

# **MTW Expansion Cohort #2: Rent Reform**

## **Applicant Webinar**

*September 16, 2020*

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**Your PHA is eligible to  
apply for Cohort #2 of  
the MTW Expansion  
under PIH Notice  
2020-21!**



## Today's Webinar will Provide...

- A refresher on the MTW demonstration and how MTW designation may benefit your PHA
- An introduction to the Cohort #2 evaluation and research team
  - MDRC -  
*Jim Ricco and Nandita Verma*
- A description of each of the three Cohort #2 rent models
- A walk-through of the Cohort #2 application process in PIH Notice 2020-21
- Lessons learned from other MTW PHAs on how to conduct meaningful public engagement
- Perspective from other MTW PHAs on implementing rent reform and participating in an evaluation with random assignment
  - *San Antonio Housing Authority - Sara Eaves*
  - *Lexington Housing Authority - Andrea Wilson and Aldean Pleasant*

# What is the Moving To Work Demonstration Program?

- ▶ Provides PHAs with waiver authority and flexibility in designing and testing non-traditional policies and programs
- ▶ Provides PHAs with the opportunity to design and test innovative, locally designed housing and self sufficiency strategies
- ▶ Alternative to a one size fits all model
- ▶ Innovative approach allowing funding and policy flexibilities to address what makes the most sense for local communities
- ▶ Helps local communities to leverage their strengths, resources and partnerships to ensure they continue to meet the needs of the families the serve, improving the future of housing delivery



# What is the Moving to Work Demonstration Program? (cont.)

- ▶ Allows for deregulation of public housing and voucher programs
- ▶ Gives PHAs the flexibilities needed to customize programs and services to meet the ever-changing local community
- ▶ Provides the right balance between federal oversight and local control with resident participation, and programmatic accountability
- ▶ Improves customer service by removing burdensome processes and regulations for MTW Agencies, allowing them to focus more on their mission
- ▶ The key principles for the MTW Expansion:
  - ▶ Simplify; Learn; Apply



# What are the Benefits of the MTW Demonstration Program?

- ▶ Authority to waive statutory and/or regulatory barriers
- ▶ Ability to create policies that address local needs
- ▶ Rethink the current administration of public housing and voucher programs
- ▶ Become an industry leader
- ▶ Local control, deregulation
- ▶ Help mitigate COVID-19's impact



# Status of the MTW Expansion

- ▶ Congress directed HUD to expand the MTW demonstration by 100 PHAs in the 2016 Appropriations Act.
  - ▶ Rigorous evaluation was a key requirement
  - ▶ Additional size, performance and geographic diversity requirements were also included
  - ▶ Additional information is available at: [www.hud.gov/MTW](http://www.hud.gov/MTW)
- ▶ After extensive consultation with the public and an advisory committee of PHA executives, residents and researchers, HUD will bring PHAs into the MTW Expansion in five cohorts:
  - ▶ Cohort #1: Impact of MTW Flexibility on Small PHAs
  - ▶ Cohort #2: Rent Reform
  - ▶ Cohort #3: Work Requirements
  - ▶ Cohort #4: Landlord Incentives
  - ▶ Cohort #5: Impact of MTW Flexibility



# Status of the MTW Expansion (cont.)

- ▶ The MTW Operations Notice was published in the Federal Register on August 28, 2020 after multiple public comment periods.
  - ▶ This document will manage PHA participation in the MTW Expansion. The official version can be found in the Federal Register at: <https://www.federalregister.gov/d/2020-18152>.
  - ▶ The MTW Operations Notice is also available on the MTW website at: [www.hud.gov/MTW](http://www.hud.gov/MTW) on the “MTW Expansion” page.
  - ▶ There are many resources available to learn more about the MTW Operations Notice and its implementation. You can find these at: [www.hud.gov/MTW](http://www.hud.gov/MTW).
    - ▶ Projected Timelines for Milestones in the MTW Expansion
    - ▶ Link to the draft MTW Supplement to the PHA Plan and the MTW Amendment to the Annual Contributions Contract (ACC)
    - ▶ Answers to Frequently Asked Questions
  - ▶ An interactive section-by-section training on the MTW Operations Notice is also available at: <https://www.hudexchange.info/programs/mtw/>.





