decided to phase in both the work requirement and the MFSS program. The CHA did not have the funds to pay for services needed by participants so they will have to rely on existing service providers whose capacities are severely constrained.

Another early decision about the MFSS program was whether to expand the CHA's Client Services Department or to contract out for the additional case managers needed for the program. After considerable discussion senior management decided to keep the existing CHA case management staff, but to contract out for the additional managers needed. One reason for this decision was to see whether in-house or contracted case managers were more effective in helping participants move toward self-sufficiency. An RFP for outside case management services was

advertised in 2009 and 2010. CHA contracted with Children's Home Society – Youth Homes Division in 2009 to provide case management services to residents of Boulevard Homes. In April 2011, CHA contracted with Genesis Project 1, Lutheran Family Services, Melange Health Services, and Symmetry Behavioral Health Solutions to provide services to resident of Cedar Knoll, Leafcrest, and Tarlton Hills.

Educational Initiatives

One of the CHA's MTW objectives is to break the cycle of poverty by providing parents and children with clear expectations concerning school attendance and by expanding youth opportunities. In pursuit of this objective, CHA is partnering with several educational institutions and programs.

In an effort to reduce truancy the CHA has modified its lease agreement to include a truancy policy. That policy specifies sanctions if school-age children in the household are routinely truant. The implementation of this program has been slowed by differences between the CHA and the Charlotte-Mecklenburg School system (CMS) in the pace at which the sanctions would be applied and the need for parental permission before the CMS can release information on truancy. As of 2010 the CHA had received signed release forms from 50 percent of households with school-age children. The truancy policy is being revised while CHA and CMS staff works on a data sharing agreement that will fully comply with federal privacy regulations and allow CHA to receive disaggregated student data. The proposed agreement would allow CHA to track the numeric or letter grade and end of grade attainment progress for each student living in CHA units over the entire course of CHA's participation in the MTW program.

To provide support to CHA students at risk of dropping out, the CHA has signed a memorandum of understanding with Communities in Schools (CIS), a well-established, national dropout prevention organization, and with Partners in Out-of-School Time (POST), a local organization focused on connecting students to high-quality, before- and after-school programs. The CHA has contracted with CIS to provide site coordinators at two high schools and two middle schools that serve CHA students. The goal of these initiatives is to promote attendance, increase matriculation to the next level, decrease out-of-school suspensions, and increase graduation rates.

The CHA is still working on a contract with POST to target gangs and to offer a dropout prevention program.

The CHA also has established an endowment fund with the Foundation for the Carolinas to provide financial aid to public housing residents and Section 8 participants under the age of 25 who want to attend college, technical or vocational school. In 2009, sixty-two students were provided scholarships from this fund totaling over \$120,000 and the fund has awarded almost \$2 million in scholarships since its inception in 1984.

Alteration of CHA's Portfolio

Two other long-standing criticisms of public housing programs are: 1) they have concentrated, very low-income households in selected housing developments, and 2) public housing has been concentrated in neighborhoods which lack access to quality education and job opportunities. Well before its participation in the MTW program, the CHA began addressing those criticisms by redeveloping its older public housing developments into mixed-income communities utilizing the HOPE VI program. The CHA has turned five of its traditional public housing developments into mixed-income developments. The CHA had also adopted Strategic Asset Management (SAM), well before its participation in MTW. SAM involves assessing the cost and condition of individual housing developments and determining the most cost-effective action such as rehabilitating or selling a development and using the funds to build new units.

The MTW program has provided the CHA with additional financial and regulatory flexibility to meet its housing production-related goals. One of those goals is to provide additional housing opportunities both in mixed-income developments and in opportunity-rich communities. Another goal is to expand the number of affordable housing units. A final goal is to expand the supply of special needs housing through cooperation with local supportive housing agencies.

Under the flexibility allowed by MTW, the CHA has focused on several housing production-related initiatives. First, the CHA has used its single-fund flexibility to develop additional housing units by acting as developer, or by partnering with other affordable housing producers. CHA funding is used to leverage outside support and many of these new units are in mixed-income developments.

The CHA has also used its MTW flexibility to increase the acquisition and rehabilitation of existing multifamily developments. Compared to new construction, the acquisition and rehabilitation of existing units has several potential advantages including the provision of more units in a shorter period of time, greater cost efficiency, less community resistance, and the provision of housing in a wider variety of neighborhoods. In fiscal years 2009 and 2010 the CHA acquired four developments--Hampton Creste, Woodlawn House, Mill Pond, and McMullen Woods--totaling 566 units for an average price of under \$60,000 per unit. Two of those properties, Mill Pond and McMullen Woods, needed no rehabilitation, and the total of 566 units added exceeded the goal of adding 400 units per year.

The CHA sees “strengthening the social safety net” as an important goal of its MTW program. Under the flexibility provided by the MTW, the CHA has been collaborating with local social service providers to expand housing for persons with disabilities and special needs, as well as the homeless. The CHA has been committing both project-based Section 8 and Section 9 subsidies to housing developments owned by social service agencies serving these populations. For example, the CHA committed subsidies for McCreesh Place--a single-room occupancy building serving the homeless, owned and managed by St. Peter’s Homes, Inc. This allowed it to add twenty-five new units and to undertake minor rehabilitation of sixty-four existing units in the development. To date the CHA has supported the financing, development, or redevelopment of 255 units designated for special needs groups.

The CHA has also asked for and received HUD approval to acquire land for the future development of affordable housing without funded development plans in place. This deviation from standard practice allows the CHA to purchase suitable sites for the development of affordable housing when land prices are low and to hold them for future development. To date the CHA has purchased two land parcels: one will accommodate 99 units and one will accommodate 120 units of assisted housing.

More recently the CHA has received HUD approval to use its funds for families with incomes at or below 80 percent of area median income (AMI). This flexibility allows the CHA to serve low-income families with incomes above the usual 30 percent of AMI threshold for the Section 9 or Section 8 programs. CHA streamlined the approval process for Community Based Rental Assistance (CBRA), formerly Project Based Section 8. The new process reduces the need for the

standard competitive process for selecting units if they are owned directly or indirectly by CHA, or if funding comes from NCHFA tax credits, city funds, or AHP funds. The criteria for selection reflect the goals of putting units in “stable” neighborhoods, in neighborhoods with active revitalization plans, and in neighborhoods along new transportation corridors. Approvals are determined by the Board on a case-by-case basis.

Challenges in Implementing the MTW Program

The MTW program represents a radical shift in the public housing program. Rather than HUD controlling almost every aspect of the development and management of public housing, MTW allows PHAs to suggest how best they can achieve the three program objectives. This requires PHA boards and staffs to move beyond administering housing programs based on HUD regulations to developing and implementing their own programs. These new activities require new ways of thinking, new skills, and new levels of cooperation both within housing agencies and with outside partners.

As reviewed above, the CHA has embraced the flexibility offered by the MTW program and has adopted a large number of new initiatives and procedures. The pace of organizational change has been dramatic. Thus, it is not surprising that not all the initiatives have gone as planned, and that some plans had to be rethought. This section of the report discusses some of the challenges that the CHA faced in the first two years of MTW participation. These insights are based on interviews with over twenty-five members of the CHA staff and board.

Possibly the largest challenge faced by the CHA in implementing the MTW program concerns communication among members of the CHA staff. Important to the success of any organization, communication is particularly important when new organization-wide initiatives, like those described above, are being designed and implemented. Good communication is needed among separate organizational units such as operations, development, and finance; among different levels within the organizational hierarchy, such as management and field staff; and between the staff and the board.

@@The CHA sought to facilitate communication about its MTW program through several means. First, in developing its annual plans, the responsible staff consulted with senior staff in the major CHA divisions. Second, the Moving Forward coordinator holds quarterly meetings

with the division liaisons to discuss potential new initiatives and to update them on program progress.

In spite of those efforts, however, many of the staff members interviewed thought that communication about the Moving Forward program needed to be improved. Interviewees offered several limitations in communication among staff members including:

- changes in program design and the reasons for them were not being communicated to lower-level staff;
- the suggestions of lower-level staff for the Moving Forward program were not being communicated to upper-level management; and
- departments were making decisions that affect the Moving Forward program without consulting other departments.

Differing opinions on the relative importance of the three MTW objectives also posed a challenge. One of the biggest differences concerned the relative importance of increasing the number of affordable housing units and of assisting existing participants become self sufficient. The Board and Real Estate Development favored producing more units, while many other CHA staff members favored expanding the self-sufficiency program. After considerable discussion the board agreed to increase funding for both housing production and self-sufficiency services by using funds that pre-MTW had been allocated to the Section 8 program. (More will be said about this below.)

Differences of opinion among CHA staff on other major issues also slowed the implementation of some MTW initiatives. One of those issues was whether the CHA should directly hire the additional case managers needed to expand the MFSR program or to contract out for them. After much discussion and lobbying the decision was made to contract out for the additional case managers and to monitor the performance of the two groups to see if one was more effective than the other.

The implementation of the work requirement was also slowed by the slowdown in the economy and by the lack of resources to provide the case management and support services needed to support participant work efforts. The idea for a work requirement was developed before the recent recession. As unemployment in the Charlotte area jumped there was much discussion as

to whether it was the right time to introduce a work requirement. In addition, the cost of providing case management and limitations in the availability of services, particularly day care, forced the authority to consider phasing in the requirement.

The main question then became, how would the program be phased in? The first decision was to initially focus on Section 9, rather than the Section 8 clients, since their concentration would mean case management and on-site services such as job-preparedness programs could be provided more efficiently. The next decision was whether to target the work requirement and related services to the Section 9 clients who were closest to becoming self sufficient, or whether to target all participants in a subset of developments. The CHA board initially favored the former approach but the staff successfully argued that targeting better prepared clients may be seen as punitive and that it would not create a culture of work within the developments. Thus, the decision was made to target entire housing developments.

The third decision concerned how best to select the pilot sites for introduction of the work requirements. Two CHA developments (Claremont and Victoria Square) already had FSS case managers so they were included as Pilot A sites. Beyond those, some CHA staff argued for a random selection of sites, while others wanted to choose sites with greater opportunities for participant success in obtaining jobs. In the end, the CHA decided to choose sites that had more opportunities for participants to achieve self sufficiency. The selection process was based on an analysis of the characteristics of both client characteristics and the neighborhood characteristics of each CHA development. This process resulted in the selection of the Pilot B site (Boulevard Homes) and a Pilot C site (Leafcrest, Tarlton Hills, and Cedar Knoll). The Moving Forward work requirements apply to participants after the site begins receiving support services. Residents of Claremont, Victoria Square, and Boulevard Homes are all currently subject to those requirements. The three Pilot C sites have not started receiving services and so are not yet subject to the work requirements.

The need for major changes in the CHA's data base management system was also a major challenge. The CHA has relied on the YARDI proprietary software system for data storage, management, and analysis. This system had to be reprogrammed by the company to accommodate the new MTW 50058 Form and a new locally-designed Housing Choice Voucher form similar to HUD's Form 52646. The software system also had to track information on

MTW obligations such as attendance at mandatory training programs and adherence to both the truancy policy and work requirements. In addition, YARDI needed to accommodate detailed data on client progression toward self sufficiency. A variety of new computer-generated reports were also requested by CHA departments to track progress toward benchmark goals. These changes required numerous discussions between YARDI representatives and CHA staff. Until those changes were made several Moving Forward initiatives, including rent reform, could not be implemented. The needed changes to the YARDI system were completed over a period of months between 2009 and early 2011.

Staffing issues, including vacancies and skill mismatches, also posed challenges in implementing the Moving Forward program. Staff vacancies in several key positions hampered implementation efforts. At one point in 2010, the positions of CHA's Chief Operating Officer, the Director of Section 8, and Chief Development Officer were vacant at the same time. This put considerable pressure on other staff members who had to assume additional responsibilities in addition to their normal ones. There was also a shift in positions within the Client Services Division. The design and implementation of the Moving Forward program required new skills and attitudes, such as entrepreneurship, program development and program evaluation, which some CHA staff members did not have. Nor were these skills reflected in the CHA's traditional position descriptions and personnel evaluation criteria. This led to some staff turnover, while others took advantage of training opportunities to expand their skills.

Lessons Learned in Implementing the MTW Program

The CHA's early experience with the MTW program suggests several lessons for other housing authorities adopting the program:

- The greater flexibility provided by the MTW program challenges PHAs to develop their own initiatives, which require skills beyond those traditionally needed by PHA staff.
- Given the major new initiatives as well as the smaller changes in regulations and procedures resulting from participation in the MTW program, good communication among PHA staff members, and between the staff and the Board becomes all the more important.

