

Self-Sufficiency: Is Public Housing the Key?



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One of the most popular social programs in the United States is public housing, managed by the U.S. Department of Housing and Urban Development (HUD) and operated by local public housing authorities and non-governmental organizations. Currently, El Paso has the second-largest housing authority in the State of Texas with a waitlist averaging three to four years. This is mostly a result of the high poverty rates in the city mainly attributable to low education attainment levels and the incessant need of public housing units. The demand for public housing is undoubtedly tied to the poverty that a geographic region may face, and as such, is deeply investigated in this report. Ultimately, Community Scholars analyzed the state of El Paso's public housing by analyzing federal budgets to identifying and describing policies that increase self-sufficiency of low-income households. Additionally, the economic downturn of late 2008 and early 2009 has had an impact on both the supply and demand for housing assistance programs. It is crucial to understand what this will mean for the region's citizens.

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Increasing unemployment rates has more families in need of housing assistance and Public Housing Agencies (PHA) in need of funds. The American Recovery and Reinvestment Act of 2009 (ARRA) included a stabilization plan for public housing that was enacted under the Economic Recovery Plan. Much like the National Housing Act of 1934, the ARRA is intended to aid low-income families with housing needs through PHAs. The Housing Authority of the City of El Paso (HACEP) handles higher poverty rates than other parts of the nation and currently stands as second largest PHA in Texas and is among the top 20 in the nation. Local resident services aim toward resident well-being and self-sufficiency. As the recession progresses and unemployment and poverty rates increase, HACEP's task becomes more significant.

Community Scholars gained information through internet research in addition to personal, phone and E-Mail interviews. The information collected was then compiled into this report. Before discussing the actual programs public housing offers, it is important to understand both the effects of the current recession as well as the root of public housing demands. The following sections discuss this.

Effects of the 2009 Economic Crisis

According to the Bureau of Labor Statistics, the unemployment rate in the United States has already reached 9.5 percent as of June 2009.¹ The bank holding company, Goldman Sachs, predicted that if unemployment rose to 9 percent, homelessness in the country would rise in considerable amounts. Furthermore, the same company projected that with current unemployment rates, the number of people in poverty nationwide would rise up to 10.3 million. Moreover, the number of people in "deep poverty" would also increase anywhere from 4.5 to 6.3 million. These significant increases in unemployment and poverty place a larger strain on government assistance programs, including public housing.

A survey conducted in 2008 by the U.S. Conference of Mayors showed a substantial increase in the number of homeless families with children in 16 of the 22 cities that provided data. Another national survey reported that one in five schools in responding school districts had more homeless children at the beginning of the 2008 school year than over the whole previous school year. Studies have shown that homelessness and housing instability increase the chances of children repeating a grade and not completing high school.²

According to reports from the Center for Budget and Policy Priority, the current operating fund portion of the HUD budget is approximately 10 percent below the estimated need. Inadequate funding has led agencies to increase the costs of the rent for the low-income tenants, delay maintenance and cut back on security. Ultimately, this negatively affects the quality of life residents who are in most need during this economic crisis. Since 2007, housing authorities across the country were forced to reduce the number of Section 8 vouchers provided to low-

¹ U.S. Bureau of Labor Statistics. "Employment Situation Summary." *U.S. Department of Labor*. August. <http://www.bls.gov/news.release/empsit.nr0.htm> (June 30, 2009)

² Sard, Barbara. 2009. "Number of Homeless Families Climbing Due to Recession Recovery Package Should Include New Housing Vouchers and Other Measures to Prevent Homelessness." *Center on Budget and Policy Priorities*. January 8. (July 14, 2009)

income families by approximately 150,000 because of the shortage of funds.³ Despite the increasing number of low-income families throughout the country in need of financial assistance, policymakers have ignored the budget shortfall over the past decade.⁴

President Barak Obama (D) has requested a budget of \$46.3 billion for HUD in fiscal year 2010.⁵ In order for HUD to fund as many low-income families in 2010 as in 2009, the budget required is approximately \$31.6 billion. Despite this projected funding increase, federal spending on low-income housing assistance has increased at an inflation-adjusted rate of only 0.4 percent annually since 1995, while the poverty rate and the number of families in need of public housing has increased at a higher rate every year. From 1976 to 2002, U.S. Congress funded an average of 80,000 new rental assistance vouchers. However, from 2002 to 2007, no new vouchers were funded. This expansion is long overdue.⁶

Role of Poverty

The public housing system in El Paso serves those citizens and households making 80 percent or less than the average local income. This means that in 2007, about 78,715 families met the income requirement to receive public housing assistance. Currently, only 7,000 households receive some help from El Paso's housing authority while the demand is about approximately twice that. Given that income is a major indicator as to who qualifies for public housing services; a relationship between poverty rates and demand for public housing is conceivable. The following section will illustrate this relationship among various metropolitan areas in the southwestern region of the United States.

El Paso

According to the 2000 U.S. Census Bureau, over 200,000 El Pasoans live in poverty. The reasons are uncertain, but many theories point to important indicators that may provide valuable clues.⁷ University of Texas at El Paso (UT El Paso) economics professor Tom Fullerton conducted regional economic research in which he analyzed the relationship between per capita incomes and various socioeconomic factors. This study reveals the negative impacts of secondary school drop out rates on the income per capita in Texas. From his findings, Fullerton also suggests that counties located in border areas would benefit economically by decreasing high school dropout rates.⁸ In an interview with Community Scholars, Professor Fullerton also

³ Rice, Douglas. 2009. "What to look for in HUD's 2010 Budget for Low-Income Housing." *Center on Budget and Policy Priorities*. May 4. (June 16, 2009)

⁴ Fischer, Will, Douglas Rice and Barbara Sard. 2008. "HUD Budget Contains Major Funding Shortfalls." *Center on Budget and Policy Priorities*. May 5. <http://www.cbpp.org/cms/index.cfm?fa=view&id=128> (June 17, 2009)

⁵ U.S. Department of Housing and Urban Development. 2009. *FY 2010 Budget: Road Map for Transformation*. Washington, D.C.: Department of Housing and Urban Development

⁶ Rice, "What to look for in HUD's 2010 Budget for Low-Income Housing."

