



**Worcester  
Municipal  
Research  
Bureau**

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# **THE FUTURE OF PUBLIC HOUSING IN WORCESTER**

Report No. 01-3  
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## EXECUTIVE SUMMARY

The changing national landscape of public housing, in combination with recent administrative and other changes made by the Worcester Housing Authority (WHA), presents an opportunity to review public housing in Worcester and consider whether there are ways that it can be improved. Based on an analysis of data provided by the WHA and a review of public housing programs in three other communities, the Research Bureau makes the following suggestions for consideration by the WHA and related organizations:

1. Because of the considerable need for housing units by low-income families in Worcester, the WHA should enhance its programs for increasing residents' economic self-sufficiency. For example, the Charlotte Housing Authority has successfully developed a process by which individuals who agree to participate in a self-sufficiency program move into a more desirable apartment, deposit part of their rent into escrow accounts, and receive intensive services. The purpose of this type of program is to provide economic incentives and appropriate services for families in public housing in order to increase their incomes and to help them make the transition to the private housing market. An improved transition rate would also increase the number of families in need that the WHA can serve.
2. The WHA should utilize successful existing programs in the Worcester community for improving services to residents. This strategy will ensure that services are not duplicated and are offered by those organizations with the best track record of success. For example, the first-time homebuyer program should be offered by an organization that has a high number of homes purchased by participants. Or perhaps, the WHA should follow the Peoria model and contract with one service provider for most of its self-sufficiency programs.
3. The WHA should carefully review the possibility of using the U.S. Department of Housing and Urban Development's HOPE VI program for Great Brook Valley. This program is designed to revitalize distressed public housing communities. Based on the experiences of other communities such as Peoria, Knoxville, and Charlotte, this program has the potential to not only revitalize GBV, but surrounding neighborhoods as well. If Worcester has no prospect of receiving HOPE VI funding, it should consider other options that promote revitalization of family facilities and economic self-sufficiency. One possibility would be to remodel and upgrade some apartments as they become vacant to serve as "step-up" apartments for families in self-sufficiency programs, as in Charlotte.
4. The City administration and the WHA should work together to collect information regarding affordable housing needs in Worcester. This information should then be used to develop a plan for expanding affordable housing opportunities in Worcester.

### **I. Introduction**

During the last decade, the direction of Federal public housing programs has changed: leaders in the field now believe that public housing complexes must be transformed from areas of high concentrations of poverty and few opportunities to vibrant, mixed-income communities that offer

comprehensive services to help residents achieve economic self-sufficiency. As well, during the last four years, the Worcester Housing Authority (WHA) has changed the way it works, the services it provides, and the buildings it manages. For these reasons, the Research Bureau believes that this is an opportune moment to review the state of public housing in Worcester and consider its future.

This report is divided into five sections: an overview of national public housing programs and recent changes; local private housing market conditions; the WHA, its administration, physical structures, residents, and services; three examples of innovative public housing programs in other communities; and recommendations for consideration by the WHA and other related agencies. Although this report provides information about all populations residing in public housing facilities in Worcester, it primarily addresses family facilities, rather than those housing the elderly and disabled. The report therefore considers how public housing can better serve those who could benefit from public housing as a transitional form of assistance.

## **II. National Public Housing History and Changes<sup>1</sup>**

The legislation that originally established public housing, the United States Housing Act of 1937 (USHA), was enacted to provide safe and sanitary housing to individuals and families who had lost their jobs due to the Great Depression. As the economy recovered, these families returned to the private housing market. When World War II ended, thousands of returning veterans were unable to locate adequate housing. As a result, additional subsidized units were built, and public housing became a program to serve people in transition between military service and civilian employment.

### *Increased Concentration of Poverty*

As those military personnel gradually moved to the private housing market, several conditions led to an increase in the concentration of poverty in public housing facilities and the deterioration of public housing buildings.

First, urban renewal programs, designed to demolish and rebuild distressed inner-city neighborhoods, began in 1949. The new facilities that replaced the demolished substandard private housing were often municipal and commercial buildings rather than new private housing for low-income displaced residents. Only one-third of the urban renewal land was redeveloped for residential use.<sup>2</sup> Displaced residents were therefore moved into public housing facilities, leading to an increase of very low-income residents. The demolition of substandard private housing continued into the 1960s, with half of the remaining substandard houses in cities being demolished between 1960 and 1970.<sup>3</sup>

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<sup>1</sup> See Finkel, Andrew, et. al. (2000), "HOPE VI: A Promising Vintage?" *Policy Studies Review*, 17:104-119. Also, Huffman, Richard (1997), "A New Look at Inner-city Housing." *Urban Land*, 56: 37-42.

<sup>2</sup> Blank, Rebecca M. (1997), *A New Agenda for Fighting Poverty*. Princeton: Princeton University Press, pp. 186.

<sup>3</sup> McClellan, G.S. (1974), *Crisis in Urban Housing*. New York: The H.W. Wilson Company, pp.88.

Second, jobs previously located in the inner cities began to shift to the suburbs. In 1960, 63% of workers in Greater Chicago were employed in the central city area. By 1990, only 42% were employed in the center city<sup>4</sup>. This spatial mismatch between workers in the inner cities and jobs was compounded by public transportation systems that were designed to move suburban residents to the downtown area of cities. As a result, low-skilled workers who remained in the inner cities were hampered in their ability to obtain the jobs in the suburbs. This helped lead to an overall decline in the average income of inner-city residents, including those in public housing facilities.

#### *Decline in Social and Physical Condition of Properties*

Prior to 1970, housing authority funds for maintenance and upkeep of buildings were derived exclusively from rental collections. Inflationary pressure in the 1950s and 1960s had increased operating costs for the public housing authorities, but residents on fixed incomes (such as AFDC) continued to pay lower rents than were needed for upkeep and maintenance. As a result, many housing facilities physically deteriorated before the Brooke Amendment in 1970 that authorized Federal operating subsidies to local housing authorities.<sup>5</sup>

Numerous court decisions between 1950 and 1990 may have further influenced living conditions in public housing. These included rulings that limited the ability of authorities to evict tenants, restricted where authorities could locate new facilities, and changed welfare eligibility requirements. These decisions may have increased the occurrence of undesirable behavior, such as drug use and violence, in public housing facilities.

#### *Recent Changes*

In the early 1990s, local housing authorities began to experiment with options for improving what had become high-crime, poverty-stricken facilities. The most publicized examples were the demolition of public housing high-rises in Chicago and Philadelphia. Other communities initiated, with varying degrees of success, programs such as moving inner-city public housing residents to the suburbs, renovating subsidized facilities, and increasing the social services provided to residents.

In 1998, Congress addressed the complex needs of public housing facilities nationwide through the Quality Housing and Work Responsibility Act (QHWRA). This legislation was designed to improve public housing communities by increasing the mix of residents' income levels, creating incentives for residents to move to the private housing market, and demolishing and rebuilding the most distressed facilities. The QHWRA thereby initiated the most dramatic legislative change in Federally supported public housing since these facilities were first established.

