

Texas Public Housing Authorities:
Assessing Their Effectiveness in Affordable Housing Efforts at the
Community Level

By

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An Applied Research Project
(Political Science 5397)
Submitted to the Department of Political Science
Texas State University – San Marcos
In Partial Fulfillment for the Requirements for the Degree of
Masters of Public Administration
Spring 2006

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Introduction

Housing is the single largest expenditure in the budgets of most families and individuals. The average household devotes roughly one-quarter of its income to housing expenditures, while poor and near-poor households commonly devote half of their incomes to housing (Quigley 2004, 191). A study released by the U.S Conference of Mayors, Sodexo Hunger and Homeless Survey 2003, found that homelessness continued to rise in major American cities. Of the twenty-five cities surveyed, 23 reported that the lack of affordable housing was the leading cause of homelessness (NAHRO 2005).

The United States Housing Act of 1937 created the Public Housing Program to remedy the unsafe and unsanitary housing conditions and the acute shortage of decent, safe and sanitary housing for low-income families, by creating the Public Housing Program. Public Housing which is still in operation today, receives funding primarily through the federal government and is managed and operated by local autonomous bodies called Public Housing Authorities (PHA's). Today there are approximately 1.3 million public housing units nationwide (The Brookings Institution 2003).

A question that arises today is how well are Public Housing Authorities meeting the affordable housing needs of their respective communities? The U.S. Department of Housing and Urban Development, which monitors the performance of PHA's, has created two evaluation systems for evaluating their performance. The two evaluation systems are Public Housing Assessment System (PHAS) and the Section Eight Management Assessment Program (SEMAP). However, these systems are limited in what they monitor. They do not evaluate a PHA on its effectiveness in fulfilling the affordable housing needs of its local community. Instead they evaluate a PHA on issues such as the percentage of vacancies, the

maintenance of property, how quickly people on the waiting list are moved into housing units and whether they complete HUD reports in a timely manner. These items are important but do not always address the affordable housing needs of local communities.

Research Purpose

A review of the literature indicates that the lack of affordable housing in America is attributable to several factors. Some of these factors include an aging population, home ownership barriers, a decline of housing units due to the phenomenon of NIMBY (not in my backyard syndrome) and gentrification.

This research has three purposes 1) to review the literature on affordable housing so as to identify the ideal characteristics of an effective affordable housing program; 2) to assess Texas PHA's using the ideal characteristics; and 3) to provide recommendations for improving Public Housing Authority programs to better meet the affordable housing needs of their communities.

This research is important because it provides data on the effectiveness of PHA's as affordable housing providers. Additionally, this research contributes to the existing literature on affordable housing. While much of the available literature provides information on the history of PHA's and the two programs most of them administer (Public Housing and the Housing Voucher Choice Program) there is little information on how well PHA's perform as affordable housing providers. Therefore, this research fills a gap by providing information on how PHA's might better meet the affordable housing needs of their communities. In addition, this study provides additional criteria for evaluating the performance of these agencies,

which may encourage the expansion and improvement of PHA's programs and services to better meet the housing needs of local communities.

Chapter Summaries

To achieve the research purpose, this study is divided into six chapters. Chapter 2 is the literature review. Chapter 3 provides an overview of Public Housing Authorities including Texas PHA's which constitute the population sample for this research study, the history of housing, and the role of PHA's as the providers of affordable housing. Chapter 4 presents the research methodology, including a discussion of the survey instrument, the unit of analysis, sample population and respondents. Chapter 5 is a discussion of the survey results and the data analysis. The final chapter, Chapter 6, is a summary of the research findings in relation to the overall purpose of the study as well as implications and recommendations for future research.

Chapter 2: Literature Review

The purpose of this chapter is to review scholarly literature on affordable housing to identify the necessary components that constitute an ideal affordable housing program. The essential components are then used to develop criteria for assessing the performance of Public Housing Authorities.

Overview of Affordable Housing

According to Feldman (2002), a unit is considered unaffordable if a household has to spend more than 30% of its income on it. Today housing is the single largest expenditure item in the budgets of most families and individuals. The average household devotes roughly one-quarter of income to housing expenditures, while poor and near-poor households commonly devote half of their incomes to housing. (Quigley 2004, 192). For low-income households, adequate housing is directly linked to income. Therefore, any change in income can eventually lead to homelessness (Robbins 2004, 439).

The United States has 5.4 million families in a housing affordability crisis, meaning that they pay more than half their income for rent, and therefore have no money to pay for unforeseen crises such as medical emergencies. As a result of the housing affordability crisis, 4% to 6% of America's poor become homeless each year. (Harburger 2004, 493).

A 1999 estimate indicated that more than 700,000 individuals nationwide were homeless on any given night, and that at least 2 million experienced at least one episode of homelessness in a year. Many homeless people face multiple problems, including mental illness and drug abuse, and are forced into the street or shelters due to the scarcity of low-cost housing (Brookings 2003).

A study released by the U.S. Conference of Mayors, (Sodexo Hunger and Homeless Survey 2003) found that homelessness continued to rise in major American cities over the previous year, and of the 25 cities surveyed, 23 reported that the lack of affordable housing was the leading cause of homelessness.

Concerns have also been raised about the negative effects of unaffordable housing, particularly on children. A report by the Centers for Disease Control and Prevention, maintains that unaffordable housing contributes to “children’s poor attendance and performance in school; not having a primary source of medical care; lacking preventive health services and suffering from various acute and chronic medical conditions” (Harkness 2005, 224).

During the last few years, the U.S. Department of Housing and Urban Development (HUD) has also reduced funding to local housing authorities, leaving counties across the country on their own in deciding how to help families that cannot afford to keep a roof over their heads (Meagher 2005, 7).

Public Housing Authorities (PHA’s)

The federal public housing program was created by the U.S. Housing Act of 1937, which provided capital funding to local housing authorities to build affordable housing for eligible low-income families, the elderly, and persons with disabilities. A Public Housing Authority (PHA) is defined as “any State, county, municipality or other government entity or public body which is authorized to engage in or assist in the development or operation of low-income housing” (HUD 2004).

The U.S. Department of Housing and Urban Development (HUD) must approve an entity to become a PHA. The PHA must have both the legal authority and the local cooperation required for developing, owning and operating a public housing project before it can participate in housing activities (Gandhi 2005).

Today, the Public Housing Program has 1.3 million households living in public housing units managed by 3,300 Public Housing Authorities (PHA's), including 424 of which are located in Texas (CLPHA 2004).

PHAs are monitored by HUD and are required to meet certain performance standards. The HUD systems used to measure PHA performance are the PHAS (Public Housing Assessment System) and SEMAP (Section 8 Management Assessment Program). These systems measure vacancy rates, financial management, the overall physical condition of properties, and rent collections.

HUD is now encouraging housing agencies to step up from the department's shadow and play a positive role in communities. This involves working in collaboration with city agencies to develop integrated strategies that recognize both the needs of public housing and the opportunities for leveraging large scale development with public housing dollars. In this time of rapid change PHAs must act boldly and quickly to remake themselves to survive in the new environment. Traditionally, many PHAs have surrendered to "paralysis of analysis" (Clancy 1999). PHA's have been unable to transform themselves sufficiently to meet the growing needs of the local communities they purport to serve.

HUD is presently working on funding appropriations. The administration proposal for \$3.564 billion in operating funds after set-asides represents a decrease of \$42 million from

2006 funding. This would fund only 82 percent of what the industry research shows is actually needed (CLPHA 2006).