⁷ Rollow, Jake. 2007. "Glut of Workers, Lack of Schooling Play Major Roles." *El Paso Times*. April 15. http://www.elpasotimes.com/ci_5670966#top (June 25, 2009)

⁸ Fullerton, Thomas. 2001. "Educational Attainment and Border Income Performance." Dallas, TX: Federal Reserve Bank

pointed out that improving transportation, communication and the city’s public infrastructure could boost productivity, and thus, economic prosperity in El Paso.⁹

Across the Region

Statistics on other cities of the region provide a good point of reference when conceptualizing the local poverty level and the status of El Paso’s housing authority. The following four cities were compared to El Paso and chosen because of their location in the Southwestern United States. They are as follows:

- Albuquerque, NM
- Phoenix, AZ
- San Antonio, TX
- Santa Fe, NM

This data suggests that local socioeconomic indicators dictate PHAs’ size. The following table displays economic indicators to assess the level of poverty in each community.

Table F.1: Southwest Cities Economic Indicators

City	Median Household Income	Poverty	Unemployment
Albuquerque	\$45,343	10.9%	3.8%
El Paso	\$35,592	23.4%	5.0%
Phoenix	\$48,540	13.2%	3.6%
San Antonio	\$43,397	14.7%	4.2%
Santa Fe	\$49,499	8.8%	3.1%

Source: U.S. Census Bureau
Adjusted for Inflation

El Paso has the lowest median income and the highest poverty rate, which is 23.4 percent. Accordingly, the City of El Paso has the highest unemployment rate. The City of Santa Fe has the highest median income and the lowest poverty and unemployment rates. This trend can be seen throughout the cities. It can be inferred that there is a relationship between a city’s median income, poverty and unemployment rate. The higher the unemployment and poverty rates, the lower the median income. In addition, the cities with the highest poverty and unemployment rates have a greater number of public housing units. The data in the following table displays each city’s information on their public housing and Section 8 programs.

Table F.2: Southwest Cities Public Housing Programs

Cities	Units	HCV	Public Housing Wait	Section 8 Wait
Albuquerque	953	4,027	18 months	<i>Unavailable</i>
El Paso	5,771	5,398	4 years	15-18 mos (Now Closed)
Phoenix	2,805	5,448	<i>Unavailable</i>	Closed
San Antonio	6,980	12,391	3-24 months	24 mos (Now Closed)
Santa Fe	461	1,012	12 months	3-4 years

Source: HACEP, SAHA, Santa Fe County, Albuquerque Official City Website, HA Profiles Details

⁹ Fullerton, Thomas. Professor of Economics. *University of Texas at El Paso*. Personal Interview. June 18, 2009

A relationship can also be found between the number of units and the poverty rates of each city. The higher the poverty rate, the more units the local housing authority has. There is a positive relationship between the time spent on the waiting list with the poverty rate in that the housing authorities with the longest time spent in the waiting list are located in the cities with the highest poverty and unemployment rates.

Public Housing Oversight

After the stock market crash in 1929, the United States economy fell into a long and severe depression. By 1933, unemployment had climbed from eight to 15 million persons.¹⁰ Part of the U.S government's response to the economic ills of the Great Depression included the Emergency Relief and Construction Act of 1932, which established public housing.¹¹

Federal Housing Authority

U.S. Congress created the Federal Housing Administration (FHA) in order to assist the National Housing Act of 1934 in its mission to create homeowners.¹² Additionally, the Housing Act of 1937 facilitated the usage of federal monies and credit for the construction and improvement of "decent, safe and sanitary dwellings" for low-income families.¹³ This is the first example the nation saw regarding nationalized housing projects.

Department of Housing and Urban Development

In 1965, under the Housing and Urban Development Act, the Department of Housing and Urban Development (HUD) was created as a cabinet-level agency to assist and manage public housing.¹⁴ The main goal of public housing is to provide the elderly, disabled and low-income individuals with a place to live. HUD funds over 3,100 local PHAs and about 1.2 million public housing areas.¹⁵

Housing Authority of the City of El Paso

The Housing Authority of the City El Paso (HACEP) was created in 1938 as a government entity that provides low-income families of El Paso safe, decent and sanitary public housing. Over the years, HACEP has expanded its operations, from 349 apartments to close to 7,000 units. HACEP "offers residents a hand up rather than just a hand out" by not only

¹⁰ Eleanor Roosevelt Papers Historic Site. 2003. "The Great Depression (1929-1939)." *U.S. National Parks Service*. <http://www.nps.gov/archive/elro/glossary/great-depression.htm> (June 30, 2009)

¹¹ National Archives. 1995 "Records of the Public Housing Administration." *Housing Authority of the City of El Paso*. <http://www.archives.gov/research/guide-fed-records/groups/196.html#196.2> (July 28, 2009)

¹² U.S. Department of Housing and Urban Development. 2006. "The Federal Housing Administration (FHA)." September. <http://www.hud.gov/offices/hsg/fhahistory.cfm> (June 30, 2009)

¹³ U.S. Department of Housing and Urban Development. 1999. "U.S. Housing Act of 1937 as Amended by the Quality Housing and Work Responsibility Act of 1998." <http://www.nhl.gov/offices/ogc/usha1937.pdf> (June 30, 2009)

¹⁴ U.S. Department of Housing and Urban Development. 2009. "HUD's History." January. <http://www.hud.gov/library/bookshelf12/hudhistory.cfm> (June 30, 2009)

¹⁵ U.S. Department of Housing and Urban Development. 2009. "Public Housing." <http://www.hud.gov/offices/pih/programs/ph/index.cfm> (June 30, 2009)

concentrating on building houses for low-income El Pasoans, but by generating incentives for people in public housing to reach self-sufficiency and attain a better quality of life.¹⁶

This means more than just helping low-income families with mortgage payments. It provides an ensemble of programs dealing with education, recreation, drug prevention, job training, small business development and community redevelopment. Fundamentally, HACEP seeks to make public housing a breeding ground for success while increasing the availability of units for people in need. HACEP itself is not a federal government agency, but it must abide by federal law because of the large role HUD plays in funding PHAs.

