



The Research Bureau

Bureau Brief: Worcester Housing Authority

The Worcester Housing Authority (WHA) has been providing affordable housing options to Worcester residents since 1949. In the United States, housing affordability is defined by the percent of income spent on housing. Federal guidelines recommend that households spend no more than 30 percent of income on rental or mortgage payments. According to the US Census Bureau, 31 percent of American households exceed that recommendation, with 14 percent paying more than 50 percent of their income for rent or mortgage payments. In Worcester, 41 percent of households exceed the 30 percent guideline, with 21 percent paying more than 50 percent of their income. Individuals and families struggling with housing costs or even eviction turn to public and subsidized housing for affordable options. In the United States, there are approximately 1.3 million public housing units owned and managed by 3,400 public housing authorities (PHAs), which are independent local agencies established under state law. The federal and state governments provide financial assistance to PHAs to construct, acquire, rehabilitate, and operate buildings to be used as rental housing for eligible low-income individuals, families, elderly, and disabled. The WHA, the second largest of 253 housing authorities in Massachusetts, supports nearly 7,000 households, over 3,000 of them in authority-owned units, and serves 15,000 residents. The WHA currently has 6,000 applicants waiting for a public housing unit and 12,000 applicants awaiting a WHA voucher that can be used to subsidize private rental costs. This brief will explore the WHA's governance, funding, and programs.

Governance & Finance

Although PHAs operate semi-autonomously, a 2014 law passed in the aftermath of a scandal at the Chelsea Housing Authority increased state oversight by mandating training for housing authority directors, requiring a tenant representative on housing authority boards, and authorizing the Massachusetts Department of Housing and Community Development to review executive director contracts. The law included a performance-based monitoring system with uniform assessment standards.

Table 1: Worcester Housing Authority Budget, FY19

Sources of Funding	
<i>Rental Income</i>	\$11,224,785
<i>Interest on Investment</i>	\$91,966
<i>Other Income/Energy Credits</i>	\$1,943,640
<i>Sales of Vehicles</i>	\$175,905
<i>Administrative Fee Earned</i>	\$3,755,362
<i>Management Fees (WHA)</i>	\$4,827,089
<i>Fee for Services (WHA)</i>	\$2,670,624
<i>Grants-Operations</i>	\$2,010,178
<i>Pass-through Funds</i>	\$29,977,023
<i>Subsidy Calculation</i>	\$14,543,701
<i>Reduced Funding</i>	(\$1,449,989)
<i>Reserves for Operation</i>	\$459,366
Total	\$70,229,650
Expenditures	
<i>Administration</i>	(\$13,525,197)
<i>Resident Services</i>	(\$125,259)
<i>Maintenance</i>	(\$9,589,549)
<i>General (Insurance, Employee Benefits, etc.)</i>	(\$7,842,593)
<i>Utilities</i>	(\$7,970,285)
<i>Pass-through Funds</i>	(\$29,977,023)
<i>Non-Routine Expenses</i>	(\$1,431,216)
Total	(\$70,461,122)
Surplus (Deficit)	(\$231,472)

Source: Worcester Housing Authority

The WHA is overseen by a five-member Board of Commissioners, four appointed by the City Manager and confirmed by the Worcester City Council, and one appointed by the Governor. One of the appointees must be a current resident of a WHA property. The WHA's mission is to provide its residents "a clean, safe, and well-maintained living environment." The day-to-day operations of the WHA are managed by an executive director overseeing 200 full-time and 12 part-time employees.

In FY19, approximately 66 percent of the WHA's funding came from federal and state grants while 16 percent was rent collected from tenants. The remaining 18 percent derived from administrative and management fees, interest on investments, and energy credits. The WHA uses these funds on salaries and benefits, administration, maintenance of properties, utilities, insurance, and other routine expenses (see Table 1).

The WHA uses tax credits, bonds, and city/state funds to acquire new properties and build new housing. The agency established the nonprofit Building Futures to assist with building or acquiring new units. The WHA is also exploring a role for Building Futures in the potential conversion of existing public housing units into privately managed Section 8 housing through HUD's Rental Assistance Demonstration program (RAD). Under RAD, privatized units would be substantially renovated while remaining subject to all the regulations and requirements of publicly owned housing. The WHA Board has commissioned a feasibility study, expected to be completed in March 2019, to evaluate its current housing stock to identify potential WHA units for the RAD program.