# Cohort #2 Rent Reform Evaluation

- ▶ HUD's independent evaluation contractor: MDRC
  - ▶ Principal Investigator Jim Riccio; Project Manager Nandita Verma
  - ▶ Partners: Quadel Consulting, Bronner Group, Decision Information Resources
- ▶ Current contract covers implementation of the rent policies, enrollment of households, and monitoring for approximately 3 years after enrollment.
- ▶ Planned long-term follow-up research will focus on 4-6 years after enrollment.
- ▶ Goal is to examine whether the new rent rules affect earnings, family self-sufficiency, family hardships, and PHA administrative burden.



# Rent Reform Evaluation Schedule

- ▶ **Implementation:** Expect up to 1 year to prepare. Finalize policies and procedures; train staff; modify software systems; communicate new rules to families.
- ▶ **Enrollment:** Eligible families will be randomly assigned to have the new rent rules or the traditional rent rules. New rent rules will take effect at regularly scheduled income reexaminations. All households will be asked to complete a baseline survey.
- ▶ **Post-enrollment:** PHAs will continue the new policies for 6 years. Outcomes of random assignment must be maintained; households cannot switch out of their assigned rent policy group for the duration of the study.



# Cohort #2 PHA Role/Responsibilities

- ▶ Normal program management and communication with families. PHA will be administering two sets of rent rules at the same time.
- ▶ Work with software vendor to make system modifications to accommodate new rent rules (with technical support and funds from MDRC).
- ▶ Adhere to random assignment results.
- ▶ Ask each participating family to provide informed consent to be part of the study, and to complete a baseline survey.
- ▶ Maintain communication with HUD/MDRC Evaluation Team. Includes regular phone calls (approximately 1 per month), and occasional interviews and site visits.



# Cohort #2 MDRC Role/Responsibilities

- ▶ Help ensure the new rent policies are implemented properly. Includes training/TA for PHAs, conducting random assignment, helping PHAs negotiate with software vendors and make system changes.
- ▶ Help PHAs with communications, to ensure that families understand the new rent rules.
- ▶ Maintain communication with PHAs after implementation/enrollment to identify and correct any challenges.
- ▶ Complete baseline surveys for households that did not complete the survey at enrollment. Collect and analyze administrative data. Produce reports. (Three reports planned between 2021 and 2025.)



# Test Rent #1 - Tiered Rent

- ▶ No major changes from Letter of Interest Notice, except for hardships.
- ▶ Income tiers of \$2,500. \$50 minimum rent for lowest tier. Rent set at the midpoint of all other tiers.
- ▶ Triennial income reexaminations. Rent will not increase during the three-year window.
- ▶ Families may receive a temporary hardship rent if their income drops to a lower tier.



## Test Rent #2 - Stepped Rent

- ▶ Significantly changed since Letter of Interest Notice. The two Stepped Rents (3% FMR and 5% FMR) were combined into one policy, with more PHA flexibility.
- ▶ Families will start out paying 30% of income. Each year thereafter, their rent will increase by the “step”.
- ▶ PHA sets the size of the stepped rent increase, between 2% and 4% of FMR. PHA has discretion to keep the rent steps fixed for the study period, or to review and revise each year.
- ▶ Families may receive a temporary hardship rent if their rent burden exceeds 40%. PHA has discretion to offer hardships in other circumstances.



# Test Rent #3 - PHA Proposed Alternative Stepped/Tiered Rent

- ▶ PHA must have 4,000 non-elderly, non-disabled households.
- ▶ Alternative policies should provide an interesting contrast to Test Rents #1 and #2.
- ▶ Alternative Tiered Rent: PHA can set smaller or larger tiers, and may choose where to set rents within each tier. However, the policy may not result in more than 10% of households having rent burden above 40%.
- ▶ Alternative Stepped Rent: Year 1 rent must be tailored to family circumstances. After year 1, rent may not increase because a family's income increases. Rent increases may not exceed 10% of FMR in any year.
- ▶ Any alternative rent must have a hardship policy.