Department of Community and Human Development (City of El Paso)

The Department of Community and Human Development (DCHD) of the City of El Paso is dedicated to:

- Benefit low and moderate-income persons and neighbors
- Increase affordable housing opportunities and rehabilitation existing housing stock
- Address the problem of homelessness
- Provide direct services to the elderly¹⁷

HUD's Office of Community Planning and Development (CPD), currently funds DCHD to revitalize communities through the following programs:

- Community Development Block Grant
- Empowerment Zone
- Emergency Shelter Grant
- HOME Investment Partnership

Texas Department of Housing and Community Affairs

Senate Bill 546 of the 72nd Texas Legislative Session created the Texas Department of Housing and Community Affairs (TDHCA) to regulate affordable housing, community development, community assistance programs and the manufactured housing industry. TDHCA provides PHAs access to public services and the Low Income-Housing Tax Credit.¹⁸ Additionally, for the 2005-2009 Fiscal Year Plan, TDHCA will work with HUD by administering the Section 8 Choice Voucher, which will be discussed further in a section to follow.¹⁹

-Continued on Next Page-

¹⁶ Housing Authority of the City of El Paso. 2004. "History." <http://www.hacep.org/history.sstg> (June 11, 2009)

¹⁷ City of El Paso. 2009. "Community and Human Development." <https://www.elpasotexas.gov/commdev/> (July 15, 2009)

¹⁸ Texas State Library and Archives Commission. No Date. "Agency Histories." *University of Texas Library*. <http://www.lib.utexas.edu/taro/tslac/50002/50002-P.html> (July 1, 2009)

¹⁹ Texas Department of Housing and Community Affairs. 2005. "Streamlined Five Year PHA Plan." <http://www.tdhca.state.tx.us/section-8/docs/05-StreamlinedPHA5YrPlan.pdf> (June 25, 2009)

Federal and Local Agency Objectives

The U.S. Department of Housing and Urban Development has developed a set of goals and objectives in order to further the quality of public housing in the nation. The objectives have also been further expanded upon locally, by HACEP. The following section describes these goals.

U.S. Department of Housing and Urban Development

The U.S. Department of Housing and Urban Development (HUD) has the mission to increase homeownership, support community development and increase access to affordable housing free from discrimination. To achieve this mission, HUD has developed a strategic framework from FY 2006 through FY 2011 in which it outlines the objectives that summarize the department's goals in detail.²⁰ This strategic framework is divided between programmatic strategic goals and cross-cutting strategic goals.

Programmatic Strategic Goals The programmatic strategic goals include increasing homeownership opportunities, promoting decent affordable housing and strengthening the community. According to empirical evidence from national surveys, some of the advantages homeownership provides are a higher sense of well-being, self-esteem and self-satisfaction. Economically speaking, owning a home can provide families and individuals with preferential tax treatment and wealth accumulation.²¹

To increase homeownership, HUD plans to:

- Expand opportunities for homeownership
- Facilitate the home-buying process and make it less expensive
- Lessen predatory lending through reform and education of misinformed and under informed first-time homebuyers
- Aid HUD-assisted renters to accomplish homeownership
- Help existing homeowners keep their homes
- In order to expand the opportunities of homeownership, HUD will ensure that more American families in need will understand the benefits of owning a home.

With regards to increasing minority homeownership, HUD is committed to eliminating any predatory lending and "trick" loans, because minorities are those who most frequently fall prey to this. Additionally, to make real estate settlements clearer and easier to understand, HUD has started working in accordance with the Real Estate Settlement Procedures Act (RESPA). To promote decent and affordable housing HUD plans to:

²⁰ U.S. Department of Housing and Urban Development. 2005. "PHA Plans: 5 Year Plan for Fiscal Years 2005-2009 Annual Plan for Fiscal Year 2005." Washington, D.C.: Department of Housing and Urban Development

²¹ Rossi, Peter H. and Eleanor Weber. 1996. "The Social Benefits of Homeownership: Empirical Evidence from National Surveys." *Metropolitan Institute at Virginia Tech*.
[http://www.mi.vt.edu/data/files/hpd%207\(1\)/hpd%207\(1\)%20rossi.pdf](http://www.mi.vt.edu/data/files/hpd%207(1)/hpd%207(1)%20rossi.pdf) (June 23, 2009)

- Expand the accessibility of affordable housing
- Improve the management accountability and physical quality of the houses
- Improve housing opportunities for the elderly and the disabled
- Reform public housing and its programs to facilitate effective delivery of affordable housing
- Promoting self-sufficiency to encourage home ownership

HUD's objective of strengthening communities includes:

- Assisting regions under disaster recovery
- Enhancing sustainability by expanding economic opportunities
- Fostering a suitable living environment and quality of life
- Ending chronic homelessness
- Addressing housing conditions that threaten health

Cross-Cutting Strategic Goals HUD's cross-cutting strategic goals include ensuring equal housing opportunity. The department must guarantee access to a fair and effective administrative process and resolve discrimination issues and complaints, expand public awareness of rights and housing laws, improve the accessibility of housing for people with disabilities and ensure that HUD-funded entities are following fair housing and civil rights laws. As part of the cross-cutting strategic goals, HUD is also seeking to embrace high standards of ethics, management and accountability.²²

Housing Authority of the City of El Paso

HACEP established its own objectives in a five-year plan for fiscal years 2005-2009 based upon HUD's strategic plans. HACEP will seek to leverage private and other public funds to construct and acquire additional units for disabled and underserved populations. The local housing authority intends to enhance the quality of assisted housing by improving general management and scores on unit inspections. Furthermore, HACEP is committed to enhancing resident satisfaction through various new projects in the public housing communities it serves. This includes the renovation of units improving communication and increasing resident participation through quarterly meetings at respective communities. Lastly, HACEP will undertake affirmative measures to ensure access to assisted housing and a suitable living environment to qualifying applicants regardless of their race, color, religion, national origin, sex, familial status or disability.²³

Modernization of Public Housing

In 2003, Harvard University's Graduate School of Design conducted a study to determine the costs of operating efficient public housing and made recommendations as to what could be done to achieve this. Recommendations included a business model switch to asset management,

²² U.S. Department of Housing and Urban Development. 2006. "HUD Strategic Plan FY 2006- FY 2011." Washington, D.C.: Department of Housing and Urban Development

²³ U.S. Department of Housing and Urban Development, "PHA Plans: 5 Year Plan for Fiscal Years 2005-2009 Annual Plan for Fiscal Year 2005."

which went into effect July 1, 2007. Asset management is based on five components: funding, budgeting, accounting, management and oversight/performance assessment on a project-based level. Also, each asset management program (AMP), or public housing community, will be responsible for themselves under the direction of public housing managers. Each AMP will now be evaluated individually, instead of having the entire PHA evaluated.