Since HUD continues to reduce funding, it has become even more important that PHA's become innovative in their day-to-day operations.. This means that they must now begin to function as other nonprofits do. They must become more self sufficient and find ways to support their budgets, while continuing their work in the affordable housing arena. PHA's will continue to meet challenges and can no longer just maintain; they will have to perform at their peak. That is why it is important that criteria are identified through this research to evaluate PHA's as affordable housing providers in their communities.

Affordable Housing Challenges

There are numerous factors that contribute to the affordable housing crisis in America. In order to better understand how PHA's can improve their performance as affordable housing providers, it is important to examine some of the challenges identified through the review of the literature.

Lack of Affordable Housing

A current examination of the affordable housing problem shows that it has not disappeared, especially for the poor. Sard (2001) argues that the number one housing problem is the lack of affordable housing for extremely low-income households.

Various estimates are used to determine the extent of this country's need for additional affordable housing. Our national low-income housing problem could get worse before it gets better if we lose significant amounts of our present low-income housing

inventory. Of the 22 million total apartment units nationwide, only about 4 million units are federally subsidized. This suggests the crucial importance of a national housing policy since what happens to the 18 million unsubsidized units will be far more important in housing terms than the projects directly supported by the federal government.

Low-income housing cannot be built without subsidy, and federal subsidies in any meaningful quantity simply are no longer available (Heller 1989). The private sector built, and now owns, low and moderate-income housing under two basic restrictions. First, mortgage restrictions require use of this subsidized housing for low and moderate-income persons for twenty years. Secondly, separate housing subsidy contracts, principally those under Section 8, usually are for no more than 20 years (Heller 1989). This has caused a more severe shortage of affordable housing.

Aging Population

The U.S. population will continue to age and become more diverse in the coming decades. While the rate of growth of the elderly segment of the population has recently slowed as the smaller cohort born during the Depression reached retirement age, the leading edge of the baby boomers will reach retirement age in 2010, doubling the population age 65 and older by 2030. In addition, more people are living longer; therefore, increasing the demand for affordable senior housing (Gibler 2003, 395).

Many elderly households will also face a housing affordability problem. Renters age 75 and older were paying a median rent of \$399, 38% of their income, in 1985. Two-thirds were paying more than 30% of their income in rent. Affordability problems are usually concentrated among older, female, lower-income seniors with few assets (Gibler, 2003, 396).

The supply of affordable housing will shrink further as owners convert federally--assisted housing to market-rate housing and still other housing is lost to obsolescence for lack of modernization capital. More affordable housing has been lost over the past five years than has been produced (Multi-Housing 2002). A recent AARP (Association of Adult Retired Persons) report shows that there are nine people on waiting lists for every senior housing unit that becomes available (Multi-Housing 2002).

NIMBY (Not In My Back Yard)

Despite a shortage of adequate affordable housing for the poor, it has become increasingly difficult to gather support for the development of low-income housing. The "Not in My Back Yard" (NIMBY) cancer kills many affordable housing projects (Tenner 1996, 6).

State and local governing bodies and planning agencies responsible for administering housing programs have dealt with the NIMBY social disease for a long time. NIMBY cancer, which is endemic to our community development process, was once a dormant problem. It is now an active force in thwarting affordable housing efforts (Tenner 1996, 6).

Though there is a documented need for housing development, the NIMBY's are strongly opposed to development in their neighborhoods. The opposition of neighbors is an important problem in America land-use-regulation. It can frustrate the implementation of carefully planned residential development, locally desired industrial development, and placement of the necessary nuisances such as power plants and landfills. NIMBY's sometimes appear to be irrational in their opposition to projects in the sense that they express far-fetched anxieties or doggedly fight projects whose expected neighborhood effects seem small or even benign. (Fishel 2001, 144).

Homeownership Barriers

In March, 1990 HUD Secretary Jack Kemp established a twenty-two member commission to investigate the nature and extent of regulatory barriers to affordable housing for new homeowners. Ratner (1996, 103) highlights four types of barriers that prevent many minority and immigrant families from becoming homeowners: 1) lack of appropriate affordable housing; 2) limitations of existing financing tools; 3) lack of home purchasing knowledge, credit knowledge and credit judgement; 4) cultural gaps and misunderstandings.

Homeownership is vital to households seeking to expand opportunity, solidify family finances, and hedge against economic uncertainty. No asset is more important in achieving these objectives than owner-occupied housing. While homeowners head 69% of all households – a record high reached in 2004 – many families are financially unable to participate in that part of ‘the American dream’. Only half of the households in the lowest fifth of the income scale are homeowners, and the homeownership rates among both blacks and Hispanics are slightly under fifty percent (Carasso 2004).

Decline of Affordable Housing Units

The consistent decline of affordable housing units for more than two decades has continued into recent history (Wiewel 2000). Between 1996 and 1998 the sector saw a 13 percent drop. This represents nearly 950,000 fewer affordable housing units. Compounding this trend is the retreat by some private developers from the Section 8 program in favor of higher market-rate rent yields (Wiewel 2000).

Gentrification

Gentrification is the upward spiral of property values in the downtown area of many major cities. The process begins when a few “risk-oblivious” higher income “pioneers” move into a neighborhood. As these residents settle in, the area’s image improves. A once neglected neighborhood becomes an attractive destination for higher-income people. Ironically, however, if the upward spiral proceeds unchecked, neighborhood improvement can harm low-income residents by pricing them out of the market. Virtually all low-income inner city residents are renters and lack an equity stake in their housing. Thus, a rising demand for housing means higher rents. As the low-income residents become unable to pay these higher rents, landlords will evict more and more delinquent tenants. As gentrification squeezes out the poor, the displaced residents increase the demand for low-income housing.

Components of an Affordable Housing Program

Organizational Capacity

The National Congress for Community and Economic Development estimates that there are more than 2,000 community based development organizations that are nonprofits, and most (88%) of these are directly involved in creating affordable housing (Fredericksen 2000, 230). Because PHA’s are classified as nonprofit organizations, the literature on the effectiveness of nonprofits is relevant in determining how to more effectively assess PHA’s.

The capability of the internal operations of a community development organization determines its ability to succeed. Several variables affect this capacity, including management style and skills of it’s’ staff, the size and experience of the organization, the

roles played by its board of directors and the organization's fiscal capability (its ability to raise and manage money) (Glickman 1998, 497).

Capacity building is done from within and without. It involves the development of the physical and financial assets of organizations and the neighborhoods they serve. External sources cannot be relied on exclusively. In reality, most organizations try to build capacity from the inside while at the same time getting as much from other sources as they can (Glickman 1998, 497).

U.S. governmental entities such as PHA's have a history of working closely with nonprofit charitable organizations, and many nonprofit organizations rely heavily on governmental funding. Therefore, the effectiveness of nonprofit organizations is a concern for public policy makers and managers as well as public administration scholars. Much of this interest has focused on improving the measurement and tracking of program outcomes and on program evaluation rather than on more general organizational effectiveness (Herman 2004, 694).

Performance measurement is an old idea that has taken on renewed importance. Measuring workload and worker efficiency was clearly part of the scientific management approach at the turn of the century, and the International City and County Management Association produced a publication on measuring municipal activities as early as 1943 (Positer 1999, 325).

A number of forces in the field of public administration have led to renewed, reinvigorated interest in performance measurement. Taxpayer revolts, pressure for privatization of public services, legislative initiatives aimed at controlling "runaway" spending, and the devolution of many responsibilities to lower levels of government have

generated increased demands to hold government agencies accountable to legislatures and the public in terms of what they spend and the results they produce (Poister 1999, 326).

