

Overview of Moving to Work

Aug. 13, 2019



Moving to Work (MTW)

Moving to Work (MTW) is a demonstration program for public housing authorities (PHAs) that provides them the opportunity to design and test innovative, 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.

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What kinds of activities have MTW Agencies implemented?

MTW Agencies can only use MTW flexibility in pursuit of the three MTW statutory objectives. Below is a list of the kinds of activities that MTW PHAs have implemented, organized by statutory objective.

- Cost Savings
- Self Sufficiency
- Housing Choices
- Using the MTW block grant to leverage funds
- Streamlining HUD processes
- Redesigning HUD forms
- Risk-based inspections

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- Rent simplification
- Linking rental assistance with supportive services
- Escrow accounts
- Earned income exclusions
- Increased case management services
- Self sufficiency requirements
- Developing mixed-income and tax credit properties
- Foreclosure prevention, mortgage assistance and homeownership programs
- Increasing the percentage of project-based vouchers

MTW Expansion

The 2016 Consolidated Appropriations Act expands the Moving to Work demonstration by an additional 100 public housing authorities (PHAs) over seven years. The motivation behind the expansion is straightforward: to simplify the administration of PHA programs, learn from policy interventions, and apply lessons learned to PHAs nationwide.

MTW Expansion

- The expansion focuses on the country's smaller PHAs, and to be eligible to apply, PHAs must be designated as high performing agencies and meet other site selection requirements. The 100 PHAs will be brought on to the demonstration by cohort, and within each cohort, one specific policy will be implemented. HUD will learn from each cohort of MTW PHAs by testing these specific policies in the areas of cost-effectiveness, self-sufficiency, and housing choice, the three statutory purposes of the MTW demonstration.

MTW Expansion

Selection Requirements Required by Statute

- Of the 100 PHAs selected under the expanded MTW demonstration:
 - No less than 50 PHAs shall administer 1,000 or fewer aggregate voucher and public housing units;
 - No less than 47 PHAs shall administer 1,001-6,000 aggregate voucher and public housing units;
 - No more than 3 PHAs shall administer 6,001-27,000 aggregate voucher and public housing units;
 - No PHA shall be granted this designation if it administers in excess of 27,000 aggregate voucher and public housing units;
 - Five of the PHAs selected shall be agencies with a Rental Assistance Demonstration (RAD) portfolio award that converts a PHA's entire public housing inventory to RAD

MTW - Expansion

The MTW Research Advisory Committee recommended four policy changes that HUD will evaluate through the four MTW expansion cohorts:

- MTW flexibility;
- Rent reform;
- Work requirements; and
- Landlord incentives

MTW - Expansion

Cohort #1, MTW flexibility was released in October 2018, but was limited to PHAs who administer less than 1,000 combined Housing Choice Vouchers and public housing units. MDHA was not eligible to apply under cohort #1.

MTW - Expansion

Cohort #2, Rent Reform was released in March 2019. Under this cohort, participation would require that a PHA randomly divide all of their non-elderly, non-disabled HCV households into two groups: a test group and a control group. The control group would continue to be administered as now (annual income re-certifications, family obligation based on 30% of income, etc.). The test group would have their family obligation (rent responsibility) determined in one of two ways that HUD and PHA would agree to at the start of the test.

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Tiered Rents: Also known as income bands. Households are placed into income tiers/bands. All households within a tier pay the same rent.

Example of Tiered Rent Structure

- \$2,500 tiers. Households assigned to tiers based on adjusted income.
- Rent set equal to 30% of midpoint of the tier.
- Triennial re-certifications.

