INTEGRATING HOUSING AND SOCIAL SERVICES:  
Local Initiative versus Federal Mandate (B)

Steve Holt, Executive Director of the Housing Authority of Snohomish County (HASCO) was in a quandary. He had just returned to his county housing authority in Western Washington state from a national conference in Washington, D.C. There, an official from the Department of Housing and Urban Development had made a surprise announcement that public housing authorities were to initiate a new program and terminate local Project Self-Sufficiency programs. The Project Self-Sufficiency Program in Snohomish County was a nationally recognized service program assisting low-income families in obtaining the services needed to attain long-term self-sufficiency. In its place, housing authorities were to implement a new federally mandated program called Family Self-Sufficiency. While the new program also had a goal of economic independence, several components were significantly different from its predecessor, most notably a ban against using motivation as a participant selection criteria and a prohibition against selecting participants from anywhere but the current housing authority programs and waiting list using “objective criteria.”

Evaluating the Impact of FSS

During his flight home, Holt had already outlined what he saw as the three primary options: 1) terminate Project Self-Sufficiency in favor of the new program, Family Self-Sufficiency, 2) fight the mandatory implementation of Family Self-Sufficiency, or 3) find a way to run both programs. He discussed the issue with HASCO’s Director of Rental Programs, Pete Grodt, and Grodt’s counterpart at the Everett Housing Authority, Bud Alkire.

“When we examined how this new FSS program was going to affect the goals we outlined when we implemented PSS in 1984, we knew we had to protect Project Self-Sufficiency” stated Grodt. “Bud, Steve and I felt we had a responsibility to the county and to our partner service providers to stick with the program we had jointly created. The new FSS model was not compatible with our program goals or the structure we had developed over the past seven years. We weren’t willing to give PSS up.” Alkire and
Integrating Housing and Social Services (B)

Grodt wanted to assure the partner agencies that the housing authorities would continue to support PSS despite the new FSS mandate. Their first priority was to inform the PSS Task Force about the changes in Federal rules and reassure the Human Services Department that they would not break the interagency agreement to set-aside a number of Section 8 housing certificates specifically for the program. At the next Task Force meeting in November, Grodt and Alkire broke the bad news.

“We saw this new Family Self Sufficiency as a real threat,” stated Laura Hedges, a Task Force member representing the Everett Community College Women’s Center. “It was inconceivable to me and to the other members that a proven local program could be eliminated just like that. The bizarre thing was that PSS had been honored by HUD for excellent service to the low-income community.”

Making the Best of Bad News

When the formal draft of the FSS guidelines was released in September 1991, Grodt, Alkire and Williams, the Project Self-Sufficiency Coordinator, met to draft a letter to HUD. Challenging the new program’s stance on the prohibition against motivation, the inability to target housing and the lack of funding, the three partners hoped that HUD would consider changing the regulations to accommodate the PSS structure.

Upon receiving the revised program guidelines, the partners were bitterly disappointed. HUD had partially compromised by allowing authorities to reserve 50% of its FSS participant spaces for people currently involved in an “FSS related service program,” such as Project Self-Sufficiency. The remaining 50%, however, was to be chosen from the current housing authority population according to “objective standards,” such as length of time in housing, the date the family expressed interest in the FSS program or a random lottery. There was, additionally, no change to HUD’s position on the termination of all Project Self-Sufficiency programs. As far as HUD was concerned, all current PSS participants were to be transferred into the new FSS program, thus closing out the PSS program permanently.