Types of Housing Available and Eligibility Requirements

The WHA oversees approximately 30 buildings with around 3,000 rental units (see Table 2). To be eligible for public housing, applicants must be Worcester residents, citizens of the United States, and meet income guidelines (see Table 3). For family households, at least one family member must be a citizen. Applicants must also be deemed “suitable” by the WHA. The WHA contacts the applicant’s former landlord and evaluates the applicant’s financial history (including rent), living/household habits, and any instances of disturbance, property destruction, or criminal activity. Once deemed financially eligible and suitable, applicants are put on one or more waiting lists depending on the type of housing they seek – family, elder, or disabled. For elder public housing, available to applicants older than 59, the wait ranges from six months to a year. For disabled public housing, the wait is up to two years. For family housing, the wait is between two and five years. Applicants who meet certain criteria or qualify for emergency status are given preference. Preferences are offered for veterans, disabled veterans, and families of deceased veterans whose death was service-connected. Emergency status is given to applicants who face displacement by disaster, action of landlord through no fault of the tenant, substandard housing, homelessness, domestic violence, hate crime, reprisals, and/or a rent burden of over 50 percent of income. Preferences differ slightly depending upon federal or state-supported public housing. For example, applicants that sign up for the “A Better Life” program, which is offered in state-funded housing, will move up the waiting list faster.

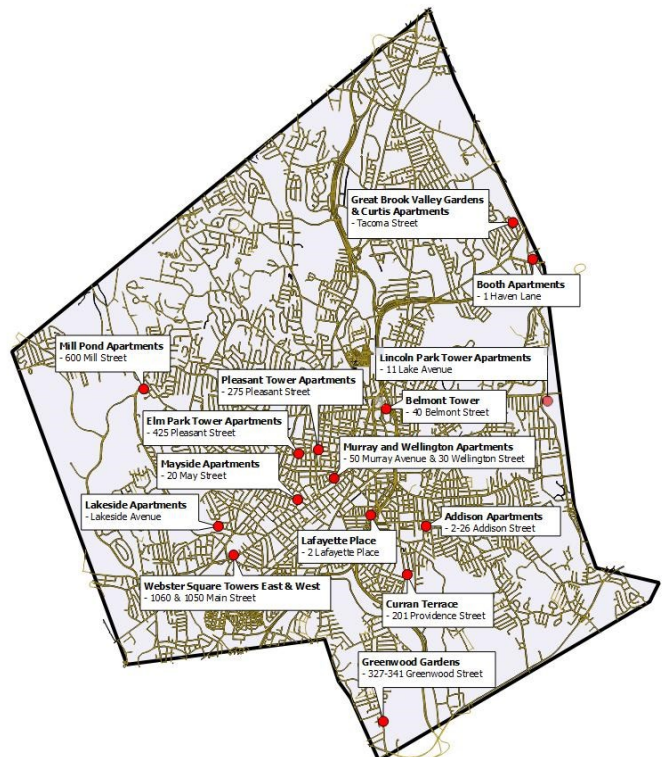
WHA offers many quality of life programs for its residents such as summer camps for children, medical/wellness clinics, and access to the local YMCA. High school equivalency and English as a Second Language (ESL) classes are also available to residents. The WHA partners with the Central Massachusetts Workforce Investment Board/MassHire Central Career Center to provide services that include resume and interview preparation and job search assistance.

The WHA offers certain programs for high risk groups. The Transitional Housing Program (THP), funded by the state’s Department of Housing and Community Development, reserves 15 units for homeless families referred to the program by the Department of Transitional Assistance or local homeless shelters. Families undergo an assessment process and, if accepted into the program, are assigned a case worker and are required to be employed, engaged in a job search, or participate in education or vocational