# Cohort #2 MTW Plan and Application Overview

- ▶ Requirements on how to submit an MTW Plan and application package to HUD are detailed on pages 8-15 of PIH Notice 2020-21.
- ▶ The MTW Plan and application consists of two parts:
  - ▶ PART I: MTW Plan (which is no more than 15 pages) and Rent Reform Information
  - ▶ PART II: Appendices 1-4 (which include other forms and documentation)
- ▶ Public Process requirements can be found on pages 9-10 of PIH Notice 2020-21.
- ▶ **THE DUE DATE TO SUBMIT THE MTW PLAN AND APPLICATION IS JANUARY 8, 2021 at 11:59 pm (EST).**
- ▶ All resource materials, updated FAQs and any announcements will be available on the Cohort #2 webpage at:  
[https://www.hud.gov/program\\_offices/public\\_indian\\_housing/programs/ph/mtw/expansion/cohort2](https://www.hud.gov/program_offices/public_indian_housing/programs/ph/mtw/expansion/cohort2).





# Cohort #2 MTW Plan and Application

## PART I - MTW Plan

- ▶ The first section of Part I is the MTW Plan (explained on pages 10-12 of PIH Notice 2020-21).
- ▶ It must be no more than 15 pages (with numbered pages) and be double spaced with margins of at least 1-inch. These requirements are found in PIH Notice 2020-21 on page 9.
- ▶ Narrative information will be provided on:
  - ▶ Vision for PHA's Local MTW Program
  - ▶ Plan for Future Community/Resident Engagement
  - ▶ PHA Operating and Inventory Information
  - ▶ Plan for Local MTW Program
  - ▶ Proposed Use of MTW Funds
  - ▶ Evidence of Significant Partnerships



# Cohort #2 MTW Plan and Application

## PART I - Rent Reform Information

- ▶ The second section of Part I is the Rent Reform Information Section (explained on pages 12-14 of PIH Notice 2020-21).
- ▶ Applicant PHAs must pick ONE test rent model for which to apply.
- ▶ Layout requirements on page 9 of 2020-21 still apply (numbered pages, double spaced, and margins of at least 1-inch). The page limit amount, however, does not apply to this section.
- ▶ Applicants for all test rent models will provide information on:
  - ▶ Alternative Rent Policy Selection and Rationale
  - ▶ Information Technology Plan
- ▶ Applicants will also answer the applicable questions for the test rent model chosen.



# Cohort #2 MTW Plan and Application

## PART II - Appendices

- ▶ Part II includes four appendices (explained on pages 14-15 of PIH Notice 2020-21).
- ▶ In Part II, appendices 1, 2, and 3 do not have page/format limits and pages do not need to be numbered. Appendix 4 is limited to 10 pages and has no specific format except that pages be numbered.
- ▶ The four appendices are:
  - ▶ Appendix 1: Moving to Work Certifications of Compliance
    - ▶ Attachment 2 of PIH Notice 2020-21
  - ▶ Appendix 2: Public Process Documentation
  - ▶ Appendix 3: Required Standard Forms
    - ▶ Certification of Consistency with the Consolidated Plan (form HUD-2991)
    - ▶ Certification of Payments (form HUD-50071)
    - ▶ Disclosure of Lobbying Activities (SF-LLL)
  - ▶ Appendix 4: Other Supporting Documentation

