



Statement of

Larry C. Woods

Chief Executive Officer/ Executive Director

Housing Authority of the City of Winston-Salem

Winston-Salem, North Carolina

Before the House Committee on Ways and Means – Subcommittee on Human Resources

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Hearing: “Improving the Safety Net: Better Coordinating Today’s Maze of Benefits and Programs to Ensure Families Receive Real Help”

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Chairman Reichert, Ranking Member Doggett, members of the Subcommittee on Human Resources, good afternoon and thank you for the opportunity to testify. My name is Larry C. Woods and I am the Chief Executive Officer/Executive Director of the Housing Authority of the City of Winston-Salem in North Carolina. I have over 27 years of leadership experience in the field of community and economic development and I have been involved in the development of a variety of affordable housing opportunities in a wide variety of economically challenging urban environments during my career. I have worked in the South Bronx and Harlem in New York City, North Philadelphia in Pennsylvania, in Wilmington, Delaware and now in Winston-Salem, North Carolina. In each of these communities, the economic and social environments are unique and complex. Each community requires customized solutions to its issues.

The Housing Authority of Winston-Salem has two major programs, public housing and housing choice vouchers (HCV). The public housing program provides a site-based rental subsidy to housing authorities to provide decent and safe rental housing for eligible low income families, the elderly and persons with disabilities. Under the housing choice voucher program, the rental assistance is attached to the HCV participant and the rental subsidy is paid to private landlords. Unlike public housing, the HCV participant may transfer their assistance from unit to unit (anywhere in the US where there is a HCV program) provided the participant continues to meet eligibility requirements.

The Authority has approximately 1,300 public housing units, administers 4,600 housing choice vouchers, and manages market rate housing units and two office buildings. Over 90% of our current public housing inventory is located in communities of high concentration of poverty, with poor public transportation and few employment opportunities.

In 2010, our housing choice voucher waiting list was opened for five (5) days and over 6,000 applications were received. It will take approximately 10 years to realize enough voucher turnover to address those applications. Our public housing waiting lists are currently at 130% of our total units. The length of time on the waiting list for public housing is 2 - 3 years.

There is economic stagnation of non-elderly, non-disabled families living in subsidized housing resulting in unnecessary lengthy stays, generational poverty, increased demands for governmental subsidies and lengthening of waiting lists. Current policies, rules and regulations provide for unconditional, open-ended housing subsidies that discourage self-sufficiency and nurture generational poverty.

In surveys taken of non-elderly, non-disabled residents in Winston-Salem's public housing, residents stated that they liked living in public housing because they were on their own and taking care of themselves. They have reached their goal of independence. Many have no intention of furthering their education or of finding employment. When asked how long they plan to live in public housing, the answer is forever. There is no understanding by the residents that someone is supplementing their "independence". Often residents in public housing are simply waiting on a housing choice voucher which will provide them with more choice of where to live with even less requirements than public housing. The housing choice voucher program participants feel much the same way as the public housing residents in regards to their independence, education, employment and length of time as a participant.

Housing authorities are required to adhere to first-come, first-serve / open-ended policies while being asked to solve the problem of long-term use of the program by multiple generations of the same family. An expectation of lifetime entitlement by the non-elderly, non-disabled has been created, and this expectation is passed from one generation to the next. As a result, there is an inability to assist those families who have been on the waiting lists.

These program design and expectation issues must be addressed in order to use taxpayer dollars efficiently and effectively and to assist individuals to reach their highest potential. For this Housing Authority, this is most effectively done with the Moving-to-Work (MTW) program flexibility. Moving-to-Work is a demonstration program that allows some public housing authorities the opportunity to create and test innovative, locally-designed strategies that help residents find employment and become self-sufficient, use Federal dollars more efficiently and increase housing choices for low-income families. The MTW demonstration is now over 15 years old. The Housing Authority of Winston-Salem is seeking a MTW designation.

In order to advance the Housing Authority's mission in Winston-Salem, I began to implement strategies with the objective being to serve as many families as possible with the programs and resources available to us, while addressing generational poverty and the concentration of poverty.

