

# NAHRO POLICY & PROGRAM DEVELOPMENT SESSION

## **Housing Rules! Series** **MTW – Past, Present, & Future**

September 28, 2017

3:30 PM – 5 PM

## TODAY'S PRESENTER

### **Georgi Banna**

- Director of Policy and Program Development

# AGENDA

Background on MTW

MTW Expansion Operations Notice

MTW Expansion Application

AGENDA

# Background on MTW

# MTW INTRODUCTION

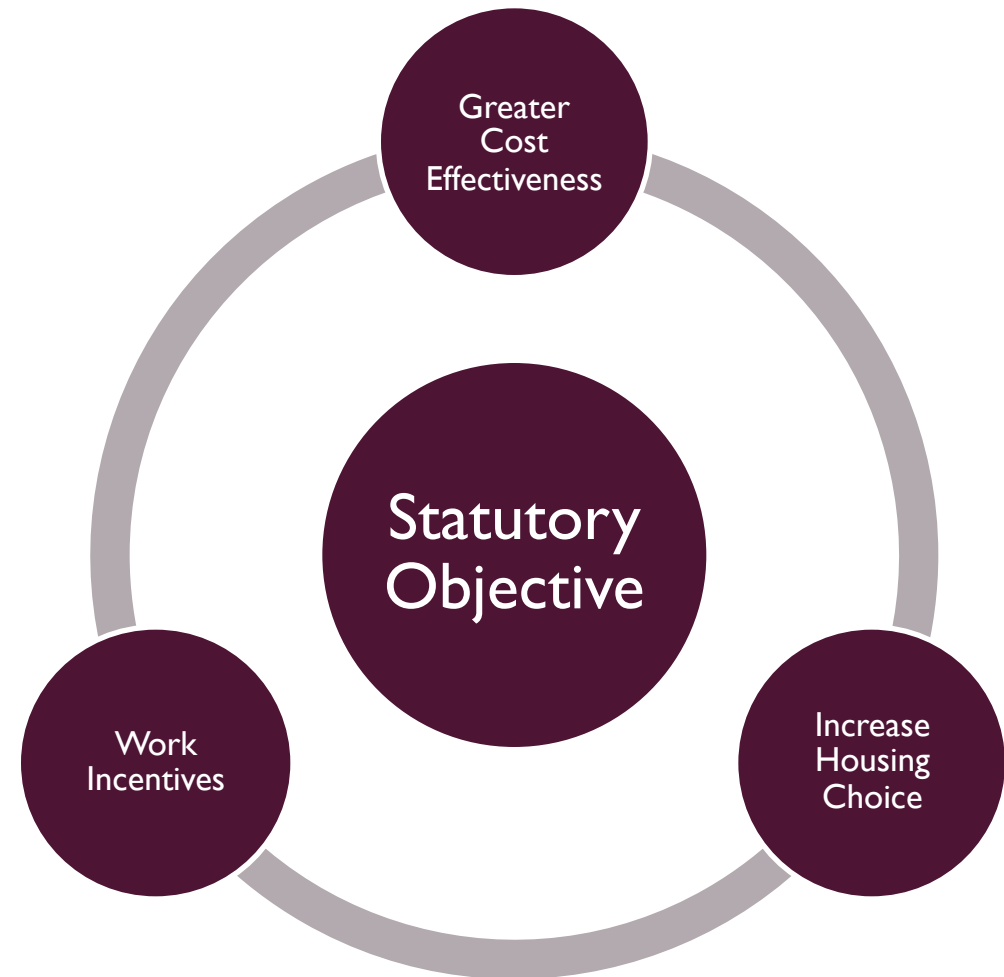
## **What is Moving To Work?**

## MTW INTRODUCTION

- “Moving To Work (MTW) is a demonstration program for public housing authorities (PHAs) that provides them the opportunity to design and test innovate, locally-designed strategies that use **Federal dollars more efficiently**, help residents find **employment** and **become self-sufficient**, and **increase housing choices** for low-income families. **MTW gives PHAs exemptions from many existing public housing and voucher rules** and **more flexibility** with how they use their Federal funds. MTW PHAs are expected to use the opportunities presented by MTW to inform HUD about ways to better address local community needs.”

