



U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT  
WASHINGTON, DC 20410-5000

OFFICE OF PUBLIC AND INDIAN HOUSING

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**Special Attention of:**

Public Housing Agencies;  
Public Housing Directors

**NOTICE PIH 2023-08 (HA)**

**Issued:** April 7, 2023

**Expires:** This notice will remain in effect until amended, superseded, or rescinded.

**Cross References:** Notice PIH 2014-24;  
Notice PIH 2018-12; FR-5994-N-05

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**Subject: Process and Requirements for Agency Regionalization under the Moving to Work Demonstration Program**

1. **Purpose.** This Notice clarifies HUD policies, Federal statutes and regulations that apply to regionalization implemented under the Moving to Work (MTW) demonstration program, pursuant to Section 239 of the Fiscal Year (FY) 2016 Appropriations Act, P.L. 114-113, Sec. 239 (2016 Appropriations Act).

In addition to authorizing the expansion of the MTW demonstration program to designate 100 additional MTW Agencies, the 2016 Appropriations Act also states:

- The Secretary may, at the request of a Moving to Work agency and one or more adjacent public housing agencies in the same area, designate that Moving to Work agency as a regional agency.
  - A regional Moving to Work agency may administer the assistance under Sections 8 and 9 of the United States Housing Act of 1937 for the participating agencies within its region pursuant to the terms of its Moving to Work agreement with the Secretary.
  - The Secretary may agree to extend the term of the agreement and to make any necessary changes to accommodate regionalization.
  - A Moving to Work agency may be selected as a regional agency if the Secretary determines that unified administration of assistance under Sections 8 and 9 by that agency across multiple jurisdictions will lead to efficiencies and to greater housing choice for low-income persons in the region.
2. **Applicability.** Notices PIH 2014-24 and PIH 2018-12, and their successor notices, are amended per this Notice to incorporate requirements specific to Agencies participating in the MTW demonstration program.

This Notice applies to all MTW Agencies, including the 39 Initial MTW Agencies that were designated prior to December 15, 2015, and the 100 Expansion Agencies that have or will be designated as MTW pursuant to the FY2016 Appropriations Act, that are interested in regionalizing with other Agencies. Agencies that are participating in any HUD-sponsored research must disclose this within the application to become a Regional MTW Agency. HUD may not approve an MTW Regionalization application with an MTW Agency if it would compromise ongoing research until the research has concluded.

3. **Public Comment.** HUD welcomes stakeholder feedback on all aspects of this Notice via email at [MTW-info@hud.gov](mailto:MTW-info@hud.gov). Please include “MTW Regionalization Feedback” in the subject line and organize comments by specific sections of the Notice. HUD will consider all public comments for a 90-day period. During the public comment and review period, MTW Agencies may apply for Regional MTW designation in accordance with the requirements in this version of the Notice.
4. **Background.** MTW allows agencies to design and test innovative, locally designed housing and self-sufficiency strategies for low-income families by permitting designated MTW Agencies to use assistance received under Sections 8 and 9 of the United States Housing Act of 1937, as amended, 42 U.S.C. 1437, et seq, (1937 Act) more flexibly and by allowing certain exemptions from existing Public Housing and Housing Choice Voucher (HCV) program rules, as approved by HUD. An MTW Agency may regionalize the administration of its Public Housing and/or HCV programs, as provided under Sections 8 and 9 of the 1937 Act, in order to more efficiently provide housing assistance and services for low-income families, and to expand housing choice.

### **Potential Benefits to Regionalization**

MTW Agencies that pursue regionalization with Partner Agencies may realize the following potential benefits:

- Expand access to low-income housing and affordable housing in higher opportunity areas.
- Achieve economies of scale and greater efficiency in administering a housing program across multiple jurisdictions in a single region, benefitting both the agencies and the residents. These efficiencies may be critical during emergency situations such as the current nationwide pandemic.
- Allow for jurisdictions to make local decisions to improve administration of assistance.
- Promote regional programs with unified administrative policies that can leverage best practices, streamline costs, promote portability and mobility.
- Reposition Public Housing portfolios (ex: leverage funding, change program platform).
- Leverage high-performing MTW Agencies to mitigate challenges faced by troubled or low-performing housing agencies.
- Lessen administrative burden between jurisdictions.

## 5. MTW Regionalization Options.

In order to achieve “unified administration of assistance”, as required in the 2016 Appropriations Act, interested Agencies may pursue the following regionalization options:

- A. **Option 1 - Transfer/Consolidation of Programs:** If an MTW Agency, in conjunction with a Partner Agency, is seeking to become designated as a Regional MTW Agency and extend all approved MTW flexibilities – including MTW funding flexibilities<sup>1</sup> - to the Partner Agency, they may pursue a voluntary consolidation, or full or partial voluntary transfer<sup>2</sup> of its Public Housing and/or HCV program(s) pursuant to Notices PIH 2014-24 and PIH 2018-12 and successor notices.