Successful nonprofits share certain common characteristics, including clearly articulated mission and goals, effective and committed board and managerial leadership, and effective fiscal development programs. However, no organization will achieve sustained success without some additional basic capacities – competent management, skilled employees, adequate space and equipment, sound fiscal practices and programs relevant to the market served (Fredericksen 2000, 231).

Herman (2004, 694) also mentions some of these items along with others. He states that among the indicators of an effective organization are a mission statement, a recent needs assessment, a planning document, a measurement of client satisfaction, a formal appraisal process for the chief executive officer and for employees, an independent financial audit, and a statement of organizational effectiveness criteria.

According to Drucker, the best nonprofits devote a great deal of thought to defining their organization's mission. They avoid sweeping statements full of good intentions and focus, instead on objectives that have clear-cut implications for the work of their members. A well-defined mission serves as a constant reminder of the need to look outside the organization not only for "customers" but also for measures of success (Drucker 1989).

Board of directors of U.S. nonprofit organizations, including PHA's, are ultimately responsible for the affairs and conduct of the organizations they head. Board effectiveness is related to the use of certain prescribed board practices, including board involvement in strategic planning, the use of good meeting management techniques, and effective management of conflict within the board (Herman 2004, 695).

Welfare Reform/Family Self Sufficiency

In addition to organizational capacity, another increasingly critical component of an affordable housing program is their responsiveness to policies related to welfare reform and family self sufficiency. In many ways, public housing policies in the U.S. echo the discourse of welfare reform. While there is a great deal of local variation in how public housing and welfare reform efforts are coordinated, there is widespread congruence between the objectives of welfare reform and public housing policy: to privatize social service provision and to move people out of public housing and off welfare rolls into the labor force (Crump 2003, 179).

HUD's concern for family self-sufficiency was joined by the powerful force of welfare reform when the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (PRWORA) sent the message that traditional welfare programs worked against the goal of economic independence. The implications of time-limited public assistance added salience to the issue of self-sufficiency for low-income households in subsidized housing. Self-sufficiency strategies are aimed at reducing or eliminating the need for participants to stay on public welfare programs or to receive other kinds of assistance (Bratt 1998, 795).

The National Affordable Housing Act of 1990 authorized HUD's Family Self-Sufficiency (FSS) program. This Act requires housing authorities to develop FSS programs designed to coordinate public and assisted housing with other public and private resources to help low-income families reduce their dependence on welfare and housing assistance. Starting in fiscal year 1993, each PHA has been required to create a FSS program and enroll a number of participants equal to the total number of new public housing and Section 8 units

reserved for that authority. PHA's can receive a waiver, however, if they can show a lack of supportive services in the area, lack of support from state or local officials, a lack of funds for administering the program, or a lack of interest on the part of tenants (Rohe 1999, 333).

There is a growing, although not conclusive, body of evidence that housing assistance, particularly housing vouchers that enable families to choose where they live, helps families stay off welfare once they leave the welfare rolls. A number of studies also suggest that housing assistance can help welfare recipients become and remain employed, often outweighing other potentially detrimental factors in families' lives (Sard 2002).

The importance of integrating services with housing to help low-income families achieve stability is gaining recognition. The National Low Income Coalition proposes the umbrella term "housing plus services" to refer to these programs (Cohen 2004, 509).

Although there are many differences in the various housing plus service programs described, a review of common practices indicates that they hold many general practices or defining characteristics in common. For example, housing plus services programs generally offer, in varying degrees and levels of importance, the following services to residents: life skills/stabilization, crisis intervention, case management, service coordination, and the provision of specialized programs and enrichment, recreational or educational activities (Cohen 2004, 509).

Housing is a basic need that plays an important role in family well being, health, safety and quality of life. Agencies have developed a range of housing types and service initiatives to address this challenge.

Supportive housing is generally defined as stable or permanent housing that offers supportive services to help homeless people live independently. The major goal of supportive

housing is to prevent homelessness or its recurrence by providing a comprehensive support system to help residents live independently.

In an effort to address the needs of the growing homeless population, transitional housing programs have been developed over the last 20 years. These transitional housing programs are designed to empower homeless people by teaching them skills needed to live independent lives. Moreover, transitional housing programs are designed to help homeless people make the move from shelter to street to a permanent and stable living environment (Washington 2002, 183).

From 1987 to 1990, HUD awarded 534 transitional housing program grants totaling \$338.5 million. Transitional housing programs continue to develop across the United States. The facilities go a step beyond emergency shelters by providing up to 12 months of structured housing together with a large range of supportive services to prepare homeless people to move from emergency shelter into permanent housing (Washington 2002, 184).

Policy and research suggest that government assisted housing may enable the transition from welfare to work in several ways. First, having the security of an affordable unit may help residents find and keep a job. Second, the reduced rent of assisted housing allows householders to devote more of their income to other purposes, including job searches and job-related expenses such as clothing, transportation, and childcare. Third, many public housing programs, as well as some local housing programs, include onsite services that help support employment (Ryzin, 2003, 45).

Diversifying Affordable Housing Programs

How innovative PHA's are in addressing the needs of their communities by participating in or initiating the diversification of affordable housing programs is another important component. Since the mid 1990's, only three federally assisted low-income housing programs are still in existence – the 53-year-old public housing program, the 31 year old Section 202 elderly/handicapped housing program, and the Section certificate/voucher program (Nenno 1991, 86).

Developed through the 1986 Tax Reform Act, the Low-Income Housing Tax Credit (LIHTC) program provides tax incentives for private developers. To be eligible for LIHTC, a project must provide at least 20 percent of units to households with incomes at or below 50 percent of average median income (AMI) or 40 percent of units to households with incomes at or below 60 percent of AMI (Quercia 1997, 535).

Public housing has been built in the United States since the 1930's. Very few new units have been built since 1982, but a large and aging stock of public housing units is still in use. About 1.3 million units are currently occupied, and some of them are 50 years old. Concern over the condition of these units has increased as stock has aged (Gleeson 1992, 655).

In 1974, Congress launched the Section 8 Existing Housing Program (now the Housing Choice Voucher Program), which provides subsidies to low-income families living in privately owned rental housing that meets certain standards. Since the early 1980's vouchers have been the federal government's primary tool for providing housing assistance to poor renters (Brookings 2003).

Through Section 8, the Department of Housing and Urban Development (HUD) now assists more households to live in private housing with vouchers than currently live in public housing. HUD and others hope that moving families out of public housing projects will, among other things, improve the educational opportunities and outcomes for children, an important outcome if these children are to escape from poverty as adults (Ladd 1997, 272).

Jack Kemp, while Secretary of HUD, pushed through Congress a program called “HOPE” (Homeownership and Opportunity for People Everywhere), which included among its provisions a proposal to sell public housing units to the residents. For Jack Kemp, HOPE and kindred initiatives were not just housing policy but also a strategy of emancipation for the poor (Kinnard 1994, 961).

Federal grants through the HOME Investment Partnerships and Community Development Block Grant (CDBG) programs are important sources of funds for local housing and community development programs. These block grants support local housing and community development activities such as low-income home ownership assistance and neighborhood revitalization (Basolo 2003, 433).

Title II of the 1990 Cranston-Gonzalez National Affordable Housing Act (NAHA) established the HOME Investment Partnerships Program, more commonly known as the HOME Program. The HOME Program provides formula grants to states and localities that communities use, often in partnership with local community-based nonprofits, to fund a wide range of activities that build, buy, and/or rehabilitate affordable housing for rent or homeownership or provide direct rental assistance to low-income people (HUD 2004).