# MTW INTRODUCTION: A BRIEF HISTORY

- The MTW Demonstration Program was first established under the 1996 appropriations bill.
- It had 3 statutory objectives.



# MTW INTRODUCTION

## 5 Statutory requirements

Ensure that at least 75% of families assisted are very low-income

Establish a reasonable rent policy that is designed to encourage employment and self-sufficiency;

Continue to assist substantially the same total number of eligible low-income families;

Maintain a comparable mix of families (by family size) as would have been provided had the funds not been used under the MTW Program; and

Ensure that housing assisted under the MTW Demonstration Program meets housing quality standards established or approved by the Secretary.



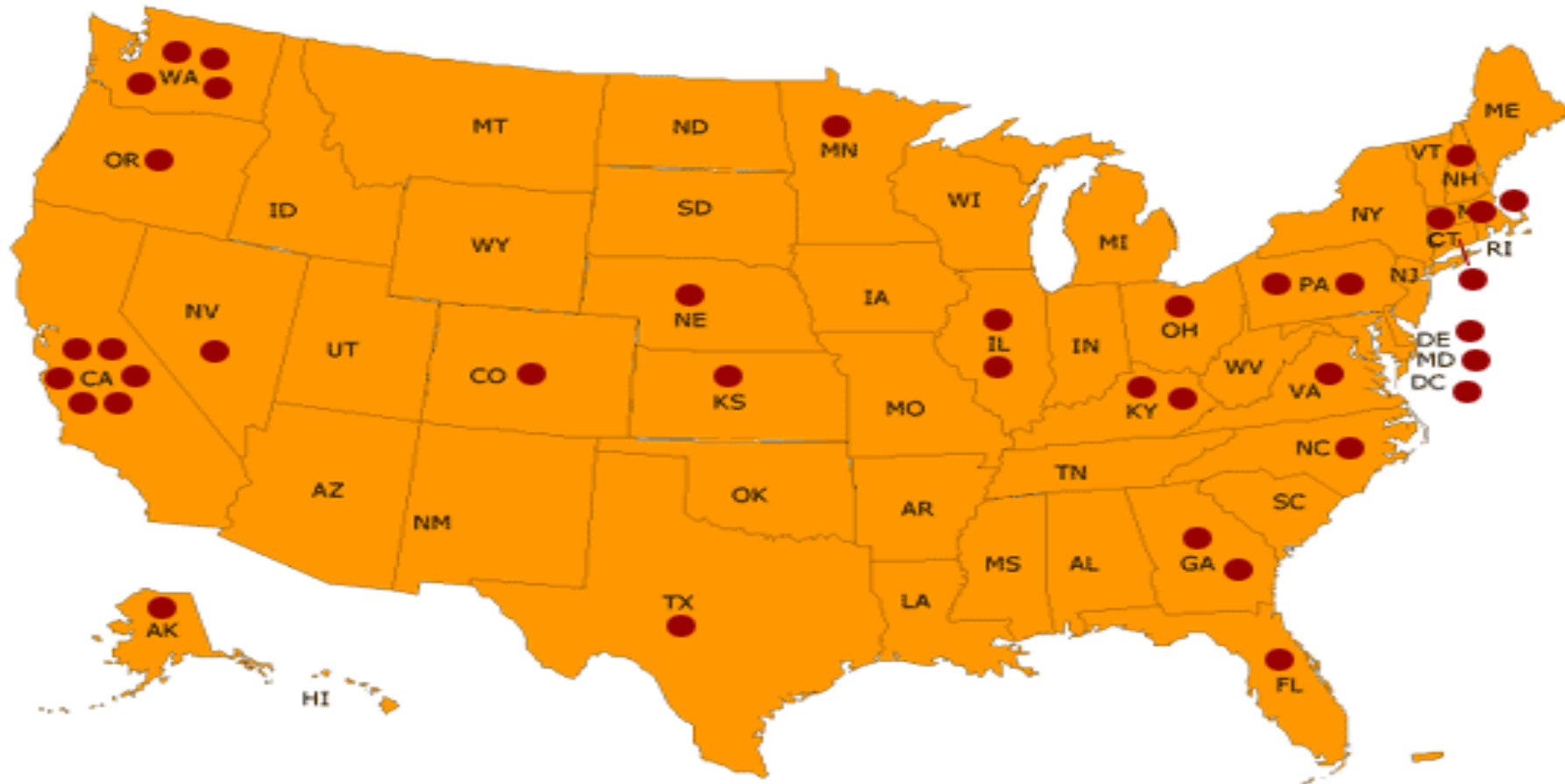
# MTW INTRODUCTION

- The 1996 Appropriations Act authorized up to 30 public housing authorities to participate in MTW.
- Since 1996, Congress has authorized additional MTW agencies through Appropriations Acts:
  - 2 PHAs specifically named and authorized in 1999
  - 4 MTW PHAs specifically named and authorized in 2008
  - 3 MTW PHAs authorized in 2009 and selected by HUD through a competitive process
  - 3 MTW PHAs authorized in 2010 – 3 selected
