

WELFARE TO WORK VOUCHER PROGRAM THE BASICS

**PROGRAM RULES, GUIDELINES,
OPPORTUNITIES AND CHALLENGES**

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WELFARE TO WORK VOUCHER PROGRAM: BACKGROUND AND INTRODUCTION

Program Purpose

- HUD and its PHA partners have long advocated that stable, affordable housing is a critical and often missing factor in a low-income family's difficult transition from welfare to economic self-sufficiency. The Section 8 Welfare to Work (WtW) Voucher Program offers an exciting opportunity to demonstrate the positive impact tenant-based housing assistance has on a family's ability to obtain and retain employment.
- The WtW Voucher Program is intended to reduce some of the barriers that low-income families face as they move towards self-sufficiency, including:
 - Overcrowded, unstable or unsafe living conditions that make it difficult for family members to arrive at work each day on time and to perform their best;
 - Housing far from work, childcare, and public transportation, making it difficult for the family to get to work;
 - Escalating rents, which leave families at risk of missing rent payments, facing eviction, and having to move. This instability negatively affects their ability to work; and
 - Working wages that are disproportionate to the rising costs of housing, leaving little disposable income for basic needs and employment-related expenses such as transportation, child care, and clothing.
- The WtW Voucher Program enables eligible working or work-ready families to secure decent housing that may be closer to employment and training opportunities or service sites such as day care facilities, without requiring these families to incur excessive rent burdens. By reducing the financial burden of the family, stable affordable housing will enable a family member to find or retain employment.
- The WtW program has two distinguishing characteristics that offer at once *exciting opportunities* and *significant challenges* to PHAs managing the program.
 - The WtW Voucher Program demands **real, working partnerships** with the local agencies administering TANF and DOL welfare-to-work funds, other government agencies, business community, faith-based community, and non-profits and other supportive service providers. If the PHA is not already doing so, this program gives the PHA an opportunity to play an active role in local welfare-to-work programming and to demonstrate how housing assistance fully complements and furthers welfare reform and welfare-to-work goals.
 - The WtW Voucher Program offers PHAs a **high degree of flexibility** to design a program that meets local needs and priorities related to housing and welfare-to-

work programming. This latitude in program design, implementation, and monitoring requires strong partnerships; a clear, well-designed and cohesive strategy; and detailed implementation and monitoring plans.

FY 1999 Funding

- Congress appropriated \$283 million dollars (50,000 vouchers) for the Section 8 WtW Program for FY 1999. This represented the first significant increase in federal housing assistance in five years.
- Of this total, \$248.2 million was targeted to PHAs through a national competition, resulting in 135 grantees in 35 states.
- Another \$4 million was made available for welfare-to-work/self-sufficiency initiatives in eight “set-aside” sites: Anchorage (AK), San Bernardino County (CA), Miami-Dade County (FL), Prince Georges County (MD), Kansas City (MO), Charlotte (NC), New York (NY), and Cleveland (OH).
- In addition, Congress earmarked one percent of the total or \$2.83 million for a comprehensive evaluation of the effects of providing WtW voucher assistance.

WELFARE TO WORK VOUCHER PROGRAM: THE PROCESS

Program Size and Funding

- HUD used a formula-based method for determining the maximum number of WtW vouchers that could be awarded to each grantee. The formula varied by type of applicant: state agencies, set-aside sites, IHAs/TDHEs, and all other PHAs. Where two or more PHAs applied jointly under one application, the maximum award amount was determined separately for each PHA by applying the appropriate formula.
- Agencies may increase the size of their WtW program by transferring vouchers under its regular Section 8 Housing Choice Voucher Program. There is no cap or limit imposed, and such a decision does not require HUD approval. PHAs would still be required to comply with income targeting requirements, or to request an exception for the WtW program. In addition, PHAs may “project-base” a portion of their WtW funds following the applicable Section 8 project-based regulations at 24 CFR Part 983.
- If a Section 8 WtW voucher becomes available due to turnover during the WtW funding term, the voucher must be re-issued to another Section 8 WtW eligible family selected from the waiting list. It does not become a regular voucher. The “WtW funding term” is defined as the term of the WtW ACC funding increment.
- HUD’s information systems are currently unable to distinguish between a regular program voucher and a WtW voucher. HUD is currently making changes to its

systems so that WtW vouchers can be tracked separately. PHAs should set-up their own internal monitoring and reporting systems to track WtW vouchers separately.