The CDBG program is a flexible program that provides communities with resources to address a wide range of unique community development needs. Beginning in 1974, the

CDBG program is one of the longest continuously run programs at HUD. The CDBG program provides annual grants on a formula basis to 1180 general units of local government and States (HUD 2004).

Housing Development Initiatives

Analysis of Housing Market

In order to develop effective housing programs, local governments should analyze local demographic and housing market data. This, coupled with their understanding of local housing problems, should allow them to better establish housing priorities and develop appropriate policies (Sirmans 2003, 133). A successful affordable housing program is, by definition, one that is consistent with the city or town or regional plan for growth and development (Witten 2003, 509).

Historically, a useful measure of local housing conditions is a household's housing cost burden (CB). This is the portion of income needed to cover monthly housing costs. A household with a housing cost burden above 30% is generally considered in hardship (Sirmans 2003, 134).

Role of Partnerships in Housing Development

Nonprofit housing producers play many roles in supporting the production and management of housing development initiatives, an increasingly significant component in assessing the effectiveness of PHA's. Nonprofit housing producers offer PHA's equity capital, loans, and grants for housing development; others offer financial assistance for troubled developments, subsidizing the salaries of nonprofit staff members and underwriting other operating costs. State and local governments are critical sources of financial and

technical support for nonprofit housing groups in many cities. National and local foundations have become key sources of funding for predevelopment costs, gap financing and organizational capacity building (Keyes 1996).

Nonprofits are playing an increasingly significant role in the development of affordable housing. While some nonprofits have the financial resources and capacity to address affordable housing on their own, many are partnering with private developers to do so. Research reveals that the partnership decision making generally involves three decisions: 1) Do I partner? 2) With whom do I partner? and 3) What is the partnership structure? (Chung 2004).

When nonprofits and private developers are considering whether or not to partner, they consider several key factors: development opportunity, financial capacity, and challenges. Of these, financial capacity is the reason most often cited by nonprofits and developers to partner (Chung 2004).

The Quality Housing and Work Responsibility Act of 1998 mandated many significant changes in operating practices for PHA's. Many of the changes brought about by the Act are intended to encourage PHAs to make better and more consistent use of development and operating strategies already in use in other portions of the affordable housing industry (Anderson 1999, 11).

These strategies rely on public/private partnerships. PHAs that fail to establish beneficial relationships with private entities for the purpose of increasing operational efficiency will find the new millennium to be an increasingly difficult environment both for themselves and for the communities they serve (Anderson 1999, 11).

The passage of the Quality Housing and Work Responsibility Act of 1998 (QHWRA) was a landmark event in US public housing policy. The QHWRA has three main goals: first, to deconcentrate poverty in public housing by requiring the demolition of public housing units; second to coordinate public and assisted housing policy with the goals of welfare reform; and third, to develop, through public-private partnerships, new “mixed income” neighborhoods (Crump 2003, 179)

Although the manifestations of housing problems may vary among localities, solutions universally depend on the cooperative application of both public and private resources in some form of housing partnership. The concept of public-private partnership in housing is a commitment to sharing development risk, financial obligations and program responsibilities among government, private financial institutions, builders, developers and to the maximum extent possible-nonprofit organizations and the larger business community. This shared commitment and assumption of financial risk allows the community to form a consensus on a response to its housing needs. Successful program implementation generally requires a formal and institutionalized public-private vehicle, with a mandate to serve as the intermediary agent for all participants in the partnership program (Wylde 1986, 111).

Extra impetus for local mobilization of housing partnerships has come in response to changing Federal Housing Policy. During the 1970’s, the Federal government assumed virtually exclusive responsibility for the production and financing of low-and-moderate income housing, relieving pressure on state and local government to address housing issues.

In the U.S. the major portion of low to moderate-income mortgage companies and depository lenders carry out lending. The Community Reinvestment Act (CRA) and other

legislation may have launched further down-market activity on the part of federally regulated depository institutions.

The clear trend in housing finance subsidies in recent years has been to provide up-front grants for down payments, typically conditioned on an acceptable period/amount of savings by the household. Government can provide equity seed capital to create institutions that enhance the flow of funds to housing. This involvement provides the assurance for private investors that government will stand behind the effort. The government involvement improves the access to finance and the cost of funds (Lee 1999, 1).

The largest and, by most measures, the most successful federal multifamily affordable housing production program in the U.S. is the Low Income Housing Tax Credit (LIHTC). The LIHTC is a block grant of a tax expenditure that is syndicated to investors to raise equity to develop or acquire property. It represents approximately \$4.1 billion annual net-present-cost tax expenditure and generates 60,000 new affordable housing apartments a year. The Treasury Department now controls the main low-income housing production program in the United States.

Recent housing research has found that community-based organizations offer a comprehensive approach to area revitalization by simultaneously creating long term affordable housing and building community. Community based development policies try “to capture the benefits of development for specific neighborhoods or social groups by democratizing land, labor and capital.” The three most significant federal funding sources for housing nonprofits are the Community Development Block Grant (CDBG), the Low Income Housing Tax Credit (LIHTC) and the HOME Investment Partnerships Program, more commonly known as the HOME Program. The 10% nonprofit set-aside of the LIHTC

program and the 15% nonprofit set-aside of the HOME program illustrate the increased federal attention paid to housing nonprofits since the 1980's. Community based housing organizations are also heavily involved in the homeless programs created by the Stewart B. McKinney Homeless Assistance Act of 1987 (Koschinsky 1998, 117).

Extra impetus for local mobilization of housing partnerships has come in response to changing Federal Housing Policy. During the 1970's the Federal government assumed virtually exclusive responsibility for the production and financing of low-and moderate-income housing relieving pressure on state and local government to address housing issues. Between 1979 and 1982, Congress eliminated most housing production subsidies and returned the responsibility for subsidized housing to state and local governments. This action spurred new interest in public-private partnerships.

A partnership effort requires the leadership of participating private institutions and government to make personal commitments to its success. Because of the extraordinary political and financial risks of development activity, the staff must have a clear mandate to carry out the actions necessary to achieve program goals.

Finally, from its inception, the partnership must establish clear lines of decision-making authority between the public and private participants. Lines of authority are essential because of the divergent and conflicting demands imposed on the private sector and government that can surface at every stage of a development project (Wylde 1986, 112).

A survey from the National Congress for Community Economic Development of community development corporations (CDCs) involved in housing, reports that in just three years, from 1994 to 1997, CDCs developed 45 percent (245,000) of all the housing units. As

competitiveness for federal housing funds has increased over the last decade, partnerships are a potential strategy for increasing capacity to compete for federal funds (Chung, 2004).

Overcoming Barriers to Housing Development Initiatives

Perceived as a root cause of the lack of affordable housing, land use regulations, including zoning and subdivision regulations, health codes, building and fire codes, and fee requirements are alleged to represent “barriers” to affordable housing. It is important that cities and towns work as collaboratively as possible in order for affordable housing to expand. A successful affordable housing program is, by definition, one that is consistent with the city or town or regional plan for growth and development (Witten 2003, 509).

Homeownership also plays a major role in the American economy. A house purchase is the largest single consumer transaction that the vast majority of Americans make, and it is the largest portion of wealth for most of these households. Residential stock accounts for approximately 38% of net residential and nonresidential capital stock and consumer durable goods. (Smith 1988, 29).

Three major affordability indicators are; housing cost burden (proportion of income paid for housing) affordable housing stock, and the rental housing affordability mismatch ratio (portion of housing units relative to number of households). Housing cost burden models indicate that minority households are more likely to be housing burdened and that young households (under age 25) are more likely to be burdened (Sirmans 2003, 134).