  - 3 MTW PHAs authorized in 2011 – 3 selected

## MTW INTRODUCTION

- There are currently 39 selected MTW agencies, representing both small and large PHAs in urban and rural communities.
- These agencies receive over four billion dollars of federal housing assistance each year.
- MTW PHAs represent roughly 14% of the nation's public housing and voucher stock.

# CURRENT MTW AGENCIES



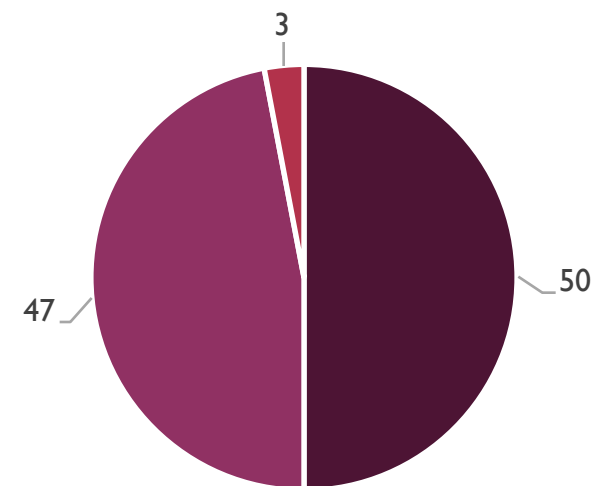
# MTW INTRODUCTION

- In 2016, the MTW program was again expanded to add 100 new PHAs over seven years.
- Several new statutory requirements were put into place, including requirements that PHAs be **high performers** and represent **geographic diversity**.
- Statute also stated that there would be a research component to the expansion.
  - PHAs will be added to the program in cohorts.
  - Each cohort will test specific policy changes.
- Policies to be tested in each cohort will be established by the MTW Research Advisory Committee

# MTW INTRODUCTION

- The 100 PHAs must be divided such that
  - 5 PHAs with Rental Assistance Demonstration (RAD) properties in their portfolio;
  - 1 one or more adjacent PHAs must be regional MTW PHAs; and
  - NO PHAs with greater than 27,000 total public housing and HCV units.

