



Strengthening Neighborhoods.
Improving Lives.

Council of Large Public Housing Authorities

455 Massachusetts Avenue, NW, Suite 425

Washington, DC 20001-2621

Executive Director: Sunia Zaterman

phone: 202.638.1300 | **fax:** 202.638.2364

web: www.clpha.org

February 12, 2018

Regulations Division
Office of General Counsel
US Department of Housing and Urban Development
451 7th Street SW, Room 10276
Washington, DC 20410-7000

Re: [Docket No. 82-FR-58441] Advanced Notice of EnVision Center Demonstration

To Whom It May Concern:

CLPHA is a non-profit organization committed to preserving, improving, and expanding the availability of housing opportunities for low-income, elderly, and disabled individuals and families. CLPHA's members include more than 70 of the largest, most innovative housing authorities in the country, serving low income household in most major metropolitan areas in the United States. These agencies act as both housing providers and community developers, effectively serving over one million households, managing almost half of the nation's multi-billion dollar public housing stock, and administering over one-quarter of the Section-8 Housing Choice Voucher program.

CLPHA has long recognized the importance of thinking beyond housing alone to build safer, higher-opportunity, and healthier communities. Our members and other partners in the housing, education, and health sectors are leading the way in cross-sector collaborations, creating innovative models for economic mobility. We support HUD's vision to better serve low-income residents through collaborative, cross-systems partnerships.

CLPHA has been a leader in expanding the capacity of housing authorities to engage in targeted cross-sector interventions and programs. Our experience and emerging best practices show that successful capacity building and effective cross-sector interventions need resources and program flexibility to be successful. We welcome the opportunity to submit comments on HUD's notice on the EnVision Center Demonstration, but have some significant concerns:

- **Housing authorities have very constrained funding and limited incentives to participate in the EnVision Centers Demonstration.** CLPHA members have been successfully improving outcomes for residents through collaborative, cross-sector efforts. Both research and experience show that critical elements for success include: sustained program funding; investment in partnership and data infrastructure; and regulatory/ program flexibilities. This is needed to develop sustainable programming and partnerships; train and maintain staff;

improve internal capacity and systems; and scale up evidence-based, outcome-oriented practices. As proposed, the EnVision Centers Demonstration provides no additional resources, incentives, benefits or regulatory flexibility to participating housing authorities. The notice does not address the funding, regulatory, and sustainability challenges that keep housing authorities from expanding their economic mobility efforts.

- **Low-income working families cannot afford market rate housing.** High housing costs, a dwindling supply of affordable housing, and stagnating wages make it extremely difficult for working low-income families to transition from assisted housing to market rate housing. Increasing the supply of good quality, affordable housing is foundational to increasing economic mobility. Working households cannot afford market rents in many metropolitan markets.
- **The Demonstration does not include strategic, sustainable partnerships with private sector employers.** High housing costs constrain opportunities for families to increase their earnings and the lack of affordable housing prevents lower-income households from moving to more economic opportunities, making it difficult for businesses to attract and retain the workers they need. Employers have a vested interest in building and retaining a well-trained workforce, and low-income work-able assisted households represent a significant opportunity for better alignment between the private sector and federal workforce development efforts. CLPHA members who have implemented self-sufficiency programs, like work requirements, have reported that their residents are willing and eager to work and improve their workforce training, but are often constrained by local employment markets, lack of educational opportunities, limited resources for childcare, or low-wage jobs that do not provide an adequate, livable income.
- **The Demonstration does not include strategic targeting of existing federal workforce, health, and education resources.** The Department of Health and Human Services, Department of Education, and Department of Labor already have dedicated programs and funding for work-force development and improved health and educational outcomes, yet the EnVision Centers Demonstration notice does not include any proposal to better align federal efforts or strategically target those programs and funding sources toward EnVision Center Demonstration sites. If HUD is serious about developing sustainable, effective cross-sector partnerships and outcomes, it should secure commitments from other federal agencies to strategically target existing resources, and give preference for those dollars to housing authorities and communities participating in the EnVision Centers Demonstration.
- **Without a robust cross-sector data infrastructure, data sharing and alignment efforts will continue to be siloed.** Data sharing is a critical component of partnerships and to achieving the goals laid out in the EnVision Centers Demonstration notice. Many CLPHA members are engaged in data sharing with education and health sector partners, but federal data alignment still remains a significant obstacle. Siloed data systems and limited interpretations of privacy laws are challenges to housing authorities and other entities attempting to build cross-sector data collaborations. HUD should be focused on building

more robust data infrastructure, that includes safe harbors against violating privacy laws and better strategic alignment of federal data systems.

