



Written Testimony of Larry C. Woods,
Chief Executive Officer of the Housing Authority of the City of Winston-Salem

Submitted to the U.S. House of Representatives
Committee on the Budget

October 28, 2015

Good morning Mr. Chairman, Ranking Member Von Hollen, and members of the committee. Thank you for the opportunity to testify today. My name is Larry C. Woods, and I am the Chief Executive Officer of the Housing Authority of the City of Winston-Salem.

Like other Public Housing Agencies across the country, our agency provides housing assistance to “America’s Most Vulnerable.” We administer over forty-five hundred housing vouchers – and we own and manage an additional thirteen-hundred public housing units. My wife and I grew up in public housing; and I have spent most of my career in the field of affordable housing and community economic development.

The subject of today’s hearing – those among us whom the committee has identified, correctly I might add, as “America’s Most Vulnerable” – are those to whom my entire professional career has been dedicated. And long before this hearing was scheduled; and long before I was asked to testify; and even before I became the CEO of the Winston-Salem Housing Authority – I spent countless hours pondering the plight of this group and considering how to best meet its needs.

What I ultimately concluded is that our current system is broken. Our approach is flawed. Our safety net is no longer a net, but a steel trap fostering dependency and cultivating generational poverty. It must change; and we must change it – and sooner rather than later. So it is with cautious optimism that I testify before you today, hopeful that this committee’s efforts might serve as a catalyst for real, meaningful change – the kind of change that does not just improve the budget, but improves lives.

For decades our social safety net has been comprised of government programs and policies designed to slow the distressed family’s downward spiral and provide stability through direct or indirect public subsidies. Each year government agencies at all levels produce reports

highlighting the number of families receiving services within the social safety net. Community advocates provide data on the ever-growing number of families slipping into poverty. These reports make headlines and become the subjects of journalists' exposés, with images of families being displaced, overcrowded homeless shelters, and empty food pantry shelves as the backdrop. This results in a constant clamor for program expansion. But we do not need more expansion of the same unsuccessful programs. We do not need to measure a program by the number of people who walk into its doors, but by the number walking out. We need outcome-based program assessment.

Our current system is broken, plain and simple. And it is broken because our approach is flawed. The answer does not lie in additional funding. The answer lies in the implementation of policies that provide strategies for getting people out of the net. Right now there is no exit strategy. We have spent so much time trying to make sure that the net is there, that we have lost focus on what happens next. We are simply warehousing people in our programs. There is no focus on getting people, in, up, and out. The focus is almost exclusively on the in. We must hold policymakers accountable for the program's output - its effectiveness; but we must also hold individual beneficiaries accountable as well.

In subsidized housing programs today, there is a stagnation of movement through the system. Non-elderly, able-bodied families are living in subsidized housing for unnecessarily lengthy periods, resulting in generational poverty and cumbersome waiting lists. These waiting lists prevent our agency from responding to individuals who face unexpected, temporary, situational poverty.

Current policies, rules, and regulations provide for open-ended housing subsidies that discourage self-sufficiency. In responding to surveys conducted by our agency, residents indicate that they enjoy living in our housing because they “are on their own.” In their minds, they have already achieved their goal of housing independence. They do not understand that someone is subsidizing that perceived independence. An expectation of lifetime entitlement has been created; and this expectation is passed on from one generation to the next. The social safety net has clearly prevented many families from avoiding abject poverty, but at the same time it has encouraged those same families to become totally program dependent.

So what is causing these well-intentioned programs to yield such harmful unintended consequences? I believe it is primarily due to statutory and regulatory disincentives that penalize employment. Additionally, there is insufficient flexibility to allow agencies to tailor localized, common-sense approaches to problem solving. For example, laws prohibit residents’ required participation in self-sufficiency programs.

In my opinion, the ultimate goal of the current model is not sufficiently well-defined. By that I mean that the existing model does not provide for a cooperatively developed and mutually agreed upon positive exit strategy – an exit strategy leading to self-reliance for the individual being assisted. Furthermore, the existing model does not require interdepartmental data and resource sharing or encourage partnerships with local non-profit and faith-based resources.

In the City of Winston Salem, there are a growing number of agencies (public and private) that are discussing coordination of services, resource leveraging, collaborative partnerships, and data sharing all related to performance-based outcomes. Just recently Mayor Allen Joines convened a meeting with leading educational institutions, charitable and philanthropic trusts, human service

providers, consultants, housing providers, and a host of others to develop strategies to address the poverty in our City.

During this initial meeting we presented our self-reliance initiative, which we call the Path Program. The goal of the Path Program is to reduce or eliminate families' need for federally subsidized housing by slowly transitioning families back into the economic mainstream. The Path Program is a collaborative effort involving many community-based human service providers and charitable organizations. Unlike traditional programs, which measure success by tracking attendance, the Path Program's evaluation criteria are one-hundred percent performance based.

Our approach is designed to provide a positive and hopefully permanent exit strategy so families remain self-reliant. We call this approach "Growing Families out of Poverty." Unfortunately, under the current regulatory and statutory structure, we cannot fully implement our program. We have faced roadblock after roadblock restricting our ability to require or incentivize participation. Residents have told us that until they are required to do something more to keep their housing benefits, they are content to maintain the status quo. However, federal law prohibits our agency from mandating participation in either the Path Program or an alternative self-sufficiency initiative.

While HUD has a program in place, known as Moving to Work, that provides regulatory relief and would allow our agency to more fully implement our self-sufficiency initiatives, less than one-percent of all Public Housing Agencies are Moving to Work agencies. This is because Congress has not authorized an expansion of the program, despite nearly unanimous support for it from my counterparts across the country. We believe that, as a Moving to Work agency, our

agency would be freed from many of the regulatory constraints limiting our ability to fully implement our place-based, locally-tailored efforts. I encourage expansion of Moving to Work, and other programs like it, that permit flexibility and locally-driven decision-making.

Our agency is attempting to shift the paradigm in the provision of public housing. As detailed herein, we have implemented several proprietary programs (including Step-Up Housing and the Path Program) geared toward growing residents out of poverty. We have met with some success; however, this has been in spite of the current federal programmatic structure, not because of it. I implore this committee to evaluate the social safety net in light of our experiences and to begin transforming the net back into the springboard it was intended to be rather than the flypaper it has become.