**PHA MTW Expansion Size Distribution**



- 1,000 or fewer total units
- 1,001 - 6000 total units
- 6,001 - 27,000 total units

# MTW INTRODUCTION

Cohort	Description
<b>Overall Impact of MTW Flexibility</b>	the overall effects of the MTW “bundle” will be tested.
<b>Rent Reform</b>	PHAs will test different rent reform models, including “flat rents, tiered rents, and stepped-up rents.” PHAs “may also evaluate the interaction of these rent reform models with or without work requirements or time limits.”
<b>Work Requirements</b>	this will be a work requirements only cohort (i.e., additional rent reforms or time limits will not be evaluated). PHAs will provide supportive services.
<b>Landlord Incentives</b>	this cohort will investigate various landlord incentives (e.g., participation payments, vacancy payments, alternate inspection schedules and other methods).

## WHERE WE ARE NOW

- **Draft Operations Notice published in the *Federal Register* on January 23**
  - This notice would describe the functioning of the new MTW program and how it applied to agencies that would be in the program
- **At the same time, a pre-publication application was posted on HUD's website.**
  - With the change in administration, this notice was taken down.
  - Although this notice is not final, it is reasonable to believe that much of the information in this notice will be similar to whatever final application is posted.
  - Having said that, there's no guarantee that it will be exactly the same, so it's important to read the final application, whatever it may be.

AGENDA

# MTW Expansion Operations Notice



# MTW EXPANSION OPERATIONS NOTICE

- Draft Operations Notice published in the *Federal Register* on January 23
- Establishes requirements for the implementation and operation of the MTW Expansion
- Applies to all Agencies selected for the MTW Expansion
- HUD may supplement the Operations Notice with PIH Notices that provide more detailed guidance after the Operations Notice is Finalized

# MTW EXPANSION OPERATIONS NOTICE

- Contains allowable waivers for MTW Expansion
- Notes potential performance metrics for research and evaluation component of MTW Expansion
- Operationalizes the Regional MTW provision
- Allows for full fungibility of Section 8 and Section 9 funds
- Comments on the Operations Notice draft were submitted

## MTW STATUTORY OBJECTIVES

- 1) Reduce cost and achieve greater cost effectiveness in federal expenditures
- 2) Give incentives to families with children where the head of household is working; is seeking work; or is preparing for work by participating in job training, educational programs, or programs that assist people to obtain employment and become economically self-sufficient.
- 3) Increase housing choices for eligible low-income families

## STATUTORY OBJECTIVE: ONE

- Reduce cost and achieve greater cost effectiveness in federal expenditures

### Potential Metrics

- Administrative cost savings per unit in direct program administration (HCVP and public housing) and indirect costs.
- Changes in rental revenue.
- Changes in number of families served.

## STATUTORY OBJECTIVE:TWO

- Give incentives to families with children where the head of household is working; is seeking work; or is preparing for work by participating in job training, educational programs, or programs that assist people to obtain employment and become economically self-sufficient.

### Potential Metrics

- Changes in employment rates or hours worked.
- Changes in earned income levels since entering the program.
- Changes in rent burden.
- Changes in number of households receiving supportive services aimed to increase self-sufficiency.

## STATUTORY OBJECTIVE: THREE

- Increase housing choices for eligible low-income families

### Potential Metrics

- Changes in the quality and type of housing stock accessible to extremely low-income, very low-income, and low-income households.
- Changes in the percentage of households moving to or living in areas with lower rates of poverty.
- Changes in occupancy rates in public housing and utilization rates of housing vouchers.
- Changes in average applicant time on waiting list.

# GENERAL WAIVERS

- HUD approval is not required
- MTW PHA must indicate via the MTW Supplement to its Annual Plan the MTW the general waivers it will use

## Examples:

- Limited lease terms
- Homeownership programs
- Initial, Annual and Interim Income Review Policies
- HCV Operational Policies and Procedures
- HCV Leasing Incentives
- PBV Unit Cap Percentage Waivers
- PBV Competitive Process Requirements

# CONDITIONAL WAIVERS

- HUD approval is required
- Activities will have greater and more direct impact on assisted households
- MTW agencies may be required to provide hardship policies, impact analyses and/or other information to ensure protections are in place for residents and MTW agencies prior to implementation