By focusing on cross-sector partnerships and evidence-based collaborative practices, **CLPHA members have been able to reduce costs, provide more efficient and effective services, and improve both education and health disparities among residents.** To implement and scale the kind of cross-sector, outcome-oriented goals proposed in the EnVision Center Demonstration notice, we believe HUD should do the following:

- **Provide regulatory relief in the form of MTW authority for all agencies who participate in this demonstration.**
- **Provide, in collaboration with other federal agencies, dedicated federal funding and resources for the EnVision Centers Demonstration, including preference for federal dollars available at other relevant agencies.**
- **Formalize interagency collaboration and commitment of resources between Health and Human Services, Labor, and Education, that will support and target resources to EnVision Centers.**
- **Develop strategic partnerships with private-sector employers who commit resources to improved workforce development and provide livable-wages to families.**
- **Give housing authorities full flexibility and latitude over the design and implementation of their research/evaluation methodologies, as well as metrics for outcomes.**
- **Create a federal data infrastructure that promotes data sharing across sectors and better strategic alignment of federal data systems, and includes safe harbors for data sharing subject to privacy acts such as FERPA or HIPPA.**

General Comments

A Lack of Affordable Housing Constrains Opportunity for Working Families

CLPHA supports HUD's vision to expand economic opportunities for low-income individuals and families. We believe that affordable housing is critical to addressing the nation's poverty crisis; providing decent housing to the nation's most vulnerable citizens and as a long-term asset that connects low-income workers to economic opportunities and spurs regional job creation and economic growth. According to recent reports, 46.7 million people, including one out of five children, live in poverty in our nation and one in five households that are eligible for housing assistance receive it.

Although the majority of assisted families and individuals are elderly and/or disabled, voucher and public housing programs also provide stability to low-income working families and, in effect, subsidize low-wage industries where full-time employment does not cover market rate rents. **In 2015, approximately 70 percent of non-elderly, non-disabled households using vouchers were working or had worked recently. And most work-eligible public housing residents receive the majority of their income from wages.**

But increasingly high rental prices and a lack of affordable housing have made it difficult for low and middle income families to move out of subsidy-based housing and into market rate housing. **A lack of affordable housing is the biggest threat to economic success that any American can face and the supply of affordable housing is continuing to decline.** According to Joint Center for Housing Studies at Harvard University, the number of units renting for \$2,000 or more per month has increased 97% between 2005 and 2015, while the number of units renting for less than \$800 a month has declined by 2% during the same time frame. While the overall stock of rental housing increased by 6.7 million units between 2005-2015, the number of low-income, affordable units under \$800 declined by 260,000.

A 2015 study by the National Low Income Housing Coalition found that for every 100 extremely-low-income (ELI) renter households, there are only 31 available and affordable units, which amounts to a 7.2 million available and affordable unit shortfall. Low-income families with children and the elderly are most vulnerable to housing instability. These low- and extremely-low income households are increasingly hard-pressed to find available and affordable housing.

Even for low-income assisted families who are working, housing costs often exceed wages. According to the National Low-Income Housing Coalition, in FY17 the average hourly wage needed to afford a market-rate two bedroom apartment in the U.S. is \$21.21, almost three times the federal poverty level. The average wage for renter households is only \$16.38 per hour. Although rents are rising, incomes are not. The result is a worsening mismatch between the supply for affordable housing and the demand.