HACEP's transition into asset management was difficult because of the insufficient number of trained personnel with the management skills to effectively supervise the 21 newly demarcated AMPs. Major problems included taking budget and maintenance tasks from a central office to AMP managers who had no previous experience with these administrative duties. Due to difficulty in transition, HACEP proposed consolidating the 21 AMPs to eight, based on geographical location and development type.²⁴ The consolidation was completed on July 1, 2009.²⁵

Federal Programs

Eligible applicants to HACEP's programs and any other HUD programs include families or individuals at or below 80 percent of the local median income. On-line applications are not available, so applications must be picked up at HACEP's main office. Once completed, applications are then placed in a waiting list.²⁶ During the waiting process an income, criminal and immigration background check is conducted on each applicant. The wait usually lasts between three to four years. By that time, 50 percent of the initial applicants will no longer need assistance. After applications and all documents required are turned in, the applicant is granted housing. Out of every 100 applications, only 30 make it through this process. Currently, between 7,000 and 8,000 families are waiting for housing assistance.²⁷ HACEP currently uses the following programs for people to reach homeownership and self-sufficiency:

- Section 8
- HOPE VI
- Farm Labor Housing Program
- Shelter Plus Care Program

For the purpose of this report, Community Scholars will only focus on the first two programs, as most individuals receiving assistance do so under these two.

Section 8 Housing Assistance

There are two types of Section 8 housing assistance programs. Subsidy is granted to either (1) The tenant based Choice Voucher or (2) project based New Construction Program. The Choice Vouchers allow a family to find a home in or out of public housing areas, while the New

²⁴ Housing Authority of the City of El Paso. 2009. "Meeting Detail."
http://www.hacep.org/meeting_detail.sstg?id=232 (June 17, 2009)

²⁵ Housing Authority of the City of El Paso. 2009. "HACEP Announces New Asset Management Team."
http://www.hacep.org/news_detail.sstg?id=213 (July 13, 2009)

²⁶ Housing Authority of the City of El Paso. 2004. "FAQ's." <http://www.hacep.org/faqs.sstg> (July 1, 2009)

²⁷ Velasquez, Roman. Director of Public Housing. *Housing Authority of the City of El Paso*. Presentation. June 22, 2009

Construction Program subsidizes home rentals for low-income families to use in newly constructed or revitalized private properties.²⁸

Section 8 Choice Vouchers is a federal level program administered by local PHAs. Section 8 has decentralized high-poverty housing units by making it easier for low-income families to find homes outside of impoverished areas. The voucher provides homeownership and rental assistance as well as an option out of public housing communities. Families using Section 8 Choice Vouchers need to find a participating landlord within 60 days from the day the voucher is received. Section 8 Vouchers allow the relocation of tenants to rent houses, mobile homes or apartments in any city with a HUD funded housing authority. Relocation is possible as long as the tenant remains qualified for Section 8 and the landlord meets housing quality standards.²⁹

The Choice Voucher Program uses the Housing Assistance Payment (HAP) to help tenants make their rental payments. Annually, El Paso receives more than 5,000 Section 8 vouchers. According to HACEP's Director of Section 8, Lorena Rivera, HACEP gives an average of \$469 to each HAP family every month. Each family is responsible to complete rental payments consisting of at least 30 percent of their annual adjusted income to the landlord.³⁰ Additionally, the Section 8 New Construction and Substantial Rehabilitation Program allows low-income families receiving HAPs to rent newly constructed or revitalized private properties.³¹ Currently HACEP has 495 units under the "New Construction" program.³²

In the summer of 2003, HACEP began providing greater flexibility and an expanded use of the Housing Choice Vouchers in order to promote homeownership among assisted renters.³³ The vouchers can now cover the down payment or the ongoing cost of a mortgage. By offering housing counseling and foreclosure prevention activities, HACEP is also ensuring that more families are able to keep their homes.³⁴

Homeownership Opportunity for People Everywhere VI

The Homeownership Opportunity for People Everywhere (HOPE VI) provides funds to develop or revitalize distressed public housing areas and build development in low-poverty areas.³⁵ The program has also built houses for low-income families in middle-class communities

²⁸ Office of Management and Budget. No Date. "Department of Housing and Urban Development." *White House Online*. http://www.whitehouse.gov/omb/rewrite/circulars/a133_compliance/14218.html (July 1, 2009)

²⁹ U.S. Department of Housing and Urban Development. No Date. "Housing Quality Inspection Form." <http://www.hud.gov/offices/cpd/affordablehousing/library/forms/hqschecklist.pdf> (June 30, 2009)

³⁰ Rivera, Lorena. Director of Section 8. *Housing Authority of the City of El Paso*. Presentation. June 22, 2009

³¹ *Office of Management and Budget, "Department of Housing and Urban Development."*

³² Housing Authority of the City of El Paso. 2009. "Meeting Detail." http://www.hacep.org/meeting_detail.sstg?id=242 (July 1, 2009)

³³ Housing Authority of the City of El Paso. 2004. "Home Buyer Program." http://www.hacep.org/home_buyer_program.sstg (June 29, 2009)

³⁴ *U.S. Department of Housing and Urban Development, "HUD Strategic Plan FY 2006- FY 2011."*

³⁵ U.S. Department of Housing and Urban Development. 2006. "Homeownership and Opportunity for People Everywhere." <http://www.hud.gov/progdesc/hope1fin.cfm> (July 1, 2009)

to promote deconcentration. HOPE VI funds public housing authorities but it seeks to encourage partnership with non-governmental organizations and the private sector.³⁶

State and Local Programs

Similarly, both state and local programs are put into place to further the mission of providing citizens access to clean and affordable housing. At times, the programs are funded by HUD and administered locally, but may also be funded through state or private monies.

Community Development Block Grant Program

The Housing and Community Development Act of 1974 created the Community Development Block Grant (CDBG) Program. In Texas, CDBG funds are given to TDHCA and entitlement communities whose metropolitan population is over 50,000 for the development of low-income communities. HUD uses Formula A and B to properly determine which communities need funding.