## Examples:

- Lease Changes
- Rent Policies
- Tenant Term Limits
- Work Requirements
- Changes to Earned Income Disregard Calculation
- PBV Unit Types
- Changes to Rent Reasonableness Determination



# COHORT-SPECIFIC WAIVERS

## *Four Cohorts:*

- Overall Impact of MTW
  - Rent Reform
  - Work Requirements
  - Landlord Incentives
- Waivers will be released via PIH Guidance
  - All Agencies in the specific MTW cohort will be required to use waivers specific to their cohort

## REGIONAL MTW PROGRAMS

- Agencies may be designated as “Regional MTW Agencies”
- Agency may be selected if Secretary determines that unified administration will lead to:
  - Efficiencies
  - Greater housing choice
- ACC Amendment will allow regional agency to administer assistance across the region
- Changes or term extensions to ACCs may be provided to make necessary changes and accommodate regionalization

## SPECIFIC QUESTIONS

- HUD has specific questions about how to create a regional MTW in the Operations Notice

- **Topics for comments include:**
  - How to define adjacent
  - Flexibilities that should be included
  - How to evaluate regional partners
  - Governance structure
  - Form of agreement (contract, partnership agreement, etc.)
  - Existing MTW agency regionalization
  - Revisiting HUD's existing Consortia Rule

AGENDA

# MTW Expansion Application

# MTW INTRODUCTION

Cohort	Description
<b>Overall Impact of MTW Flexibility</b>	the overall effects of the MTW “bundle” will be tested.

The application that HUD posted on its website is for the first cohort only!

# CRITERIA FOR APPLICANT ELIGIBILITY (STATUTORY REQUIREMENTS)

## Statutory Eligibility Requirements

- Designation as a **“High Performer” under PHAS** (if applicable)
- Designation as a **“High Performer” under SEMAP** (if applicable)
- Administration of **1,000 or fewer** aggregate Public Housing or Housing Choice Voucher program units
- Certification of the PHA’s **commitment to participate** in the first cohort of the MTW Expansion, whether placed in the treatment or control group

# CRITERIA FOR APPLICANT ELIGIBILITY (ADDITIONAL REQUIREMENTS)

Additional Eligibility Requirements	Notes
The applicant is a PHA	MTW status is only available for PHAs
PHAs must have a public participation process	<ul style="list-style-type: none"> <li>• Must publish <b>a notice that a hearing will be held</b> on the MTW application and MTW plan</li> <li>• Must make both the <b>application and plan available</b> for at least <b>30 days</b></li> <li>• Must conduct a <b>public hearing</b> to discuss the application and invited public comment</li> <li>• PHA's board of Commissioners (or equivalent body) <b>must approve the application no less than 15 days</b> after that public hearing</li> </ul>
PHA must notify program participants	PHA must notify public housing residents, HCV participants, or both of its intention to participate in MTW program in advance of the public hearing and hold <b>two additional public meetings</b> (before the public hearing)
PHA must track comments	Comments received through the meetings and PHA responses to those comments must be submitted

# CRITERIA FOR APPLICANT ELIGIBILITY (ADDITIONAL REQUIREMENTS)

<b>Additional Eligibility Requirements</b>	<b>Notes</b>
PHA has a high reporting rate	PHA must have a reporting rate in IMS/PIC of at least 95% of households in both the public housing and HCV programs (as applicable)
PHA is up-to-date on its submittals	<ul style="list-style-type: none"><li>• PHA is up-to-date on all required submission into the Voucher Management System (VMS) if the PHA administers an HCV system</li><li>• PHA submitted all required submissions for the preceding three fiscal years into the Financial Assessment Sub-System (FASS-PH), FDS</li><li>• The PHA submitted its past three PHA plans on time</li></ul>