The lack of affordable housing slows wage growth and reduces productivity. High housing costs constrain opportunities for families to increase their earnings and the lack of affordable housing prevents lower-income households from moving to more economic opportunities, making it difficult for businesses to attract and retain the workers they need. Researchers estimate that the growth in GDP from 1964-2009 would have been 13.5 percent higher if families had better access to affordable housing. This would have led to a \$1.7 trillion increase in total income, or \$8,775 in additional wages per worker. Overall, the shortage of affordable housing in major metropolitan areas costs the American economy about \$2 trillion a year in lower wages and productivity.

This is especially pronounced in the public housing program, where growing disinvestment has led to the substantial loss of approximately 12,000 units of public housing each year, resulting in fewer and fewer people served by the program. During the last decade, capital fund appropriations have dwindled, while ongoing accrual needs have increased dramatically. Currently, Capital Fund appropriations average less than \$2 billion annually, while annual capital accrual needs are estimated at \$3.4 billion. The capital needs backlog was last estimated in 2010 as at least \$26 billion—and growing.

Despite the lack of federal investment, PHAs are highly effective in using public-private partnerships to leverage private capital for the redevelopment and revitalization of public housing and to provide critical services and opportunities for their low-income residents. Using platforms such as the HOPE VI program, the Choice Neighborhoods Initiative (CNI), Moving to Work (MTW), and the Rental Assistance Demonstration (RAD) program, public housing authorities have successfully used innovative mixed-financing tools to ensure the long-term sustainability of public housing developments better achieve positive long-term outcomes for low-income people.

Aligning Systems Better Serves Low-Income Populations

Aligning systems that serve low-income populations is essential for more effective delivery at the federal, state and local levels. A growing body of evidence and best practices confirm that our fragmented, siloed policy-making, and resulting service delivery system, is both inadequate and costly in addressing the holistic, multi-system solutions needed to stem intergenerational poverty.

CLPHA supports PHAs to strengthen their cross-sector partnerships through our *Housing Is* Initiative, improving systems alignment to improve life outcomes for low-income households. We are engaged in a number of innovative initiatives that foster cross-system partnerships by facilitating a cross-sector community of practice; identifying and promoting program- and system-level promising practices; maintaining a virtual gathering place (HousingIs.org) to connect experts and share innovative ideas; developing interdisciplinary resources that support sustained collaboration across silos; facilitating data sharing agreements and evidence-based practices; and providing training and education that emphasizes housing as a cornerstone life outcomes social determinant.

Evaluating the EnVision Center Demonstration

HUD has not made it clear whether it will be prescribing specific research evaluation methods or allowing PHAs to determine their own evaluation designs. CLPHA strongly urges that housing authorities should be given full flexibility and latitude over the design and implementation of their research methodologies, as well as metrics for outcomes. PHAs best understand their operations, portfolios, and populations, as well as local markets and conditions, and can tailor their methodologies accordingly. If HUD plans to prescribe specific research or evaluation methods, it should permit housing authorities to use the broadest range of research methodologies and designs possible. Permitting PHAs to use multiple methods will not only create a larger supply of information and data for evaluation, but also allow for a more complete understanding of the impacts of the designated policies.

As HUD develops its evaluation process more thoroughly, the agency should pay particular attention to researchers who have done innovative research in public housing. At Johns Hopkins University, sociologist Stephanie Deluca used qualitative methodologies to study adolescents growing up in public housing in Baltimore. Her research, documented in *Coming of Age in the Other America*, tracked a group of youth for 10 years. Through extensive fieldwork, including repeated interviews with the children and their parents, Deluca's study identified the opportunities and unique challenges around upward mobility facing youth in Baltimore's public housing. HUD

can also take lessons from Charlotte Housing Authority's (CHA) recent research efforts. Working in collaboration with evaluators from the University of North Carolina at Chapel Hill, CHA developed a comparison study, supplemented with survey and interview data, which evaluated employment and eviction rates between properties that implemented work requirements and properties that did not. The study included rigorous, carefully thought-out methodologies and implementation strategies that took both resident capacity and local markets into consideration. For example, CHA built in exceptions for residents identified as potentially having disabilities (and therefore unable to work) and provided on-site case management and supportive services for work-eligible residents for over two years prior to implementing work requirements. CHA also delayed the enforcement of work-requirements due to a local economic recession and accompanying high unemployment rates in Charlotte.