Additional benefits of this option include:

- The ability to utilize full MTW funding flexibility between Public Housing Authority (PHA) jurisdictions.
- As a single entity, leadership between the jurisdictions can determine roles and responsibilities between PHA staff, organizational structure, policy considerations and other programmatic decisions to ensure that all participants are involved in the administration of its program.
- Single Reporting to HUD, and single funding streams from HUD to the Regional MTW Agency.

- B. **Option 2 – Management Agreement:** If an MTW Agency, in conjunction with a Partner Agency, is seeking to become designated as a Regional MTW Agency for the purposes of benefitting from joint MTW administrative flexibilities (i.e. statutory and regulatory waivers), and will not apply its MTW funding flexibility to the Partner Agency, the MTW Agency may administer all or a portion of a Partner Agency’s Public Housing and/or HCV program and apply MTW flexibilities to applicable units within the Partner Agency’s jurisdiction through a Management Agreement executed between the MTW Agency and the Partner Agency.

Additional benefits of this option include:

- PHAs remain separate and distinct entities with the ability to benefit from unified administration of a broad range of MTW flexibilities.
- As a partner of the Regional MTW Agency, the Partner Agency can more easily retain a visible role and prominent position as a housing provider, policy maker, and leader in its community.

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<sup>1</sup> MTW agencies have the flexibility to apply fungibility among the three core funding programs’ funding streams – Public Housing Operating Funds, Public Housing Capital Funds, and HCV assistance (to include both HAP and Administrative Fees).

<sup>2</sup> Please refer to Notices PIH 2014-24 and PIH 2018-12 and successor notices for definitions of a voluntary partial transfer, voluntary full transfer, and of a consolidation.

- At the end of the term of the Management Agreement, the Partner Agency would retain the right to go back to solely operating its own program.
- Most reporting requirements to HUD do not change, and the mechanics of funding renewals and disbursements from HUD do not change.
- As it relates to expanding housing choice, would allow for aligned policies, possible waiver of fees associated with administering portability, uniform payment standards, housing search assistance, shared inspection services and other benefits of unified administration.

An MTW Agency may partner with one or multiple Agencies for either option, and additional Agencies may join the Regional MTW Agency at a future date, subject to the same requirements in this or successor notices. An MTW Agency may also pursue both options if they are pursuing MTW Regionalization for both the HCV and Public Housing program, where one option may be preferred for each program.

## 6. **Definitions.**

- A. **Regional MTW Agency:** As authorized through the FY2016 Appropriations Act, this is a designation given to an MTW Agency that has extended its jurisdiction through a voluntary transfer/consolidation or has entered into a Management Agreement to administer the HCV and or Public Housing programs on behalf of the Partner Agency, resulting in unified administration of assistance within the requirements of the MTW demonstration program.
- B. **MTW Agency:** The PHA that is designated as an MTW Agency will be the PHA that is designated as the Regional MTW Agency through either of the available MTW Regionalization options.
- C. **Partner Agency:** A non-MTW PHA participating with a Regional MTW Agency through either of the available MTW Regionalization options.
- D. **Management Agreement:** An agreement between the MTW Agency and a Partner Agency for the provision of services where the MTW Agency, as a Regional MTW Agency, is administering all or a portion of a Partner Agency's Public Housing and/or HCV program for the purposes of applying approved administrative MTW flexibilities, resulting in unified administration of assistance of a Regional MTW Agency within the requirements of the MTW demonstration program. The terms Management Agreement, Interagency Agreement, Cooperative Agreement, or Memorandum of Agreement (MOA) have been used interchangeably and are treated the same for the purposes of this Notice.