- Expect differences of opinion among both staff and Board members on the relative importance of the three MTW objectives as well as on the wisdom of major new initiatives such as work requirements and rent reforms.
- Expect MTW initiatives to evolve over time as local conditions change and program evaluations provide information on the impacts of those new initiatives.
- Implementing the MTW program will require major changes in PHA data base management systems, which may be both time consuming and costly.
- Substantial participant outreach is needed in the design and implementation of major MTW initiatives, such as the Customer Annual Planning Sessions that CHA instituted.
- When possible, implement major new program initiatives on a pilot basis so that actual impacts can be assessed before authority-wide implementation.
- Look to other MTW PHAs for ideas on new program initiatives, but make sure they are appropriate for your organization and community.
- Educate the public about the MTW program and major new initiatives in order to maintain community support.

Hopefully these lessons will be helpful to other housing authorities participating in the MTW program.

Outcome and Impact Measures for Each of the Three MTW Objectives

The CHA has undertaken numerous initiatives as part of its Moving Forward program to further the three MTW program objectives. Some of CHA's initiatives focus on achieving a single objective, while others relate to two or all three of the objectives. In evaluating each initiative, we consider three elements: 1) the MTW objective or objectives to which the initiative relates; 2) the expected outcome from the initiative; and 3) the expected impact. The outcome is the metric used to quantify the intended impact, while the impact is the change in the metric between baseline measurements and follow-up. The following is a summary of the CHA initiatives, grouped by the three MTW objectives.

Objective 1: Reduce cost and achieve greater cost effectiveness in federal expenditures

Work Requirement and Supportive Services

Client assessment and Currents of Change (FY 2008-09). The first component of this initiative was to assess participants' capacity for independent living and to identify barriers to self sufficiency. This information was used to divide CHA clients into four tiers depending on the level of services needed to become self sufficient.

- **Reasoning:** Participants will receive training to promote self sufficiency specifically targeted to their level of need to enable more participants to find employment and increase their incomes. Participants earning more will result in higher rent levels and reduce the rental subsidy levels required.
- **Impact:** The impact will be the increase in the rent paid by participants who find employment after participating in the Currents of Change training compared to the amount they were paying before the training.

Work requirement and assistance sanctions (FY 2008-09). CHA is requiring all non-elderly and non-disabled participants in developments provided case management services (see Client assessment and Currents of Change, above) to “exhibit a good-faith effort to find work for a minimum of 15 hours per week and/or participate in other work participation activities” after a period of preparation and training. The requirement is increased by five hours per week for every additional adult member of the household. After an additional period of time, the requirement would increase to a minimum of thirty hours per week, with another ten hours per week for each additional adult household member. Failure to comply with the work requirement will subject the participant to sanctions that increase in severity over time.

- **Reasoning:** Participants subject to the requirement will be more likely to work and earn income. Higher income participants will pay more rent reducing the subsidy provided by the CHA.
- **Impact:** The impact will be the difference between the amount of rent paid by participants before the imposition of the work requirement and the amount paid after the work requirement becomes effective (after the initial preparation and training period).

Occupancy training (FY 2007-08). All new heads of household are required to participate in “Good Neighbors” training provided by Central Piedmont Community College. The training

focuses on topics such as property maintenance, building and zoning codes, and conflict resolution, as well as factors to consider when selecting a neighborhood.

- **Reasoning:** Participants will be more aware of their responsibilities as tenants and neighbors, reducing the number of terminations.
- **Impact:** The impact will be the difference in number or percentage of participants terminated for reasons addressed in the training before it was provided and the number or percentage terminated for those reasons after.

Rent Reform

Increase minimum rent from \$50 per month to \$100 per month over a two-year period (FY 2010-11). CHA is increasing its minimum rent from \$50 to \$75 per month for 2011, and from \$75 to \$100 beginning in 2012.

- **Reasoning:** Participants paying minimum rent will pay more for their units, reducing the amount of CHA subsidy required.
- **Impact:** The impact will be the difference between the amount of rent the participants would have paid if the minimum rent had not increased and the amount they actually paid in rent for their units.

Changes to CHA's Portfolio

Increase acquisition and rehabilitation of existing multi-family properties (FY 2008-09). CHA adopted a policy to increase the acquisition and rehabilitation of existing multi-family properties.

- **Reasoning:** Acquiring and rehabilitating existing multi-family properties is a less expensive way for CHA to increase its supply of units at a lower cost per unit than new construction.
- **Impact:** The impact will be the difference between the average cost per unit acquired and rehabilitated, and the average cost per unit for new construction with similar attributes and location.

Site acquisition for future use (FY 2008-09). CHA received approval for its initiative to option and purchase sites, either undeveloped land or developed sites suitable for demolition or rehab, without having approved development plans for the site.

- **Reasoning:** With a depressed real estate market in Charlotte, CHA will be able to option or acquire sites at lower prices than it would be able to if it waited until development plans were approved.
- **Impact:** The impact will be the difference in the land cost per unit, plus interest and other holding costs, paid for sites acquired for future use and the land cost per unit at an equivalent site at the time the development is approved.

Local non-traditional initiatives (FY 2010-11). This initiative includes six different projects including the following: 1) Charlotte Local Rental Subsidy Program; 2) acquisition of the general partnership interest in Little Rock Apartments through Horizon Acquisition Corporation; 3) Hampton Creste, acquired by CHA's wholly-owned non-profit subsidiary, Horizon Development, Inc.; 4) gap financing for McCreesh Place to help construct supportive housing; 5) construction of the Lofts at Seigle Point as the final stage of the HOPE VI redevelopment of Piedmont Courts; and 6) acquisition and rehabilitation of Woodlawn House as senior housing.

- **Reasoning:** These initiatives allow CHA to acquire units in collaboration with local service providers and to access additional funding sources, such as the local rental subsidy program, which leverages CHA's resources.
- **Impact:** The impact will be the difference between the cost per unit of acquiring units under these initiatives and the cost for new construction.
- **Reasoning:** CHA is providing additional services to participants through its partnerships with social service agencies.
- **Impact:** The difference between what it costs CHA to provide the services and what it would have cost CHA if it had sought to provide the services with its own staff.

Amend the Section 8 Housing Assistance Payment (HAP) and require Section 8 landlords to participate in direct deposit (FY 2008-09) (FY 2009-10). CHA changed the standard HAP

contract between CHA and participating landlords to require the landlord to register the property with CHA and to participate in direct deposit.

- **Reasoning:** Section 8 landlords will be paid by direct deposit rather than with paper checks, which reduces CHA costs.
- **Impact:** The impact will be the difference between the cost of paying Section 8 landlords by check and paying them by direct deposit.

Section 8 property rating system (FY 2007-08). CHA contracted with an outside agency to develop and apply a quantitative rating system for the exterior appearance of Section 8 properties. The data from this system is being incorporated into YARDI to allow CHA inspectors to integrate the ratings with the existing HQS inspections.

- **Reasoning:** CHA will have more information about the quality of the units in which voucher holders live, allowing it to favor higher quality units. Landlords, knowing that the appearance of their properties will be rated, are more likely to maintain them.
- **Impact:** If CHA implements its plan to provide rent increases based on the inspection results, the impact should be an increase in the percentage of high-quality Section 8 rental units as measured by the difference between the rating of the units when the original data were collected and subsequent inspections.

Business and Administration

Alternate review process (FY 2010-11). CHA changed the re-certification process to allow elderly and disabled participants to re-certify income every other year instead of annually.

- **Reasoning:** Staff will spend less time performing income re-certifications with the new process.
- **Impact:** The impact will be the difference between the amount of staff time spent performing income re-certifications before the change and after the change.

Changes to income re-certification procedures for asset exclusion (FY2010-11). CHA will disregard income from assets valued at under \$5,000 and allow participants to self report on those assets.

- **Reasoning:** Allowing participants to self report assets and disregarding the income from those assets will reduce staff time spent verifying assets and income.
- **Impact:** The impact will be the amount of staff time saved by not having to verify those self-reported assets and income.

Revised HUD Form 52646, Housing Choice Voucher (FY 2009-10). CHA modified the housing choice voucher to allow for two extensions and to incorporate the Moving Forward family obligations.

- **Reasoning:** The new voucher form will allow for extensions consistent with existing HUD regulations and include the Moving Forward provisions without the need for additional documentation.
- **Impact:** The impact will be the estimated staff time saved on paperwork by the new process compared to the old one.

Modify Project Based Section 8 new construction inspection protocol (FY 2008-09). CHA uses local building standards and the issuance of a Certificate of Occupancy in lieu of a Housing Quality Standards (HQS) inspection for newly-constructed Section 8 units.

- **Reasoning:** Less money is spent on HQS inspections of newly-constructed Project Based Section 8 units.
- **Impact:** The impact will be a savings of \$50 per HQS inspection not performed for newly-constructed Project Based Section 8 units.

Resident safety programs (FY 2009-10). CHA has adopted crime prevention measures, including the use of surveillance cameras in public areas and private security in some developments. CHA resident safety personnel have also engaged in programs to educate residents about safety issues and greater cooperation with the Charlotte-Mecklenburg Police Department.

- **Reasoning:** The increased emphasis on resident safety is intended to reduce serious crimes in CHA developments by 5 percent.
- **Impact:** The impact will be the difference in the level of serious crimes (FBI Part I Index Crimes) in the developments before and after the programs began.

Adopt investment policies consistent with state law (FY 2008-09). CHA has adopted its investment policies as allowed by state law to increase the return on its investments.

- **Reasoning:** The CHA can achieve a higher rate of return on its investments without a substantial increase in risk.
- **Impact:** The impact will be the difference between the rate of return on funds before and after the change in policy.

Objective 2: Assist households in achieving self-sufficiency.

Work Requirement and Supportive Services

Client assessment and Currents of Change (FY 2008-09). See description of this initiative under Objective 1.

- **Reasoning:** Participants will receive training to promote self sufficiency specifically targeted to their individual needs.
- **Impact:** The impact will be the change in the number and percentage of participants enrolled in the program and receiving targeted services before and after the Moving Forward program.
- **Reasoning:** With training, more participants will find employment.
- **Impact:** The impact will be the difference between the percentage of participants working before and after program participation.
- **Reasoning:** With training, more participants will find employment at higher wages.

- **Impact:** The impact will be the increase in the average earned income for participants before and after program participation.
- **Reasoning:** With higher incomes and funds in incentive accounts, more families will move to unsubsidized housing.
- **Impact:** The impact will be the difference between the percentage of participants moving to unsubsidized housing before and after the initiative.

Work requirement and assistance sanctions (FY 2008-09). See description of this initiative under Objective 1.

- **Reasoning:** Participants will be more likely to prepare for and find employment if they face sanctions for not doing so.
- **Impact:** The impact will be the change in the percentage of participants working at levels that comply with work requirements.
- **Reasoning:** Imposing sanctions that deprive participants of their rent subsidies may result in some participants being evicted for non-payment of rent.
- **Impact:** The impact will be the change in the number and percentage of residents who are evicted for non-payment of rent after sanctions for failure to comply with the work requirements are introduced.

Youth initiatives (FY 2008-09). CHA's youth initiatives connect the children of participants to programs and services that address truancy, post-secondary education, and help improve academic performance.

- **Reasoning:** Success in education is the key to helping the children of participants become self sufficient and break the inter-generational cycle of poverty.
- **Impact:** If data become available from Charlotte-Mecklenburg Schools, the impact will be in the improvement in attendance and academic performance of the children living in CHA units, including higher grade point averages, end of grade test scores, and admission to post-secondary educational institutions.

Rent Reform

Increase minimum rent from \$50 per month to \$100 per month over a two-year period (FY 2010-11). See description of this initiative under Objective 1.

- **Reasoning:** Increasing minimum rent will raise it to levels that some participants will not be able to afford.
- **Impact:** The impact will be the increase in the change in the percentage of residents paying minimum rent that are evicted before the increase and after the increase.
- **Reasoning:** Raising the minimum rent will force participants to spend more on rent, leaving less for other necessities such as food.
- **Impact:** The impact will be the change in the percentage of residents paying minimum rent and reporting that they ran out of food, worried about running out of food, and/or had their telephone service suspended for nonpayment.

Revised rent schedule and incentive account (FY 2010-11). CHA has established “an income-based stepped flat rent with stepped escrow accounts” to allow households to increase earnings without automatically having their rent increase. Rent is based on income within ranges of \$2,500, with rent set at the lowest point of the range.