Formula A is based on:

- Metropolitan shares of population (25 percent)
- Poverty (50 percent)
- Overcrowding (25 percent)

Formula B funds are based on:

- Growth lag (20 percent)
- Poverty (30 percent)
- Pre-1940 housing (50 percent)

CDBG funds entitlement communities which are communities that develop their own programs and funding priorities. The purpose of most of these acts is to provide clean and affordable housing for the people of the United States.³⁷

HOME Investment Partnership Program

The HOME Investment Partnership Program is a program under HUD that requires the TDHCA to allocate funds to low-income families seeking home ownership and rental assistance. Additionally, HOME distributes federal money provided by HUD to participating jurisdictions in order to reach HUD's goal of increasing homeownership throughout the nation. A participating

³⁶ U.S. Department of Housing and Urban Development. No Date. "HOPE VI."
<http://www.hud.gov/offices/pih/programs/ph/hope6/index.cfm> (June 20, 2009)

³⁷ U.S. Department of Housing and Urban Development. 2009. "Community Development Block Grant Program."
2009. <http://www.hud.gov/offices/cpd/communitydevelopment/programs/> (June 30, 2009)

jurisdiction is a state or local government entity with a federally approved consolidation plan. Each participating jurisdiction receives aid from HOME throughout a five-year fiscal plan.³⁸

El Paso is one of the participating jurisdictions within the thirteen regions of the TDHCA participating, receiving \$3.9 million in 2009.³⁹ TDHCA distributes funds received from the federal government to the participating jurisdictions in Texas. HOME gives grants and loans to local governments, non-profit agencies and for-profit agencies, which promotes partnership in various levels of government.⁴⁰ Additionally, HOME works with TDHCA by administering the HTF.⁴¹

El Paso Collaborative for Community and Economic Development

This non-profit organization in El Paso is certified by the U.S. Treasury as a Community Development Financial Institution or “community lender.”⁴² The Collaborative facilitates affordable housing to low-income residents of the city by offering programs geared toward self-sufficiency. Programs include the Individual Development Accounts which provides participants two dollars for every dollar saved to go toward their first home purchase, post-secondary education or small businesses. The Collaborative mandates that all participants in their programs attend financial literacy and homeownership training. Programs are funded through grants from HUD and TDCHA.⁴³

Self-Sufficiency Programs

In order to address the fundamental cause for public housing, poverty, HUD, along with various federal, state and local organizations, have taken steps to increase program participants’ self-sufficiency. The idea is to assist individuals with housing needs, ultimately aiming to provide them access to services and programs that leads down a path of self-sufficiency. The following section describes various programs that are in place to address this very issue.

Resident Opportunities and Self-Sufficiency Program

Under HUD, the Resident Opportunities and Self-Sufficiency (ROSS) Program makes supportive services, resident empowerment activities and self-sufficiency assistance available to

³⁸ U.S. Department of Housing and Urban Development. 2007. “§ 92.103.” *Office of the Secretary, HUD*. http://edocket.access.gpo.gov/cfr_2007/apr/qtr/pdf/24cfr92.103.pdf (June 30, 2009)

³⁹ U.S. Department of Housing and Urban Development. 2009. "CDP Formula Planning Estimates for FY 2009" <http://www.hud.gov/offices/cpd/about/budget/budget09/index.cfm> (July 16, 2009)

⁴⁰ Texas Department of Housing and Community Affairs. 2009. "HOME Division." <http://www.tdhca.state.tx.us/home-division/index.htm> (June 30, 2009)

⁴¹ Texas Department of Housing and Community Affairs. 2009. "Regional Allocation Formula Methodology." <http://www.tdhca.state.tx.us/housing-center/docs/09-RAFmethod.pdf> (June 30, 2009)

⁴² El Paso Collaborative for Community and Economic Development. 2008. "Welcome to El Paso Collaborative." <http://www.ep-collab.org/> (July 28, 2009)

⁴³ Chavez, Delia. Executive Director. *El Paso Collaborative*. Personal Interview. June 7, 2009

public housing residents⁴⁴. The ROSS program annually awards grants to eligible applicants for the improvement of resident services and self-sufficiency programs.⁴⁵

Locally, HACEP's resident services are made up of four components: resident relations, grant writing, job development and grant services. Resident relations provide services such as education training, financial literacy, asset development and security. Grant writing seeks to increase funding and resources for residents. Job development assists residents with job preparation and job placement services to help them achieve self-sufficiency. Grant services oversee grants that provide resident relations services to residents⁴⁶. HACEP currently manages grants that target various segments of public housing residents, from the elderly to the young. For example, HACEP received \$35,000 to construct a KaBOOM playground at one of its public housing communities.⁴⁷

Homeownership Program

HACEP also manages the ROSS Section 8 Housing Choice Voucher Homeownership Program. HACEP initiated the program in 2003 to grant low-income families the opportunity of owning a home. The program works by assisting residents to pay a monthly mortgage payment instead of rent and enabling residents to get support for down payment and closing costs. Credit counseling, financial literacy, home maintenance and asset building training are also available for participating residents. Through 2006, 37 former Section 8 residents have become homeowners through this program. To be eligible for the HCV Homeownership Program participating families must:

- Have a Section 8 housing choice voucher
- Be first time homebuyers
- Pay a minimum of \$500 for down payment or closing costs
- Have at least \$1,300 in savings
- Have credit worthiness approved by lender
- Meet income requirements
- Attend first time homebuyer classes, a four-hour buyer orientation and a post-buyer training seminar⁴⁸

HACEP also operates other programs all geared towards self-sufficiency. The following sections will discuss these in further detail.

⁴⁴ U.S. Department of Housing and Urban Development. No Date. "About the Resident Opportunities and Self Sufficiency (ROSS) Grant Program." <http://www.hud.gov/offices/pih/programs/ph/ross/about.cfm> (June 25,2009)

⁴⁵ Griffith, Shane. 2009. "HACEP Receives \$545,268 to Promote Self-Sufficiency for Public Housing Residents." *Housing Authority of the City of El Paso*. (June 23, 2009)

⁴⁶ Housing Authority of the City of El Paso. 2009. "Meeting Detail." http://www.hacep.org/meeting_detail.sstg?id=222 (June 17, 2009)

⁴⁷ Housing Authority of the City of El Paso. 2009. "Meeting Detail." http://www.hacep.org/meeting_detail.sstg?id=239 (June 17, 2009)

⁴⁸ *Housing Authority of the City of El Paso, "Home Buyer Program."*

Money Smart

The Memorandum of Understanding (MOU) established a partnership between the Federal Deposit Insurance Corporation (FDIC) and HUD. This partnership launched a financial education program for public housing and Section 8 residents. The financial education program helps residents enhance their money management skills, create positive banking relationships and achieve economic self-sufficiency. FDIC and HUD offer a training program known as Money Smart. This training program informs residents of credit and banking services. Money Smart has a specific curriculum that is taught through 10 different modules. With this knowledge, residents are more likely to become homeowners, increase savings and enhance their financial well-being.⁴⁹

Housing Choice Voucher and Family Self-Sufficiency

The Family Self Sufficiency program (FSS) is HUD's plan to help Section 8 voucher families gain employment and become self-sufficient. HUD established FSS in 1990 with Section 554 of the National Affordable Housing Act. This program helps residents obtain work experience and the skills needed for employment. FSS provides residents with childcare, transportation, education, job training, household skills, homeownership counseling and knowledge on working towards employment that pays a living wage.