Jack Kemp, when he was secretary of HUD, created the HOPE program (Homeownership and Opportunity for People Everywhere) during the first Bush administration. The program was designed to sell off public housing to its residents, who would then take responsibility for its management and upkeep. But the renovation of Kemp’s

showcase Kenilworth-Parkside project in the District of Columbia's Anascostia section turned out to be expensive (as much as \$130,000 per apartment) and slow.

As part of the Quality Housing and Work Responsibility Act of 1998, (QHWRA), Congress sought to provide more low-income families nationwide with an opportunity to become homeowners by creating a homeownership option for families receiving federal Section 8 tenant-based assistance. The new program allows families receiving Section 8 voucher assistance to convert their federal rental subsidy to a mortgage subsidy to buy their own home. To do so, the PHA must first adopt mandatory policy changes that amend its Administrative and Annual Plans, develop its own program requirements and determine eligibility policies for participating families. Unfortunately, HUD does not provide any additional funding for this program, providing PHA's with no incentive to implement the homeownership program (National Housing Law Project, 2001).

The current trend in U.S. public housing redevelopment is to replace existing high-rise, high-density "projects" with new lower density, mixed-income communities. Mixed-income housing, a recurrent theme in U.S. housing policy, became especially popular with policymakers in the 1990's. Mixed income housing is housing that includes families with relatively higher incomes; is partly subsidized and partly market rate; or has a predominance of families not dependent on welfare. The current popularity of the mixed-income concept derives from persistent and growing poverty among America's children and from a heightened awareness of the social ills that accompany concentrations of poor (Khadduri 1997, 23). The underlying assumption is that mixing together market rate and public housing units will result in social interaction of low-income and middle-income families, which in turn is to provide greater opportunities and reduce social isolation of the poor. As cities press

forward with their plans, a key concern is getting the right blend of low, middle and high-income households (Smith 2001, 29).

A Model Housing Authority: Affordable Housing Provider

This extensive review of the literature reveals a common set of characteristics associated with a successful affordable housing model. The ideal type categories for an effective PHA developed are as follows:

- Organizational Capacity
- Welfare Reform/Family Self Sufficiency
- Diversifying Affordable Housing Programs
- Housing Development Initiatives

The conceptual framework of affordable housing programs described in **Table 2.1** provides more detailed information about each of these characteristics and connects the categories to the literature.

Chapter Summary

The review of scholarly literature indicates that there are a variety of issues associated with the development of affordable housing. The issues include how to address homelessness, how to acquire additional funding to support the development of housing, what reform is necessary in federal housing policies and what is the capacity of affordable housing organizations to develop new housing.

The literature reviewed specifically addresses the need to change federal policy to enhance the availability of funding for affordable housing development along with the need

to address such issues such as NIMBY (Not in my back yard) and the capacity of community development organizations. Additionally, self-sufficiency programs should be expanded to assist families who are relying on federal assistance to become more independent.

Partnerships between community development organizations and private developers will also need to be expanded to enable nonprofits to increase the number of affordable housing units they develop each year.

**Table 2.1
Conceptual Framework of Affordable Housing Programs**

Ideal Type Categories	Sources
<p>Organizational Capacity</p> <ul style="list-style-type: none"> • Clearly Written Mission Statement • Specific Goals & Objectives • Sound Fiscal Practices • Board Involvement In Strategic Planning • System for Evaluating & Tracking Programs & Services • Formal Appraisal System for Employees • PHAS and SEMAP 	<p>Frederickson 2000 Herman 2004 Poister 1999 Drucker 1989 HUD 2004 Glickman 1998</p>
<p>Welfare Reform/Family Self Sufficiency (Service Integration)</p> <ul style="list-style-type: none"> • Housing Support Services • Employment Programs • Educational Programs • Transitional Housing • Case Management Services 	<p>Crump 2003 Bratt 1998 Rohe 1999 Saard 2002 Cohen 2004 Washington 2002 Ryzin 2003</p>
<p>Diversifying Affordable Housing Programs</p> <ul style="list-style-type: none"> • Public Housing • Section 8 • Senior Housing 	<p>Nenno 1991 Quercia 1997 Gleeson 1992 Brookings 2003 Ladd 1997 Kinnard 1994 Basolo 2003</p>
<p>Housing Development Initiatives</p> <ul style="list-style-type: none"> • Partnerships • Diversified Funding • Consistent with City's Consolidated Plan • Homeownership • HOME/CDBG • LIHTC 	<p>Koschinisky, 1998 Witten, 2003 Crump, 2003 Sirmans, 2003 Lee 2005 Turner, 1998 Keys 1992 Chung 2004 Anderson 1999 Pendall, 2000 Khadduri 2001</p>

Chapter 3: Public Housing Authorities in Texas

The purpose of this chapter is to provide information about public housing authorities, specifically Texas housing authorities which have been selected as the primary subject of this research. There are presently 424 Texas housing authorities. Housing authorities are considered the main providers of affordable housing within their communities.

Overview of Public Housing Authorities in Texas

Today there are more than 3,300 PHA's in the United States and 424 in the State of Texas. Of the PHA's in Texas, San Antonio Housing Authority is the largest with 6,611 units followed by El Paso (6,028), Dallas (4,667) and Houston (3,485). The smallest is located in Talco, Texas and owns only 10 units (HUD 2006).

Texas housing authorities are much smaller in size in relation to other housing authorities. The largest PHA in the United States is the New York Housing Authority with 179,315 public housing units. Their largest apartment complex has 2,879 units (NYCHA 2006) which is larger than some entire Texas housing authorities.

Public Housing is limited to low-income families and individuals. Eligibility is based on annual gross income, whether you qualify as elderly or disabled or as a family, and U.S citizenship or eligible immigration status. PHA's use income limits developed by the U.S. Department of Housing and Urban Development (HUD).

HUD is the primary source of funding for Public Housing Authorities. With the assistance of HUD, most PHA's administer two programs – 1) public housing; and 2) the housing choice voucher program that allows families to seek housing in the private sector subsidized up to the maximum allowable rent.

Williamson and Travis counties include several PHA's including those in Austin, Travis County, Round Rock, Georgetown and Taylor, just to mention a few. All of these organizations have long waiting lists for housing.

Based on the survey conducted as part of this research, several of these agencies indicated that they have started looking into alternative ways to address the need for more affordable housing within their communities. This includes developing new housing, partnering with other organizations, and seeking new resources to support the expansion of their programs and services.

Assessing the Effectiveness of Public Housing Authorities in Texas

Housing Authorities should continue seeking alternatives to addressing housing shortages in their communities. As already noted, traditionally PHA's have had their performance assessed based on their vacancy rates, financial management, the overall physical condition of properties, and rent collections. It is evident from a review of the literature that the future survivability of PHA's in Texas will depend on broadening their assessment measures to include organizational capacity, service integration, and availability of affordable housing in the community, and the extent and nature of partnerships with other entities to promote housing development initiatives.

The practical ideal type that has been created through this research and described in **Table 2.1** is an excellent way for Texas PHA's, along with PHA's across the country, to assess their effectiveness and hopefully expand their affordable housing development efforts. As indicated in the literature review there is a serious shortage of housing in America today, which is an indicator that more attention must be given to improving the performance of all PHA's resulting in more affordable housing in our communities.

Chapter Summary

In summary, Texas PHA's should focus on working with HUD, their cities, counties and local partners to expand their programs and services. As the population continues to change in Texas (ethnic demographics, baby boomers, etc.) PHA's will need to become the primary source of affordable housing and must diversify housing options for low-income populations. Public Housing and the Section 8 Housing Choice Voucher program can no longer support the growing demand for affordable housing.