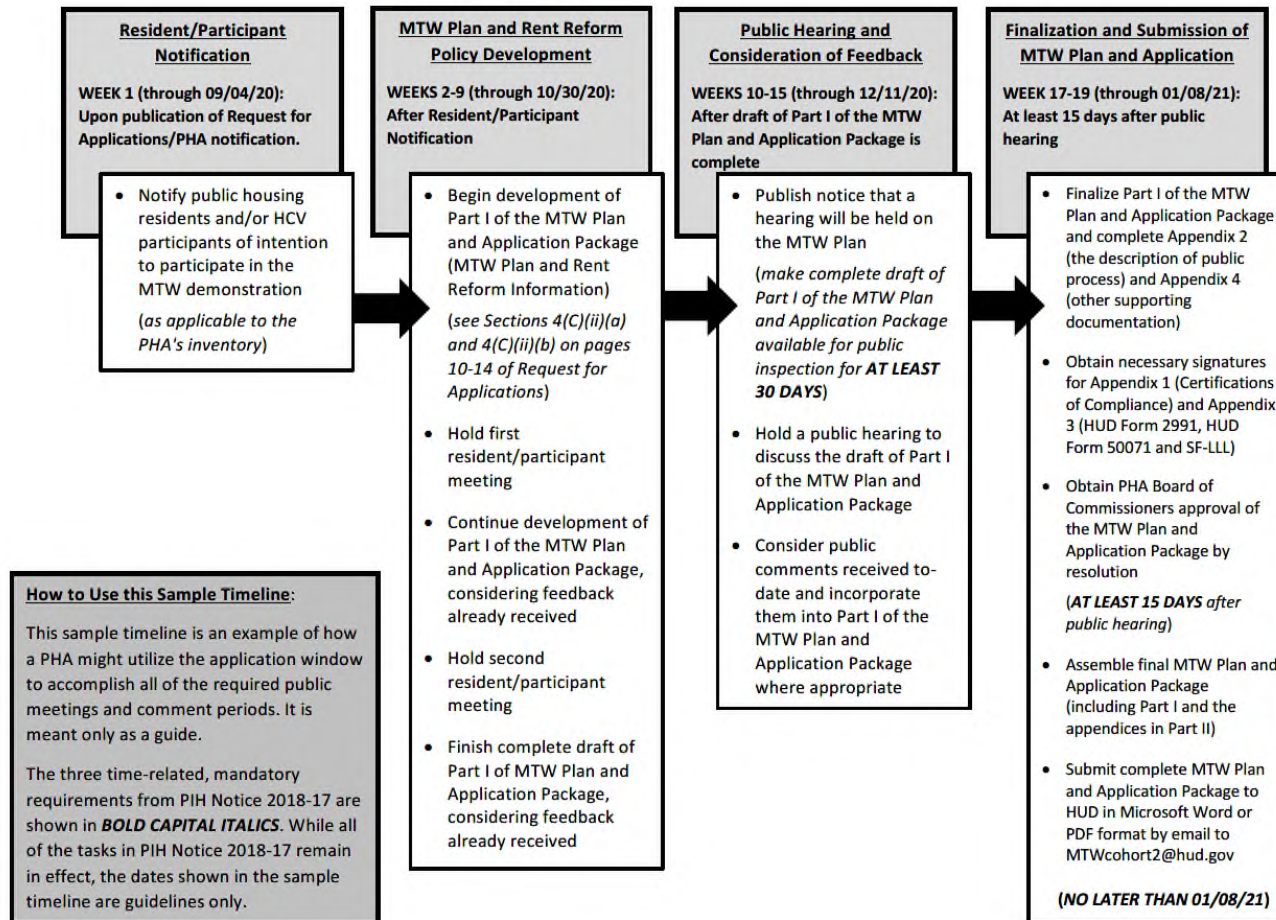


# Cohort #2 MTW Plan and Application Public Process Requirements

- ▶ **Public Process Requirements can be found on pages 9-10 of PIH Notice 2020-21.**
  - ▶ The PHA must notify public housing residents and/or HCV participants (as applicable to the PHA's inventory) of its intention to participate in the MTW Demonstration Program. This notification must be in advance of developing Part I of the MTW Plan and application package.
  - ▶ The PHA must hold at least two resident meetings (separate from, and before, the required public hearing);
  - ▶ After the two resident meetings, the PHA must publish a notice that a hearing will be held on the MTW Plan and application package. The draft MTW Plan (in the format described below) and all relevant information, must be available for public inspection for at least 30 days before submission of the application package to HUD;
  - ▶ The PHA must conduct a public hearing to discuss the MTW Plan and invite public comment; and
  - ▶ The PHA's Board of Commissioners (or equivalent governing body) must approve the MTW Plan and application package by resolution no less than 15 days after that public hearing.



# Cohort #2 MTW Plan and Application Possible Applicant Timeline



# SAN ANTONIO HOUSING AUTHORITY

SARA EAVES

Policy and Planning Manager



**SAHA** | SAN ANTONIO  
HOUSING AUTHORITY  
Opportunity Lives Here



# LEXINGTON HOUSING AUTHORITY

**ANDREA WILSON**

**Senior Manager of Housing Operations**

**ALDEAN PLEASANT**

**HCV Manager**



Lexington Housing Authority





# Questions



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