Table 2: Worcester Housing Authority Properties and Programs		
Property	Units	Designation
Great Brook Valley Gardens	561	Family
Curtis Apartments	372	A Better Life
Webster Square Tower East	252	Senior Only
Lakeside Apartments	205	Family
Lincoln Park Tower	199	Senior Only
Elm Park Tower	195	Elderly Only
Webster Square Tower West	180	Senior Only
Belmont Tower	166	Elderly/Disabled
Pleasant Tower	134	Elderly/Disabled
Wellington Apartments	104	Elderly/Disabled
Murray Avenue Apartments	72	Elderly/Disabled
Lafayette Place	66	Elderly/Disabled
Greenwood Gardens	61	Elderly/Disabled
Addison Apartments	51	Not Specified
Mill Pond Apartments	51	Elderly/Disabled
John J. Curran Terrace	50	Not Specified
Mayside Apartments	48	Not Specified
Booth Apartments	45	Elderly/Disabled
North, Sigourney, and Providence Street Apartments	29	Not Specified
Hooper Apartments	26	Not Specified
Southwest Gardens	25	Not Specified
Main South Gardens	24	A Better Life
Mill Pond Extention	24	Not Specified
Other Sites	57	Not Specified

Source: Worcester Housing Authority

Map: Major WHA Properties



Source: Worcester Housing Authority

Table 3: Income Limits for Subsidized Housing, As of 2017

Person Per Unit:	1	2	3	4	5	6	7	8+
<i>Federal Public Housing Programs</i>	\$47,600	\$54,400	\$61,200	\$68,000	\$73,450	\$78,900	\$84,350	\$89,800
<i>State Public Housing Programs and Alternative Housing Voucher Program (AHVP)</i>	\$46,000	\$52,600	\$59,150	\$65,700	\$71,000	\$76,250	\$81,500	\$86,750
<i>Section 8 and Mass Rental Voucher Program (MRVP)</i>	\$30,000	\$34,300	\$38,600	\$42,850	\$46,300	\$49,750	\$53,150	\$56,600

Source: Worcester Housing Authority

training, and are required to put aside a percentage of monthly income into a savings program. They do not pay a monthly rent. The WHA provides participants in the program material benefits such as furniture and kitchen utensils, as well as finance, parenting, GED, and ESL classes. The length of stay in this program is typically six to seven months with a maximum stay of one year. After completing the program participants are eligible to become full tenants in WHA housing.

The WHA sober housing program is called New Beginnings. Participants in the program are referred by a sober house or a substance abuse recovery program after achieving at least nine months of sobriety. Residents are required to attend Alcoholics Anonymous (AA) or Narcotics Anonymous (NA) meetings, undergo toxicology screenings, and adhere to an individual service plan. Residents in this program must be employed full-time or volunteer for 30 hours a week. New Beginnings has a zero tolerance policy and the maximum stay in this program is 24 months. After successful completion of the program participants have the option to transition out of the program and into other WHA housing.

In 2012, the WHA piloted the “A Better Life” program (ABL), an “intensive case management program,” with the goal of helping participants gain the financial and work skills needed to successfully transition out of public housing. The program received national attention for its goal of ending generational dependence on public housing. Agreeing to participate in the program can help a household secure housing faster, but failure to comply with the program results in the individual or family losing their housing. To date, no participants of this program have been evicted. The program is open to all households and all participants are assigned a case manager to help households stay on track. All adults in the household are required to either work, go to school full time, and/or do community service for a total of 30 hours per week (except in the case of a family member being elderly or disabled). Any rent increases that would have incurred as a result of increased income because

Benefits of the A Better Life Program, according to an evaluation report from the Boston University Department of Community Health Sciences:

- *Escrow Program*
- *Family Life Coach*
- *Classes in finance, life skills, family life, health, & computing*
- *Priority access to children’s homework center and summer programming*
- *Priority access to HiSET and ESL classes*
- *Assistance in enrolling in education & training programs*
- *Assistance with job searches*

of employment are put in an escrow account that is given to the participant upon completion of the program. As a result, residents are incentivized to increase their earnings and to become self-sufficient. Since 2016, 74 households have used their escrow, which has averaged nearly \$10,000 per family, to move out of public housing.