- **Reasoning:** Participants have more incentive to increase their incomes because their rent does not always increase in proportion to their income.
- **Impact:** The impact will be the difference between the average amount of household income before and after the revised rent schedule went into effect.
- **Reasoning:** Participants will increase their incomes enough to qualify for the incentive account.
- **Impact:** The impact will be the total amount deposited in the incentive accounts.
- **Reasoning:** Participants with incentive accounts will maximize their benefits by moving out of assisted housing before the incentive account balance is reduced.

- **Impact:** The impact will be the number and percent of participants with incentive accounts moving out of subsidized housing before the balance in their accounts is reduced.

Business and Administration

Changes to income re-certification procedures for asset exclusion (FY2010-11). See the description of this initiative under Objective 1.

- **Reasoning:** Participants will be able to accumulate more assets before the income from those assets is counted, allowing participants to have larger savings or investment accounts.
- **Impact:** The impact will be in the increase in reported assets under the \$5,000 threshold.

Objective 3: Increase housing choices for low-income families

Work Requirement and Supportive Services

Client assessment and Currents of Change (FY 2008-09). See description of this initiative under Objective 1.

- **Reasoning:** The training will help participants acquire skills to be able to move to unsubsidized housing thus providing a wider choice of housing opportunities.
- **Impact:** The impact will be the increase in the rate at which participants move to unsubsidized housing.
- **Reasoning:** As participants move to unsubsidized units, the subsidized units they vacate will be available for other eligible households on the waiting lists, increasing housing opportunities for those households.
- **Impact:** The impact will be the difference between the number of households moving from the waiting lists to vacated units during a given time period before the support services were provided and the number of households moving from the waiting lists to vacated units during a comparable time period after the services were provided.

Occupancy training (FY 2007-08). See the description of the initiative under Objective 1.

- **Reasoning:** Participants will be more aware of their responsibilities as tenants and neighbors, which will make private-sector landlords more willing to rent to Section 8 voucher holders.
- **Impact:** The impact will be the difference between the number and percentage of participants moving to unsubsidized units before and after the training was provided.
- **Reasoning:** More landlords in more locations will be willing to rent to former participants and voucher holders.
- **Impact:** The impact will be the difference between the locations where former participants move before and after the training was provided.
- **Reasoning:** Participants will be more aware of the qualities that they should look for in choosing where to move when they leave subsidized housing.
- **Impact:** The impact will be the difference between the locations participants chose to move to when they left subsidized housing before and after the training was provided.

Rent Reform

Revised rent schedule and incentive account (FY 2010-11). See the description of this initiative under Objective 1.

- **Reasoning:** Participants will accumulate assets in the incentive account that can be used to help them move into unsubsidized housing.
- **Impact:** The number of participants who accumulate money in incentive accounts and then access the funds when they move to unsubsidized housing.
- **Reasoning:** Having more accumulated assets will allow participants to move to units in higher quality neighborhoods.

- **Impact:** The impact will be the difference between the percentage of participants with incentive accounts moving to non-concentrated neighborhoods and the percentage of participants without incentive accounts moving to non-concentrated neighborhoods.

Changes to CHA's Portfolio

Increase acquisition and rehabilitation of existing multi-family properties (FY 2008-09). See the description of this initiative under Objective 1.

- **Reasoning:** Acquiring and rehabilitating existing multi-family properties will allow CHA to increase its supply of units at a lower cost per unit than new construction.
- **Impact:** The impact will be the difference between the cost of units brought into service under this initiative and the cost of providing those units through traditional means.
- **Reasoning:** Acquiring and rehabilitating existing multi-family properties will allow CHA to increase its supply of units in higher quality neighborhoods with less opposition than trying to build a new development in a similar location.
- **Impact:** The impact will be the increase in the number and percentage of units in higher quality neighborhoods.

Site acquisition for future use (FY 2008-09). See the description of this initiative under Objective 1.

- **Reasoning:** CHA will be able to acquire sites for future development in higher quality neighborhoods and in neighborhoods that are transitioning upward with less public opposition than might occur if more immediate development plans were in place.
- **Impact:** The impact will be in the number, size, and development potential for sites in higher quality neighborhoods.
- **Reasoning:** By acquiring sites, CHA will be able to develop more units when funding becomes available.

- **Impact:** The impact will be the number of units produced on those sites when the funding becomes available.

Streamline community-based rental assistance (FY 2008-09). CHA has developed a new selection process for approving Project Based Section 8 units. The new process reduces the need for the standard competitive process for selecting units if they are owned directly or indirectly by CHA, or if funding comes from NCHFA tax credits, city funds, or AHP funds. The criteria for selection reflect the goals of putting units in “stable” neighborhoods, in neighborhoods with active revitalization plans, and in neighborhoods along new transportation corridors.

- **Reasoning:** CHA will have more Project Based Section 8 units in higher quality neighborhoods.
- **Impact:** The impact will be the difference between the number and percentage of Project Based Section 8 units in higher quality neighborhoods before and after the new selection process.

Local non-traditional initiatives (FY 2010-11). See the description of this initiative under Objective 1.

- **Reasoning:** The non-traditional initiatives add to CHA’s portfolio, increasing the overall number of subsidized units available.
- **Impact:** The impact will be the increase in the number of non-traditional subsidized units available.
- **Reasoning:** Some of the non-traditional units will be in higher quality neighborhoods, which will increase the number of units in non-concentrated neighborhoods.
- **Impact:** The impact will be the increase in the number of subsidized units in non-concentrated neighborhoods.

Participant and landlord tracking; counseling for voucher holders (FY 2007-08). CHA has partnered with UNC-Charlotte to identify where each holder of a Section 8 voucher is living. The data show that most voucher holders were concentrated in eight zip codes, and CHA has begun educating voucher holders about the benefits of living in non-concentrated areas. The

data also show several areas with low Section 8 participation within Charlotte. In 2010, CHA began using socialserve.com to conduct a market analysis to support efforts to allow CHA to increase fair market rents (FMRs) in those areas to permit more voucher holders to live in the non-concentrated locations.

- **Reasoning:** Existing voucher holders will move from concentrated areas to non-concentrated areas, and more first-time voucher holders will settle in non-concentrated areas.
- **Impact:** The impact will be the difference between the percentages of voucher holders living in concentrated and non-concentrated areas at the baseline and follow-up measurement.
- **Reasoning:** FMRs in non-concentrated areas is increased.
- **Impact:** The impact will be the difference between the number and percentage of voucher holders living in the areas where FMRs increase at the baseline and the number and percentage living in those areas at subsequent measurements.

Housing for persons with disabilities, special needs, and the homeless (FY 2008-09). CHA has agreed to allow providers of supportive housing to waive the standard one-year lease requirement. Most supportive housing is leased month-to-month, rather than yearly.

- **Reasoning:** Allowing shorter term leases makes more units suitable for residents of supportive housing.
- **Impact:** The impact will be the additional number of units of supportive public housing units available with month-to-month leases.

Business and Administration

Alternate review process (FY 2010-11). CHA has begun performing criminal background checks for all family members over the age of fifteen residing in subsidized units at the annual recertification.

- **Reasoning:** Holding the head of household responsible for the conduct of all family members residing in the household will encourage participants to promote positive behavior and reduce the possibility that household members will have criminal records that discourage private-sector landlords from renting to the household.
- **Impact:** The impact will be the difference in the number of household members over the age of 15 found to have criminal records between the initial re-certification after the policy went into effect and at subsequent re-certifications.

Changes to income re-certification procedures for asset exclusion (FY2010-11). See the description of this initiative under Objective 1.

- **Reasoning:** Participants will be able to accumulate more assets before the income from those assets is counted, allowing participants to have larger savings or investment accounts which they can use to move to unsubsidized housing.
- **Impact:** The impact will be the increase in the rate at which participants with increased assets move from subsidized to unsubsidized housing compared with the rate at which other participants move to unsubsidized housing.

Develop site-based waiting lists for public housing and project-based Section 8 units (FY 2008-09). CHA has changed from a unified waiting list to maintaining separate waiting lists for each site and for Project-Based Section 8 units. Applicants can now choose in which developments they want to live.

- **Reasoning:** With site-based waiting lists, fewer applicants will be removed from the waiting list for refusing three offers since they will only receive offers for units in developments for which they have applied.
- **Impact:** The impact will be the difference between the percentage of applicants removed from the waiting list for refusing to accept offers before and after the change to site-based waiting lists.
- **Reasoning:** Site-based waiting lists will result in more applicants accepting the first unit offered.

- **Impact:** The impact will be the difference between the percentages of applicants accepting the first unit offered before and after the change to site-based waiting lists.

Resident safety programs (FY 2009-10). See the description of the initiative under Objective 1.

- **Reasoning:** Residents and prospective residents will feel that more CHA developments are safe in which to live.
- **Impact:** The impact will be the difference between the number of people on the waiting list at each site before and after the initiative.

Affordable housing impact studies (FY 2007-08). CHA commissioned UNC-Charlotte to study the distribution of affordable housing and its impact on crime, housing values, and school equity in surrounding neighborhoods.

- **Reasoning:** Participants will have access to data about housing location and neighborhood quality that will enable them to choose neighborhoods that best meet their needs.
- **Impact:** The impact will be the increase in the number and percentage of households moving to non-concentrated neighborhoods.

Data Collection Methods

Data for the evaluation of the Moving Forward program come from three sources: 1) key informant interviews; 2) resident surveys; and 3) analysis of data from CHA and secondary sources, such as the Charlotte Neighborhood Quality of Life Report and the U.S. Census Bureau.

Key Informant Interviews

To date, key informant interviews have been conducted with twenty-five CHA board and staff members of the Moving Forward program. These interviews focused on the development and implementation of the Moving Forward program. The data from the interviews was then analyzed to reveal common patterns of response. The topics addressed included why CHA decided to participate in the Moving to Work demonstration, how the initial elements of the program were determined, how the program evolved over time, and issues that have arisen during the initial phases of implementation. The interviewees were also asked to comment on how participation in the program was impacting the organization and its clients, and what the expectations were for the program.

Resident Surveys

The Center developed and administered a survey of all residents in family Section 9 developments between November 2009 and June, 2010. The survey asked the residents about the quality of their units, developments, and neighborhoods. They were also asked about their satisfaction with CHA management, their health, how well their oldest child was doing in school, employment status, and barriers to employment. The data from the surveys will serve as the baseline data against which change and impact can be measured.

The survey was administered in a two-stage process. The first stage was to administer the survey to residents at a group meeting at each development. For residents who did not attend those meeting or complete the survey at that time, we followed up by administering it by mail survey, with three mailings to maximize the response rate. Overall, we received 933 responses from 1,252 residents surveyed, a response rate of 75 percent.

Secondary Data

Data on the characteristics of the CHA's tenants and housing units are being drawn from the CHA's YARDI data base management system. Data on the CHA's expenditures are being drawn for the CHA's financial data base. Indicators of neighborhood conditions surrounding the CHA housing developments and Section 8 voucher holders are being drawn from the Charlotte Neighborhood Quality of Life Reports and the U.S. Census Bureau.

Baseline Budget and Expenditures Data

An important element of the Moving to Work demonstration is the single-budget flexibility, which allows the authority to move money among certain categories of expenditures. Under the pre-MTW rules, money allocated for traditional Section 9 public housing could only be used for that purpose. Under MTW flexibility, money can be moved among major categories, including public housing, Section 8, and capital projects. That is, CHA could decide to spend more on Section 8 vouchers using funding that, absent the MTW flexibility, would have had to be spent on public housing.

Analysis of the financial statements from the past two fiscal years shows how CHA has used the flexibility allowed by MTW. As shown in Table 1, CHA has transferred unallocated funds from some categories into others.

Table 1: Source and Uses of MTW Funds, FY 2008-09 and FY 2009-10

	FY 2008-09	FY 2009-10
Administrative Fees and Expenses		
HUD Grants for Administration	\$ 1,897,213	\$ 1,969,045
Admin Expenses Paid from MTW	803,861	1,205,258
Surplus Transferred Out	1,093,352	763,787
Capital Fund		
HUD Grants for Capital Fund	4,427,353	13,396,732
Transferred to Capital Fund	360,435	1,846,172
Surplus Transferred Out	4,066,918	11,550,560
Public Housing		
HUD Grants for Public Housing	10,869,389	11,738,706
Transferred to Public Housing	10,869,389	11,738,706
Additional MTW Funds		
Transferred In	1,404,580	3,113,093
Total Transferred to Public Housing	12,273,969	14,851,799
Total CHA Public Housing Budget	22,086,481	24,636,435
Section 8		
HUD Grants for Section 8	36,883,698	40,913,369
Transferred to Section 8	31,200,150	30,786,369
Surplus Transferred Out	5,683,548	10,126,929
Total CHA Section 8 Budget	\$31,615,766	\$35,272,688

The most apparent use of the MTW flexibility has been to transfer more funding to traditional public housing than previously provided by HUD grants, and to transfer less to Section 8. One of the reasons that CHA is able to transfer funds from the Section 8 allocation is that the level of funding upon which the allocation is based was determined in 2006. That year, CHA had both high Section 8 usage and costs, resulting in a relatively high base allocation. With the recession and decline in rents, the average subsidy per voucher has declined, leaving an apparent surplus. Without the MTW flexibility, CHA would not have been able to shift part of that surplus to public housing.