As noted in this research, HUD is encouraging PHA's to diversify and expand their housing development initiatives. It will be up to Texas PHA's and PHA's across the country to become increasingly self-sufficient to meet the burgeoning demands for affordable housing.

Chapter 4: Research Methodology

The purpose of the research is to gauge how well Texas Housing Authorities compare to the practical ideal type. The categories from the conceptual framework are operationalized and the survey questions are derived from the categories. Additionally, the chapter describes the research methodology, unit of analysis, population, the survey instrument, and the operationalizing of the conceptual framework.

Survey Research

Survey research was the type of research methodology selected for this project. According to Babbie (2004), “survey research is probably the best method available to the social researcher who is interested in collecting original data for describing a population too large to observe directly” such as Public Housing Authorities.

An application for approval for IRB was submitted. It was determined by the Texas State IRB that this project was exempt from IRB requirements for a full review.

Survey research has several strengths. However, there are also weaknesses that should be considered. According to Babbie, the primary weakness is that the information contained in the survey may be artificial and superficial due to the standardization of the questionnaire (Babbie 2004). However, for this research study, a survey seemed to be the most appropriate technique to use. The appendix contains a copy of the thirty-six question survey instrument. All surveys were e-mailed. After the first week, a second e-mail reminder was sent. The second request for information was successful in encouraging twenty-four additional housing authorities to participate in the survey and return their responses.

The survey form asked Texas PHA’s to provide information on their performance in

specific areas such as organizational capacity, diversity of affordable housing programs administered, family self-sufficiency and housing programs. Performance information was gathered from HUD's REAC (Real Estate Assessment Center) and was compared to the survey responses from the Texas PHA's in the research sample.

Unit of Analysis

The study's unit of analysis is Texas Public Housing Authorities while the executive directors of the organizations responded to the survey. Executive directors are usually the individuals charged with the overall administration of the organization. Executive directors oversee staff and report directly to a board of directors.

Population

There are more than 3,300 public housing authorities in the United States, and of these, 424 Texas Housing Authorities were surveyed. Texas PHA's represent approximately 12% of the total number of PHA's in the United States. Texas PHA's were chosen because they are a representative sample of housing authorities on a national level. The author of this paper is also familiar with these housing authorities through a membership in the Texas Housing Association (THA). Most of the Texas PHA's are classified by HUD as small PHA's (less than 250 units). Only 3% were classified as medium to large (more than 500 units).

Survey Instrument

A survey questionnaire was administered via e-mail to all executive directors who are members of the Texas Housing Association (THA). THA is one of the largest membership organizations of housing authorities in Texas. There are presently 424 public housing authorities in Texas of which more than 95% are members according to the THA.

Survey Design and Construction

The survey used was developed through the operationalization table. The survey consisted of 36 questions administered to Executive Directors of Public Housing Authorities in Texas. Each question was answered by the respondent by marking either yes or no or by indicating various degrees of agreement ranging from strongly agree to strongly disagree. A copy of the survey is included as an appendix.

Operationalizing the Conceptual Framework

Operationalizing the methods for the conceptual framework is used as a way to link the practical ideal type categories to the data collection methods.

This project was exempt from the IRB requirements.

Table 4.2
Operationalization of the Conceptual Framework

<i>Category & Ideal Type</i>	<i>Survey Question</i>	<i>Response</i>
Organizational Capacity <ul style="list-style-type: none"> • Clear written mission statement • Specific Goals & Objectives • Sound Fiscal Practices • Board Involvement in Strategic Planning • System for Evaluating & Tracking Programs & Services • Formal Appraisal System for Employees • PHAS and SEMAP 	1. Does your PHA have a written mission statement?	Yes No Don't Know
	2. Does your PHA have a strategic plan that includes measurable goals & objectives?	Yes No Don't Know
	3. Do you agree your PHA meets its goals and objectives?	SA A N D SD
	4. Does your PHA have an approved budget?	Yes No Don't Know
	5. Does your PHA have operating reserves?	Yes No Don't Know
	6. Is your PHA operating in a deficit?	Yes No Don't Know
	7. To what extent do you agree your board is involved in the strategic planning process?	SA A N D SD
	8. Does your PHA have a system in place for measuring the effectiveness of its programs and services?	Yes No Don't Know
	9. Do you agree your system of evaluating programs and services is effective?	SA A N D SD
	10. Do you agree that others (funders, HUD, etc.) would evaluate your PHA as effective?	SA A N D SD
	11. Does your PHA have a formal employee appraisal system?	Yes No Don't Know
	12. How was your PHA rated by PHAS last year?	Poor Standard High
	13. How your PHA rated by SEMAP last year?	Poor Standard High
Welfare Reform/Family Self Sufficiency (Service Integration) <ul style="list-style-type: none"> • Housing Support Services • Employment Programs • Educational Programs • Transitional Housing • Case Management Services 	14. Self Sufficiency Programs provided by our organization are effective.	SA A N D SD
	15. What percent of your clients participate in Self Sufficiency programs?	0-20% 21-50% 51-75% 75% or more Not Applicable
	16. What percentage of your clients in Self Sufficiency Programs graduate?	0-10% 11-25% 26-50% Over 50% Not Applicable
	17. Does your PHA offer employment services?	Yes No Don't Know
	18. Does your PHA offer educational programs?	Yes No Don't Know
	19. Does your PHA administer a transitional housing program?	Yes No Don't Know
	20. What percentage of your population is homeless?	0-10% 11-25% 26-50%
	21. Our organization serves the needs of the homeless.	SA A N D SD
	22. Our PHA offers case management services.	Yes No Don't Know
23. What is the population size of your jurisdiction?		
Diversifying Affordable Housing Programs <ul style="list-style-type: none"> • Public Housing • Section 8 • Senior 	24. How many public housing units does your PHA own?	1-250 250-500 500+
	25. How many Section 8 vouchers does your PHA administer?	1-250 250-500 500+
	26. How many senior units have you developed?	1-250 250-500 500+
	27. What is the percentage of seniors in your community?	
28. What is the estimated length of wait for clients who apply for these programs?	0-6 mo. 6-12 mo 12-18 18+	

Table 4.2 cont'd.

Housing Development Initiatives		
<ul style="list-style-type: none"> • Consistent with City Plan • External Partnerships 	<p>29. Does your PHA participate in housing initiatives?</p> <p>28. Are your PHA's housing development initiatives aligned with the City's consolidated plan?</p> <p>31. Is your PHA partnering with other entities to enhance development?</p> <p>32. Check below the partnerships that apply to your organization.</p> <p>33. What percentage of your budget comes from these sources?</p>	<p>Yes No Don't Know</p> <p>Yes No Don't Know</p> <p>Yes No Don't Know</p>
<ul style="list-style-type: none"> • Units Developed 	<p>34. How many new units has the PHA developed through its development initiative?</p>	<p>None 1-150 150-300 300+</p>
<ul style="list-style-type: none"> • LIHTC 	<p>35. Have you developed a LIHTC property?</p> <p>36. What percent of your budget is dedicated to the following?</p>	<p>Yes No Don't Know</p> <p>Development Home Ownership</p> <p>Social Services</p>

Chapter 5: Results

The purpose of this chapter is to provide an analysis of the results of the survey instrument discussed in chapter four. These results will be used as the basis to make recommendations on how housing authorities can improve their performance and become the “authorities” of affordable housing within their respective communities.

Response Rate

Surveys were mailed to executive directors of 424 Texas Public Housing Authorities. Of the 424 surveys mailed out, sixty-two were returned. Therefore, there was a 16 percent response rate achieved using this survey. All of the data collected was usable for the purposes of this project.