Eligibility

Program Requirements

- The family must meet all existing eligibility requirements for the regular Section 8 Housing Choice Voucher Program.
- The family must not already be receiving Section 8 tenant-based assistance.
- The family must:
 - Be eligible to receive assistance or services funded by TANF;
 - Be currently receiving assistance or services funded by TANF; or
 - Have received assistance or services funded by TANF within the last two years.
- Section 8 tenant-based assistance must be determined to be critical to the family's ability to successfully obtain or retain employment.
- Public housing families, families living in Section 8 project-based units, and families receiving time-limited rental assistance under the HOME block grant program or a state or local initiative are eligible to participate as long as they meet the above-mentioned criteria.

Management Implications

- Three distinct target populations are eligible for participation. Families currently receiving TANF assistance are the most obvious and easily identifiable target group. Applicant names on the PHA's Section 8 waiting list, for example, could be easily cross-checked against the TANF agency's list of current TANF recipients to identify this target population. Reaching out to families recently off TANF assistance or eligible for but not assisted by TANF, however, will be more difficult.
- Close coordination with the TANF agency is paramount to the PHA's ability to identify eligible families, verify eligibility, and conduct outreach. Poor coordination with the local TANF agency is a leading cause of leasing delays.
- Equally important is close coordination with other case managers and supportive service providers that are working with potentially eligible families, particularly the more difficult-to-reach eligible populations. Referrals by and consultation with these agencies will speed the outreach process and ensure that the program is reaching those families it is intended to serve.

- It is the responsibility of the PHA, in coordination with its partners, to determine that Section 8 WtW assistance is critical to the family's ability to successfully obtain or retain employment. PHAs and partners will have to clearly define what "critical" means in relation to local housing needs and local barriers to economic self-sufficiency.

Waiting List and Selection

Program Requirements

- All families selected to participate in the WtW program must be on the PHA's Section 8 waiting list. For IHAs/TDHEs the families must be on either the Section 8 rental or homeownership waiting lists.
- Section 8 WtW families must be selected in accordance with established waiting list and selection policies, as stated in the PHA's Administrative Plan.
- HUD does not specify how PHAs are to select from the pool of families eligible to participate in the WtW program. Instead, each PHA must identify the specific criteria and process it will use to determine which families will receive the WtW vouchers.
- As in the regular voucher program, a PHA's criteria for selection and selection process must comply with fair housing, non-discrimination, and other requirements.

Management Implications

- The PHA must first analyze its existing Section 8 waiting list to determine the approximate number of applicants on the waiting list that are eligible for the WtW program. If this number will not result in the required number of lease-ups within the 12-month leasing period, the PHA must develop an outreach strategy to attract eligible families to the program.
- If a PHA with a closed waiting list determines that there are an insufficient number of WtW eligible families on the waiting list, the PHA will also need to open its waiting list to ensure that there are enough families eligible for WtW to meet the program's leasing requirements.
- PHAs will need to review the selection policies identified in their Administrative Plans. It is likely that such policies will need to be modified to allow for the selection of Section 8 WtW eligible families.
- Developing clearly specified selection criteria is a critical front-end task. It requires that the PHA and its partners have a clear vision and understanding of the objectives of the program, the critical housing needs of the community, and the target population the program intends to serve.

- Selecting the right families will have a significant impact on whether the PHA will succeed in achieving the objective of the program: enable families to obtain or retain employment. Consider selection criteria that identifies families who:
 - Are most likely to obtain/retain employment;
 - Meet the critical housing needs of the community; and
 - Are likely to be successful in leasing up;
- Just as selection criteria will vary widely, selection processes and the extent of participation of partners in selection will vary from program to program. PHAs and partner agencies should clarify at the outset roles and responsibilities based on strengths, weaknesses, resources and constraints of each organization. A clear, seamless selection process will help the PHA achieve its leasing goals.