The surpluses transferred out of administrative, capital fund, and Section 8 that were not transferred to public housing have been added to CHA's equity that can be used for future real estate development, additional support services for clients, and/or other MTW eligible activities.

Baseline Resident Survey Data

We conducted a survey of residents in Section 9 developments to establish baseline indicators for resident satisfaction, health, and other social indicators. We began in November of 2009 administering the survey at group meetings in each development. Those who did not attend those meetings received a survey in the mail. As shown in Table 1, we received a total 933 completed surveys from the 1,252 residents; a response rate of 75 percent.

Table 2: Resident Satisfaction Survey Response Rate by Development

Developments	Total Units	Completed Surveys			Response Rate
		Resident Meeting	Mail	Total	
Boulevard Homes	263	138	85	223	85%
Cedar Knoll	41	20	9	29	71%
Claremont	45	10	21	31	69%
Dillehay Court	126	90	13	103	82%
Gladedale	48	17	12	29	60%
Leafcrest	41	23	6	29	71%
Mallard Ridge	32	13	3	16	50%
Meadow Oaks	28	16	6	22	79%
Robinsdale	28	7	9	16	57%
Savanna Woods	49	21	14	35	71%
Southside Homes	365	203	64	267	73%
Sundridge	42	20	13	33	79%
Tall Oaks	50	25	14	39	78%
Tarleton Hills	21	7	8	15	71%
Victoria Square	27	9	6	15	56%
Wallace Woods	46	21	10	31	67%
Total	1,252	640	293	933	75%

The Resident Survey included about fifty questions focusing on:

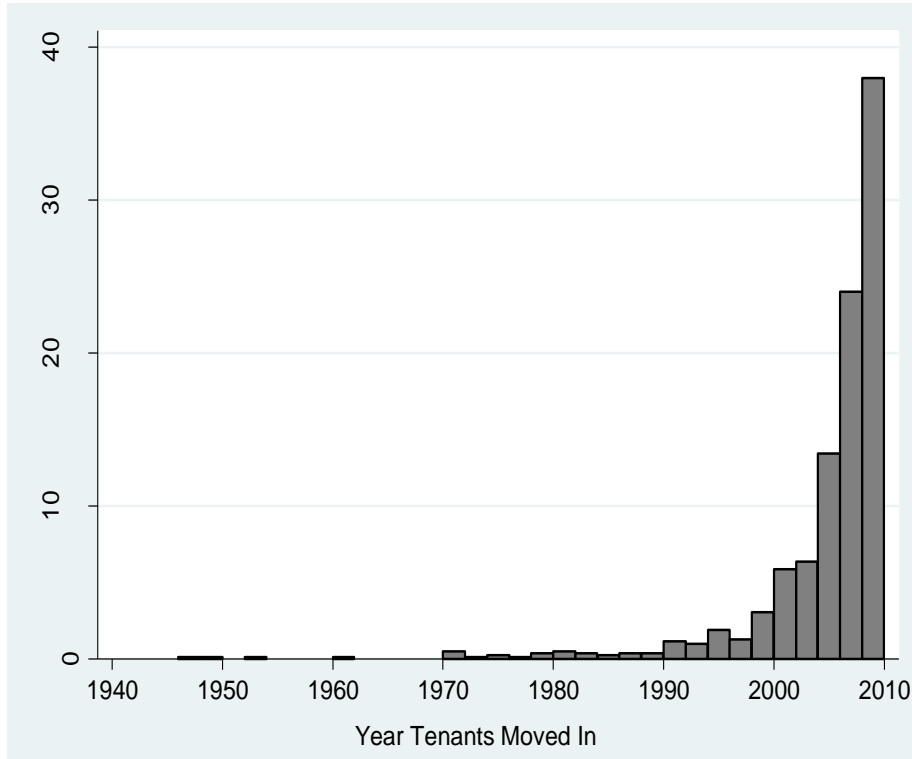
- Satisfaction with current home and neighborhood;
- Problems with the condition of the current home;
- Assessments of social and the physical conditions of the surrounding neighborhood;
- Overall satisfaction with management and services provided by CHA;
- Physical and psychological health;
- Satisfaction with the schools; and
- Employment status and perceived barriers to employment.

Selected findings from the baseline resident survey are presented below.

When did residents move into current home?

The survey data indicate that about 75 percent of residents moved to current home after 2004, and about one in three moved to current home in the last two years.

Figure 1: Year of Moving into Resident’s Current Unit



Reasons residents moved to their current homes:

The key reason for residents moving into their current home was that they wanted a better place to live (43 percent). The next most frequently mentioned factor was that they could not afford the rent (31 percent). Other factors include not feeling welcome in their previous homes (12 percent), wanting to be closer to family and friends (11 percent), and wanting to get their children into better schools (9 percent).

Table 3: Reasons for Moving to Current Home

	Percent who answered Yes
I wanted a better place to live	43.30
I could not afford the rent	31.19
I no longer felt welcome	11.58
I wanted to be closer to family/friends	10.61
I wanted to get my children into a better school	8.90
I was evicted or foreclosed	5.47
I wanted to be closer to work	4.39

How long do residents want to continue living in their current homes?

Table 4 shows that roughly equal numbers of residents want to stay a long time, and want to move as soon as possible. Almost 37 % of residents responded that they would like to move from their current home as soon as possible, while about 35 percent of residents said they would like to live there as long as possible. However, the results vary greatly by development; approximately half of residents in Tall Oaks, Sunridge, Southside Homes, and Mallard Ridge said that they would like to stay in their current home as long as possible, and less than 20 percent say they would like to move as soon as possible. In contrast, less than 25 percent of residents in Cedar Knoll, Claremont, Dillehay Court, Boulevard Homes, and Leafcrest said they wanted to stay as long as possible, while at least 50 percent said they would like to move from their current home as soon as possible.

Table 4: Desire to Move from Current Home

	Frequency	Percent
As long as possible	306	35.38
Several or a few more years	78	9.02
A few more years	163	18.84
I would like to move as soon as possible	318	36.76
Total	865	100.00

Breaking down the results by residency in developments chosen for the pilot phases of the program, those receiving support services and subject to the work requirements (Pilot A includes Claremont and Victoria Square; Pilot B is Boulevard Homes; Pilot C includes Cedar Knoll, Leafcrest, and Tarlton Hills), more residents in the pilot developments are eager to move out,

while more residents in the other developments not selected for the pilot phases would like to stay as long as possible (see Table 5).

Table 5: Desire to Move from Current Home by Residents in Pilot C Developments

	Pilot Developments, Receiving Support Services (excluding Boulevard Homes)	Non-Pilot Developments, Not Receiving Support Services	Boulevard Homes
As long as possible	23 (21%)	227 (41%)	56 (27%)
Several more years	11 (10%)	58 (11%)	9 (4%)
A few more years	29 (26%)	122 (22%)	12 (6%)
I would like to move as soon as possible	47 (43%)	142 (26%)	129 (63%)
Total	110 (of 198 units)	549 (of 883 units)	206 (of 300 units)

Satisfaction with current home:

Overall, 81 percent of the residents are either somewhat or very satisfied with their current homes, while twenty percent of the residents are either very or somewhat dissatisfied. However, comparing the level of satisfaction with current home between residents of the pilot and non-pilot developments, there is a substantial difference between the two groups; 67 percent of the residents in pilot developments and 81 percent of the residents in non-pilot developments said that they are satisfied with their current home.

Table 6: Satisfaction with Current Home

	Frequency	Percent
Very dissatisfied	46	5.43
Somewhat dissatisfied	111	13.11
Somewhat satisfied	378	44.63
Very satisfied	312	36.84
Total:	847	100.00

Problems with home that influence the level of dissatisfaction:

When examining the problems with resident’s current home, the problems that trigger people’s dissatisfaction with their current home, in the order of its relative influence on dissatisfaction, include:

- Walls with peeling paint or plaster

- Plumbing that doesn't work
- Rats or mice
- Too little living space
- Too much noise

Ratings of neighborhood conditions:

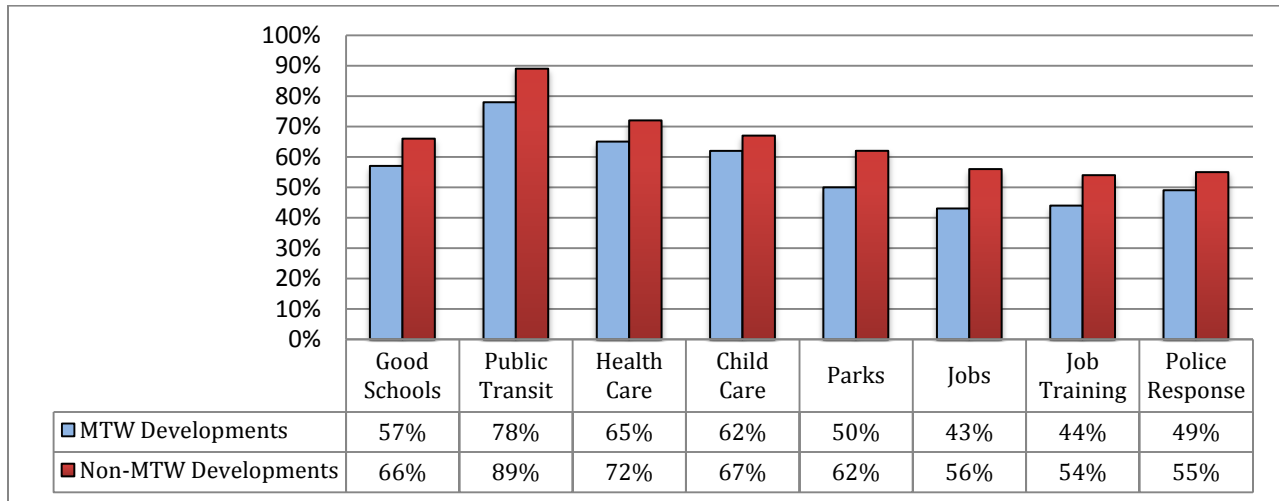
Residents were asked to rate eight dimensions of the current neighborhoods. A majority of residents rated schools, public transportation, health services, access to child care, and access to parks and recreation facilities as either excellent or good. Responses were nearly evenly divided between excellent-good and fair-poor with respect to being close to job opportunities and job training programs, and with respect to police response times.

Table 7: Ratings of Eight Neighborhood Conditions

	Excellent	Good	Fair	Poor
Having access to good schools	192 (26.19%)	267 (36.43%)	173 (23.60%)	101 (13.78%)
Having access to public transportation	484 (56.08%)	246 (28.51%)	93 (10.78%)	40 (4.63%)
Having access to health care services	271 (34.26%)	278 (35.15%)	174 (22.00%)	68 (8.60%)
Having access to child care	166 (28.67%)	210 (36.27%)	137 (23.66%)	66 (11.40%)
Having access to parks and recreation facilities	220 (28.24%)	225 (28.88%)	202 (25.93%)	132 (16.94%)
Being close to job opportunities	151 (21.51%)	206 (29.34%)	234 (33.33%)	111 (15.81%)
Being close to job training or job placement programs	129 (19.00%)	213 (31.37%)	229 (33.73%)	108 (15.91%)
Police response time	171 (22.56%)	227 (29.95%)	224 (29.55%)	136 (17.94%)

As shown in Figure 2, when the same responses were compared between the residents of pilot developments and non-pilot developments, the proportion of the residents who rated all of the measures good or excellent is slightly lower in the pilot developments compared to non-pilot developments.

Figure 2: Ratings of Neighborhood Conditions by Residents in Pilot and Non-Pilot Developments



Perceived neighborhood safety:

Overall, the residents did not view social conditions in their neighborhoods very favorably. The responses indicate that drugs and violence are widely perceived problems.