Any research or evaluation process that HUD develops should be done so with considerable input from the housing authorities and industry groups. HUD should create an open dialogue with the public and industry group throughout any evaluation process, regularly sharing information and soliciting comments and feedback as evaluation is being developed and implemented. It is also important for HUD to recognize that developing a well-designed research evaluation takes considerable time and thoughtful planning, as recent research efforts from Abt Associates, MDRC, and the University of North Carolina, Chapel Hill have shown. Housing authorities should be given the flexibility to develop the evaluations at a pace appropriate for them, the discretion to test the designated policies portfolio wide or only at specific properties, and the freedom to choose appropriate evaluation partners.

Comments on Specific HUD Questions

(1) In administering and evaluating the demonstration, how should HUD define “economic mobility”?

HUD should **allow housing authorities to define economic mobility** according to their local communities and markets. Housing authorities are already implementing a wide range of innovative economic self-sufficiency policies and activities that encourage economic mobility and are in the best position to define what economic mobility goals and metrics are appropriate given their local conditions.

Economic mobility metrics may include, but are not limited to: increased earnings and/or savings; increased financial knowledge and capacity; access to or improved credit; educational achievement; decreased debt; asset building; homeownership, etc. Local housing and job markets matter. CLPHA members who have implemented work requirements report that while earnings have increased, market-rate rents are still unaffordable.

(2) How can HUD tailor the Economic Empowerment Pillar of the Demonstration to identify and focus on families and individuals residing in HUD-assisted housing that are able to work, and not those who are elderly or include persons with disabilities;

HUD should allow housing authorities to define and create economic self-sufficiency policies and programs that best suit their local communities. Work-able families and individuals have different needs and challenges when it comes to economic self-sufficiency than those who are elderly or persons with disabilities. HUD should be providing funding and regulatory flexibilities to housing authorities that will allow them to best serve their residents and their specific needs.

(3) How can HUD and identified partners (state and local entities, private sector, philanthropic, non-profit and other entities) best maximize existing programs and efforts across agencies in a coordinated and holistic approach? –

Funding

PHAs are well positioned to drive multi-sector efforts to produce new opportunities and improve life outcomes for low-income residents, but appropriate funding, resources, flexibilities, and technical assistance are crucial to these efforts. As mentioned earlier, CLPHA members have been at the forefront of improving the long-term health, economic, and education outcomes for low-income through innovative cross-collaborative work. PHAs recognize the impact a range of services and systems can have on families' self-sufficiency and ability to overcome significant challenges. Engaging in cross-system collaborative efforts is hindered primarily by a lack of resources, not by a lack of understanding or will. The more resources available, the more proactive and directive PHAs can be.

The most successful PHAs as it concerns cross-system collaboration are those that have been able to increase internal capacity, such as staffing and training, to establish, develop, and grow partnerships with stakeholders in other systems serving low-income individuals and families. This requires dedicated funding and flexibilities. Cutting-edge examples of PHAs engaging with other sectors were fueled by dedicated federal funding. For instance, Denver Housing Authority's Mariposa Redevelopment effort allowed DHA to conduct a comprehensive health impact assessment and otherwise bolster stakeholder and community engagement. DHA is building upon that experience to improve outcomes.

Facilitating Federal-Level Leadership and Collaboration

Support at the federal level can play a significant role in fostering local innovation, particularly in promulgating models of interagency collaboration including: resource and staff support for health initiatives and family support initiatives from the Department of Health and Human Services; employment and workforce development resources from Department of Labor; and data sharing with schools and education providers through the Department of Education. Given Secretary Carson's expressed commitment to break down silos, embodied in this EnVision Centers Demonstration, we urge the Secretary to work with his counterparts at Health and Human Services, Labor, and Education to target interagency support and resources to ensure that the EnVision Centers Demonstration is effective, including taking full advantage of existing interagency working groups to identify shared barriers at the federal level for cross-sector partnerships.