Income Targeting

Program Requirements

- WtW PHAs may disregard the admission of a portion of WtW families who are not extremely low-income when complying with income-targeting obligations. PHAs must receive HUD approval of this disregard. HUD will grant approval only if and to the extent that the PHA demonstrates that compliance with income targeting obligations for these welfare-to-work families interferes with the objectives of the WtW program. HUD will approve exceptions on a case-by-case basis.
- When an exception is granted, admission of that portion of WtW families is not counted in the base number of families admitted to a PHAs's tenant-based voucher program during the fiscal year for the purposes of income targeting.

Management Implications

- By analyzing the incomes of waiting list applicants in general and waiting list applicants eligible for WtW, PHAs must determine whether the WtW program puts them in danger of non-compliance with income-targeting requirements. It is prudent to conduct such an analysis in the early stages of program implementation so that an exception to the income-targeting requirement can be requested as quickly as possible.

Housing Search

- There are no special requirements related to housing search, but assisting families search for housing should be a high priority in the WtW voucher program for two reasons:

- PHAs must meet the program's 12-month leasing requirement. Studies show that Section 8 families who receive housing search assistance are more likely to succeed in leasing up than families who receive minimal assistance.
- An important objective of the WtW program is to remove the barriers -- such as lack of access to employment, transportation and child care -- faced by families who are struggling to obtain and retain employment. Search assistance can be an effective technique for educating families about and encouraging them to rent near high-employment areas, day care centers, public transportation, etc.
- There are a variety of approaches and techniques to assist families as they search for housing. The challenge is to focus on search techniques that will be most effective in helping families lease units quickly and locate units that meet their housing and employment needs.

Outreach to Owners

- As in the regular voucher program, landlords are a critical customer, particularly those landlords who fully understand and comply with program requirements. Without landlords willing to participate in the program, families will not succeed in leasing up.
- Because of the program focus on families who need housing in order to obtain and retain employment, PHAs may find that they are targeting and recruiting landlords into the WtW program that are not "traditional" Section 8 landlords. Specifically, owners of units located near high employment areas or near public transportation or service sites such as day care are desirable. Landlord outreach strategies should be designed to attract these types of landlords to the program.
- When conducting landlord outreach, PHAs will need to identify and promote those aspects of the WtW Voucher Program that will attract landlords, such as:
 - WtW families are prepared to succeed. They are work-ready or working and have received counseling and other services that have prepared them to be good tenants.
 - PHA has a stake in the success of the family in leasing up, staying leased, and in obtaining or retaining employment. The PHA is committed to following up if there are any problems with the tenancy and doing what it can do to resolve such issues.
- Selling the WtW program to landlords will require a strong commitment on the part of the PHA to improve service to landlords. One of the best ways to make the program appealing to landlords is by making it easy for them to participate, i.e. making the

program “landlord friendly”. This often necessitates changes or improvements to program administration.

Leasing

Program Requirements

- All units under the WtW program must be leased within 12-months of the effective date of the ACC for those units.
- As with the regular voucher program, HUD may recapture any unused Section 8 WtW funds at the end of the ACC term. A PHA’s failure to meet the leasing requirement will affect its SEMAP score under Indicator 13, Lease-Up.