Table 8: Ratings of Seven Safety Issues

	Big Problem	Some Problem	Not a Problem
Police not coming when called	98 (10.96%)	209 (23.38%)	587 (65.66%)
People being attacked or robbed	132 (15.09%)	268 (30.63%)	475 (54.29%)
People selling drugs	277 (31.41%)	264 (29.93%)	341 (38.66%)
People using drugs	275 (31.50%)	246 (28.18%)	352 (40.32%)
Gangs	147 (17.27%)	192 (22.56%)	512 (60.16%)
Rape or other sexual attacks	77 (9.07%)	151 (17.79%)	621 (73.14%)
Shooting and violence	285 (32.28%)	248 (28.09%)	350 (39.64%)

How well the resident’s oldest child is doing in school:

The survey responses suggest that a substantial majority of the residents with school-age children felt their oldest child is doing well in school. Less than 6 percent of the residents said that their oldest child’s school performance was either poor or very poor.

Table 9: Parents Rating of Their Oldest Child’s School Performance

	Frequency	Percent
Excellent	212	47.11
Good	136	30.22
Fair	76	16.89
Poor	17	3.78
Very poor	9	2.00
Total:	450	100.00

Teenager social problems:

The survey results indicate that relatively few teenagers dropped out of school, became pregnant, or got arrested during the last year.

Table 10: Teenager Social Problems

	Yes	No
Did any of the children living in your household drop out of school	17 (4%)	419 (96%)
Did any of the children living in your household become pregnant	25 (6%)	407 (94%)
Did any of the children living in your household get arrested	18 (4%)	415 (96%)

Employment status:

Over 75 percent of the residents were not working for pay, and less than half had looked for work in the past 12 months. The employment rate is somewhat higher in Phase I developments compared to non-Phase I developments; 30 percent of the residents in Phase I developments said that they were working for pay while 20 percent of the residents in non-Phase I developments said that they were working for pay.

Table 11: Currently Work for Pay

Do you currently work for pay?	Frequency	Percent
YES	215	23.47
NO	701	76.53
Total:	916	100.00

Table 12: Looked for Work in Past 12 Months

Have you looked for work in the past 12 months?	Frequency	Percent
YES	410	44.91
NO	503	55.09
Total:	913	100.00

Perceived employment barriers:

Residents were asked, “Thinking about your own experience looking for work during the last 12 months, have any of the following been factors that have made it difficult for you to find work?” Residents responded that lack of jobs in the neighborhood was the primary reason for their inability to find employment. Other frequently mentioned reasons include not having enough education, lack of child care, lack of transportation, and not having work experience.

Table 13: Perceived Barriers to Employment

Employment barriers	Yes (%)
Lack of jobs in the neighborhood	54.00
Not having enough education	44.00
Not having child care	42.46
Lack of transportation	37.47
Not having work experience	29.88
Having a criminal record	14.85
Discrimination	13.92
Having a disability	12.28
Not speaking English well	4.00
Having a drug or alcohol problem	0.99

Food security:

Residents were asked, “How often during the past 12 months did your food run out before you got money to buy more?” The majority of residents indicated that they sometimes ran out of food, with about 12 percent of the residents saying that their food often ran out before they had

money to buy more. In addition, 48 percent of the residents said that they sometimes worry about whether their food would run out before they had the money to buy more while 18 percent of residents said that they often worry about the same concern.

Table 14: Frequency of Food Insecurity

	Frequency	Percent
Never	322	40.35
Sometimes	379	47.49
Often	97	12.16
	798	100.00

Health of residents:

The self-reported rates of asthma, high blood pressure, or diabetes among residents are all substantially higher than comparable national figures. The rate of asthma among residents is three times the national figure.

Table 15: Health of Residents

	Frequency	Percent	National Average
Asthma	231	25.08%	7.85%
High Blood Pressure	406	43.80%	31.6%
Diabetes	166	17.97%	11.3%

Satisfaction with six dimensions of housing management:

A majority of residents are somewhat or very satisfied with six dimensions of CHA’s management. The highest satisfaction rate was with CHA staff treatment of residents (82 percent). A large majority of residents were also satisfied or very satisfied with CHA’s rules and with how CHA enforces those rules. The lowest satisfaction levels were with the way CHA responds to complaints, such as noisy neighbors (66 percent).

Table 16: Resident Satisfaction with 6 Dimensions of Management

	Very satisfied	Somewhat satisfied	Somewhat dissatisfied	Very dissatisfied
The way CHA responds to maintenance requests	275 (31%)	342 (39%)	153 (18%)	106 (12%)
The availability of services to help you increase your income	157 (23%)	284 (41%)	141 (20%)	110 (16%)
The way CHA responds to complaints, such as noisy neighbors	201 (30%)	245 (36%)	107 (16%)	126 (18%)
CHA's rules for residents	312 (35%)	388 (43%)	141 (16%)	55 (6%)
How CHA enforces its rules	286 (33%)	372 (42%)	149 (17%)	73 (8%)
The way you are treated by CHA staff	455 (51%)	280 (31%)	85 (10%)	70 (8%)

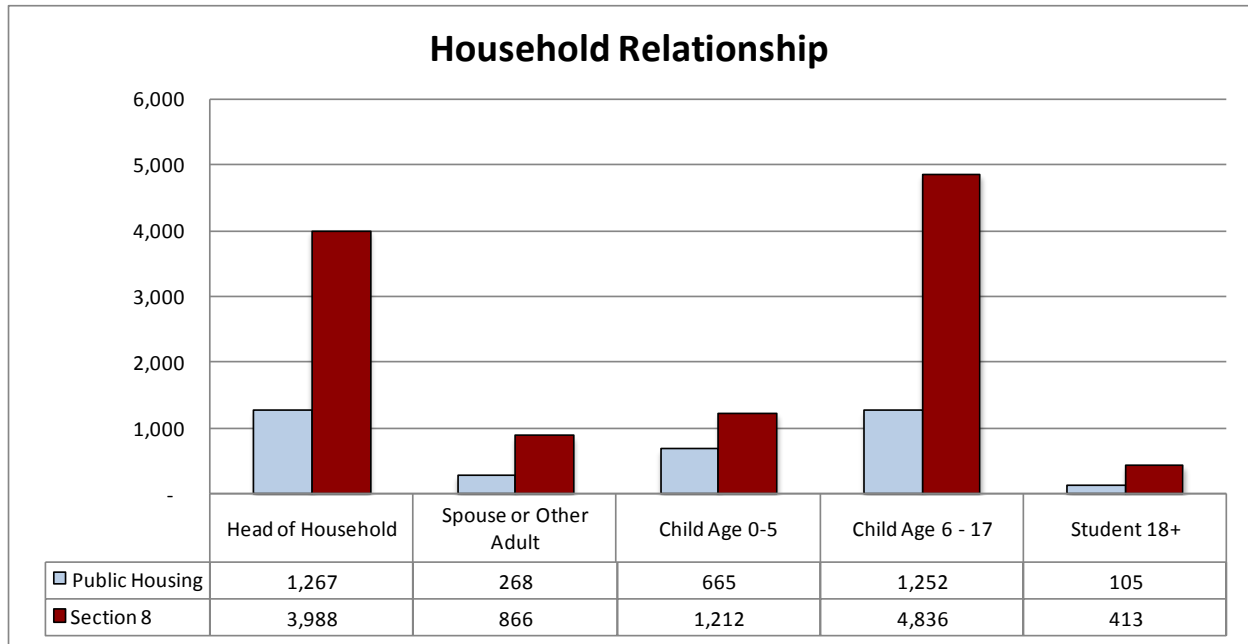
Baseline Tenant Characteristics Data

This section of the report provides baseline characteristics of CHA's public housing and Section 8 tenants. One of the issues that concerns advocates is that the flexibility that MTW provides will result in housing authorities moving away from providing housing to the neediest families. Tracking the characteristics of the participants in public housing and the Section 8 program will show how the mix of participant incomes and household characteristics change over time.

Household composition

As of March 2009 the Charlotte Housing Authority's Section 9 program provided assistance to 1,273 households, containing 3,569 residents. Its Section 8 program supports 3,992 households, containing 11,446 residents. Figure 3 below displays the household composition, including the number of children and adults in both Section 9 and Section 8 housing units.

Figure 3: Household Relationship



Data source: YARDI Main statistical summary, created June 5, 2009.

About 80 percent of both public housing and Section 8 households have only one adult in residence. Overall, there is an average household of about 1.6 children per household. Both the Section 9 and Section 8 households are overwhelmingly female-headed, while 11 to 12 percent are headed by elderly residents (see Table 17.)

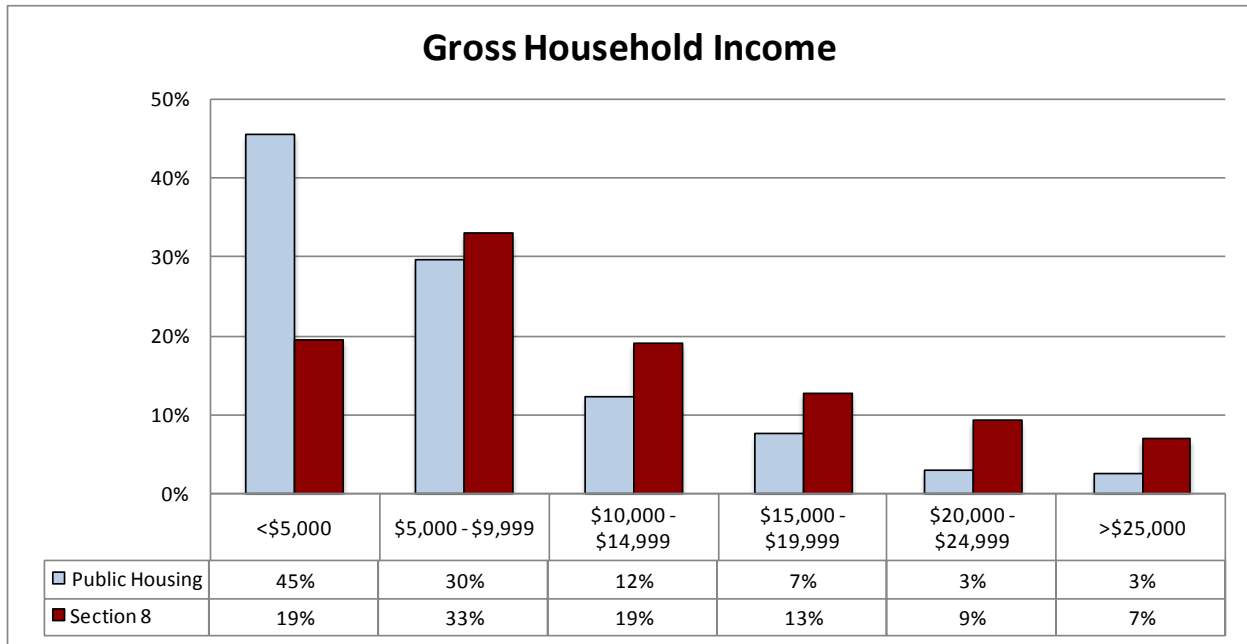
Table 17: Gender and Age for Head of Households

	Female	Male	Elderly (+62)	Non-Elderly	Total #
Public Housing	1,179 (93.1%)	88 (6.9%)	151 (11.9%)	1,116 (88.1%)	1,267
Section 8	3,692 (92.6%)	296(7.4%)	433 (10.9%)	3,555 (89.1%)	3,988

Household income

Almost 75 percent of households in public housing units have gross incomes under \$10,000; while less than 3 percent have incomes over \$25,000 (see Chart 2.) Section 8 households, by comparison, have generally higher incomes. Only about half of Section 8 households have gross incomes less than \$10,000 and nearly 7 percent have incomes over \$25,000.