Residents who obtain assistance from Housing Choice Vouchers (Section 8) are eligible to partake in the program. PHA's can modify the eligibility criterion for up to 50 percent of the program's slots. PHAs can screen applicants for interest and motivation to partake in FSS, but cannot screen for education, job history, credit rating, marital status or number of children.⁵⁰ Each participating family is assigned a counselor for five years to help provide support and encouragement. Ultimately, FSS families have higher self-esteem, achieve higher educational goals and hold better paying jobs than they did before joining the program.⁵¹

Deconcentration & Revitalization

One of the many challenges presented to PHAs today is the concentration of poverty in central-city neighborhoods. Over the years, the concentration of poverty in metropolitan cities has increased and consequences have been vivid.⁵² Low-income families are segregated from the middle and upper-class families, raising concerns about their quality of life. Scholars and policy-makers who have conducted research on low-poverty areas have come to an agreement that high concentrations of very low-income households in housing projects lead to negative social and behavioral outcomes. William Julius Wilson, a professor at Harvard University, describes a rise in what he calls an "underclass culture" found in neighborhoods with weak labor force, high

⁴⁹ U.S. Department of Housing and Urban Development. 2002. "*Federal Deposit Insurance Corporation and United States Department of Housing and Urban Development Memorandum of Understanding.*" Washington, D.C.: Department of Housing and Urban Development

⁵⁰ U.S. Department of Housing and Urban Development. 2002. "Housing Choice Voucher (HCV) Family Self Sufficiency." <http://www.hud.gov/offices/pih/programs/hcv/fss.cfm> (June 16, 2009)

⁵¹ Norfolk Redevelopment & Housing Authority. No Date. "Family Self Sufficiency (FSS)." http://www.nrha.norfolk.va.us/programs_services/publichousing/fss.html (June 17, 2009)

⁵² Turner, Margery. 1998. "*Moving Out of Poverty: Expanding Mobility and Choice through Tenant-Based Housing Assistance.*" Blacksburg, VA; Housing Policy Debate

rates of welfare reciprocity, teen pregnancy, drug use and crime. Dr. Wilson believes these symptoms are the effect of increasing isolation from the middle-and working-class role models. This over concentration of public and assisted housing has contributed to a vicious cycle of neighborhood distress.⁵³

Deconcentration

No single solution has been established for the problem of concentrated poverty. Instead, long-term solutions will have to institute plans that revitalize distressed neighborhoods. To accomplish the reconstruction process, HUD has promoted two major strategies:

- Distributing tenants throughout a metropolitan area by means of Section 8 vouchers
- Creating mixed-income developments by revitalizing old facilities that had previously housed only low-income families.⁵⁴

The strategies presented follow the idea of deconcentration. Mixing of publicly housed residents with residents in the private housing market, through Section 8, provides low-income families better opportunities and increases their quality of life. Moving to Opportunity, a randomized housing mobility experiment conducted by HUD illustrates the positive effects of deconcentration.

Conducted to determine the social and economic effects of improved neighborhood environments on low-income families, the Moving to Opportunity (MTO) study placed low-income families in middle and upper-class neighborhoods. The study was conducted between 1994 and 1998 in five cities, and the effects were measured four to seven years after program entry. The cities included were:

- Baltimore
- Boston
- Chicago
- Los Angeles
- New York⁵⁵

MTO placed low-income families, living in very high-poverty areas, in lower-poverty communities. The 4,608 families that took part in the study were randomly assigned to one of three groups. The first group received rental assistance vouchers that could only be used in low-poverty neighborhoods. The second group received regular Section 8 vouchers, which could be used anywhere. Lastly, the control group received no vouchers, but continued to be eligible for public housing.

⁵³ Buron, Larry F., Mary K. Cunningham, Diane K. Levy and Popkin J. Susan. 2000. "The Gautreaux Legacy: What Might Mixed-Income and Dispersal Strategies Mean for the Poorest Public Housing Tenants?" Blacksburg, VA; Housing Policy Debate

⁵⁴ Buron, "The Gautreaux Legacy: What Might Mixed-Income and Dispersal Strategies Mean for the Poorest Public Housing Tenants?"

⁵⁵ Moving to Opportunity. 1992. "Moving to Opportunity (MTO) for Fair Housing Demonstration Program." Housing Authority of the City of El Paso. <http://www.nber.org/mtopublic/> (June 17, 2009)

The study concluded that many positive effects were seen within the various groups. Some of the study's findings were:

- Families who moved with program vouchers, (group one and two) noticed improvements of neighborhood conditions, reporting large reductions in the presence of litter, trash, graffiti, abandoned buildings, and people soliciting.
- Residents had less difficulty getting the police to respond to their calls.
- In each of the groups, the adults reported substantial increases in their perception of safety around their homes and large reductions in the likelihood of observing or being victims of crime.
- Large reduction in the incidence of obesity among both experimental and Section 8 families.
- A reduction in psychological distress and depression along with an increase of feeling calm and peace with adults and young girls.
- All the groups had a significant reduction in the frequency of arrests for violent crimes for all youth.

Integration of low-income families to low-poverty neighborhoods has allowed many applicants and residents to improve their quality of life. Implementing this form of public housing can revolutionize the lives of residents in positive ways by improving housing, neighborhood conditions, safety, adult and children's health and decreasing the incidences of violence.⁵⁶ Both public housing vouchers and deconcentration policies can make safe, decent sanitary housing for low-income families a reality.

Revitalization

HUD plans to enhance the quality of life of public housing residents by reconstructing projects in poor conditions and temporarily or permanently relocating residents to better neighborhoods. HOPE VI works as a conduit to fund revitalization efforts in public housing developments. Project managers help individuals and families find a place to live by moving them into other public housing developments or by providing them with Section 8 vouchers during redevelopment. Very few families move back into the newly developed area mainly because they find homes with better conditions while waiting.