Management Implications

- The 12-month leasing requirement poses an administrative challenge, even for high-performing PHAs with high leasing rates. This requirement will be particularly challenging to PHAs whose WTW voucher award represents a significant increase in overall program size.
- Meeting the program’s leasing requirement is likely to require a front-end investment by the PHA of staff and dollar resources dedicated to the WtW leasing function.
- PHAs must have a clear and accurate picture of its regular program leasing status, be able to anticipate future leasing requirements for its regular program, and assess the current demands on leasing, occupancy, and inspections staff. Where the WtW award represents even a moderate increase in program size, PHAs should determine whether existing staff can take on the additional workload of the WtW program. Investing in additional staff and/or modifying policies and procedures may be necessary.
- Some PHAs have opted to create a specialized staff dedicated full-time to leasing up families. Advantages to this approach are: 1) monitoring lease-up is easier because it is more centralized; 2) families have one primary point of contact during a critical phase in the process; and 3) the PHA can quickly identify families who are at risk of failing to lease-up and intervene in a more timely fashion.
- A realistic leasing schedule takes into consideration factors such as staffing as well as likely delays in start-up and implementation. PHAs may want to consider a monthly leasing schedule where fewer units are leased in the first quarter to allow for staff to transition and policies and procedures to be tested and refined. The PHA would more aggressively lease in the second and third quarters. The number of units to be leased in the fourth quarter would be fewer than the preceding quarters so that, if the PHA fell behind in leasing, it could make up for the deficit in the fourth quarter.

Portability

Program Requirements

- HUD requirements under the regular voucher program related to portability also apply to WtW families wishing to move outside the PHA's jurisdiction.

Management Implications

- Many WtW PHAs have raised numerous questions and concerns over the issue of portability, such as:
 - Will the WtW PHA receive "credit" for leasing a WtW family that moves under portability?
 - How can the WtW PHA monitor a WtW family's compliance with program obligations if the family moves into a non-WtW PHA jurisdiction?
- HUD recognizes the issues that portability raises for the WtW voucher program and is in the process of developing a policy on portability in order to clarify some of the issues and concerns that have been raised.
- PHAs are advised that the only way they can set any kind of limit on a family's ability to port is to include such restrictions in their WtW family obligations.
- PHAs should keep a record of those families that have been issued WtW vouchers and have ported to another PHA jurisdiction.

Family Obligations

Program Requirements

- HUD does not identify any mandatory family obligations under the program, other than the family responsibilities identified for the regular program. PHAs have, however, the discretion to develop policies related to family obligations for the WtW program.
- PHAs may opt, but are not required, to terminate assistance of WtW families who fail to meet the WtW family obligations.
- At the family briefing the PHA must inform WtW families – both orally and in writing -
 - of any family obligations under the WtW program and advise them that failure to meet these obligations is grounds for PHA denial of admission or termination of assistance.

- As in the regular voucher program, the PHA must communicate any denial or termination of assistance to the family in writing. In addition, the PHA must give the family the opportunity for an informal review or hearing before the PHA denies admission or terminates assistance.

Management Implications

- HUD designed the WtW program with the intent that the program is to be supportive of families who, by the nature of their circumstances, will experience challenges obtaining and retaining employment. The program is intended to provide housing stability to families seriously attempting to move toward self-sufficiency. PHA policies related to termination and denial of assistance should be developed with the intention of preventing against “program abuse by families that willfully and persistently violate work-related obligations” under the WtW program. Termination should be a measure of last-resort.
- Within these general parameters, however, PHAs have the flexibility to design family obligations and establish termination policies under the WtW Voucher Program that best support the local goals and objectives of the program. This requires the PHA and its partners to understand who the target population is and the difficulties it has in obtaining and retaining employment. PHA policies should recognize that it is likely that participants will fall in and out of employment. The challenge, therefore, is to develop a policy that is forgiving but also enables the PHA to identify families who are abusing the program or in danger of abusing the program.
- The PHA and its partners also have the discretion to determine how long a WtW family is a WtW family. Time-limited assistance, however, is prohibited. In other words, if a PHA establishes a policy whereby a family can “graduate” from the WtW program, the family would automatically be assisted under the regular voucher program.

Reporting and Monitoring

Program Requirements

- In general, there will be no additional reporting requirements for the WtW program beyond what is currently required for the regular voucher program. Specifically, HUD plans to monitor compliance and performance using data collected through MTCS. HUD is currently in the process of finalizing the new HUD-50058, which includes a new WtW/FSS addendum that captures additional data for WtW families. HUD expects to finalize and implement the use of the new addendum in the very near future.