I assembled a staff of credentialed professionals from both the public and private sector in order to ensure the Authority would be well managed and had the capacity and creativity to enhance its role in our jurisdiction. We have designed and implemented additional programs and strategies to reduce or eliminate a family's dependency on government support, and to assist these families in reaching their full potential.

It is still my belief that as a housing authority, our core business is real estate and our focus is and needs to remain real estate management and community development. However, I recognize that the availability and accessibility of quality and performance-based resident services are vital for the advancement of the individuals and families which we serve. I also realize the problems facing each family are extremely complex and uniquely challenging, requiring a multi-discipline and holistic approach.

We have determined that within the City of Winston-Salem there are a wealth of agencies with experience, expertise, and an excellent track record that are more qualified to provide these

services. Many of these agencies are currently funded through city, state and federal grants targeting families and individuals with the same or similar economic profiles of those living in federally subsidized housing. Bottom line, our attempt to mimic their services and operations would only result in the duplication of services and that clearly would not be the best use of taxpayer dollars.

As a result, we developed the PATH program to assist public housing residents to reach self-sufficiency. The focus of the PATH program is to provide a “HAND-UP” approach in assisting families to reduce or eliminate their dependency on government support and to transition into the economic mainstream of our City. The program is designed to provide a positive and permanent exit strategy so that families remain self-sufficient, based on the economy and needs in Winston-Salem.

The PATH program is a collaboration of many agencies and is led by the local Workforce Development Board. Services include early childhood education, college readiness, financial literacy, career counseling, vocational education, job skills training, people skills training, and employment placement and retention services.

In addition to services, the PATH has a STEP-UP housing program. This program is to provide an incentive and a reward for working. It will move families toward a market rate, mainstream community environment to ease the transition of families into market rate and true mixed-income housing opportunities as the families reach self-sufficiency. However, we are concerned how current rules and regulations will undermine our intent. Current rules and regulations allow for an admission preference for working families, but do not allow for work or self-sufficiency program participation requirements for continued occupancy. Many of these issues are unintended outcomes of otherwise well-meaning rules and regulations. You may be surprised that the elderly and disabled pay rent from the funds they receive each month, while the rules and regulations make it possible for the non-elderly, non-disabled, who choose not to work, to not pay rent. Sadly, in the housing arena, often what appears to be a progressive idea in theory, results in abuse of the system, exorbitant administrative burdens and unnecessary expenditures that reduce our ability to assist low-income families. Without changes, STEP-UP housing will quickly revert back to traditional low income public housing development with high rates of unemployed tenants and another place that encourages generational poverty.

In 2012, when we introduced the PATH initiative at four of our public housing developments, only 60 public housing residents attended out of 729 households. Additional efforts were made to engage tenants with these services and the opportunity for them to improve their lives. Upon investigation and interviews with the tenants and former tenants who have had successful exits from public housing, the reasons for lack of interest in the program were basically the same - there was not a requirement that the tenants participate in order to continue receiving housing assistance. It was expressed that until participation in a self-sufficiency program was a requirement, there was no intention to participate or work toward self-sufficiency. Under current rules and regulations, without MTW designation, participation in self-sufficiency programs cannot be mandatory, although housing authorities are asked to encourage self-sufficiency. Self-sufficiency cannot happen without the means to earn a living.

We asked ourselves, why would our tenants not jump at the no-cost opportunity to participate in the PATH program? It has become apparent that we were looking at our tenants through our own criteria for making decisions, our own obstacles, our own motivators and our own support systems and willingness to change rather than those of our tenants. To better understand this phenomenon, we engaged Dr. Ruby Payne, who has conducted extensive research and worked with families in poverty. She opened our eyes as to how to best work with the families we serve. Her principles have helped us to understand the program elements that are needed and to incorporate those elements that must be in place in order for there to be success in working with our tenants on the issue of self-sufficiency. Many of these principles can only be employed with the fungibility of funds, flexibility of program design and collaboration with other welfare agencies.