(4) What impediments exist for achieving the four pillars, including institutional, organizational, legal or statutory, and behavioral impediments? Is it necessary to the success of the demonstration that communities link all four pillars, and if not, would it be sufficient for a community to identify in its participation plan the barriers to including a specific pillar? Are there additional pillars that contribute to self-sufficiency and economic mobility that should be made part of the demonstration?

Institutional:

- **Challenges Associated with Data Tracking, Use, and Sharing:** Data sharing and data infrastructure are essential to building cross-sector evidence-based practices. Action on the federal level can address barriers to data sharing as detailed in the response to Question 8.
- **Limited Resources Devoted to Cross-Sector Partnership Building:** Outside of specific initiatives and programs, there are very limited resources to support the establishment, refinement, and maintenance of cross-sector partnerships. Investment in partnership building has long term benefits.
- **Awareness of Cross-Sector Strategies to Improve Life Outcomes:** There is an emerging understanding that cross-sector approaches are the most effective in impacting life outcomes. While many thought leaders and practitioners in housing, healthcare, and education, support collaborative approaches to address intergenerational poverty, much is needed to develop incentives and safe harbors for innovation.

Organizational:

- **Sector-Specific Cultures:** A common first step in any cross-sector endeavor is recognizing the value of “speaking each other’s language.” This shared language is critical to identifying shared goals but also identifying existing priorities, decision drivers, and sometimes market pressures. For example, different systems have varying protocols on the use of data. Providing support, resources, validation and incentives at the federal level for collaboration can mitigate challenges in bridging organizational cultures.
- **“Wrong Pockets” Problem / Lack of Financial Incentive for Improved Outcomes:** There is growing understanding of the “wrong pockets” dilemma. One system benefits from cost savings that another system generates from program efficiencies yet the cost savings are not reinvested in the effective interventions. This is true across systems and within systems. Incentives through additional resources and program flexibility will encourage more robust participation.

PHAs are well-positioned to act as conveners and conduits across systems if given proper support. However, even at the most basic level, without adequate funding of the public housing operating and capital funds, PHAs are operating under significant chronic underfunding not experienced by any other federally-assisted housing program.

- **Time Needed to Recruit New Partners:** PHAs may need additional time and resources to expand their network of partners that requires negotiating shared goals, accountability and responsibility.
- **Lack of Shared Metrics and Outcomes:** Identifying shared indicators, outcomes, and other metrics of success can transform existing partnerships and add an additional layer of accountability among partners. Developing these metrics at the local level is foundational given the competing priorities of organizations across systems. It is critical that PHAs and communities be able to set a vision for these collaborative enterprises, as local direction in identifying metrics will likely yield the most meaningful impact to residents and communities.

Legal or Statutory:

- **Concerns About Cross-System Data Sharing and Use:** PHAs engaged in data sharing with cross-system partners are working through the complexities of complying with federal privacy laws. To this end, CLPHA has developed templates for data sharing agreements to facilitate cross-sector data sharing. HUD, and other federal agencies, should provide safe harbors for data sharing and endorse template agreements.

(5) What incentives and programs have worked in the past to achieve the four pillars? –

Funding and Regulatory Flexibility

Funding and regulatory flexibility allow otherwise separate systems to work together. Healthcare partners that work with housing providers are often able and encouraged to work with the housing system because of dedicated resources for community engagement or savings generated in the private sector that can be reinvested for further enhancements. For instance, nonprofit hospitals that have community need set-aside resources are better positioned to work with housing providers than those without dedicated funding. Medicaid managed care is able to leverage savings to test and foster innovation, though states sometimes clamp down on savings as MCOs demonstrate that they can spend less money to achieve the same results. That pool of savings is critical to being able to fund these kinds of experiments/initiatives.

In Durham and San Antonio, the housing authorities have worked to create and implement two-generation initiatives to promote economic self-sufficiency, education, and other goals for both parents and children. Having programs like childcare that is enriching and promotes early learning and school readiness serves to advance educational outcomes for children, while also allowing parents to work, advance their own education, or attend job training.