Management Implications

- Each PHA and its partners must decide in the early stages of implementation (ideally before implementation) how they are going to define program success and what data they need to track in order to determine whether they are meeting the definition.
- PHA tracking systems should be designed to track the progress of each individual WtW family over the long term in obtaining and retaining employment.
- The PHA tracking system should be designed to enable the PHA to better manage the process – both the housing assistance and the provision of supportive services. A tracking system that is designed for this purpose will allow the PHA and its partners to more quickly recognize when something is not working and make the needed adjustments so that the program stays on track.

Other PHA Responsibilities

- WtW grantees must continue to perform for all WtW applicants and participants all normal rental voucher program activities, including waiting list management, selection, admission, leasing, inspections, annual reexaminations, etc.
- The PHA must operate the WtW program consistent with its policies stated in the Administrative Plan. As necessary, the Administrative Plan should be updated to reflect any policies necessary to implement the WtW program.
- PHAs are responsible for affirmatively furthering fair housing during WtW program implementation by:
 - Addressing the elimination of fair housing impediments identified in the Analysis of Impediments to Fair Housing Choice;
 - Remedying discrimination in housing; and
 - Promoting fair housing rights and fair housing choice.

Waiver Authority

- Grantees may seek waivers of HUD regulatory, handbook, or directive requirements but not of statutory provisions. Waiver requests must include an explanation of how the waiver would improve the program. The proposed program, however, must be workable even if the waiver is not granted.
- Waivers must “substantially further the objectives” of the WtW voucher program. Waivers must not have an adverse impact on fair housing and civil rights.

WELFARE TO WORK VOUCHERS: PROGRAM CONSIDERATIONS

Partnership and Coordination

Program Requirements

- Grantees were required to develop the WtW voucher program in coordination with local agencies administering TANF funds and DOL welfare-to-work formula or competitive grants. These agencies were required to certify that they would cooperate during implementation to assure that housing assistance is coordinated with welfare reform and welfare-to-work initiatives.
- HUD strongly encourages PHAs to work with other partners as well, including: other government agencies, such as the Department of Transportation and Small Business Administration; business groups; faith-based community; non-profit organizations, universities and colleges; and other supportive service providers.

Management Implications

- This clear emphasis on building real partnerships with TANF agencies, WtW agencies, the business community, and other groups is a key feature of the Section WtW Voucher Program and one that distinguishes it from other housing assistance programs. Such partnerships create numerous challenges and opportunities.
- There are federal, state, and local resources available for welfare-to-work activities, and PHAs must become informed of and tap into these resources. The prospects of success are strengthened exponentially when resources are leveraged and the WtW voucher program is coordinated with existing local welfare to work programming.
- One of the major focuses of HUD's department-wide welfare to work strategy is to help its constituents obtain the billions of dollars in unspent TANF and DOL funds. PHAs may use such funds in implementing the WtW voucher program. Several WtW grantees have created noteworthy partnership arrangements whereby the local TANF or DOL partner agency has committed substantial dollar resources specifically for use in the WtW voucher program. Many of these partnerships serve as program models.

Case Management and Supportive Services

Program Requirements

- HUD does not provide any dollar funds to support case management and supportive services for WtW families. The funding authorized by Congress is only for housing assistance and regular administrative fees for the administration of such housing assistance.
- HUD encourages partnerships with supportive service agencies so that families receive the necessary supportive services to complement the housing assistance.

- HUD's department-wide welfare to work strategy also aims to promote the FSS program. HUD strongly encourages WtW grantees to build upon the success of FSS in designing and implementing the WtW program. WtW families should be informed of the benefits of and offered the opportunity to participate in the FSS program.
- In addition, HUD encourages grantees to use the WtW program as an opportunity to promote FSS to state and local TANF agencies. PHAs should look for ways to link FSS, WtW and TANF activities so that assistance to families is integrated but not duplicative. PHAs should aggressively look for ways to use TANF funds to support FSS and WtW, for example, through the provision of additional FSS Coordinators.