The limited number of responses may be attributed to the two week time frame allowed for responses. The data collected from the survey was not as extensive as expected. This may also be attributed to time constraints of those surveyed.

Organizational Capacity

Table 5.1 reveals that the majority of the public housing authorities (PHA’s) had both a written mission statement and a strategic plan. They agreed that their PHA met its goals and objectives. All but one PHA had an approved budget. However, most had reserves, with only a few reporting an operating deficit. **Table 5.1b** shows board members were involved in the agencies strategic planning process. A system was in place for measuring the effectiveness of programs and services at most agencies, and executive directors agreed that the system for evaluating programs and services was effective. Over fifty percent of the

PHA's did not have a formal employee evaluation system in place. Table 5.1c reveals that number of standard and high performers was very close to equal. Only two PHA's identified themselves as poor performers.

Through the data collected in the survey there were common factors among the PHA's classified as poor performers. Some of the common items included lack of a strategic plan, budget deficits, lack of board involvement, limited housing development activities and limited self sufficiency related activities.

**Table 5.1a
Strategic Planning & Program Evaluation**

Element	N	%Yes	% No	Don't Know
Written Mission Statement	55	83%	12%	5%
Strategic Plan	57	71%	26%	3%
Approved Budget	59	97%	3%	
Operating Reserves	57	92%	8%	
Budget Deficit	58	26%	74%	
System For Measuring Effectiveness	57	49%	51%	
Formal Appraisal System	57	48%	52%	

**Table 5.1b
Goals & Objectives & Program Evaluations**

	N	Strongly Agree	Agree	Neutral	Disagree	Strongly Disagree
PHA Meets Goals & Objectives	58	30%	57%	13%		
Board Involved in Planning	58	8%	54%	25%	13%	
Evaluation System Is Effective	61	9%	45%	36%	10%	
Funders Evaluate PHA As Effective	61	29%	63%	4%		

**Table 5.1c
PHA Ratings**

	N	Poor	Standard	High
HUD PHAS Rating	60	14%	41%	45%
HUD SEMAP Rating	60	7%	26%	67%

Welfare Reform/Family Self Sufficiency

Table 5.2a and Table 5.2b revealed that the majority of the PHA's did not have self sufficiency programs or any type of employment or educational programs. Only two organizations offered transitional housing, which is usually provided to homeless persons

requiring support services. Additionally, the two organizations that offered transitional housing indicated that they fulfilled the majority of the organizational capacity indicators used to evaluate the housing authorities. This supports the theory that organizations with strong organizational capacity are more likely to fulfill the housing needs of their communities than those who do not.

**Table 5.2a
Family Self Sufficiency**

	Strongly Agree	Agree	Neutral	Disagree	Strongly Disagree	Not Applicable
FSS Programs are Effective		16%	4%	8%	5%	65%

**Table 5.2b
Programs Offered**

	N	Yes	No	Don't Know	Total
PHA Offers Employment Services	59	14%	85%	1%	100%
Educational Programs	58	36%	63%	1%	100%
Transitional Housing	55	7%	89%	4%	100%

Diversifying Affordable Housing Programs

The homeless population was between 0-10% in each community. About a third of the PHA's indicated that they served the homeless, yet the majority did not provide any type of case management services. Most of the PHA's who responded owned less than 250 units. These are classified as small PHA's by HUD. Applicants usually have to wait approximately six months for rental assistance.

The PHA's with longer waiting lists were those who indicated that they did not administer programs other than Public Housing and the Section Housing Choice Voucher Program. This could be interpreted as an indication that administering multiple housing programs may reduce the time applicants must wait to be housed.

Housing Development Initiatives

Approximately one third of the PHA's surveyed are involved in housing development and the same number have developed partnerships with entities outside of the organization. Those PHA's also rated themselves as having strong organizational capacity. This may be an indicator of the importance of strong organizational capacity in the development of additional housing.

HUD funding was still listed as the primary source of income for the PHA's. The majority relied on HUD to provide funding to support their operating costs. Very few had developed any new units over the past twelve months, indicating that not many of them are making progress to increase the availability of affordable housing in their communities. Only eight PHA's had actually developed a tax credit property (another type of affordable housing) which provides tax incentives.

Analysis of Survey Results

The primary purpose of the survey was to assess Texas public housing authorities as affordable housing providers. The responses collected were compared to the practical ideal type as identified through the literature review and the conceptual framework. Most of the PHA's indicated that they had the organizational capacity to become leaders in affordable

housing. However, only half of them performed at their peak and classified themselves as high performers.

Texas housing authorities overall do not provide programs and services which encourage self sufficiency. They focus primarily on the administration of public housing and the housing choice voucher program. The two programs HUD is reducing funding for.

The data collected suggests that the housing authorities in Texas generally do not meet the housing needs of their respective communities. They are not maximizing their potential by establishing partnerships or seeking ways to develop new housing. They also rely heavily on HUD for funding instead of diversifying their resource base.

Chapter 6: Conclusion

This chapter presents the overall results of this study and its implications, including an assessment of Texas Public Housing Authorities as they compare to the practical ideal type as indicated in this research. This final chapter also makes recommendations for future action and scholarly research. Recommendations are based on the research findings.

As demonstrated in **Table 5.1**, the majority of the PHA's were rated as either standard or high performers by the U.S. Department of Housing and Urban Development. Based on their responses, the majority of the agencies meet the organizational capacity requirements of the practical idea created. However, most of the agencies did not administer family self sufficiency programs, were not actively involved in housing development and only administered Public Housing and the Section 8 Housing Choice Voucher Program.

The practical idea type categories identified as organizational capacity, welfare reform/self sufficiency service integration, housing programs administered and housing development initiatives identified through the literature review and used to evaluate PHA's were not all fulfilled by any of the PHA's surveyed. This can only be interpreted as an indication that PHA's are not meeting the needs of their communities.

In an attempt to encourage housing authorities to truly fulfill their obligations, recommendations are being provided for the four categories identified in the study as the most important indicators of a successful affordable housing provider.

Organizational Capacity Recommendations

The literature has established that PHA's must have the organizational capacity to be able to address the housing needs of their community. The majority of the Texas PHA's surveyed indicated that they had a clear written mission statement and a strategic plan with specific goals and objectives. It is recommended that they review their goals and objectives to make sure that they are aligned with the needs of the community. As indicated in the literature review, a successful affordable housing program is, by definition, one that is consistent with the city or town or regional plan for growth and development.

Most of the PHA's indicated that they had waiting lists for housing services, yet very few of them were actively involved in housing development or seeking ways to increase their housing stock. More board involvement in strategic planning and in garnering financial partnerships should be considered. Many of the PHA's indicated only minimal involvement of their board in strategic planning for the organization. According to Glickman (1999), organizational capacity is affected by management style, the roles played by its board of directors and the organizations fiscal capability.

Only about half of the PHA's had a formal system for evaluating the effectiveness of their programs and services. As indicated in the literature review, Herman (2004) states that indicators of an effective organization are a mission statement, a recent needs assessment, a planning document, a measurement of client satisfaction and a statement of organizational effectiveness criteria. This relates to accountability. Unless there is accountability, it will be hard to increase effectiveness.

Welfare Reform/Family Self Sufficiency Recommendations

More than half of the PHA's indicated that they did not participate in any type of self-sufficiency program and only four of them administered a transitional housing program. This indicates that most of the housing authorities responding to the study survey are not actively pursuing ways to encourage persons to become more self-sufficient and do not promote welfare reform.