### **III. Local Private Market Housing Conditions**

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<sup>4</sup> Blank, Rebecca M. (1997), pp. 73.

<sup>5</sup> Council of State Governments (1974), A Place to Live: Housing Policy in the States. Lexington, Kentucky.

Before discussing public housing in Worcester, it is important to consider the complex nature of the private housing market in Worcester. An overview of the private housing situation indicates that public housing plays an integral part in meeting the needs of low-income residents.

Over the past several years, new housing starts in the Commonwealth have been far below the national average. According to the Executive Office for Administration and Finance, Massachusetts ranked 47<sup>th</sup> in the nation in the number of residential building permits issued per capita<sup>6</sup>. In Worcester, housing organizations consistently report that there are few available rental units in the city. These reports, however, appear to be in conflict with the reported number of vacant housing units in Worcester. According to the City's "Consolidated Submission for Community Planning and Development" that was prepared in 2000, there were an estimated 6,105 vacant units in 1997 out of a total of 69,750 units, or a vacancy rate of 8.8%. According to City officials, however, this number includes those units that are uninhabitable, under construction, or have been taken off the market by their owners. As well, officials suggest that the needs of families seeking housing often do not match what is available. For example, families with children cannot rent units that have not been de-leaded. Or, many available units are one- and two-bedroom units that are not large enough for bigger families. These inconsistencies indicate a need for the City and related agencies to collect more accurate data on the availability of vacant units that could be inhabited and the needs of those seeking rental units.

Available private market housing in Worcester is largely unaffordable to low-income residents. In 2001, the fair market rent<sup>7</sup> for a 2-bedroom apartment in Worcester is \$681 per month. An individual would need to earn an hourly wage of \$13.10 to afford this rental rate<sup>8</sup>. At the minimum wage of \$6.00 per hour, a person would need to work 87 hours per week to afford this rent. These data suggest that public housing is critical to meeting the basic needs of low-income individuals and families in Worcester.

#### **IV. Overview of the Worcester Housing Authority**

**City Population**<sup>9</sup>: 172,648

**Number of Units**: 2,886 (Rank: 77<sup>th</sup>)<sup>10</sup>

**Mission**: "To provide decent, safe, sanitary, and affordable housing for low-income people; economic and educational opportunities to promote and sustain an environment in which families can achieve self-sufficiency and improve their quality of life..."

The Worcester Housing Authority, established as a public agency by Federal and State law, is responsible for managing public housing in the city. It is the 77<sup>th</sup> largest public housing authority

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<sup>6</sup> Commonwealth of Massachusetts, Executive Office of Administration and Finance (2000), *Bringing Down the Barriers: Changing Housing Supply Dynamics in Massachusetts*. Policy Report Series No. 4.

<sup>7</sup> Established by the Department of Housing and Urban Development.

<sup>8</sup> Affordable housing is commonly considered to cost no more than 30% of a family's gross monthly income. See *Out of Reach: The Growing Gap Between Housing Costs and Income of Poor People in the United States*, www.nlihc.org

<sup>9</sup> Data from 2000 Census, available at www.census.gov

<sup>10</sup> Based on the 100 largest public housing authorities in the United States as reported in a 2000 HUD report, "In the Crossfire: The Impact of Gun Violence on Public Housing Communities."

in the United States and operates 22 facilities: fifteen under the jurisdiction of the Federal Department of Housing and Urban Development (HUD) and seven under the Massachusetts Department of Housing and Community Development (DHCD). Four WHA facilities are designated for seniors, eight are for families, and the remaining eleven are for a mix of families, the elderly, and the disabled<sup>11</sup>. (Appendix 1 lists all developments by type and number of residents.) As of January 2001, 5,510 individuals resided in these facilities, or 3.2% of Worcester's population.

The WHA also administers Federal and State voucher programs, commonly called Section-8, which give financial assistance to low- and moderate-income individuals to locate rental housing in the private market. Voucher recipients are responsible for locating landlords with available apartments that meet Federal and State quality standards.

### *WHA Administration*

A board of five commissioners governs the WHA, four appointed by the City Manager and one by the Governor<sup>12</sup>. These members appoint the executive director, who serves as the executive secretary. State and Federal law require that one appointed member be a current resident of public housing.

There are three primary funding sources for the WHA: Federal and State allocations, and rental income. For the fiscal year ending March 31, 1999, the WHA had revenues of \$14.9 million. Rental receipts represented 43.8% (\$6.5 million) of revenue, Federal housing assistance was 34.3% (\$5.1 million), and 11.7% (\$1.8 million) came from State housing assistance<sup>13</sup>.

HUD judges the administrative competence of housing authorities through the Public Housing Assessment System (PHAS)<sup>14</sup>. Each housing authority is given a performance rating, based on physical inspections, management operations, a financial assessment, and a resident survey. In 1999, the WHA received a 100% performance rating, a significant improvement over the rating it received four years earlier. Prior poor ratings were due largely to high vacancy rates in a number of facilities. Since 1995, the WHA worked to improve its rating through management reorganization, changes in the application process for family facilities, and renovation of developments.

There are now waiting lists for all buildings and apartment configurations, with 1,132 families currently waiting for a subsidized unit. Many of these waiting lists are currently filled and are closed to additional applicants. According to WHA officials, the opening and closing of lists vary each month depending on the number of projected vacancies in the different facilities and

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<sup>11</sup> According to the Fair Housing Act, disabled refers to those with a physical or mental disability, including hearing, AIDS, mobility and visual impairments, chronic alcoholism, chronic mental illness, and mental retardation.

<sup>12</sup> The five commissioners are: Julia M. Senckowski (Chairman), Joseph P. Carlson, Paul J. Giorgio, Constance A. Morrison, and James P. Lennon. Ruth E. Carlson is the Executive Director.

<sup>13</sup> State and Federal housing assistance does not include the \$1.17 million in FY 1999 for Federal and State rental voucher assistance programs. Additional funding comes from interest on investments, administrative fees, and miscellaneous sources.

<sup>14</sup> For more information on the PHAS, see <http://www.hud.gov/reac/products/prodphas.html>.

the need to reduce the waiting period for an apartment to a “reasonable” amount of time. However, the WHA’s 2001 Annual Plan submitted to HUD estimates that only 351 units will turn over in one year, a significantly fewer number of units than needed by the 1,132 families on the waiting list.

### *Housing Facilities*

In addition to the 22 large developments operated by the WHA in various parts of the city, there are several scattered-site facilities across the city. These facilities are small complexes consisting of approximately 2-6 units in residential neighborhoods.