# CRITERIA FOR APPLICANT ELIGIBILITY (ADDITIONAL REQUIREMENTS)

Additional Eligibility Requirements	Notes
Completed narrative section	PHA submitted reasonable, substantive, and complete narrative information
PHA not in a dispute or in litigation	<p>There is absence of unaddressed findings from the</p> <ul style="list-style-type: none"><li>• Inspector General (IG) audits,</li><li>• Independent Public Accountant (IPA) audits,</li><li>• Tier I or II reviews,</li><li>• litigation, or</li><li>• any other on-site or remote reviews for the PHA.</li></ul> <p>The PHA has resolved outstanding nondiscrimination or equal opportunity charges, cause determinations, lawsuits, or letters of finding. The PHA is not currently the subject of any unresolved Departmental challenge to the validity of the PHA's civil rights certification. The PHAs has an Assessment of Fair Housing accepted by the Department.</p>
PHA has met other obligations	<p>The PHA met obligation and expenditure deadlines of Capital Fund Program (CFP) grants</p> <p>The PHA is in compliance with Enterprise Income Verification (EIV) for tenant income verifications, reexaminations, and recertifications</p>

# CRITERIA FOR APPLICANT ELIGIBILITY (ADDITIONAL REQUIREMENTS)

Additional Eligibility Requirements	Notes
PHA must be making repayments	If an outstanding repayment agreement with HUD is in place, the PHA has made payments according to that agreement
PHA has provided required standard forms	<ul style="list-style-type: none"><li>• Certification of Consistency with the Consolidate Plan (form HUD-2991)</li><li>• Disclosure of Lobbying Activities (SF-LLL)</li><li>• Related Certification of Payments form ( form HUD-50071)</li></ul>
PHA must meet Section 3 requirements	
PHA submitted the Baseline Research Survey information as directed by HUD during the application window	

# CIVIL RIGHTS

- Outstanding Civil Rights matters must be resolved before the submission deadline including
  - Charges from HUD concerning a systemic violation of the Fair Housing Act
  - Status as a defendant in a Fair Housing Act lawsuit filed by the Department of Justice
  - Status as a defendant in any lawsuit filed by the Department of Justice
  - Receipt of letter of findings of systemic non-compliance with Title VI of the Civil Rights Act of 1964
  - Receipt of a cause determination from a substantially equivalent state or local fair housing agency concerning a systemic violation of provision of state or local law concerning discrimination in housing based on sexual orientation, gender identity, or lawful source of income

# CIVIL RIGHTS

- Examples of actions (taken before the submission deadline date) are sufficient to resolve the matter
  - Current compliance with a voluntary compliance agreement
  - Current compliance with a HUD-approved conciliation agreement signed by all parties
  - Current compliance with a conciliation agreement approved by state or local agency with appropriate jurisdiction
  - Current compliance with a consent order or consent decree
  - Current compliance with a final judicial ruling or administrative ruling or decision
  - Dismissal of charges.

# PARTS OF AN APPLICATION

Main Cover  
Page

Table of  
Contents

Narrative  
Information  
(Part 1)

Eligibility  
confirmation, Board  
approval  
demonstration, and  
other supporting  
documentation  
(Part 2)

# SUBMISSION REQUIREMENTS

- Electronic Submission Requirements
  - Applications must be submitted electronically
  - May be either PDFs or Word Documents
  - Submit to:
    - Dominique Blom (*This will change!*)
    - Deputy Assistant Secretary for Public Housing Investments
    - [Mtw-info@hud.gov](mailto:Mtw-info@hud.gov)
  - Should receive email confirmation in **72 hours**

# SUBMISSION REQUIREMENTS

- Application Layout
  - Part I – Narrative Information
    - All pages should be numbered
    - No more than 20 pages (maximum, not a required length)
    - Double-space on 8½ x 11-inch paper
    - Times New Roman 12-point font
    - “No more than 1 inch margin”
    - Main cover page and table of contents will not count towards page limit