Winston-Salem is a vibrant community with a multitude of opportunity for our tenants. An investment of \$50 million has been made in a career center which serves over 2,200 students from across the county to prepare them for college or a career by offering courses with college credit and technical career classes. The downtown Innovation Quarter (associated with Wake Forest University's Medical Center) is a 200-acre bio-medical research park that has created almost 1,000 jobs in the last year and anticipates 4,000 by the end of next year. At build out, there is anticipated to be 27,000 to 30,000 new jobs from entry-level to the PhD level. Caterpillar opened a plant in late 2011 and anticipates having a workforce of at least 500 in 2014. Caterpillar partnered with Forsyth Technical Community College to train its employees. The Wake Forest Baptist Medical Center is the largest employer in Winston-Salem with over 12,000 jobs at all levels. Job growth has been in the areas of health care, education, construction and manufacturing. The Winston-Salem Metro Area added the second most jobs of any Metro Area in North Carolina in 2011. Downtown is particularly experiencing tremendous growth in housing, hospitality and leisure due to amenities such as the new downtown baseball park and its concentration of galleries and performing arts centers. BB&T Financial Services is headquartered in Winston-Salem. The City is home to the North Carolina School of the Arts and is the home of the first local Arts Council in the United States.

There are sufficient educational and employment opportunities to support our tenants in Winston-Salem. We not only want our tenants to access the opportunities in the City, but to thrive because of them.

Although we have made great progress, there are issues in our City that cannot be solved with the inflexibility currently found in existing rules and regulations. There are policies, rules and regulations in place now that simply do not allow us to tailor solutions or allow us to coordinate benefits with other welfare programs to more comprehensively meet the needs in Winston-Salem. We have gone as far as a traditional housing authority can, and are at a huge risk of losing the momentum that has been built with our community partners.

All welfare agencies, including housing authorities, need to develop uniform eligibility criteria and program elements and to align resources with the needs that exist in local areas to provide a lasting and perpetual impact. We must be allowed to develop and implement strategies to best serve the needs in our jurisdiction which would result in positive and permanent transitions to

mainstream society. This will enable us to increase the number of people that can be assisted, particularly those who have been struggling and waiting for so long.

As each individual's circumstances and needs for housing and assistance to reach self-sufficiency are unique to that individual, so are the issues and solutions unique for each city. No one standardized/cookie cutter solution will work since the issues in the City of Winston-Salem are not the same as St. Louis, San Diego or any other city across America.

Although it has been expressed by HUD officials that it is the responsibility of HUD to help those who cannot help themselves, non-elderly, non-disabled families in subsidized housing are capable of becoming self-sufficient with the right tools and the proper combination of positive incentives and negative consequences.

Many governmental agencies have self-sufficiency programs. Each program is stand alone, each has one-size-fits-all rules, and each is without a comprehensive assessment of the needs and a comprehensive plan to create long-term success for the family. Long-term success is when the family becomes independent of all types of government assistance. Success of the agencies should be measured by the number of non-elderly, non-disabled people that no longer need any governmental assistance.

Subsidized housing should be one tool in the toolbox of services provided in order for families to reach self-sufficiency and allow someone else an opportunity. Removing the duplication of services between agencies, with a requirement that all agencies must coordinate benefits, would eliminate the continual increasing demand for subsidies and a greater number of families would be assisted. Currently, there is no requirement that families participate in any self-sufficiency program as a condition of receiving housing assistance. In addition, housing assistance must be flexible enough to help with long-term and the short-term needs, on a family-by-family basis.

A collaborative effort between agencies to address a family's situation holistically would result in long-term successes by combining housing, employment services and other welfare benefits in a plan unique to the family. Collaboration would allow for housing to be used as a tool as it best fits the needs of the family, which could be a time period of even just months.

These are difficult days for our economy and there is a pressing need to get our fiscal house in order. Given the current pressures on the federal budget, it is now more important than ever to empower local agencies, including housing authorities, to coordinate their programs to do all that they can do for their communities with the funding available to them. Without a concerted holistic approach, families will continue to be trapped in a maze without receiving real help. Our goal should be to assist families, using a menu of services from all agencies, so that those families never again need public support.

This is the time for real change with real lasting results. Please assist us to truly improve lives.

This concludes my testimony. I want to thank you again for the opportunity to address public policy based upon our efforts in Winston-Salem. I am happy to answer any questions you may have.