The facilities are geographically dispersed around the city. Figure 1 presents a map depicting the location of all State and Federal facilities (not including scattered sites). For example, Curtis Apartments and Great Brook Valley are located in the northeast section of the city. Mill Pond apartments, in contrast, are located in the Tatnuck Square area on the far west side. Many facilities, particularly the high-rise developments, are located near the downtown area, including Elm Park Tower, Pleasant Tower, and Main South Gardens.

A majority of WHA’s facilities are in good physical condition, largely due to numerous renovations made over the last several years. Since 1996, through Federal Comprehensive Grants for capital improvement, approximately \$24 million has been spent on improving physical structures, management processes, and equipment. As facilities are renovated, the WHA is required to make 5% of those units modified<sup>15</sup> disabled-accessible. As a result, many facilities have a substantial number of disabled-accessible units.

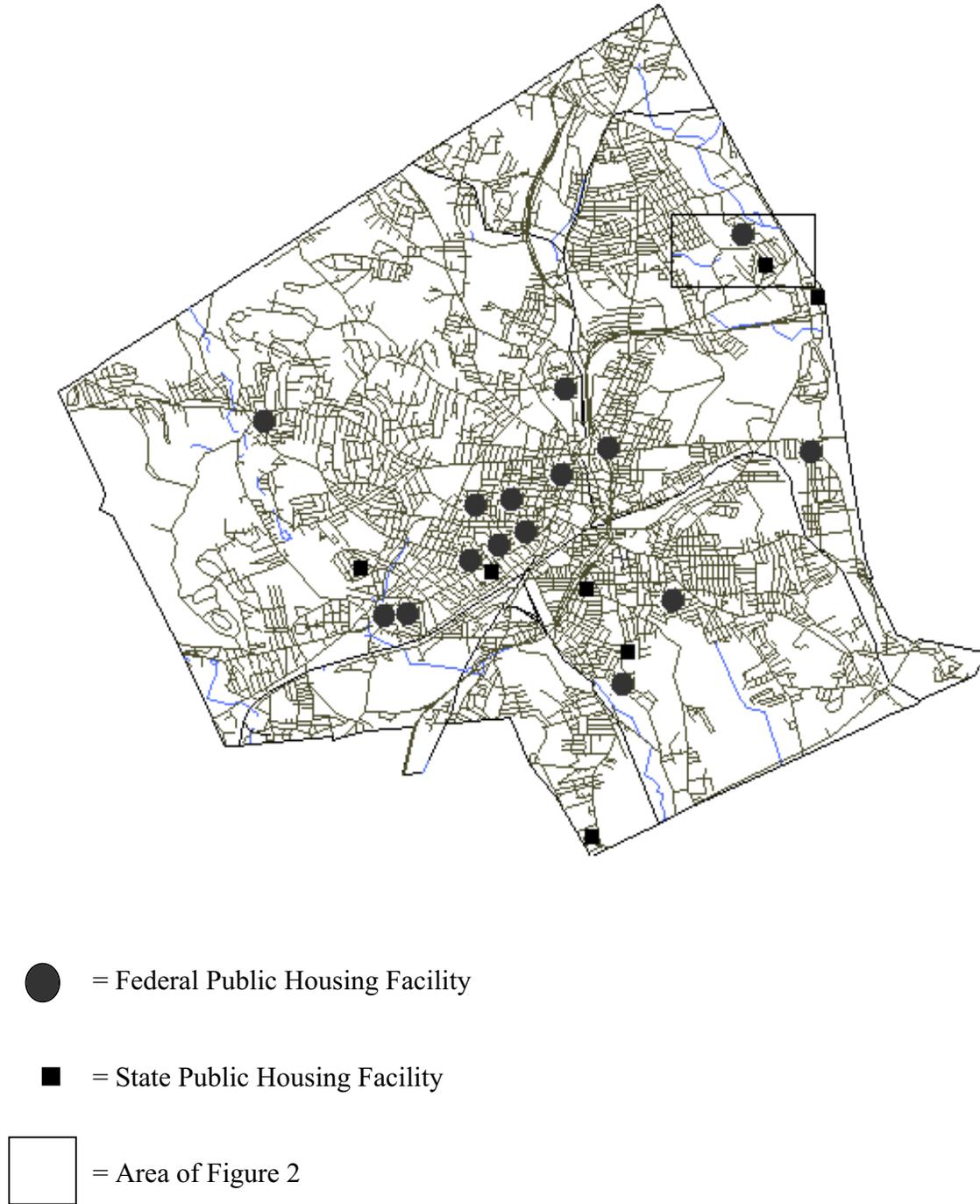
In addition to apartment units, all facilities contain community space and laundry rooms. This community space usually consists of tables, chairs, a small library, and a kitchen. These community rooms are available for tenant use at all times and are most frequently used as meeting spaces for tenant associations. Some developments also have space for health clinics, child care centers, and case management offices.

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<sup>15</sup> Includes such changes as lowering and changing door handles, kitchen counters, and bathroom fixtures. In some facilities, modification also requires installation of access ramps to buildings or individual units.

**Figure 1**

**Location of Federal and State Public Housing Facilities**



Prepared by: Worcester Municipal Research Bureau

Several facilities are still in need of physical improvements. For example, Curtis Apartments, a State-funded facility, has been targeted for capital improvements over the next several years. Unfortunately, State funding is lower than desired for this type of rehabilitation. The WHA recently submitted a \$13 million proposal for revitalizing this facility, but the State has allocated only \$3.9 million. Lakeside Apartments, also a State facility, is in need of similar physical rehabilitation. Again, due to lower levels of State funding compared to Federal funding, it is unknown when these improvements will occur.

Curtis Apartments, Great Brook Valley, and Lakeside Apartments are unique in street design and building arrangement. All are family developments and were designed as “garden-style” apartments of two- to three-story buildings with 2-6 units per building. They were built after World War II to accommodate returning veterans who wished to be further outside the central city; as a result, they are closer to the Worcester city line. In time, however, because of their environmental design, these facilities inadvertently isolated low-income families from surrounding communities. As can be seen in the map of Curtis Apartments/Great Brook Valley and the surrounding neighborhood presented in Figure 2, there are few streets that enter the development. Each block has many buildings, resulting in densely populated areas. Called “superblocks,” this design reduces the facility’s cohesion with the surrounding neighborhoods and creates blocks that are much larger than those in surrounding areas<sup>16</sup>. This reduced cohesion can clearly be seen in Figure 2; the surrounding neighborhood in the northwest corner of the map is a more typical city grid, but is very detached from the public housing development. In recent years, housing specialists have viewed this sort of design as detrimental to public housing residents, as it isolates them from the larger community<sup>17</sup>.