## 7. **Requirements for MTW Regionalization Options.**

- A. **Option 1 -Transfer/Consolidation of Programs:**

## 1) MTW Requirements

- a) MTW Agencies that are seeking to pursue a voluntary transfer or consolidation will continue to be subject to all requirements in Notices PIH 2014-24 and PIH 2018-12, and successor notices, and HUD continues to reserve the right to disapprove any transfer/consolidation applications. Notices PIH 2014-24 and PIH 2018-12, and their successor notices, are amended per this Notice to incorporate requirements specific to Agencies participating in the MTW demonstration program.
- b) Through an approved voluntary transfer or consolidation, the Regional MTW Agency portfolio includes the Public Housing and/or HCV program of an MTW Agency and of the Partner Agency. All MTW flexibilities authorized for the initiating MTW Agency may apply to all Public Housing and/or HCV units added to its program through a voluntary transfer or consolidation, at the discretion of the Regional MTW Agency.
- c) As a result of a voluntary transfer or consolidation, the Regional MTW Agency is a single entity, and it must continue to meet all requirements in its respective guiding document (the Standard MTW Agreement or the MTW Operations Notice, as applicable), including, but not limited to the following: MTW flexibilities, reporting, funding, and cohort studies<sup>3</sup>, as applicable.
- d) The Regional MTW Agency's Annual MTW Plan/Annual MTW Report or the MTW Supplement/PHA Plan, as applicable, must include all units within the Regional MTW Agency portfolio. Agencies subject to the Standard MTW Agreement will require an amendment to its Attachment A.
- e) All units added as part of the voluntary transfer or consolidation will be subject to the following five statutory requirements established under the 1996 MTW Statute:
  - i. At least 75 percent of the families served must have incomes at or below 50 percent of the area median income.
  - ii. Continuing to assist substantially the same total number of eligible low-income families.
  - iii. A comparable mix of families (by family size) must be maintained.
  - iv. There must be a reasonable rent policy.
  - v. Housing quality standards must be maintained.
- f) The receiving Agency in a voluntary transfer must be an MTW Agency and therefore, will be able to apply MTW flexibilities to the transferred units.

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<sup>3</sup> See [https://www.hud.gov/program\\_offices/public\\_indian\\_housing/programs/ph/mtw/expansion](https://www.hud.gov/program_offices/public_indian_housing/programs/ph/mtw/expansion) for more information on the MTW Expansion Cohort Studies and requirements.

- g) Per the 2016 Appropriations Act, Section 8(r)(1) of the 1937 Act on HCV portability shall continue to apply unless provided as a waiver as necessary to implement comprehensive rent reform and occupancy policies. The Regional MTW Agency may not apply any restrictions to portability on any HCV units originating from the Partner Agency's jurisdiction unless the units are part of a HUD-mandated evaluation.
- h) For the eleven Initial MTW Agencies with an alternative Public Housing Operating Fund formula<sup>4</sup>, the Operating Fund subsidy eligibility for any additional Public Housing units added as part of a transfer or consolidation will be funded in accordance with requirements from past, current, and future appropriations acts, as well as operating subsidy formula law, and regulations, including without limitation the 1937 Act and Title 24 of the Code of Federal Regulations, as they may be amended from time to time.

**B. Option 2 - Management Agreement:**

**1) MTW Requirements**

- a) The legal form and nature of the agreement between the MTW Agency and its partner(s) governing the administration of the Regional MTW Agency shall not be determined by HUD, except to state that the agreement must conform to this Notice and all relevant statutes, regulations, and program requirements, including without limitation the 1937 Act and Title 24 of the Code of Federal Regulations, as they may be amended from time to time.
- b) The term of the Management Agreement between the MTW Agency and the Partner Agency must be for at least five years. At least one year prior to expiration of the Management Agreement, the Regional MTW Agency shall submit a transition plan to HUD. It is the Regional MTW Agency's responsibility to be able to end all approved MTW activities that include any units from the Partner Agency's program. The transition plan shall describe plans for phasing out such activities, and any closed activities should be reflected in the MTW Agency's MTW Plan or MTW Supplement to its PHA Plan.
- c) The Regional MTW Agency's authority to manage and/or administer assisted housing and approved MTW flexibilities within a prospective Partner Agency's jurisdiction must be permitted by state and local law. If, under state and local law, the Regional MTW Agency may not administer or manage assisted housing in the prospective Partner Agency's jurisdiction, the Regional MTW Agency and

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<sup>4</sup> Chicago Housing Authority, Elm City Communities (Housing Authority of the City of New Haven), Delaware State Housing Authority, Oakland Housing Authority, Lawrence-Douglas County (KS) Housing Authority, Cambridge Housing Authority, Housing Authority of Baltimore City, Philadelphia Housing Authority, Housing Authority of the City of Pittsburgh, Home Forward (Housing Authority of Portland, OR), and Seattle Housing Authority.

the Partner Agency may not establish the requisite relationship to take advantage of the newly established MTW Regionalization authority.