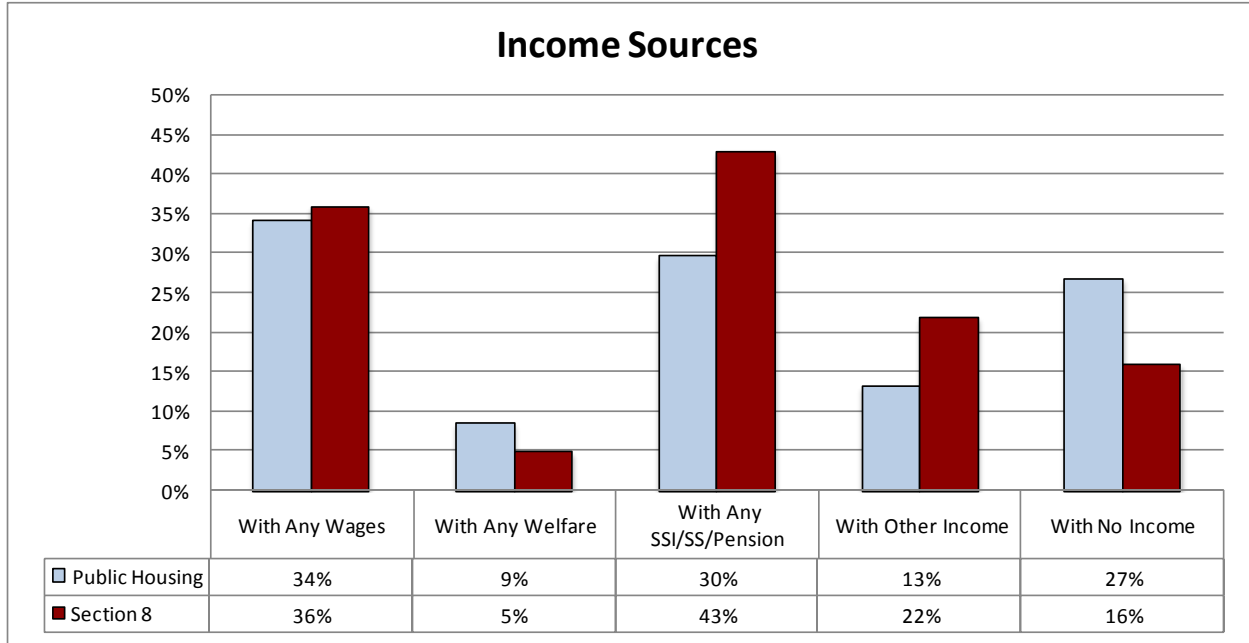
Figure 4: Gross Household Income



Data source: YARDI Main statistical summary, created June 5, 2009.

About a third of public housing and Section 8 participants report some wage income (see Figure 5), while about a quarter of public housing participants and one-sixth of Section 8 participants report no income sources.

Figure 5: Distribution of Household Income Sources



* Some families have multiple sources of income

Data source: YARDI Main statistical summary, created June 5, 2009.

Baseline Unit Characteristics Data

As of March 2008, the CHA had 3,122 Section 9 housing units in forty-four developments and 260 Project-Based Section 8 units in six developments. Table 18 describes the bedroom distribution for public housing and project-based Section 8 units.

Table 18: Program Type by Unit Size

	0BR	1BR	2BR	3BR	4BR	5BR	Total
Section 9 Units (44 Properties)	554 (18%)	720 (23%)	862 (28%)	751 (24%)	206 (7%)	29 (1%)	3,122
Project Based Section 8 Units (6 Properties)	-	157 (60%)	74 (28%)	20 (8%)	9 (3%)	-	260
Total (50 Properties)	554	877	936	771	215	29	3,382

Table 19 displays the breakdown of Section 9 units by type. Out of 3,122 total units, 1,375 units are family units, 630 are located in Hope VI or mixed-income developments, and 1,117 are for seniors. Out of the 1,375 traditional family public housing units, 504 units in the six developments chosen for Phase I of the work requirements.

Most of the Section 9 units are either 2- or 3-bedroom units. About 68 percent of units in Phase I developments are 2- or 3-bedroom units while about 75% in non-Phase I developments are 2- or 3-bedroom units. About 92 percent of the units in Hope VI and mixed-income developments are 2- or 3-bedroom units. Turning to large units, about 15 percent of units in traditional public housing developments are 4- or 5-bedroom, while less than 5 percent of units in the Hope VI and mixed-income developments are 4 or 5 bedroom units.

Table 19: Phase I and Non-phase I Sites by Unit Size

	# of Properties	0BR	1BR	2BR	3BR	4BR	5BR	Total
Phase I Units (Family)	6	-	63 (12%)	149 (30%)	190 (38%)	82 (16%)	20 (4%)	504
Non-Phase I Units (Family)	10	-	108 (12%)	358 (41%)	300 (35%)	97 (11%)	8 (1%)	871
HOPE VI and Mixed-Income Units (Family)	17	-	23 (4%)	324 (51%)	255 (41%)	27 (4%)	1 (0.2%)	630
Senior Units	11	554 (49%)	256 (47%)	31 (3%)	6 (1%)	-	-	1,117

Baseline Surrounding Neighborhood Characteristics Data

This section of the report provides baseline characteristics on neighborhoods surrounding CHA Section 9 developments. The data comes from the Neighborhood Quality of Life Study conducted every two years by UNC-Charlotte. This study measures quality of life at the neighborhood level using twenty indicators, which are then aggregated to create an overall quality of life score for each neighborhood. Individual neighborhoods are classified as “stable,” “transitioning,” or “challenged,” based upon the cumulative scores. In broad terms, the stable, transitioning, and challenged classifications indicate the following conditions:

Stable: Neighborhoods that exhibit few neighborhood level problems. Compared to other neighborhoods, stable neighborhoods have a significantly higher quality of life than other neighborhoods in Charlotte.

Transitioning: Neighborhoods that display a significant weakness in one or more indicators. A neighborhood classified as transitioning can be either improving or declining.

Challenged: Neighborhoods that have generally low to moderate scores across most of the quality of life variables. A challenged neighborhood presents “at risk” conditions with average quality of life indicators well below the average for the city as a whole.

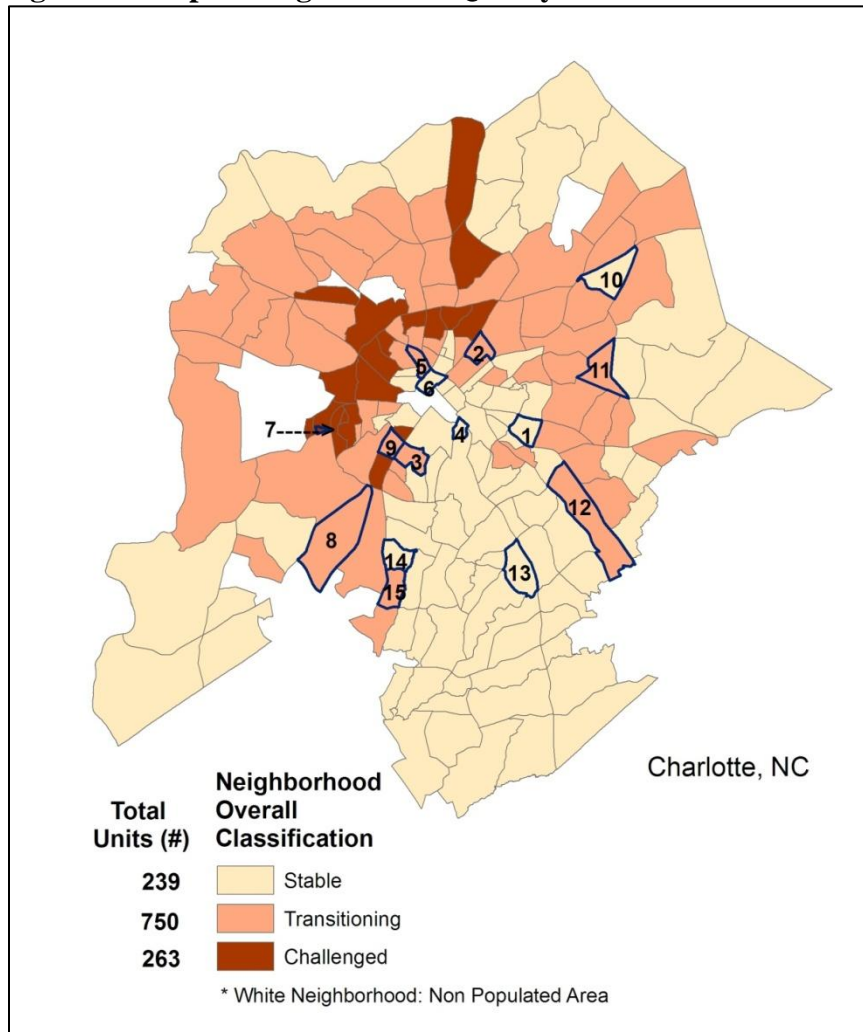
In what types of neighborhoods are CHA developments located?

Table 20 and Figure 6 show each neighborhood's overall classification and the location of CHA traditional Section 9 developments. A majority of both MTW and non-MTW developments are located in neighborhoods classified as either stable or transitioning. Only one development is located in a challenged neighborhood and that is currently being redeveloped with the assistance of a HOPE VI grant.

Table 20: CHA Neighborhoods and Development Location

Pilot Developments	Neighborhood	# on map	Non-Pilot Developments	Neighborhood	# on map
Boulevard Homes	Boulevard Homes	7	Dillehay Courts	Tryon Hills	2
Cedar Knoll	Yorkmount	8	Gladedale	Olde Providence North	13
Claremont	Briarcreek-Woodland	1	Mallard Ridge	Starmount Forest	15
Leafcrest	Starmount	14	Meadow Oaks	East Forest	12
Tarlton Hills	Biddleville	5	Robinsdale	College Downs	10
Victoria Square	Third Ward	6	Savanna Woods	Sedgefield	3
			Southside Homes	Southside Park	9
			Sunridge	Oak Forest	11
			Tall Oaks	Cherry	4
			Wallace Woods	East Forest	12

Figure 6: Map of Neighborhood Quality of Life and Location of CHA Developments



Comparison between neighborhoods surrounding CHA developments and Charlotte neighborhoods as a whole:

The Table 21 presents a comparison of selective neighborhood quality indicators for neighborhoods surrounding CHA developments, and the city as a whole. Among the selected indicators, median household income is about 24 percent lower in neighborhoods surrounding CHA developments than it is for the city as a whole. The average house value in neighborhoods surrounding CHA developments is also about two third of the average house value of the city as a whole. Neighborhoods surrounding CHA developments also have more teen problems and are considered less safe than the city as a whole.

Table 21: Comparison of Selected Neighborhood Characteristics Surrounding CHA Developments and the City of Charlotte

Profile	CHA Development Neighborhoods	Charlotte
Population	65,504	722,483
Youth Population	1,105	191,761
Median Household Income	\$39,770	\$52,148
Average House Value	\$157,520	\$202,694
Highschool Dropout Rate	7.4%	5.8%
Percent of Births to Adolescents	8.2%	7.5%
Violent Crime Rate	1.5	1.0
Percent of Persons Receiving Food Stamps	27.0%	18.8%
Percent Change in Income between 2007-2009	0.5%	1.1%

Figures 7, 8, and 9 show selected comparisons between neighborhoods surrounding CHA developments and city-wide averages. Figure 7 shows that two thirds of neighborhoods surrounding CHA developments have higher high school dropout rates than the city as a whole. Four developments--Boulevard Homes, Dillehay Courts, Claremont and Tall Oaks—are in neighborhoods with high school dropout rates, more than twice the city’s average.