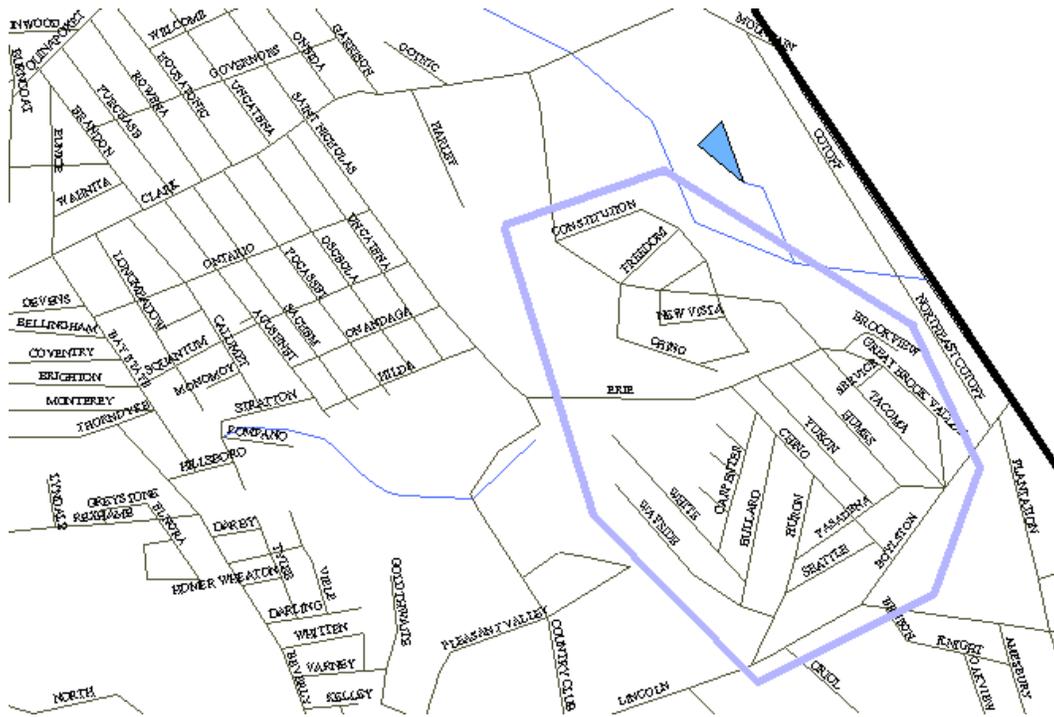
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<sup>16</sup> Department of Housing and Urban Development and the Congress for the New Urbanism, “Principles for Inner City Neighborhood Design.” <http://www.cnu.org>

<sup>17</sup> See, for example, Bacon, Elinor (1998), “Transforming Public Housing.” *Journal of Housing and Community Development*, 55: 7-10.

Figure 2

Map of Curtis Apartments/Great Brook Valley and Surrounding Neighborhood



 = Area of Curtis Apartments/Great Brook Valley

 = City border

Prepared by: Worcester Municipal Research Bureau

*Profile of Residents*

A. Income

Eligibility for residence in a public housing facility, as determined by Federal and State law, is based on family income. For a family of two, total income must be below \$32,650 for Federal facilities and below \$34,800 for State facilities. As family size increases, income limits are raised to a maximum of \$53,850 for Federal facilities and \$57,450 for State facilities for a family of eight or more. According to the WHA, 62.4% (1,736) of families residing in WHA facilities have income of less than \$10,000 per year. Approximately 7% of families earn \$20,000 per year or more. Of the 5,064 public housing residents in December 2000, 489 (9.7%) were receiving assistance through Temporary Assistance to Families with Dependent Children (TAFDC).

Income levels for families residing in GBV/Curtis Apartments, the largest family facilities, are slightly higher, on average, than for all other developments (see Figure 3). According to the WHA, 8.7% (75) of families in GBV/Curtis Apartments earn less than \$1,000 per year, 42.8% (370) earn between \$1,000 and \$10,000 per year, 33.4% (289) earn between \$10,000 and \$20,000 per year, and 15% (130) earn more than \$20,000.

**Figure 3: Family Income Distribution**

Income Level	All Other Developments	GBV/Curtis
\$0 - \$999	2.1%	8.7%
\$1,000 - \$9,999	65.2%	42.8%
\$10,000 - \$19,999	29.6%	33.4%
\$20,000 +	3.1%	15%

Note: "All Other Developments" does *not* include GBV/Curtis Apartments.

Source: Worcester Housing Authority

Prepared by: Worcester Municipal Research Bureau

For a family of three, the Federal poverty level for 2001 is \$14,630. Of those three-person families residing in public housing in Worcester, approximately 69% are below this level<sup>18</sup>. Overall, approximately 58.5% of all families earn less than the Federal poverty level. This Federally established level, while the most commonly used indicator of economic well-being, does not address differences in local living costs or additional mandatory family expenses (such as health care and child care). A 1998 report by the Massachusetts Project for Family Economic

<sup>18</sup> The methodology used to develop the estimates assumed that the distribution of income levels within a smaller income category was consistent. For example, within the category of \$10,000 - \$15,999, it was assumed that the number of people with an income of \$10,001 was equal to the number of individuals with an income of \$15,999. This is most likely a conservative estimate, because, based on the overall distribution of income, a majority of people within each category most likely have income levels on the lower-end of the spectrum. Therefore, the actual percentage of people below the poverty threshold is probably *higher* than the estimates reported here.

Self-Sufficiency<sup>19</sup> calculated self-sufficiency standards for Massachusetts locations, thereby taking into account living costs in the Commonwealth rather than the entire country. The report concluded that the “self-sufficiency standard” for a family consisting of one parent, one pre-school age child, and one school age child in Worcester in 1998 was \$35,460. This income level was developed by considering local costs of housing, child care, food, transportation, health care, and taxes. Based on this level, almost all families in public housing are significantly below the self-sufficiency standard.

## B. Family Size and Age

The average size of the 2,782 families residing in public housing in Worcester is 1.65 individuals. Approximately 59% (1,639) of families are single-member households, while only 4.3% (121) consist of four or five members. No families currently residing in public housing consist of more than five members.

Just under 40% (2,181) of residents in WHA facilities are under the age of 18. The next largest segment of the population is between the ages of 21-49 (27.8%, or 1,533 residents). 18.7% (1,033) of residents are over the age of 62 and are thereby eligible for residency in senior-only developments. The self-sufficiency programs that are discussed later in this report would be targeted at individuals in the 21-49 year-old age range. However, it is unlikely that all 1,533 residents in this range will need the services; many are currently employed full-time or are engaged in education and training activities.

## C. Crime

Although it is sometimes believed that Great Brook Valley and Curtis Apartments have the highest crime rates in the city, that is not the case. The Great Brook Valley/Curtis Apartments Police Statistical Area (PSA), one of 58 PSAs in Worcester, ranks 14<sup>th</sup> in the total number of criminal occurrences from July 1, 1999 through June 30, 2000. These two facilities contain 31% (897) of all public housing units in the city and 74% of all units in family developments. For assault and battery, this PSA ranks 9<sup>th</sup>, and for breaking and entering it ranks 24<sup>th</sup><sup>20</sup>. Additionally, for many crimes, including assault/battery, gun shots/illegal carrying, and breaking and entering, rates for GBV/Curtis Apartments and Lakeside Apartments have declined over the last five years. Between 1996 and 1998, citywide statistics for these crimes were increasing, while they decreased at these two facilities.