When the program started, ABL was mandatory in all WHA housing. In 2014, however, the U.S. Department of Housing and Urban Development (HUD) withdrew federal support, arguing that requiring public housing residents to work in order to keep their housing was a violation of civil rights. The Commonwealth of Massachusetts continues to endorse ABL and the program is mandatory in all WHA state-funded housing, which comprises 20 percent of Worcester units. The program also received grant money from The Health Foundation of Central Massachusetts. The Commonwealth is looking to replicate ABL in other housing authorities and has awarded planning grants in New Bedford, Taunton, Chelsea, and Gloucester.

The Family Self Sufficiency (FSS) program is an alternative to the ABL program in which families do not risk losing their housing if they decide to opt out of the program. FSS is voluntary, open to families in federal or state-funded rental units, and has many of

the same benefits of the ABL, such as the escrow account. When a family joins this program they are assigned a case manager who helps them create an individualized five-year plan to reach economic independence.

In addition to facilities owned and managed by WHA, the authority oversees three programs where eligible households (usually those at 30 percent or 50 percent of the area median income) are provided vouchers to use in the private housing market. These vouchers generally cover any fair market rent costs that exceed 30 percent of a tenant’s income. In tenant-based systems, the vouchers follow the tenant to any qualifying unit. In project-based systems, the vouchers are assigned to a unit, which must be occupied by qualifying tenants. The federal program is known as Section 8 Housing while the state program is the Massachusetts Rental Voucher Program. The Alternative Housing Voucher Program provides short-term rental vouchers to disabled applicants who are not elderly and who have been determined eligible for elderly and disabled housing. The wait time for vouchers can be as long as 10 years.

The Bureau’s View

The WHA is improving and innovating with its current resources. Crime no longer defines a discussion of public housing. The Authority has had notable success reducing illegal behavior at its properties, especially at Great Brook Valley and the Curtis apartments where arrest rates decreased from 229 in 2005 to 60 in 2017. Objective measures show an efficiently-run agency. Administratively, the WHA has earned a High Performer designation from HUD for the last twelve years on its Section 8 Management Assessment Program (SEMAP). Among the criteria are accurate verifications and timely reexaminations of family income, annual housing quality inspections, enrolling families in the FSS program, and expanding housing choice outside areas of poverty or minority concentration. The WHA has also maintained a monthly late payment/delinquency rate of less than 3 percent and a vacancy rate of less than 2 percent.

Demand for public housing units currently outstrips supply while a significant portion of Worcester’s residents spend far more than 30 percent of their income on housing. Long wait times for all types of WHA housing mean the most vulnerable local residents are left out of public services for which they qualify and would offer a stable foundation for future advancement.

Table 4: Demographic Breakdown of WHA Programs					
	State Programs		Federal Programs		Totals
Race/Ethnicity	WHA Housing	Housing Vouchers	WHA Housing	Section 8 Vouchers	
White	1,083	280	4,047	7,426	12,836
African-American	228	40	663	1310	2,241
Asian	6	7	107	193	313
Other	7	0	15	12	34
Hispanic or Latino	905	163	2,836	5,013	8,917

Source: Worcester Housing Authority

According to a 2016 report by the Boston University School of Public Health, 41 percent of adults living in the WHA do not have a high school diploma or its equivalency. 71 percent of families with children under 18 are single parent households and 96 percent of those households are headed by a female.

A critical factor in the lack of available units is the low turnover rate of current residents. According to the WHA, the average stay in Great Brook Valley is 17 years. WHA residents are encouraged to transition to private housing, with inducements up to and including eviction for tenants who fail to illustrate good faith efforts toward financial independence. The WHA is making large investments in self-sufficiency programs in an effort to break the cycle of poverty and help families move out of the WHA, but funding these programs continues to be a struggle. Even if the turnover rate improves, the current wait list is so long that the WHA would still need additional units to meet demand quickly.

Pent up demand and long wait times must be addressed, in part, with additional housing. While new units may be public (i.e., WHA-owned or affiliated units) or private (i.e., subsidized housing units), the chronic challenge of safe, affordable housing in Worcester necessitates growth. Based on sound planning principles, efforts to acquire or construct new units should build on and enhance the neighborhoods and communities around them rather than develop new, isolated neighborhoods. They should be paired with strategies to expand housing alternatives at all income levels. They should be served by programs like A Better Life that promote skills training and savings. We commend the WHA for exploring the options.