# SUBMISSION REQUIREMENTS

- Application Layout
  - Part 2 – Eligibility confirmation, board approval demonstration, and other supporting documentation
    - No page limits for attachments 1 to 5
    - Attachment 6 length will be dependent on length of comments
    - No format for Attachment 6
    - Attachment 7 must contain page numbers and be no more than 10 pages
    - No format for Attachment 7



# PARTS OF AN APPLICATION

## Part I – Narrative Information

1. Evidence of Capability
2. Evidence of Community Support and Involvement
3. MTW Plan
4. Likelihood of Implementation

# PART I: NARRATIVE INFORMATION

## I. Evidence of Capability

Skills and Experience of Personnel

Experience and Accomplishments of PHA

Creativity and Innovation of PHA

PHA Participation in the Rental Assistance Demonstration

# PART I: NARRATIVE INFORMATION

## 2. Evidence of Community Support

Evidence of Community or Resident Input

Plan for Future Community or Resident Engagement

Evidence of Significant Partnerships

Plan to Leverage Funds and In-Kind Resource

# PART I: NARRATIVE INFORMATION

## 3. MTW Plan

Vision for PHA's Local MTW Program

PHA Operating and Inventory Information

Plan for Local MTW Program

Proposed for Local MTW Program

Proposed Use of MTW Funds

Plan for Evaluation of PHA's Local MTW Program

How the PHA's Local MTW Program Will Affirmatively Further Fair Housing

# PART I: NARRATIVE INFORMATION

## 4. Likelihood of Implementation

Significant Dates and Milestones for the PHA's Local MTW Program

Feasibility of the PHA's Local MTW Program

Local MTW Program Alignment with Existing Efforts

# PARTS OF AN APPLICATION

## Part 2 - Eligibility confirmation, Board approval demonstration, and other supporting documentation

1. Eligibility Checklist
2. Commitment to Participate in the First Cohort Policy Evaluation
3. Moving to Work Certifications of Compliance
4. Board Resolution Approving MTW Application
5. Required Standard Forms
6. Public Process Comments and Responses
7. Other Supporting Documentation

# PART 2: OTHER SUPPORTING DOCUMENTATION

## Part 2 - Eligibility confirmation, Board approval demonstration, and other supporting documentation

Eligibility Checklist	<ul style="list-style-type: none"><li>• A sample checklist is provided in Attachment 1 of the application.</li></ul>
Commitment to Participate in First Cohort Policy Evaluation	<ul style="list-style-type: none"><li>• The PHA must provide a certification specific to the obligations under the first cohort policy evaluation.</li><li>• A sample certification is provided in Attachment 2 of the application.</li></ul>
Moving to Work Certifications of Compliance	<ul style="list-style-type: none"><li>• The PHA must provide a certification that the application is consistent with the “Moving to Work Certifications of Compliance”</li><li>• A certification is provided as Attachment 3 of the application.</li></ul>

## PART 2: OTHER SUPPORTING DOCUMENTATION

### Part 2 - Eligibility confirmation, Board approval demonstration, and other supporting documentation

Board Resolution Approving MTW Application and MTW Plan

- PHA must provide a resolution signed by the Board of Commissioners (or equivalent governing body)
- The resolution must
  - Adopt the application
  - Adopt the MTW plan as part of the application and
  - Adopt the Certifications in the application
  - Include dates of the hearing and two meetings in the public participation process
- There is no required format for the resolution



## PART 2: OTHER SUPPORTING DOCUMENTATION

### Part 2 - Eligibility confirmation, Board approval demonstration, and other supporting documentation

Required Standard Forms	<ul style="list-style-type: none"><li>• Application must include all of the standard forms listed in the eligibility requirements</li></ul>
Public Process Comments and Responses	<ul style="list-style-type: none"><li>• Application must include comments received by the PHA (both verbally and in writing) from the public participation processes</li></ul>
Other Supporting Documentation	<ul style="list-style-type: none"><li>• Other supporting documentation includes letters of support, community meeting materials, resumes and other materials that “substantiate and reinforce narrative information provided on the rating factors”</li></ul>

THANK YOU!

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