## D. Other Demographic Variables

According to a WHA grant application in 1999, educational attainment of residents in Great Brook Valley is low. Only 39% of adults residing in the development had a high school diploma or GED. Similarly, according to WHA officials, the high school drop out rate for students living at GBV is approximately double the overall rate in the City of Worcester.

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<sup>19</sup> “The Self-Sufficiency Standard for Massachusetts: Executive Summary.” September 1998, Massachusetts Project for Family Economic Self-Sufficiency.

<sup>20</sup> According to Worcester Police Department statistics (see [www.ci.worcester.ma.us/cau/ncs/ncs.htm](http://www.ci.worcester.ma.us/cau/ncs/ncs.htm)).

Complete information about teen pregnancy rates, while relevant to an overall profile of the resident population, is unavailable. According to WHA officials, prenatal and postnatal care was provided to 10 teens in 2000 and 7 teens in 1999 by the Great Brook Valley Health Center. It is possible that other pregnant teens either did not receive prenatal or postnatal care or received these services at another location.

### *Services to Residents*

Although the WHA provides housing to many different populations, this section will primarily address those services to individuals who could benefit from public housing as a transitional form of assistance.

#### A. Job Training and Economic Development Services

Job training programming was originally funded in 1997 by a \$1 million, three-year Economic Development and Supportive Services (EDSS)<sup>21</sup> grant from HUD. The purpose was to improve the economic well-being of families residing in public housing through job training and placement, educational services, and support services. The EDSS office is located at Great Brook Valley, so while services are open to all public housing residents, they are generally utilized only by GBV/Curtis Apartments residents. Although this grant expired in 2000, the WHA recently secured a new three-year, \$250,000 Resident Opportunities and Supportive Services (ROSS) grant from HUD, which will continue to fund the services under the prior EDSS grant. Additionally, the WHA has submitted a grant proposal to HUD for \$500,000 over three years to continue the step-up apprenticeship program (described below).

Job training and placement is confined primarily to the step-up and child care provider training programs. The three step-up programs provide training in the areas of landscaping, apartment preparation, and the construction trades. Participants engage in two years of job and apprenticeship training and upon completing the program are qualified for placement in one of several trades. According to the 2001 Annual Plan submitted to HUD, there are 44 available slots for the step-up programs. The 2000 EDSS progress report indicates that seventeen participants had been placed in permanent jobs since 1997 and fourteen are still employed in these positions.

The WHA also offers training classes for residents to become certified by the Commonwealth as a child care provider. This program has a dual purpose: to increase employment and to increase available child care for other residents. According to the 2000 progress report, 23 providers have completed the training and are certified by the Commonwealth. In most cases, up to six slots are available per provider. The number of available slots is reduced based on the number of children living in the home of the child care provider. Accordingly, up to 138 slots have been created as a result of this program.

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<sup>21</sup> All information regarding EDSS programming is from the 2000 WHA progress report: "Economic Development and Supportive Services: Programs and Activities, September 15, 1997 – Present."

Additional job training services include medical office training, a computer learning center, GED/ESL classes offered by the Worcester Community Action Council, higher education classes offered by the Clark University College of Professional and Continuing Education, and small-business training by the Martin Luther King, Jr. Business Empowerment Center. Results from the latter three programs are discouraging: of the 36 individuals enrolled in GED classes from 1997-2000, only seven received their diplomas; six residents participated in the Clark University program, but all six withdrew prior to completion; and five residents participated in the small-business training, but none has opened a new business.

First-time homebuyer programs are offered by the Central Massachusetts Housing Alliance (CMHA). Between 1997 and 2000, four workshops were offered and over seventy residents participated. These workshops educated participants on the necessary requirements for purchasing a home, the responsibilities of homeownership, and how to reduce debt. Although participants most likely gained new skills, no one has yet purchased a home.

For Section 8 voucher recipients, the WHA offers a voluntary Family Self-Sufficiency (FSS) program. Although in its infancy, the initiative provides a coordinator who meets with participating families to set achievable goals and develop a self-sufficiency plan. During their tenure in the program, participants' incremental rent increases (due to additional earnings) are placed into an escrow account. Participants have five years to complete the goals established in their self-sufficiency plan, and upon completion can withdraw the money from their escrow account to purchase a home or enroll in additional education or other approved activities. Currently, 31 people participate in the FSS program, with a maximum program size of 100. As reported in the April 3, 2001 *Telegram and Gazette*, the program recently announced its first successful participant who purchased a new home.

## B. Support Services

To assist residents in increasing their earnings and work activity, support services are required in the form of child care, transportation, and case management. Child care for WHA residents is offered by Worcester Comprehensive Child Care Services (located at GBV), YWCA child care, and home child care providers in the larger community. Information regarding the current unmet child care needs is unavailable. Payment for these services is the responsibility of the resident, although WHA officials report that many utilize TAFDC child care vouchers.

The WHA has two vans in the Resident Services department, although officials report that a majority of residents utilize public transportation or private vehicles to get to and from work. The public bus system operates routes that serve all public housing facilities in the city.

Case management is provided by a social service coordinator and a case manager, both under contract from the Great Brook Valley Health Center. The 2000 progress report indicates that in a typical month, the social service coordinator would assist as many as 150 individuals. Since GBV and Curtis Apartments consist of 897 units, the social service coordinator and case manager are each responsible for the residents of over 400 apartments, representing as many as 600 to 700 individuals.

### C. Services for the Elderly and the Disabled

Six service coordinators are provided in senior-only and mixed developments. These coordinators assist elderly and disabled residents in locating appropriate community services including medical care and transportation services. These coordinators assist the tenant organizations in the planning of social events, such as birthday parties and trips to Foxwoods Casino. The six coordinators provide assistance in all elderly and mixed developments, serving a total of over 1,600 apartments.

Health clinics are located in most elderly/disabled facilities and are operated by St. Vincent Hospital. These clinics are staffed by qualified medical personnel and are open to all residents, as well as to the general public.

### D. Safety Services

Safety services are provided through a private security agency and the Worcester Police Department (WPD). Each housing development is part of regular WPD patrol routes. The WHA has a \$250,000 contract with the WPD to provide additional services at the Great Brook Valley and Curtis Apartments developments. The WHA has also initiated other security measures, such as surveillance cameras throughout developments. In all high rises, there are cameras and intercom systems located at all entrances. When a visitor rings a particular unit, the resident can turn his television to a set channel and determine whether to admit the visitor. The WHA has also instituted the national Drug Elimination Program, which funds additional police patrols in Great Brook Valley and youth drug prevention programs.