A study by the Housing Research Foundation (HRF) discovered that residents who returned to HOPE VI reconstruction sites showed improvements in various areas. These improvements are:

- Average per capita income rose 57 percent faster than city average
- Unemployment dropped an average of 10 points
- Poverty in low-income households fell from 81 percent in 1989 to 69 percent in 1999

In addition to this, crime rates in six HOPE VI developments have declined substantially. In fact, HUD went on to create the Public Housing Drug Elimination Program (PHDEP) to help housing authorities afford drug prevention programs. The program helps to fund private policy and

⁵⁶ U.S. Department of Housing and Urban Development. 2003. *Moving to Opportunity Interim Impacts Evaluation: Final Report*. Washington D.C.: Department of Housing and Urban Development.

security forces. Another aspect of the program is the “one strike” provision regarding drug-related criminal activity. If any resident engages in such activity, that one act will legally enable housing authorities to evict the resident.

The HOPE VI redevelopment program does not only focus on the redevelopment of housing units, but also seeks to revitalize whole neighborhoods. In various instances, HOPE VI has linked public housing residents to neighborhood schools in an effort to improve the living environment of distressed residents.⁵⁷ The single largest housing development in the Segundo Barrio, near Downtown El Paso, is Alamito.⁵⁸ HOPE VI and other non-HUD investors have taken an interest to reopen the 110-year-old Alamo Elementary School.⁵⁹

Kennedy Brothers Memorial Apartments The only completed HOPE VI project in El Paso to date is the Kennedy Memorial Brothers Apartments. In 2005, at a planning meeting with HACEP, residents submitted their comments and recommendations about public housing developments across the city. Residents reported problems such as lack of security, poor lighting and filth. Specifically, the Martin Luther King (152 units) development, three miles from Kennedy Brothers (240 units), reported 40 complaints dealing with issues from poor living conditions to lack of security. The Kennedy Brothers development only reported four comments, all dealing with minor issues. Both developments are relatively similar in size and location, however, the effect of revitalization can be noted.⁶⁰

HOME and Deconcentration Mixed-income developments allow households with different income levels to live in the same development, which allows the implementation of deconcentration policies. However, in order to attract moderate-income households to live in public housing, the accommodations of the development must be competitive on the current market.

The HOME Program is a public funding source for housing developments that provides flexibility for PHAs to construct or renovate developments with the help of private capital in what is denominated mixed-financing. This automatically improves the quality of housing, attracting moderate-income tenants and ultimately providing a good opportunity to deconcentrate poverty.⁶¹

-Continued on Next Page-

⁵⁷ Brown, Karen D, Mary K. Cunningham, Jeremy Gustafson, Bruce Katz, Popkin J. Susan, and Mary A. Turner. 2004. "A Decade of HOPE VI: Research Findings and Policy Challenges." May. http://www.urban.org/UploadedPDF/411002_HOPEVI.pdf (June 23, 2009)

⁵⁸ El Segundo Barrio. 2007. "El Segundo Barrio" *TravelPod*. <http://www.travelpod.com/travel-blog-entries/billiegreenwood/borderexplorer/1175285460/tpod.html> (June 30, 2009)

⁵⁹ Acosta, Gustavo. 2009. "Two Different Worlds Lie Within the Zip Code That Houses El Paso's Oldest Buildings." *El Paso Times*. June 21. http://www.elpasotimes.com/ci_12657314?IADID=Search-www.elpasotimes.com-www.elpasotimes.com (June 25, 2009)

⁶⁰ *Texas Department of Housing and Community Affairs*, "Streamlined Five Year PHA Plan."

⁶¹ U.S. Department of Housing and Urban Development. No Date. "Mixed-Income Housing and the H.O.M.E Program." <http://www.hud.gov/offices/cpd/affordablehousing/library/modelguides/2004/200315.pdf> (July 7th, 2009)

Housing Assessments and Length-of-Stay Rates

In order to ensure that PHAs are operating efficiently, they are subject to annual program evaluations. This section will discuss assessment scores for HACEP in 2008. In addition to this, length-of-stay rates for the nation are also listed. If HUD and local PHAs are aiming to increase self-sufficiency, then it could be argued that residents should not be staying in public housing for too long. Together, the assessments and length-of-stay rates can help determine the level of efficiency public housing operates at.

Public Housing Assessment System

The Real Estate Assessment Center, a program under HUD, performs assessments on PHAs using the Public Housing Assessment System (PHAS). PHAS assesses four areas of PHAs, and the final score is based on the following:

- Physical Assessment (30 Percent)
- Financial Assessment (30 Percent)
- Management Assessment(30 Percent)
- Resident Assessment (10 Percent)

In order for a PHA to pass the assessment they must receive at least 60 percent of the possible score on each area. Failing one indicator will result in automatic failure for the agency. An agency can be rated as a standard performer (60 to 90 percent) or a high performer (above 90 percent). If a standard performer scores below 70 percent, they are subject to additional HUD oversight to ensure increased performance. High performers are eligible for award bonuses in funding.⁶² Bonuses are five percent of the PHAs annual Capital Fund Grant.⁶³ In 2008, HACEP had an assessment of 95 percent.⁶⁴ The bonus HACEP received was calculated to be \$61,257.⁶⁵

Section 8 Management Assessment Program

Section 8 units of PHAs are evaluated under the Section 8 Management Assessment Program (SEMAP). The SEMAP assesses 14 indicators of a PHA's Section 8 program. SEMAP rates PHAs as high (90 percent), standard (60 to 89 percent) or troubled performers (59 percent and below).⁶⁶ In December 2008, HACEP's projected score was 100/150, 67 percent--a 29 percent decrease from their score of 96 percent in 2004.⁶⁷ HACEP failed to get any points in the following indicators: reasonable rent, determination of adjusted income and correct tenant rent

⁶² U.S. Department of Housing and Urban Development. No Date. "PHAS made simple." http://www.hud.gov/offices/reac/products/PDFs/PHAS_NASS.ppt (June 25, 2009)

⁶³ U.S. Department of Housing and Urban Development. 2008. "Fiscal Year 2008 Capital Fund Grants Processing Guidance." <http://www.hud.gov/offices/pih/programs/ph/capfund/2008guidance.pdf> (June 16,2009)

⁶⁴ U.S. Department of Housing and Urban Development. 2009. "HA Profiles." <https://pic.hud.gov/pic/haprofiles/haprofiledetails.asp> (June 16, 2009)

⁶⁵ U.S. Department of Housing and Urban Development. 2008. "2008 Capital Fund Processing Information." <http://www.hud.gov/offices/pih/programs/ph/capfund/2008capfundgrants.xls> (June 16, 2009)

⁶⁶ U.S. Government Printing Office. 2009. "SEMAP score and overall performance rating." <http://ecfr.gpoaccess.gov/cgi/t/text/text-> (June 30, 2009)

⁶⁷ Housing Authority of the City of El Paso. 2005. "PHA Plans." http://www.hacep.org/files/doc_60.pdf (July 1, 2009)

calculations. HACEP plans to change the SEMAP reports from yearly to monthly to help improve their performance and score.⁶⁸ Community Scholars made multiple requests to HACEP for additional information regarding the final 2008 SEMAP scores, none of which were returned.

