



HUD NEWS

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HUD SELECTS LEXINGTON PUBLIC HOUSING AUTHORITY TO ELITE PROGRAM TO ENHANCE FEDERAL RENTAL ASSISTANCE

LOUISVILLE – U.S. Housing and Urban Development Assistant Secretary Sandra B. Henriquez announced today that the Lexington-Fayette Urban County Housing Authority in Kentucky has been selected to participate in HUD’s Moving To Work Program (MTW). This program allows housing agencies to design and test innovative strategies to strengthen the delivery of services to families living in public housing or who are assisted through HUD’s Housing Choice Voucher Program.

The public housing authority will join 34 others across the U.S. that participate in the MTW Program. The agency was one of two selected among five agencies that applied for MTW designation last year and will have this designation until 2018 (see attached summary). The other agency receiving the designation is Boulder, Colorado.

“These agencies have a long history of implementing novel programs and forming successful partnerships that have improved the quality of life for families who need HUD’s assisted housing programs,” said Henriquez. “As MTW agencies, they will have more flexibility to build upon their success to use effectively scarce public dollars to maintain quality affordable housing that meets local needs.”

“We commend the Lexington Housing Authority for its initiative and partnerships within Kentucky that have made this possible,” said Krista Mills, HUD Kentucky Field Office Director.

“This new program will be far reaching – for children who will receive better educational advantages, families who will be on their way to making livable wages, and to Lexington-Fayette Urban County Government, which will be an even more prosperous community.”

The MTW program was created in 1996 as a demonstration or “test project” to give housing authorities the opportunity to design and test innovative, locally developed housing and self-sufficiency strategies for low-income families participating in HUD’s public housing and Housing

Choice Voucher (HCV) programs. HUD waives certain reporting requirements and permits these agencies to combine multiple sources of HUD funding into a single agency-wide funding source. MTW agencies also get considerable flexibility in determining how to use their HUD funding. These agencies are, however, required to serve substantially the same number and type of households as they would without MTW designation. The program aims to accomplish three goals:

- Reduce costs and achieve greater cost effectiveness in federal expenditures;
- Give incentives to families with children where the head of household is working, is seeking work, or is preparing for work by participating in job training, educational programs, or programs that assist people to obtain employment and become economically self-sufficient; and
- Increase housing choices for low-income families.

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HUD is the nation's housing agency committed to sustaining homeownership; creating affordable housing opportunities for low-income Americans; and supporting the homeless, elderly, people with disabilities and people living with AIDS. The Department also promotes economic and community development and enforces the nation's fair housing laws. More information about HUD and its programs is available on the Internet at www.hud.gov and espanol.hud.gov.

Lexington-Fayette Urban County Housing Authority

The Lexington-Fayette Urban County Housing Authority (LHA), which presently manages 1,303 public housing units and 2,689 Housing Choice Vouchers (HCVs) throughout the Lexington community, seeks to provide safe and desirable affordable housing to low- and moderate-income individuals and families while partnering with community agencies to promote increased self-sufficiency and a higher quality of life for its residents.

LHA has developed local objectives for its MTW program, including increasing the number and quality of affordable housing choices throughout the Lexington-Fayette community; increasing the number of families moving toward self-sufficiency; increasing and strengthening the number of community partnerships benefitting residents with special needs, especially those not adequately served elsewhere in the community and those requiring a service-enriched housing environment; and reducing the agency's administrative costs while limiting the administrative burdens placed on staff and residents.

LHA has a wide range of development experience, including two successful HOPE VI projects, which demonstrate its ability to leverage federal funds with state, local, and private funding sources to achieve greater cost effectiveness in federal expenditures. LHA also has a history of implementing innovative programs, such as its 845 self-sufficiency public housing units scattered throughout the Lexington community, designed to reward working families or families whose head-of-household is a full-time student by offering units with more desirable features.

Notable Proposed MTW Initiatives

Five Alternate Rent Reforms – Embracing the idea of MTW as a laboratory, LHA's Executive Director challenged the managers of each of its four property management teams and its HCV program to design their own pilot rent reform initiatives targeting the residents served by their team. In the first year, LHA plans to implement the reforms that the front-line LHA staff believe will be the most effective, and by the second year, managers are expected to be ready to expand pilots that worked or implement an alternative strategy if necessary. Proposed rent reforms include increasing the minimum rent, implementing a tiered rent structure, moving to triennial recertifications, and prohibiting rent reduction requests for six months after initial occupancy for both the HCV program and for one public housing management team. In order to rigorously test the effects of alternate rent structures, LHA will implement each of these rent reform initiatives as a controlled study.

Incentivizing Educational Achievement for Households with Children in Elementary School – LHA plans to implement a pilot program that will reward parents and guardians who become more involved in their children's

education. The program will operate on a point system, with LHA and Fayette County Public Schools working together to encourage and verify parents' participation and children's achievement. Adults will earn points by engaging in activities that demonstrate their dedication to their child's education, such as becoming active in the Parent Teacher Organization and volunteering at their child's school on a regular basis, as well as when children meet achievement measures like maintaining regular school attendance, earning good grades, and displaying consistently good behavior at school. Households can then redeem points using a menu of incentives offered at a variety of different point levels, such as books, gift cards, bicycles or a free month's rent for the household.

Two-Year Time-Limited Housing Choice Voucher Option for Exiting Bluegrass HOPE VI Public Housing Residents – Beginning in 2012, families residing in the 294 self-sufficiency public housing units created through the Bluegrass HOPE VI revitalization will begin to reach the five-year term limit placed on this housing. While LHA has continuously encouraged these residents to take advantage of the self-sufficiency opportunities available to them, LHA is concerned that some households may still not be ready to seek housing in the private real estate market by the time they reach their five-year term limit. Through this initiative, LHA will offer these families two additional options: 1) a Family Self-Sufficiency voucher with a five-year time limitation or 2) a two-year, time-limited voucher.

Significant Partnerships

To help LHA better serve the needs of residents, LHA maintains a number of close partnerships with government agencies, local service providers, and community and faith-based organizations in the Lexington area. Key partners include:

Kentucky State University – Kentucky State will work with LHA to collect all relevant data, regularly report on progress against baseline and benchmarks, and recommend initiative modifications where appropriate. At the end of each year, they will help LHA determine which MTW activities should be continued or expanded, which should be modified, and which should be dropped. They will eventually create a final report summarizing the outcomes of all the agency's MTW initiatives - including their impact at the local and national level - and describing how successful activities could serve as replicable program models.

REACH – REACH manages LHA's HCV Homeownership Program and provides financial literacy and homebuyer education and counseling services to HCV participants residing at several LHA developments. These services allow participants to build their savings while improving their credit rating and paying down debt, and to qualify for mortgage financing and government down-payment assistance

Community Action Council (CAC) for Lexington-Fayette and the Community Ventures Corporation (CVC) – With the help of these partners, LHA offers self-sufficiency activities for 50 HCV Family Self Sufficiency (FSS) families. The CAC refers the lowest income participants in its programs to LHA's HCV FSS Program, and provides the FSS Program Coordinator, who conducts a skills assessment for each participant and develops personalized FSS plans. CVC provides one-on-one homeownership counseling (pre- and post-purchase) and financial literacy training to participants in LHA's FSS program.