### E. Other Services

Other services are provided by outside agencies on WHA property, such as youth services offered by the Boys and Girls Club and Camp Fire Boys and Girls. The Drug Elimination Program grant provides computer learning centers, homework centers, teen mentoring programs, and summer work programs. Great Brook Valley also operates a gym with a basketball court and other equipment for youth and other residents. Other agencies provide services, particularly at Great Brook Valley, in the areas of job search assistance and emergency food distribution. The Worcester Public Library has a branch library at GBV, as well.

While recognizing the difficulties in addressing the needs of WHA tenants and the progress that has been made by the Housing Authority in recent years, the Research Bureau nevertheless presents some alternative models to be considered. As the above sections suggest, the system of services offered at WHA facilities does not seem to be well integrated. Except for the FSS program for Section 8 recipients, there does not seem to be a comprehensive approach for how each service complements the other and how they together can result in family self-sufficiency. As the following section will highlight, several other communities, by contrast, have housing programs that seem to be more grounded in a comprehensive approach to what public housing

should provide and expect from its residents. Each has a vision that seems to encompass the new role of public housing, that of facilitator of self-sufficiency.

## V. Other Communities

After reviewing the programs of a number of other housing authorities, the Research Bureau identified three communities that are operating innovative family public housing programs that may have applicability for Worcester. Each of the three rests on a different sort of comprehensive approach. Both HUD and local sources have funded all three programs.

The HUD funding for these three communities has been provided under the HOPE VI program. This program, originally created in 1992 and continued under the Quality Housing and Work Responsibility Act of 1998 (QHWRA), is designed to demolish “severely distressed<sup>22</sup>” public housing units and develop revitalization plans and replacement housing. The HOPE VI program offers grants ranging from \$1 million to \$35 million to build new facilities that encourage community pride, revitalize distressed areas surrounding public housing, and increase the mix of income levels of individuals residing in the area. The new facilities must be fully integrated with the surrounding city, thereby restructuring existing “superblocks.” A report by HUD, “Principles for Inner City Neighborhood Design,” indicates that along with environmental design, housing authorities must incorporate certain principles, such as citizen and community involvement, economic opportunity, diversity, infill development, mixed use, and public open space.

### Peoria, Illinois

**Vision:** Residents should be provided with strong supportive services in combination with new, updated housing units for increased self-sufficiency. Public housing revitalization should be viewed as part of an overall neighborhood-wide revitalization effort.

**City Population<sup>23</sup>:** 112,936

**Number of Units<sup>24</sup>:** 1,768 (Rank: 95<sup>th</sup>)

In 1997, the Peoria Housing Authority (PHA) received a \$16.19 million HOPE VI grant to demolish, rebuild, and revitalize the existing Warner Homes complex. Since receiving the grant, the PHA has demolished 400 units in 25 buildings, and has reduced population density 50% by creating 200 new units in the former development and approximately 30 units in the adjacent neighborhood. This complex, and others in the city of Peoria, is similar in its original design to Worcester’s Great Brook Valley, Curtis Apartments, and Lakeside Apartments. Since receipt of the original HOPE VI grant, the PHA has initiated an additional redevelopment effort at Taft Homes.

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<sup>22</sup> For units to be classified as “severely distressed,” the public housing authority must demonstrate that they meet several conditions, including 1) demolition is required to correct problems with original design, including high population density; 2) the facility is a significant factor in the disinvestment in the surrounding community; and 3) cannot be revitalized using other methods. For complete criteria, see “Summary of the Quality Housing and Work Responsibility Act of 1998.” Available online at <http://www.hud.gov:80/legis/titlev.pdf>

<sup>23</sup> Data from 2000 Census, available at [www.census.gov](http://www.census.gov)

<sup>24</sup> Based on the 100 largest public housing authorities in the United States as reported in a 2000 HUD report, “In the Crossfire: The Impact of Gun Violence on Public Housing Communities.”

There are three interesting aspects to this redevelopment effort: 1) an innovative, cost-effective solution for demolition; 2) centrality of the housing authority's initiative in the redevelopment of surrounding areas; and 3) use of community resources for a self-sufficiency program.

First, the PHA secured significant in-kind and monetary contributions to destroy 15 buildings at the Taft Homes development. Local corporations and the military assisted in the demolition of these buildings at an extremely low cost. This assistance allowed money that would have been used for demolition purposes to be used for redevelopment of the property.

Second, the Warner Homes redevelopment, now known as RiverWest, is part of a large revitalization effort of the downtown and riverfront areas of Peoria. Peoria's downtown is located immediately adjacent to the Illinois River, and Warner Homes was located on the northern edge of the downtown area. The RiverWest redevelopment effort, according to PHA officials, has been the "anchor" of the overall development of downtown and the riverfront area.

Third, the PHA has contracted with a local service provider, Christian Family Service Center (CFSC), to provide a majority of its self-sufficiency programs. CFSC provides complete assessment, intensive case management, and individualized self-sufficiency plans for residents. This program is funded through a ROSS (Resident Opportunities and Supportive Services) grant, similar to that received by the WHA. There is also an intensive homeownership preparation program for interested residents.

The current redevelopment of RiverWest has not been officially evaluated at this time. Anecdotal evidence suggests, however, that the PHA has been successful in connecting the RiverWest project to the larger revitalization of the surrounding community. In the future, the PHA would like to initiate what it calls an "Ellis Island" approach to public housing. This approach is rooted in the principle that residents should be offered the bare minimum of accommodations when entering public housing and then be encouraged to move up to the next step that includes more appealing housing and participation in work/training activities. They should then be provided with incentives to move up again to Section 8 housing or renting on the private market.

### Charlotte, North Carolina

**Vision:** "Move in, move up, move out"

**City Population:** 540,828

**Number of Units:** 3,507 (Rank: 42<sup>nd</sup>)

The Charlotte Housing Authority (CHA) has received substantial grants under the Federal HOPE VI program. The first grant of \$41.7 million was awarded in 1993. Subsequently, CHA has received grants of \$24.5 million (1996) and \$34.7 million (1998) to demolish and revitalize three separate housing complexes. These new units are available only to families who participate in one of the Transitional Families Programs, an umbrella that includes the Family Self-Sufficiency (FSS), Stepping Stone, and Home Ownership Programs.

### *Family Self-Sufficiency(FSS)*

This program is designed to combine new housing built or renovated under HOPE VI with HUD's Family Self-Sufficiency Program. There are currently 250 participants in HOPE VI sites and 74 participants in Section-8 sites.

Current public housing residents, families on the waiting list for public housing, or Section-8 residents can apply for the FSS program. Preference for admission is given to families currently residing in public housing. In several sites, selection is based on a number of criteria, including educational attainment, current income, and other factors. In two sites, there are no minimum criteria. If selected, the head of the family signs a 5-year Contract of Participation, during which she agrees to participate in a variety of services and activities designed specifically for her needs. The entering families agree to move from the FSS community within five years.