Figure 7: Comparison of High School Dropout Rates in Neighborhoods Surrounding CHA Developments to the City-wide Average

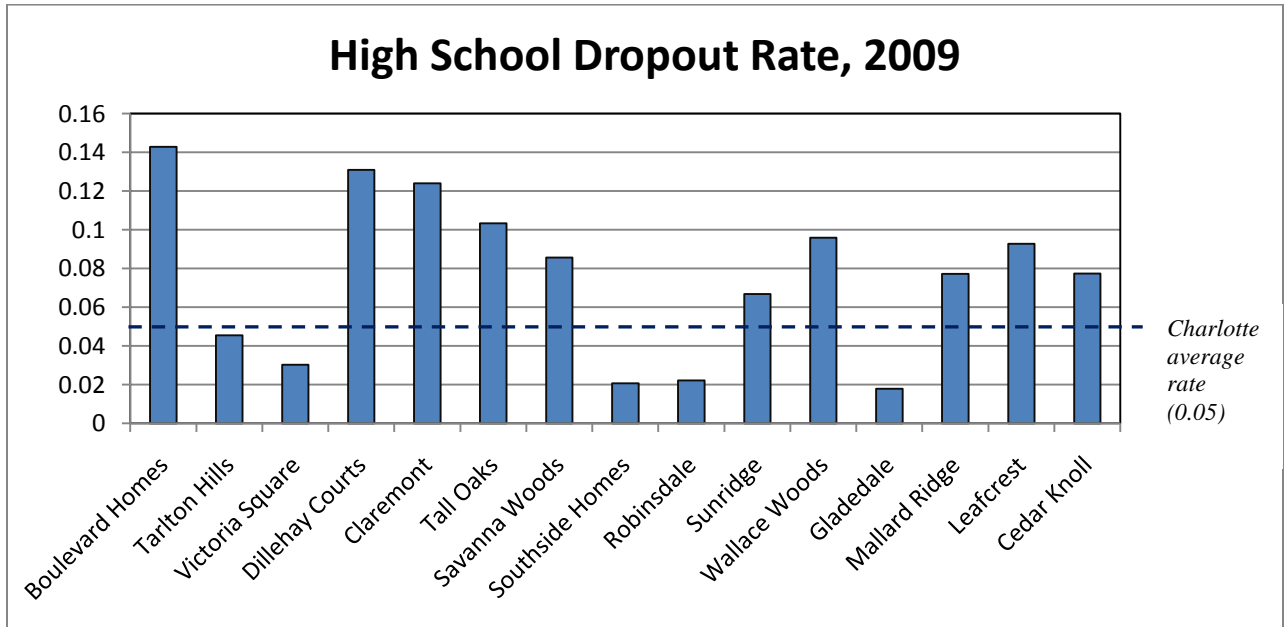
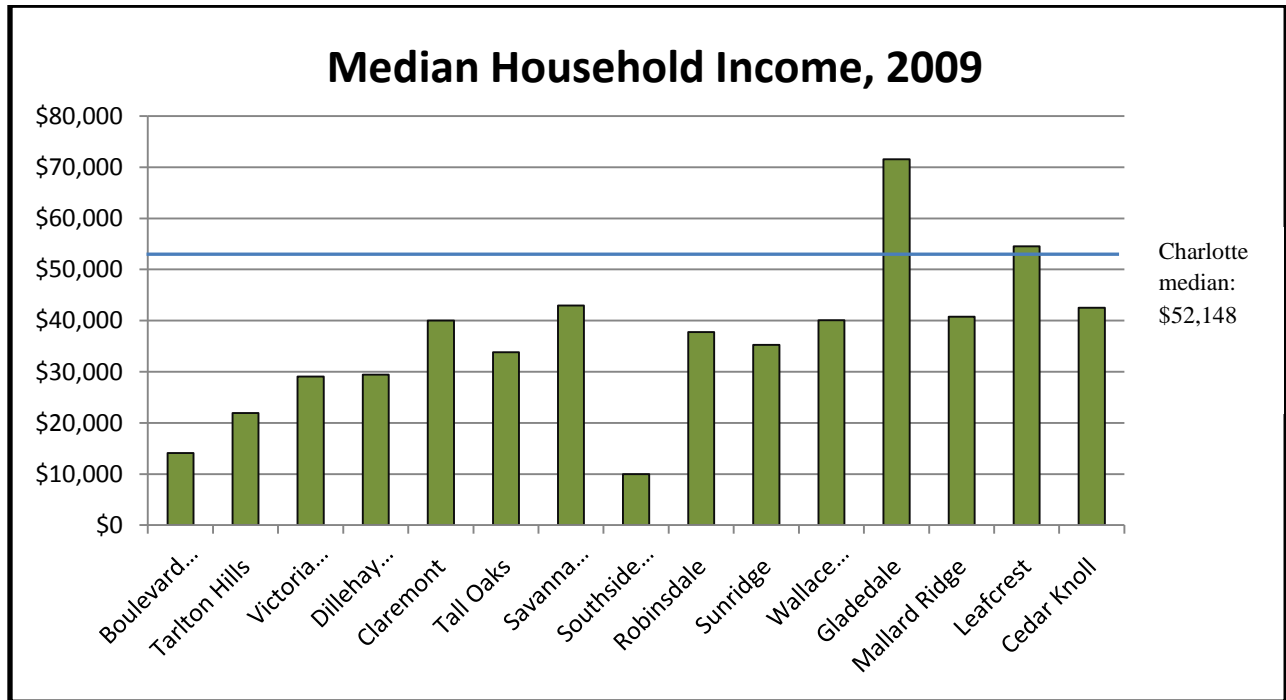


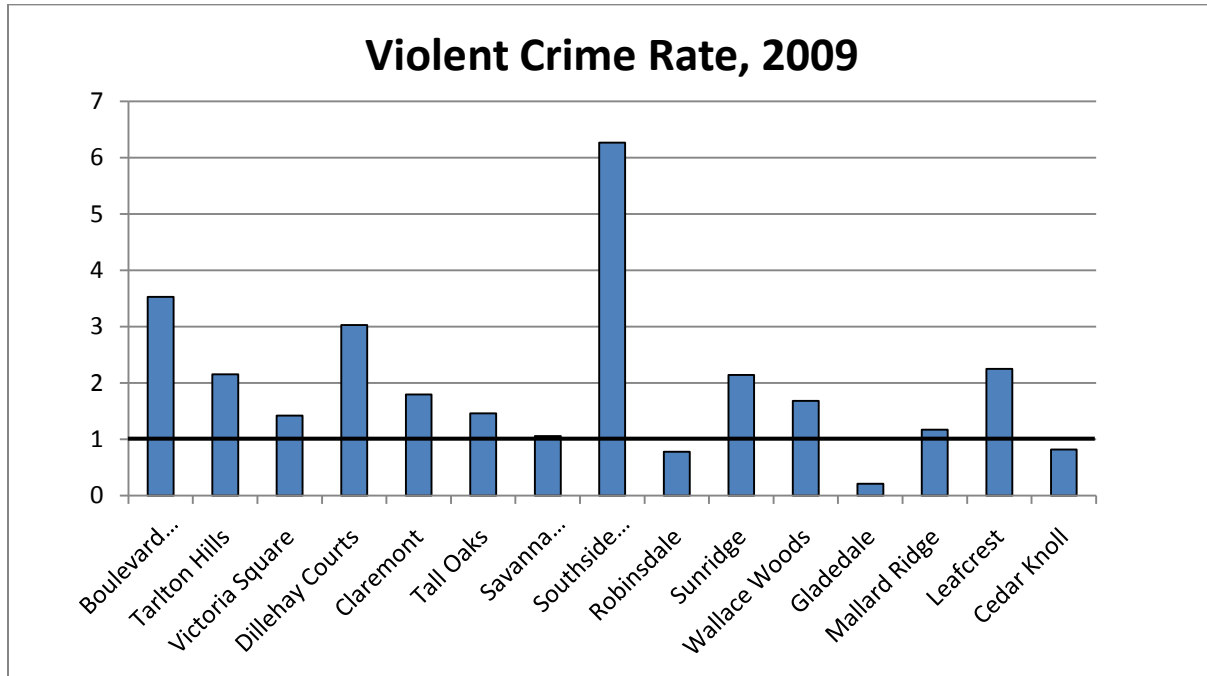
Figure 8 displays the median household income in the neighborhood surrounding each CHA development. A majority of the developments are located in neighborhoods with lower median household incomes than the city as a whole.

Figure 8: Comparison of the Median Incomes of Neighborhoods Surrounding CHA Developments to the City-wide Average



As shown in Figure 9, violent crime rates are relatively high in most of the neighborhoods surrounding CHA developments. Six of the surrounding neighborhoods--Boulevard Homes, Tarlton Hills, Dillehay Courts, Southside Homes, Sunridge, and Leafcrest--are located in neighborhoods with violent crime rates that are more than twice the city's average.

Figure 9: Comparison of Violent Crime Rates in Neighborhoods Surrounding CHA Developments to the City-wide Average

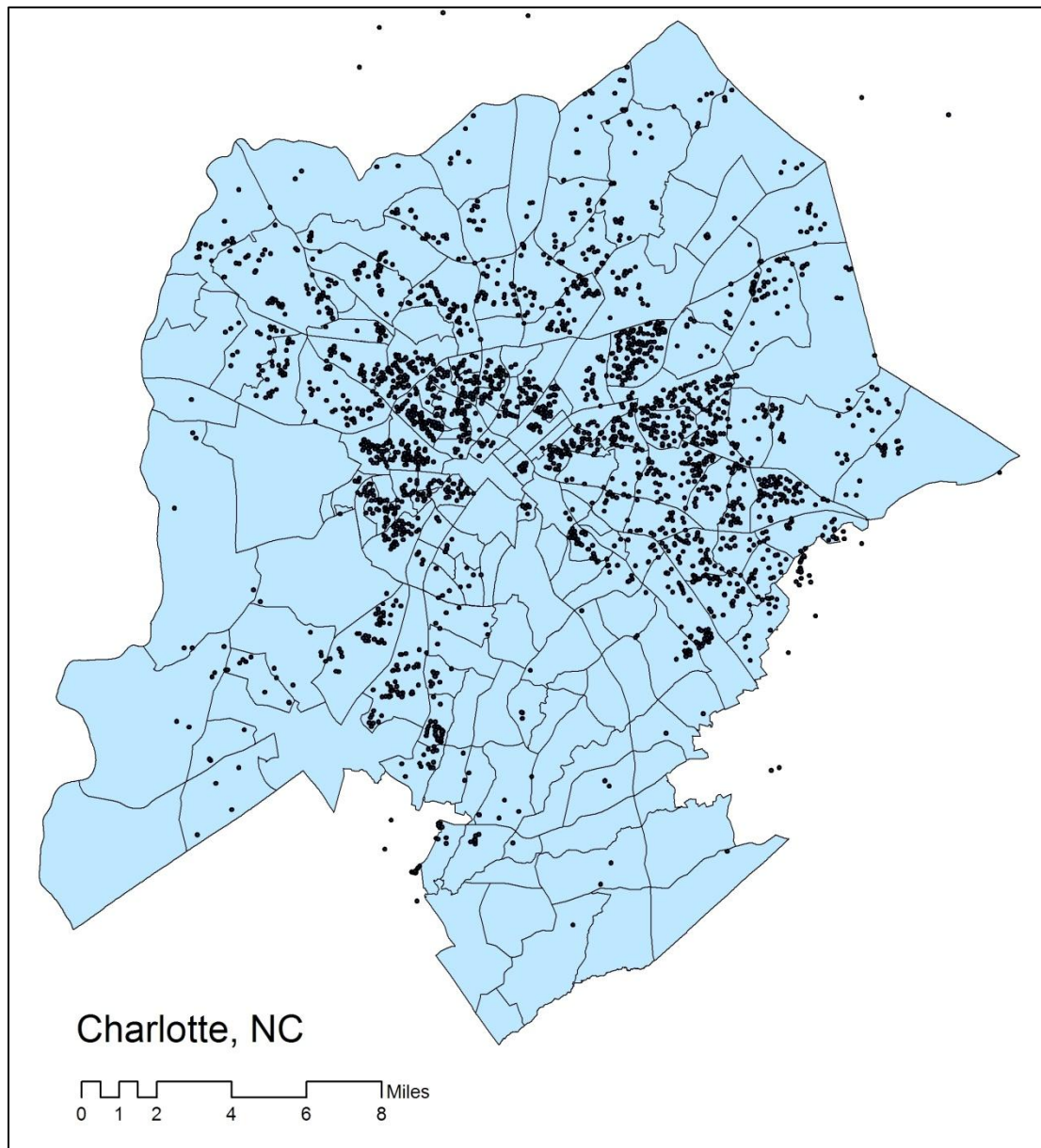


* The Location Quotient method was used to compare the neighborhood and city wide data. Thus, for instance, a score of 3.53 in 2009 indicates that Boulevard Homes Neighborhood has a violent crime rate that is 3.53 times the rate in the city.

Analysis of neighborhoods surrounding Section 8 properties:

As of March 2008, CHA administered 4,681 Section 8 vouchers. As shown in Figures 10 and 11, the housing units selected by voucher holders are located throughout Charlotte but concentrated in several neighborhoods east and west of downtown Charlotte.

Figure 10: Location of Section 8 Units



The analysis of the distribution of Section 8 units indicates:

- There are total 173 neighborhoods in Charlotte but about half of the Section 8 units are located in just twenty-two neighborhoods.
- Twenty percent of total Section 8 units are located in just six neighborhoods: Montclair South, Hidden Valley, North Sharon Amity, Thomasboro, Hickory Ridge and Clanton Park neighborhoods.

- Twenty-six neighborhoods (15 percent of total neighborhoods) have no Section 8 units and another thirty-five neighborhoods (20 percent of total neighborhoods) have less than five Section 8 units.