In Tacoma, the housing authority created a place-based program in conjunction with a local elementary school to help residents in the community improve their economic and educational outcomes. When the program started, the school was--by all measures--failing and many of the families struggled with challenges like substance abuse and mental health. Through housing stabilization in the form of vouchers and intensive support from housing authority and school staff,

attendance and test scores improved, parents entered treatment and completed GED programs; the school is now an International Baccalaureate elementary school.

Such efforts take time and need investment. Tacoma's initiative demonstrated early success, but the five-year in-depth evaluation showed strong proof of concept. These investments were made possible through funding from foundations, and in many cases, **because of the regulatory and funding flexibility provided by MTW**. Initiatives like providing vouchers for students in college, are not possible without MTW. In King County, the housing authority used its MTW authority to develop revised rent policies for work-able and working households. The rental policies, adopted in 2010, combined simplified reporting and review requirements with tiered rents and a biennial recertification cycle, allowing household income to increase without an immediate impact on tenant rent. This kind of flexibility is essential to achieving the outcomes laid out in the four pillars and **HUD should provide MTW authority for any chosen Envision Center Demonstration participant**.

To truly be successful in this work, communities need financial support to both jump start and sustain initiatives. Housing is a critical first step, but housing authorities do not have the budgets to do much more than housing. If they are to be able to engage in the activities necessary to be successful Envision Centers, they need sustained financial resources to have staff dedicated to the work.

(6) What elements and level of detail should HUD require in a community's participation plan?

Burdensome reporting requirements increase costs and divert staff from core program functions. A one-size- fits-all approach to developing a community plan is counterproductive.

(7) How should HUD define and measure economic mobility over time and space? How should HUD measure quality of life for residents that remain in assisted housing?

As mentioned in Questions 1 & 2, housing authorities and their partners should define economic mobility metrics based on local conditions.

(8) What data sources or data linkage is needed to develop outcome metrics such as, return on investment, involvement of local institutions of higher learning, employment and economic opportunities for Section 3 residents and businesses, and a public process for reviewing outcomes and lessons learned?

Data sharing is a critical component of partnerships and to achieving the goals laid out in the EnVision Centers Demonstration notice. Many housing authorities around the country are sharing data with partners and working with third-party evaluators such as universities to both analyze data on an ongoing basis (such as is the case with Chapin Hall at the University of Chicago), as well as conducting evaluations (such as with the Urban Institute's evaluation of Tacoma's work). Most of CLPHA members are actively engaged in cross-sector data sharing. Establishing and making

meaningful use of data sharing takes time and resources to formalize a data sharing agreement; oversee and ensure privacy compliance; and conduct ongoing and formative data analysis. This work is complicated and can take years to institutionalize concepts among staff and partners, create tools to assist in efforts, and see results.

Federal Data Alignment

More alignment between federal agencies is necessary to break down data silos and better collaborate across data systems that serve similar populations. We **strongly urge that HUD execute data sharing agreements with the Departments of Education, Health and Human Services, and Labor that can address the data sharing challenges**, especially as they related to privacy laws and building a federal data infrastructure.

Bi-directional/collaborative data

To identify outcome metrics measuring return on investment, involvement of local institutions of higher learning, employment and economic opportunities for Section 3 residents and businesses, and other indicators of interest, HUD should seek out ways to facilitate low-friction data sharing and meaningful data use. Additionally, it is important to ensure that any data sharing or use agreements encourage bidirectional data sharing -- both/all partners sharing and receiving data -- so that PHAs are not only providing useful data to their partners but also receiving useful, actionable information (even in the aggregate, to comply with privacy laws) from their partners from other systems and sectors.

To support PHAs from the top down, HUD should break down bureaucratic barriers between government agencies and provide robust technical assistance in this area to local communities via PHAs. HUD can leverage existing interagency workgroups and agreements (and form new ones as needed) to address challenges related to general data sharing efforts across silos, actionable data use, and collaborative outcome metrics that all agencies/sectors support. **HUD should support PHAs with resources to build capacity locally, supported by institutional commitments.**

Thank you for the opportunity to submit these comments.

Sincerely,



Sunia Zatterman,
Executive Director