After entering the program, each family is assigned a case manager who has a maximum caseload of 50 families. The case manager and head of household complete short- and long-term goals for the household to become economically self-sufficient within five years.

While in the FSS program, rent increases due to increases in earned income are placed into an escrow account. After successful completion of the program, the escrow money returns to the family and can be used for such expenses as down payments on a house or educational costs.

Results of the FSS program thus far indicate some success for those who graduate. According to an analysis of those exiting the FSS program in 1998 and 2000 conducted by the CHA, 64 graduated and 49 were either terminated or withdrew. Of those graduates, 23 purchased a home, 39 went into the private rental market, and 2 are in other arrangements. Graduates of the program were earning 22% more than when they entered the program and worked 120% more hours per week.

### *Stepping Stone Program*

The second self-sufficiency program of the CHA is the Stepping Stone Program. It is a self-sufficiency program offered to low-income families who are living in public housing or are on the waiting list. Applicants must meet the qualifications of continuous work for at least one year, have a high school diploma or GED, and earn a minimum of 30% of the median income. The program is for up to five years. There are currently 176 participants in the program.

In contrast to the FSS program, Stepping Stone participants are housed in small garden apartment complexes (50 units or less) that are entirely owned or operated by the CHA. The apartments are not subsidized by Federal or State sources and are run on a self-supporting basis. Rent payments cover the cost of debt payment, taxes, upkeep, repair, maintenance, and other operating costs.

Residents of the Stepping Stone program pay a flat rent, their own utilities, and contribute money to an escrow account each month. During the first year in the program, the escrow payment is

\$15 per month and increases by \$15 during each subsequent year in the program. Families receive the money in their escrow account when they move from CHA property.

Results of the Stepping Stone program, as with the FSS program, indicate some success. Between 1998 and 2000, 111 families completed the program, 60 households purchased homes and 51 went to the private rental market. Graduates were earning 22% more than when they entered the program.

### *Home Ownership Institute*

The Home Ownership Institute requires participants to sign a contract similar to the FSS program. Participants are provided with a 13-month intensive educational and training program to increase their likelihood of making the transition to home ownership from public housing. Session topics include self-improvement, budgeting, details of the mortgage process, and home maintenance. To enter the program, applicants must meet several criteria, including a minimum gross income of \$14,000 per year and stable, full-time employment for 12 months.

During 1998 and 1999, 19 families exited the Home Ownership Institute. Of those, 15 successfully graduated from the program, while the remainder were terminated or withdrew. All 15 of those who graduated from the program successfully bought a home. The starting delinquent debt of these families averaged \$3,748 and at graduation was reduced to \$0. As well, the average hourly wage increased 36% and the average number of hours worked per week increased 54%. According to these data, the Home Ownership Institute appears to have improved the conditions for participating families significantly.

Since its original inception in 1991, the Transitional Families Programs as a whole have seen considerable success. Over 492 individuals have graduated from one of the Transitional Families Programs. Of those, 266 have purchased homes and 226 have begun renting on the private market.

### Knoxville, Tennessee

**Vision:** Comprehensive city revitalization, intensive self-sufficiency programs, one-stop shopping for resident services

**City Population:** 173,890

**Number of Units:** 3917 (Rank: 39<sup>th</sup>)

The Knoxville Community Development Corporation (KCDC) is the local housing authority for the city of Knoxville and also serves as the primary redevelopment organization in the area. Unlike other public housing authorities, the KCDC does not operate only in the area of public housing; it also functions as a comprehensive revitalization organization by working with the private sector and other governmental agencies toward the goal of urban renewal.

The KCDC's non-public housing activities include administering over \$5 million annually in redevelopment funding. Eight redevelopment projects have been undertaken in downtown Knoxville, which have impacted more than 50 percent of the central business district of the city.

KCDC additionally manages several Section-8 facilities and owns subsidized affordable housing developments that are managed by a private organization.

Knoxville received a \$22 million HOPE VI grant in 1997 to revitalize the College Homes development. As part of a larger redevelopment of the Mechanicsville area of the city, the current demolition and rebuilding of College Homes will create 225 new, mixed-income units on the former property and surrounding areas. Fifty-seven of these units will be designated for participants of “Passport Housing,” a program that combines new housing with intensive self-sufficiency programs. Participants in this program will be assigned a case manager who will help develop a “Passport Itinerary” that will outline the services needed for the family to achieve self-sufficiency. Through close monitoring of a participant’s progress and selecting only individuals who are genuinely committed to the program, KCDC plans to enable residents to move to the private housing market. Since this program is just beginning its implementation, no evaluations are available.

The Passport Housing program is one example of KCDC’s commitment to providing intensive and individualized services for all public housing residents. Also available is a Family Investment Center (FIC), which serves as a central location for resident services, including a Career Investment Academy (education, a job-training center, and a life-skills program), child care, and case management. The FIC was established by renovating an old abandoned public school.

The KCDC public housing program also rests on a commitment towards addressing not only the plight of individual residents, but also community problems. As stated on the KCDC website: “When services help individual residents improve their lives, conditions in the community improve. Likewise, programs that promote changes in what a public housing community expects of its members influence the behavior of those members.” KCDC is transforming its programs as a result of this unified vision of what public housing should provide and expect from its residents.

## **VI. Conclusion**

Based on recent changes made at the national level in the purpose of public housing, the current status of the WHA, and a review of other communities, the Research Bureau recommends that the WHA consider the following suggestions:

### **1. Enhance and coordinate programs for increasing resident self-sufficiency.**

Resident self-sufficiency can be defined as the ability for families to support themselves economically. As indicated in this report, a majority of families in public housing have incomes below the Federal poverty threshold, and all are below the Massachusetts self-sufficiency level. The WHA has attempted since 1998 to improve the services offered to residents to help them move toward this goal. Unfortunately, results have been discouraging. While a handful of people have attained stable employment in the construction trades or as child care providers, most residents are largely in the same situation that they were in several years ago. This is further

substantiated by annual turnover rates; the WHA estimates that 351 units will be vacated during 2001<sup>25</sup>, representing a transition of less than 13% of families in public housing.

Although the WHA recognizes its increasing role in facilitating family self-sufficiency and the provision of social services, it seems to lack a comprehensive approach to achieving this goal. Redefining the purpose of public housing in Worcester, and acting on that purpose using lessons from other communities, could initiate a fundamental change in the role the WHA plays in residents' lives.

The need to transition families out of public housing is urgent. There are currently 1,132 families on the various waiting lists, 74% of which have very low income levels (less than 30% of the area median income). To assist the maximum number of families in need, the WHA will have to provide incentives and support services to current residents of family facilities to increase their incomes and help them move to the private rental market.