Figure 11: Concentration of Section 8 Units in Charlotte’s Neighborhoods

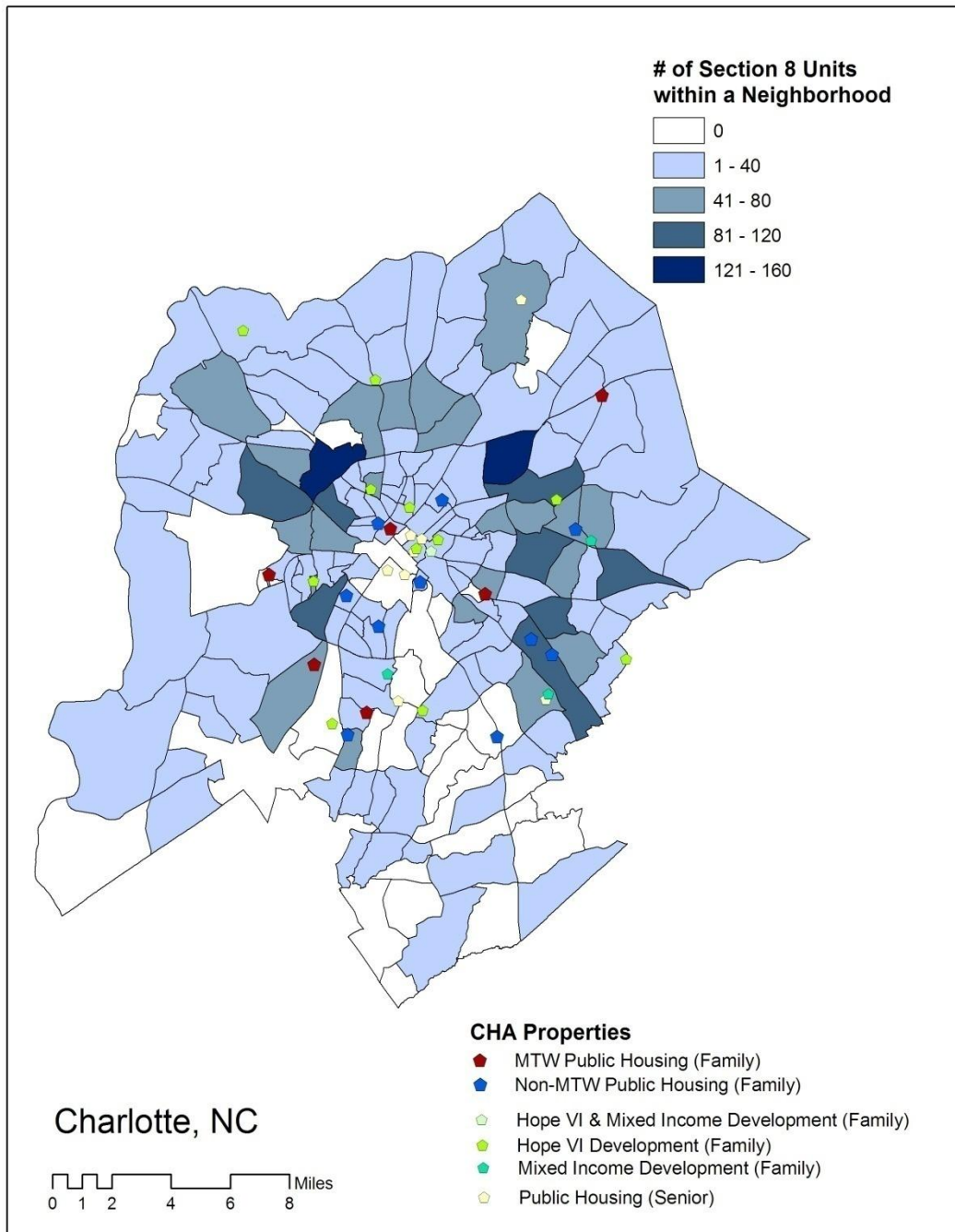


Table 22 compares selective measures of neighborhood quality between those with high and low concentrations of Section 8 units.

- Group 1: Includes the twenty-two neighborhoods in which half of Section 8 units are located
- Group 2: Includes the remaining 151 neighborhoods in Charlotte

Table 22: Comparison of Selected Neighborhood Characteristics Between Neighborhoods with High and Low Levels of Section 8 Concentration

Profile	Group 1	Group 2	Charlotte average
Violent Crime Rate per 1,000	1.9	1.4	1.5
Juvenile Arrest Rate per 1,000	1.6	1.2	1.2
Home Ownership	44.5%	53.2%	52.1%
Percent of Persons with Access to Public Transportation	78.6%	61.7%	63.9%
Percent of Persons Receiving Food Stamps	26.3%	17.7%	18.8%
Median Household Income	\$38,299	\$54,469	\$52,148
Average House Value	\$90,876	\$219,094	\$202,694
High School Student Dropout Rate	8.2%	5.5%	5.8%
Percent of Births to Adolescents	10.1%	7.1%	7.5%

Table 22 shows there is a substantial difference between two groups on all measures. The biggest difference is the average house value; the average house value in Group 1 neighborhoods is only \$90,876, while the Group 2 average value is \$219,094. Moreover, the median household income in neighborhoods with concentrations of Section 8 units is about 27 percent less than the city’s median household income, while the median income for non-concentrated neighborhoods is slightly higher than the city-wide median. Similarly, the percent of persons receiving food stamps is 26.3 percent in areas with concentrations of Section 8 units but only 17.7 percent in other areas.

Conclusion

The MTW program provides selected housing authorities with the flexibility to develop innovative strategies for addressing limitations in the federal public housing program. The CHA has taken advantage of that flexibility to undertake a variety of initiatives designed to further the three goals of the MTW program. This report describes the development and implementation of

these initiatives. As a demonstration program, however, it is important to assess the impacts of the CHA's Moving Forward initiatives and to alter them as needed. To do this, baseline measures of tenant characteristics, tenant satisfaction, the number and type of units, the characteristics of the surrounding neighborhoods and other indicators are needed. This report presents those baseline indicators.

It is still early in this ten-year program. The CHA will undoubtedly develop additional initiatives thus new baseline data may need to be collected in the future. The next interim report, due in two years, will present updates of the baseline measures, which will begin to indicate how the Moving Forward program is impacting the participant households and the efficiency of providing affordable housing to Charlotte's low- and moderate-income households.

Appendix A: Summary of Moving Forward Initiatives

FY Year	#	Initiative	Description	Status
07-08	1	Section 8 Property Rating System	In 2007, a quantitative evaluation rating system for the exterior appearance of a Section 8 property was developed to improve the housing quality standards of property owners that participate in the program.	Ongoing
	2	Participant and Landlord Tracking Program	The University of North Carolina at Charlotte's (UNCC) utilized a Geographic Information Science (GIS) mapping system to identify vouchers holders within Mecklenburg County in order to analyze the census tracts with a large number of Section 8 voucher holders to assist with de-concentration.	Ongoing
	3	Section 8 Training/Occupancy Training	CHA and Central Piedmont Community College conduct "Good Neighbors" type training to all new Section 8 participants to assist families in their acclimation into a neighborhood. In April 2009, the "Good Neighbor" Training became mandatory for all Section 8 participants. CHA plans to revise the mandated occupancy training curriculum for FY 2010 and include public housing residents.	Ongoing
	4	Affordable Housing Impact Studies	CHA commissioned UNCC to research the pattern and density of affordable housing and evaluate the association between the housing stock and crime rate, housing and property values, and school equity in surrounding residential communities.	Completed
08-09	1	Adopt Investment Policies Consistent with State Law	CHA adopted investment policies that are consistent with state law to achieve a portfolio which is safer, more liquid and obtains competitive yield.	Ongoing
	2	Modify Section 8 Inspection Procedures	CHA received approval from HUD to waive the requirement for an initial Housing Quality Standards (HQS) inspection on newly constructed Section 8 units and utilize local building standards inspection and subsequent issuance of a Certificate of Occupancy (CO) as a substitution of the initial or move-in inspection.	Ongoing
	3	Site-Based Waiting Lists Public Housing and Project Based Section 8	Applicants apply for public housing and Project-Based Section 8 property at the specific site.	Ongoing
	4	Streamline Project-Based Section 8 Process	Simplify the selection process in order to maximize the number of quality Section 8 assisted units throughout Charlotte.	Ongoing

5	Streamline Project-Based Section 8 Process	Simplify the selection process in order to maximize the number of quality Section 8 assisted units throughout Charlotte.	Ongoing
6	Increase Acquisition and Rehabilitation of Existing Multi-Family Properties	CHA established a strategy and adopted a policy to increase the acquisition and rehabilitation of existing multifamily properties.	Ongoing
7	Land Acquisition for Future Affordable Housing Development Use	CHA will design local standards to guide land purchases in desirable, rapidly growing areas to provide more housing choices.	Ongoing
8	Provide Housing for Persons with Disabilities, Special Needs and Homeless	Create and enhance relationships with local social service provider agencies by working with nonprofit providers on new supportive housing projects.	Ongoing
9	Currents of Change	The Currents of Change Program is designed to stabilize and improve families by fortifying them through education, life skills, motivation and employment training to compete in the economic marketplace. A Work Requirement Initiative will be implemented for those under case management.	Ongoing
10	Youth Initiative	CHA is focused on providing initiatives for youth that connect them to programs and services that address truancy, post-secondary education preparation, and academic performance improvement.	Ongoing
11	Assess Section 8 Program Participants	CHA surveyed Section 8 program participants to measure their capacity for independent living. CHA will connect them with the services necessary to facilitate their progress toward that goal.	Completed
12	Develop Local Design Standards	CHA adopted local design standards that correlate with other funding sources available in Charlotte and the State of North Carolina.	Completed/ Tracking
13	Amend Section 8 Housing Assistance Payment (HAP) Agreement	CHA amended the HAP Agreement to make changes such as inclusion of an owner registration requirement and mandatory direct deposit. The revised HAP Agreement mandates that the owner must notify the family and CHA in writing of any foreclosure notices and that the tenant is not responsible for payment of the CHA portion of the HAP during the term of the HAP contract.	In Developme nt
14	Alternate Review Process	Beginning December 2010 re-certifications for senior/disabled will be bi-annual; criminal background checks will be conducted at recertification.	Recerts-In Developme nt; background check ongoing

	15	Partner with CMS for Mixed-Income Affordable Units	Establish a partnership with Charlotte Mecklenburg Schools to produce mixed-income affordable housing units and identify potential sites.	On Hold
	16	Create a Single Fund Budget with Full Flexibility	CHA has combined its public housing operating subsidies, public housing capital funds and its Housing Choice Voucher Program assistance into a single, authority-wide funding source.	Completed
	17	Reinstate the Gateway to Self-Sufficiency Program	CHA will reinstate the Gateway to Self-Sufficiency program to assist more families by providing job readiness and GED classes, life skills workshops, budgeting courses and other skill trainings.	Became component of Currents of Change in Fy09-10
	18	Establish Partnerships to Develop Youth Programs and Address Prevalent Issues	CHA will partner with community organizations and the local school system to pool resources to provide services to young residents in CHA communities and address school truancy.	Became Youth Services Initiative in fy09-10
	19	Streamline the Demolition/Disposition Process	CHA will use a streamlined process to better facilitate efficient, cost-effective deal making.	HUD did not approve
	20	Streamlined Development Approval Process	CHA plans to streamline the development approval process to eliminate multiple layered reviews.	HUD did not approve
	21	Establish Local Total Development Cost (TDC) Limits	CHA will adopt local TDC standards that reflect local marketplace conditions for quality construction in Charlotte.	This is allowable under the general financial flexibility, thus no HUD approval was needed
	22	Revise the Subsidy Structure for Developments in which CHA is the Direct Developer	CHA will explore options to design an alternate rent structure for new and rehabilitated ACC units, for working families, for projects in which CHA would act as the Direct Developer	The CHA decided not to pursue this option.
09-10	1	Rent Reform and Work Requirement	Proposing modification of rent calculation and increase in minimal rent. A hardship policy will be in place. Implement a work requirement that combines financial incentives and work support.	Ongoing
	2	Administrative Efficiency/Develop CHA Standardized Form	The Charlotte Housing Authority has developed a CHA Housing Choice Voucher Form similar to HUD Form 52646 (Housing Choice Voucher) to allow for more than one extension approval and to incorporate additional family obligations.	Ongoing
	3	Resident Safety	The Resident Safety Department expanded the	Ongoing

		Initiative	types of crime prevention initiatives and program enforcement initiatives for both CHA public housing sites and Section 8 properties.	
10-11	1	Local Non-Traditional Initiatives	CHA used funds outside of Section 8 and 9 to: Acquire general partnership interest; Construct mixed-income housing; Acquire and renovate senior housing; Renovate, construct and operate supportive housing; Implement a local rental subsidy program and convert units to public housing.	Ongoing