HUD’s Regional Office Steps In

After receiving the regulations, Alkire and Grodt began to change their focus. Since it was becoming abundantly clear that HASCO and EHA would be required to implement FSS, they were determined to make sure that the new program would not have a negative effect on PSS. They looked toward HUD’s Regional Office in Seattle for support. HUD’s Region X Office had been an advocate of the PSS program since its inception in 1984. Harold Saether, Director of the Public Housing Management Office, had been a particularly vocal supporter of Snohomish County’s program, attending Annual Recognition Ceremonies and approving the use of Section 8 housing set-asides for the PSS program every year.
In July 1993, Allan White, the Executive Director of the Everett Housing Authority, submitted a detailed letter of concern to Harold Saether on behalf of Project Self-Sufficiency, the Snohomish County Human Services Department and the Housing Authority of Snohomish County. White wrote:

“We need to request your immediate attention to the discussion of the continuation of local self-sufficiency efforts. Without considering the Family Self-Sufficiency Program, we are convinced that we have the authority to continue our existing self-sufficiency program, in accordance with our approved Administrative Plans. Both the Technical Assistance Letter and the [Region X] memorandum acknowledged that this authority existed, independent of the PSS demonstration program HUD was then undertaking...It is very important that we receive a definitive response from HUD to this question so that we may continue to plan for our program with our partners.”

During a trip back to Washington, D.C., Saether informally brought the issue to the attention of several senior-level executives in the Office of Rental Assistance. During one of several meetings, they discussed whether there was concrete evidence that HUD had the authority to terminate a local self-sufficiency program. Even among the headquarters staff there was no internal agreement on this issue. Even the attorneys in HUD’s Office of the General Counsel disagreed with one another. When Saether left, he had been unable to get a specific answer to bring back to the housing authorities. Upon returning to Seattle, Saether discussed the dilemma with the Acting Director of the Regional Office, Lynn Stowell. Stowell, agreeing with Saether, replied with the following letter to Allan White:

“Mr. Saether has verbally discussed this matter with Headquarters during his recent meeting in Washington, D.C. He brought to their attention the success of your program and pointed out that it is the result of considerable effort and initiative on the part of the housing authorities and local agencies. Should it become necessary, we stand ready to forward this matter to Headquarters formally and express our support of your request.”

In August of 1993, Stowell carried through with his promise, writing to the Assistant Director for Public Housing to request a waiver of the provisions of the regulations that called for the phasing out of local self-sufficiency programs.

“It’s been nearly a year now and I’ve received no feedback, so as far as I’m concerned, it’s business as usual,” said Saether. “I’ve told HASCO and Everett Housing Authority that as long as they comply with the requirements of Family Self-Sufficiency, I will continue to approve their set-asides for PSS. Nobody has been able to prove to me why the housing authorities cannot operate a local self-sufficiency program, so I consider it a dead issue.”
Meanwhile, Back in Snohomish County...

During the long period of anticipation, Project Self-Sufficiency continued on with all their regular activities, determined not to lose momentum and excitement while awaiting a response from HUD.

To comply with the Family Self-Sufficiency mandate, HASCO was compelled to implement a program for the current housing authority population. Grodt planned to operate the FSS program entirely separate from Project Self-Sufficiency, funding the program through a Community Development Block Grant and using the federal VISTA (Volunteers in Service to America) program to obtain a skilled, minimal-cost volunteer to serve as the program’s coordinator in the first year.

“Undoubtedly, FSS is going to be a watered-down version of all that the PSS program offers,” admitted Grodt. “Without federal funding, we’re unable to put the level of resources into the program we know are necessary to work with a population that is characterized by long-term dependency on income and housing assistance. The one-on-one attention won’t happen because the ratio of clients to coordinator will be very high to comply with our minimum program size of sixty families, and we’ll have no other support funds. By necessity it will primarily be a referral service.”

Reflecting Upon the Outcome

“Our decision to fight for the local program was the right one,” said Holt. “The other alternatives simply weren’t appropriate to the goals the two Housing Authorities and the Human Services Department had set for themselves.”

“If we hadn’t been convinced that our program was worth saving, we could have just accepted HUD’s dictate and terminated Project Self-Sufficiency,” added Alkire. “However, because there were some real ambiguities in HUD’s claim that it had the right to stop our program, we knew that we had to at least test the boundaries of that federal authority. Imagine what would have happened if we hadn’t persevered but had taken HUD’s dictate as gospel. Snohomish County would no longer have an award-winning, nationally-recognized self-sufficiency program. Our willingness to battle with HUD has enabled us to continue to operate a very successful program. Now we’re both proud of the program, and proud of our commitment to maintaining it.”