To do so, the Research Bureau suggests three separate strategies:

*1a). Create economic incentives for families residing in public housing to increase their incomes and qualify for the private market.*

The Housing Authority of the City of Charlotte, as described above, has successfully developed a process by which individuals who agree to participate in the self-sufficiency program move into a more desirable apartment, deposit part of their rent into escrow accounts, and receive intensive services. Components of this concept are already utilized by the WHA under the Section 8 Family Self-Sufficiency program. The WHA should therefore consider instituting a similar program in family facilities, by which incremental rental increases would be placed into escrow accounts and certain apartments would be upgraded to serve as an incentive for residents to participate in programs that can lead to better employment and life opportunities.

The WHA has already instituted some policies that increase incentives for participating in the work force. Since September 1997, the WHA has disregarded income increases in the rental calculation procedures for individuals who began working after extended unemployment. Under this policy, residents can have 100% of their incremental income increases disregarded for the first 12 months and 50% of increases in the second 12 months. At the end of the two years, the resident's entire income is used to determine rent. Prior to this policy, individuals reentering the workforce would have their rental payments immediately increased based on their increase in earnings. For every dollar of new income, residents were required to pay \$.33 more towards their rent. With the income-disregard policy, the incentives for working are increased. The WHA should build from this starting point and create comprehensive and complementary policies for increasing family self-sufficiency.

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<sup>25</sup> According to WHA's 2001 Annual Plan.

*1b). Conduct a comprehensive resident needs assessment.*

In the resident profile included in this report, the Research Bureau identified several demographic characteristics that are currently unknown for the public housing population. If the WHA is to improve services, it must first know the needs of its residents. Therefore, a comprehensive needs assessment that considers child care needs, transportation needs, and other variables should be conducted.

*1c). Increase the services provided to residents.*

The WHA's current strategy of providing services seems to lack a coherent plan of how each service augments the other and how they can be combined to promote family self-sufficiency. Similarly, the WHA should concern itself more with how many succeed in achieving sufficiency after participation in a program, than how many people participated. Focusing on outcomes will better shape the programs to meet the needs of the resident population.

Also, services should be geared towards all facilities where families reside. Currently, the bulk of services are provided at GBV/Curtis Apartments. While this is the location of a majority of families in public housing, there are families in other facilities (particularly Lakeside Apartments) who need easy access to these services.

**2. Utilize existing community resources for improving resident services.**

The current service providers for WHA residents do not seem to be meeting with much success. For example, no resident participating in the first-time homebuyers program has ever purchased a home. The WHA should reconsider the community resources available and select the providers who have the best track record in each field. Or perhaps, the WHA should follow the Peoria model and contract with one provider for most of its self-sufficiency programs.

**3. Reconsider the possibility of using HOPE VI funding to revitalize Great Brook Valley.**

WHA officials have considered applying for HOPE VI funding to revitalize Great Brook Valley, but have indicated that Worcester is not a good candidate for the program for several reasons. First, it is unclear whether or not there would be available housing in the Worcester area for displaced residents while the development was being renovated. Second, GBV currently only meets one of the three criteria for consideration in the program: high population density. GBV is not classified as "severely distressed" and does not have high vacancy rates. As well, Great Brook Valley is unique because it is connected to a State facility, Curtis Apartments, which would not be eligible for any HOPE VI funding.

However, because of the design of GBV, the needs of its residents, and the physical condition of its buildings, there are few options for its future. Based on the experiences of other communities, the Research Bureau suggests that the WHA reconsider its decision not to pursue HOPE VI funding. While there will be obstacles to its implementation, the experiences of other communities indicate that the HOPE VI program has the potential to revitalize and reinvigorate not only GBV, but the surrounding neighborhood as well. As the experience of Charlotte

indicates, HOPE VI, in concert with other programming, has the potential to significantly improve the lives of public housing residents by encouraging them to leave public housing. If implemented properly, public housing can return to its original purpose of providing transitional housing for those who have fallen on hard times, but given the proper incentives and services, can be assisted in improving their condition.

If Worcester has no prospect of receiving HOPE VI funding, it should consider other options that promote revitalization of family facilities and economic self-sufficiency. One possibility would be to remodel and upgrade some apartments as they become vacant to serve as “step-up” apartments for families in self-sufficiency programs, as in Charlotte.

**4. Collect information regarding affordable housing needs in Worcester and utilize this information to create a new community-wide vision for affordable housing in Worcester.**

The role of the WHA cannot be isolated from the community-wide need for affordable housing in Worcester. Affordable housing is commonly defined as housing that costs no more than 30% of a resident’s income, and leaders in Worcester’s housing industry suggest that the city is facing a serious shortage of private housing that fits this definition. To determine the scope of the current shortage in Worcester, the WHA and related organizations should collect information about the number of *available* affordable units for various income levels. Next, the current *need* for affordable units at various income levels must be collected to have a complete picture of the current problem in Worcester. After collecting this information, the WHA should work with the City administration to revise its housing policy to reflect the needs of the community and how those needs relate to the supply and availability of public housing and the private affordable housing market. City officials report that the WHA has recently contacted the city to begin working toward this goal.

Additionally, this information would further inform several new WHA initiatives. The WHA is organizing an independent nonprofit organization to develop affordable housing in the Worcester community. Information regarding the scope of the current affordable housing problem in Worcester is critical to ensuring that the appropriate programs are initiated by this new nonprofit. At the same time, any new organization should avoid duplicating what other governmental, quasi-governmental, and nonprofit organizations are already doing in the area of affordable housing.

## Appendix 1

### Worcester Housing Authority Facilities and Units Available for Leasing

*Federal Developments*

Facility Name	Type	Number of Units
Great Brook Valley	Family	525
Hooper Street	Family	26
North/Providence	Family	29
Southwest Gardens	Family	25
<b>Total Federal Family</b>		<b>605</b>
Addison Street	Mixed	50
Mill Pond Apartments	Mixed	74
Mayside Apartments	Mixed	47
Pleasant Tower	Mixed	129
Wellington Apartments	Mixed	102
Murray Avenue	Mixed	69
Belmont Tower	Mixed	160
<b>Total Federal Mixed</b>		<b>631</b>
Lincoln Park Tower	Elderly	198
1060 Main Street	Elderly	178
1050 Main Street	Elderly	251
Elm Park Tower	Elderly	194
<b>Total Federal Elderly</b>		<b>821</b>
<b>Total Federal</b>		<b>2,057</b>

**Appendix 1, continued**  
**Worcester Housing Authority Facilities and Units Available for Leasing**

*State Developments*

Facility Name	Type	Number of Units
Lakeside Apartments	Family	195
Curtis Apartments	Family	372
Main South Gardens	Family	24
Scattered Sites	Family	16
<b>Total State Family</b>		<b>607</b>
Booth Apartments	Mixed	73
Greenwood Apartments	Mixed	61
Lafayette Apartments	Mixed	50
Curran Apartments	Mixed	38
<b>Total State Mixed</b>		<b>222</b>
<b>Total State</b>		<b>829</b>
<b><i>Total Federal and State</i></b>		<b>2,886</b>