PHA's should begin promoting self-sufficiency for program participants. As indicated in the review of the literature, federal funding is being reduced. Additionally, HUD has a concern for self-sufficiency as shown through the Personal Responsibility Act of 1996 (PRWORA) which they adopted. As the demand for affordable housing continues to increase, PHA's might benefit by partnering with other organizations and their city government in finding ways to promote self sufficiency for their clients.

Diversifying Affordable Housing Programs Recommendations

More than half of the PHA's that responded to the survey own fewer than 250 units. However, most of them indicated that the homeless population in their community is approximately 10%. This indicates that they should consider finding new ways to address the needs of the homeless in their community. They might be able to do this by seeking new sources of funding, partnering with other organizations that might already provide homeless services within the community or consider developing housing for the homeless.

Housing Development Initiative Recommendations

Most of the Texas PHA's surveyed indicated that they did not participate in housing development initiatives and had not created any type of partnerships with others to develop housing. Almost 90% of the respondents indicated that almost 100% of their operating budget was funded by HUD.

Housing Authorities should look at ways of diversifying their resources. HUD has decreased funding to PHA's for the past several years. This should be a concern to these organizations. They should also explore strategies for becoming more self-sufficient. Since ironically, just like their clients, the Texas PHA's are over reliant on federal funding. Perhaps the Texas PHA's could partner with other entities to develop property that will not only benefit program participants but that might also generate revenue for the organization.

Next Steps for Research

This chapter presents recommendations for assisting housing authorities to become the real "authorities" in affordable housing. These recommendations are listed in **Table 6.1**. A survey was administered to Texas housing authorities to assess how closely they compared to the practical ideal type created through this research.

Because the research relied on information from PHA's in Texas, it may not be representative of all the PHA's across the country. Future research might be conducted by sending a new survey that includes all 3,300 PHA's in the U.S., conducting interviews and conducting document analysis to determine if more specific information can be gathered to create a more comprehensive practical ideal type that will help to promote program

expansions. Future researchers may want to include interviews with a cross-section of PHA executive directors to gather more in-depth information and expand upon this research study.

**Table 6.1
Conclusion and Recommendations Based on Practical Ideal Type**

Criteria	Meets Practical Ideal Type	Recommendation
Organizational Capacity	Partially	Align goals and objectives with the needs of the community. Most have long waiting lists for housing. Encourage more board involvement in development efforts. Create comprehensive system to evaluate the effectiveness of programs and services. Begin promoting programs and services that will encourage program participants to become self sufficient.
Welfare Reform/Family Self Sufficiency	No	Consider finding ways to address the homeless population. Seek to partner with others to enhance resources.
Diversifying Affordable Housing Programs	Partially	Look for ways to diversify funding. PHA's should also become more self sufficient. Too much dependency on HUD for funding. Look at combining development of affordable housing with revenue generation. Find more ways to diversify housing programs offered.
Housing Development Initiatives	No	Look for ways to develop partnerships. Conduct research on how affordable housing can be expanded within the community.

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March 7, 2006

Dear Fellow Executive Director:

I am the Executive Director of the Round Rock Housing Authority and I am presently working on my Master's in Public Administration (MPA) at Texas State University. My anticipated graduation date is May 2006.

As a requirement of this program, I must complete an applied research project. One component of my project is a survey, I am conducting of all Housing Authorities in Texas.

I would appreciate your completing the attached survey and returning it to me by March 20, 2006. It should take approximately 15-20 minutes of your time. Your prompt response is greatly appreciated, as I only as I have only a short time frame to complete my project. If you are interested in finding out more about my project, I will be glad to direct you to the website.

Please feel free to contact me via e-mail or at my office at (512) 255-9159, ext. 201.

Sincerely,

Ebby Green

APPENDIX

SURVEY INSTRUMENT

Organizational Capacity

Please fill in the appropriate answer in the blank.

1. Does your PHA have a written mission statement?
1-Yes 2-No 3-Don't Know

2. Does your PHA have a strategic plan that includes measurable goals and Objectives?
1-Yes 2-No 3-Don't Know

3. Do you agree that your PHA meets its goals and objectives?
1-Strongly Agree 4-Disagree
2-Agree 5-Strongly Disagree
3-Neutral

4. Does your PHA have an approved budget?
1-Yes 2-No 3-Don't Know

5. Does your PHA have operating reserves?
1-Yes 2-No 3-Don't Know

6. Is your PHA budget operating in a deficit?
1-Yes 2-No 3-Don't Know

7. To what extent do you agree your board is involved in the strategic planning Process?
1-Strongly Agree 4-Disagree
2-Agree 5-Strongly Disagree
3-Neutral

8. Does your PHA have a system in place for measuring the effectiveness of its Programs and Services?
1-Yes 2-No 3-Don't Know

9. Do you agree your system of evaluating your programs and Services are effective?

1-Strongly Agree
2-Agree
3-Neutral

4-Disagree
5-Strongly Disagree

10. Do you agree that others (HUD, funders, partners, etc.) would evaluate your PHA as effective?

1-Strongly Agree
2-Agree
3-Neutral

4-Disagree
5-Strongly Disagree

11. Does your PHA have a formal employee appraisal system?

1-Yes 2-No 3-Don't Know

12. How was your PHA rated by PHAS last year?

Poor Standard High

13. How was your PHA rated by SEMAP last year?

Poor Standard High

Welfare Reform/Family Self Sufficiency

14. Self Sufficiency programs provided by our organization are effective. (If Applicable)

1-Strongly Agree
2-Agree
3-Neutral

4-Disagree
5-Strongly Disagree
6-Not Applicable

15. What percentage of your clients participate in your self sufficiency Programs?

1. 0-20%
2. 21-50%
3. 51-75%
4. 75% or More

5. Not Applicable

16. What percentage of the participants in your FSS program graduate each Year?

1. 0-10%

3. 500 or more

26. How many senior units has your PHA developed?

- 1. 1-250
 - 2. 251-500
 - 3. 500 or more
-

27. What is the percentage of seniors in your community?

- 1. 0-10%
 - 2. 11-25%
 - 3. 25% or more
-

28. What is the estimated length of wait for clients who apply for these?
Programs?

- 1-Less than 6 months
 - 2-6-to Twelve months
 - 3-12-18 months
 - 4-18 months or longer
-

29. Does your PHA participate in housing development initiatives?

- 1-Yes
 - 2-No
 - 3-Don't Know
-

30. Are your PHA's development initiatives aligned with the City's consolidated
Plan?

- 1-Yes
 - 2-No
 - 3-Don't Know
-

31. Is your PHA partnering with other entities to enhance development?
Initiatives?

- 1-Yes
 - 2-No
 - 3-Don't Know
-

32. Choose below the partnerships that apply to your PHA.

- 1-City
 - 2-Investors
 - 3-Other Nonprofits
 - 4-Partners not listed
 - 5-None of these
-

33. What percentage of your budget comes from the following source? Please
Indicate percentages.

- 1-HUD ____%

- 2-CDBG_____%
- 3-HOME_____%
- 4-Foundations/Grants_____%
- 5.Other_____%

34. How many units has the PHA developed within the last 12 months?

- 1. None
- 2. 1-150
- 3. 151-300
- 4. 300+

35. Have you developed a LIHTC property within the past twelve months?

- 1-Yes
- 2-No
- 3-Don't Know

36. In your estimate, what percentage of your budget is dedicated to each of the Following:

- 1-Development_____%
- 2-Home Ownership_____%
- 3-Social Services_____%

Thank you for taking time out of your busy schedule to complete this survey. Please return it to Ebby Green, Executive Director, Round Rock Housing Authority at: egrrha@austin.rr.com