2008 Audit

The U.S. Office of Inspector General performed an audit on HACEP in December 2008, showing HACEP's failure to follow procurement policies, improper handling of funds and problems with the board of commissioners activities.

Both HACEP's and HUD's procurement policies were not followed by HACEP, resulting in inappropriate payment of \$859,072 to contractors, workers and others involved in procurement activity. From this amount, \$705,917 was federally funded dollars. HACEP had 47 contracts reviewed, 19 of which did not follow requirements. Violations included:

- Payments without valid contracts
- Duplicate payments
- Inappropriate payments for a resident employee training program
- Inappropriate increase in contract amount
- Payments made after expired contracts and failure to monitor contractors work resulting in poor workmanship
- Lack of written procedure when selecting a new executive director
- Conflicts of interest caused by a former vice-chair
- Employee and board members not always completing ethics questionnaire in a timely manner

The Office of Inspector General made recommendations to HACEP regarding the problems found. It was recommended that HACEP:

- Pay back \$661,580 from nonfederal funds to its restricted operating reserve
- Refund \$42,041 to HUD
- Pay back \$2,296 to its 2006 capital fund grant account
- Ensure that procurement policies and HUD regulations and requirements be followed
- Ensure the attendance of the executive director and contracting department to HUD approved procurement training
- Make sure ethics questionnaires be filed in a timely manner by all board members⁶⁹

Length-of-Stay Rates

Providing accurate and reliable information about length-of-stay estimates in the HUD assisted housing programs is necessary for budget and policy debate information. An eight-year study found that households under the public housing program stay the longest, followed by mixed program households and Section 8 households stay the least.

⁶⁸ Housing Authority of the City of El Paso. 2008. "Public Notice of a Regular HACEP Board Meeting." http://www.hacep.org/meeting_detail.sstg?id=218 (June 18, 2009)

⁶⁹ U.S. Department of Housing and Urban Development. 2008. "*Audit Report*." Fort Worth, TX: Department of Housing and Urban Development

Table F.3: Length-of-Stay Rates

Program	Length
Public Housing	7.46 years
Section 8	4.24 years
Mixed-Program	6.33 years

Source: U.S. Department of Housing and Urban Development

The State and Local Housing Flexibility Act of 2005 was proposed in the U.S. House of Representatives to address issues of appropriate use and duration of time in assisted housing. The legislation would allow PHAs to set term limits of no more than five years for residents assisted through the Section 8 program in 2008. The elderly and disabled would not be subject to these limits until January 1, 2009. The bill was reviewed in 2006, but failed to become a law.

Conclusions

1. **Public Housing is a path, but not the key to self-sufficiency.** The programs are made to create incentives so that people put forth their own effort instead of permanently depending on public housing entities. Programs aimed at increase self sufficiency are popular amongst residents, but waiting lists and funding limitations severely hinder public housing agencies from increasing program enrollment.
2. **HACEP has not received the federal funding they need in years.** Many housing authorities across the United States never receive the estimated funds to cover all costs. This is why housing authorities like HACEP have resorted to operate non-subsidized housing in order to “stay afloat.”
3. **Section 8 vouchers, mixed-income developments and other dispersal strategies improve residents’ quality of life.** The Moving to Opportunity study revealed the positive impacts of deconcentration on public housing residents. Residents were more likely to feel they were in a safe and positive environment once they found themselves outside of traditional housing developments.
4. **HOPE VI redevelopment strategies have improved the quality of neighborhoods.** Revitalization along with mixed-income developments also deconcentrate poverty and bring vitality to low-income neighborhoods. The redevelopment allows for a development that is multi-income, which deconcentrates poverty and yields a safer and more liveable community.
5. **Length-of-stay rates are significantly higher in public housing than in Section 8 programs.** Traditional public housing has the highest rate of any government-assistance housing program. This is because Section 8 programs deconcentrate poverty, helping households become self-sufficient faster.
6. **HACEP performs very well in the Public Housing Assessment System, but Section 8 needs to improve in some areas.** The PHAS rating, however, is more based on administrative performance and only makes small room to evaluate the organization on its performance according to its residents.

7. **College education rates in El Paso are among the lowest in the region, which negatively impact household incomes and constrains the city's economic development.** If these rates increase, household income would also increase which would lead to a decrease in the amount of individuals in public housing programs. Ultimately, poverty in the region is the cause for the high amount of public housing programs.

Recommendations

1. **The federal government should work towards developing strategies for preserving existing public housing and encouraging the development of new affordable housing units.** The priorities of the federal government should shift towards helping those American in most need.
2. **HACEP should fully commit to expanding non-subsidized housing and seek to independently attract more private investments.** Government funding has proven to be decreasing, especially under the current economic climate. In order to ensure that it can continue to meet the needs of the El Paso region, HACEP needs to create innovative funding streams which may include securing private sources of dollars.
3. **HACEP should increase the percentage of applications for Section 8 and other grants that facilitate deconcentration strategies.** Given that Section 8 is the most efficient way to deconcentrate poverty, HACEP needs to request a greater proportion of housing vouchers.
4. **Institutions of higher learning in El Paso must expand access to low-income students, which will ultimately increase household income in the area.** Targeting the source of high public housing utilization is the most effective long-term solution to the problem at hand. By increasing educational attainment, individuals will be able to increase social mobility and not be dependent on public assistance programs.
5. **In order to see a greater outcome in resident independence, self-sufficiency programs should be strongly enforced and not be optional.** HACEP can only suggest, but not force residents to partake in programs that increase self-sufficiency, which decreases the efficiency of the public housing system.
6. **HACEP management oversight is necessary in order to avoid low scores in assessments.** Procurement processes need to comply with all federal regulations to prevent costly fines.

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