Management Implications

- Supportive services to families transitioning from welfare to work might include:
 - Child care;
 - Transportation necessary to receive services and maintain employment;
 - Remedial education;
 - Education or completion of secondary or post-secondary schooling;
 - Job training, preparation and counseling;
 - Substance abuse treatment and counseling;
 - Training in parenting skills and money management;
 - Homeownership counseling;
 - Housing counseling; and
 - Job development and placement.
- Many of these services will be beyond the capacity of the PHA alone to provide, and they can often be provided more effectively and efficiently by partner agencies. An opportunity and challenge of the WtW program is expanding and strengthening the PHA's relationships with partners specializing in case management and supportive service provision so that targeted support to families fully complements the housing assistance.
- Not all families will need the same type or level of services offered. The front-end process of assessing family need will be a critical factor to success. Ensuring that a family is not over-burdened with too many self-sufficiency requirements will also be critical. An important responsibility of the PHA-TANF partnership will be to ensure that the support services are targeted to the right families, services are not duplicative, and services are proportionate to a family's needs.

Links with the Business Community

- Involving the business community in WtW planning and implementation is critical to meeting the program's primary objective: enable families to obtain and retain

employment. Too often businesses are a missing partner in local welfare to work programming. PHAs are encouraged to use the WtW program as an opportunity to more fully engage this stakeholder group. Linking WtW families with employers who understand the program's objectives and are committed to furthering these objectives should have a significant impact on program success. The probability of success increases when work-ready families are given real employment opportunities in supportive work environments.

- Business partners can help educate the PHA and WtW families about where the jobs are and about what types of jobs are available. They can also be instrumental in promoting the program to landlords, other employers, other stakeholders, and the larger community.
- HUD is working with the Welfare to Work Partnership, a national non-partisan organization created to encourage and assist businesses hiring welfare recipients. The Partnership's BizLink Network collaborates with local welfare to work stakeholders to provide job placement and job retention support to 2,300 individuals on TANF yet to be reached through normal channels. A \$12 million DOL welfare to work competitive grant supports the program, which is currently active in five cities nationwide: Chicago, Los Angeles, Miami, New Orleans, and New York. Four of these cities have been awarded WtW vouchers.
- BizLinks efforts to involve businesses in welfare to work programming can serve as a model for all WtW programs.

Involving Faith-Based Organizations

- Through its Center for Community and Interfaith Partnerships, HUD is working to expand the role of faith-based organizations in the effort to transition families from welfare to economic self-sufficiency. The WtW voucher program provides an exciting opportunity for PHAs to link WtW families with these organizations.
- Faith-based organizations have already demonstrated success in carrying out many activities that are at the core of the WtW program, including:
 - Conducting outreach to eligible families;
 - Promoting the program to landlords;
 - Assisting families search for housing; and
 - Mentoring families participating in the program.

Evaluation

- HUD has completed an early, preliminary evaluation that is intended to provide HUD with feedback on initial progress PHAs are making in implementing the program. The study identifies challenges and successes PHAs are encountering in achieving the program's objectives.
- HUD is also in the process of conducting a long-term study mandated by Congress to evaluate the success of the WtW voucher program in helping families obtain and retain employment. One percent or \$2.83 million of the total amount authorized for WtW in the FY 1999 Appropriations Act is available for this purpose. Eight PHAs are participating on a voluntary basis and will be compensated for any additional administrative burden resulting from the evaluation. The study will be a controlled experiment of eligible WtW families on the Section 8 waiting list, where some will receive WtW assistance and others will not.

Technical Assistance/Resources

- Visit HUD's WtW Home Page for policy updates, program updates, answers for frequently asked questions, resources materials, highlights of promising approaches related to WtW implementation, and links to other related sites:

www.hud.gov/pih/programs/ph/wtw

- The WtW Home Page also includes contact information for HUD Headquarters and Field Office staff involved in the WtW Voucher Program, the program coordinators at each WtW site, and the Quadel technical assistance providers.
- Have a question? You can email the WtW technical assistance team through the WtW Home Page or call HUD's WtW Voucher Program Hotline: 1-888-868-3170.