Tier	Tier minimum	Tier maximum	Tiered rent
1	\$0	\$2,499	\$50
2	\$2,500	\$4,999	\$94
3	\$5,000	\$7,499	\$156
4	\$7,500	\$9,999	\$219

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- Stepped Rents: Rent increases (or HAP decreases) over time according to a fixed schedule, regardless of income (except for hardship provisions).
- Stepped Rent (5% FMR)
- Sample schedule assuming FMR of \$1,000 for a 1 bedroom unit

• Step	%FMR	Eff	1BR	2BR	3BR
• 1	15%	\$120	\$150	\$180	\$225
• 2	20%	\$160	\$200	\$240	\$300
• 3	25%	\$200	\$250	\$300	\$375
• 4	30%	\$240	\$300	\$360	\$450
• 5	35%	\$280	\$350	\$420	\$525
• 6	40%	\$320	\$400	\$480	\$600

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Due to concerns, MDHA decided not to apply for MTW Cohort #2. The primary concerns were:

- We would have two sets of operational procedures to manage: one for the test group and one for the control group
- No matter which group a family has been assigned to (they will have no choice), many will claim they are not being treated “fairly”. Will be difficult to explain why one participant’s rent is different than another’s with same income.

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Expansion Timeline - Updated 3/28/2019

- HUD's anticipated timeline for the expansion:
- Spring 2019: Extend timeframe for PHAs interested in the initial cohort of MTW agencies submit letters of interest. Publish notice that outlines the parameters of the second cohort and invite PHAs to submit letters of intent to apply. Publish final MTW Operations Notice.
- Summer 2019: Invite PHAs interested in the initial cohort to submit applications.
- Fall 2019: Designate the initial cohort of MTW agencies. Invite PHAs interested in the second cohort to submit applications.
- Spring 2020: Designate the second cohort of MTW agencies.
- Additional cohorts of MTW PHAs will be added, based on the advice of the advisory committee, through 2022.

San Diego Housing Commission's Historic Renovation of Hotel Churchill

The San Diego Housing Commission (SDHC) is collaborating with Housing Development Partners (HDP), its nonprofit affiliate, to renovate the historical Hotel Churchill to create a total of 72 affordable units for homeless individuals. SDHC acquired the seven-story building, built in 1914, in 2011, and construction began in May 2015. The 72-unit rehabilitation project will designate 56 units for veterans, 8 units for youth that are aging out of foster care, and 8 units for adults in need of supportive services. All units will remain affordable for at least 65 years: the units will serve individuals at or below 60 percent of San Diego's Area Median Income (AMI) for 55 years, and will then serve individuals at or below 80 percent of AMI for an additional 10 years. The project will also include on-site social services and case management. San Diego's light rail, known as The Trolley, is at the doorstep of the Hotel Churchill and can be easily accessed by its residents.

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San Diego Housing Commission's Historic Renovation of Hotel Churchill

MTW gives PHAs the ability to combine their Section 8 and Section 9 funds and use them interchangeably. This flexibility allowed SDHC to devote \$9.2 million of its funds towards the project. Additional funding came from HOME Investment Partnerships Program funds, the City of San Diego's SRO In-Lieu fees, the Housing Trust Fund, the Inclusionary Housing Fund, and Civic San Diego. The County of San Diego Mental Health Department will provide permanent supportive services for the 16 non-veteran adults, and the U.S. Department of Veterans Affairs will provide supportive services for the 56 homeless veterans.

Tacoma Housing Authority's Public Schools Special Housing Program

Tacoma Housing Authority (THA) partnered with Tacoma Public Schools (TPS), community partners, and the parents, teachers and staff of McCarver Elementary School to create this initiative in the fall of 2011. The program has five components:

- Rental assistance and supportive services to homeless families or families on the verge of homelessness and who also have a child enrolled in kindergarten, first, or second grade at McCarver;
- Two full-time caseworkers that meet with parents and students and coordinate the services of roughly 30 public and nonprofit partners;

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Tacoma Housing Authority's Public Schools Special Housing Program

- Parental commitment to keep their children enrolled at McCarver, to encourage their children's educational development both in and outside of school, to support their own employment and education prospects, and to collaborate with their caseworkers;
- The dedication of TPS in supporting the program and converting McCarver's curriculum to an International Baccalaureate Primary Years Programme (IB); and,
- Professional evaluation through Geo Education & Research in monitoring performance measures.

Thank You!

Questions?