- d) As the MTW Agency is only managing the Partner Agency's Public Housing inventory and/or HCV program and not absorbing it, the Partner Agency is not authorized to apply MTW funding flexibilities from its funding sources to support the Regional MTW Agency, and the MTW Agency may not combine the Partner Agency's funding with its own pursuant to its MTW funding flexibility.
- e) The MTW Agency's administering of the Partner Agency's program must include all operational aspects of directly administering vouchers and/or managing Public Housing units, and roles and responsibilities of both agencies must be specified in the Management Agreement, MTW/PHA Plan, and other documents as applicable. The Partner Agency's policy recommendations, staff involvement, and other specific directions may be incorporated into the Management Agreement to ensure meaningful input in the administration of the vouchers and/or Public Housing units.
- f) The MTW Agency would be answerable directly to HUD as the Regional MTW Agency for its performance in administering the Partner Agency's HCV and/or PH units. Both the MTW Agency and its Partner Agency shall be jointly and severally liable for any violation of statute, regulation, federal civil rights law, or program requirement that may arise in the MTW Agency's administration of the Regional MTW Agency. Accordingly, HUD may, at its discretion, take enforcement action against either of the agencies for the MTW Agency's failure to comply with program requirements and statutory and regulatory obligations.
- g) The MTW Agency and Partner Agency remain bound by all applicable fair housing and civil rights requirements, including but not limited to those under the Fair Housing Act, Title VI of the Civil Rights Act of 1964, Section 504 of the Rehabilitation Act, and Titles II and III of the Americans with Disabilities Act and their implementing regulations, as well as the duty to affirmatively further fair housing.
- h) The Regional MTW Agency designation will be acknowledged in the MTW Agency's MTW Plan or MTW Supplement to the PHA Plan, as applicable, per the requirements of Section 9 of this Notice (Ongoing Reporting Requirements). Policy requirements for the Regional MTW Agency must also be included in a board-approved Section 8 Administrative Plan and/or Admissions and Continued Occupancy Policy (ACOP) for both the MTW Agency and the Partner Agency, and the PHA Plan for the Partner Agency.
- i) There will be no change to a Partner Agency's Annual Contributions Contract (ACC) as a result of its participation in a Regional MTW Agency. The funding the Partner Agency receives through HCV Housing Assistance Payments (HAP), Administrative Fees, Public Housing Operating Fund, and Capital Fund, as

applicable, will continue to be distributed by HUD to the Partner Agency in accordance with each annual appropriations act requirements.

- j) The Partner Agency continues to have the responsibility to report on all of its HCV and/or Public Housing units in the Public and Indian Housing Information Center (PIC), or successor system, the Financial Data Schedule, Voucher Management System, its Annual PHA Plan, and in any other systems as required by HUD. The Partner Agency also continues to apply separately to HUD for shortfall funding or any other funding requests. HAP Contracts will be executed by the Agency whose jurisdiction the unit(s) is located in.
- k) The Partner Agency is required to submit household data in PIC using the Form HUD-50058 MTW or the Form HUD-50058 MTW Expansion for any households that are participants in the Regional MTW Agency. MTW flexibilities cannot be implemented without reporting household data through the Form HUD-50058 MTW or the Form HUD-50058 MTW Expansion. Software currently utilized by agencies may have the capability to manage the Form HUD-50058 and the Form HUD-50058 MTW or the Form HUD-50058 MTW Expansion, but the Partner Agency should confirm this with its software vendor.
- l) Per the 2016 Appropriations Act, Section 8(r)(1) of the 1937 Act on HCV portability shall continue to apply unless provided as a waiver as necessary to implement comprehensive rent reform and occupancy policies. The Regional MTW Agency may not apply any restrictions to portability on any HCV units originating from the Partner Agency's jurisdiction unless the units are part of a HUD-mandated evaluation.

## **8. Application Process.**

A. **Both Options:** In addition to providing the requested application information as indicated in this Section, for both MTW Regionalization options, MTW Agencies must submit the following supplemental responses in a separate document:

### **1) Supplemental MTW Regionalization Questions:**

- a) Why is a Regional MTW Agency needed? What current inequities or barriers to housing choice exist that a partnership could alleviate/eliminate with MTW flexibilities?
- b) How will a Regional MTW Agency lead to greater housing choice for low-income persons in the region per the 2016 statutory language on regionalization? Please provide specifics on how the MTW Agency and Partner Agency will align policies, procedures, etc. to streamline and enhance mobility between jurisdictions.
- c) What efficiencies do the participating agencies expect to achieve (ex: administrative efficiencies, personnel time savings, cost savings)?



- d) How would the proposed Regional MTW Agency achieve one or more of the three statutory objectives of the MTW Demonstration, and what are the specific impacts on that statutory objective?
- e) Is the Partner Agency currently designated as “troubled” in either the Section Eight Management Assessment Program (SEMAP) and/or Public Housing Assessment System (PHAS), and if so, is there an MOA or Recovery Agreement in place with HUD? Please describe any factors that the Regional MTW Agency may use to assess performance and improve outcomes related to any considerations that may have contributed to the “troubled” status designation?
- f) Is the Partner Agency currently a defendant in a Fair Housing Act lawsuit or any other lawsuit alleging violations of federal civil rights laws? Is the Partner Agency currently under the terms of a Voluntary Compliance Agreement, a Conciliation Agreement, consent order, or any other agreement or settlement to remedy or resolve any violations of federal civil rights laws? Has the Partner Agency received a case determination or letter of findings concerning a violation of federal or State civil rights laws prohibiting discrimination in housing that has not yet been resolved?
  - i. If an MTW Agency or a Partner Agency is subject to a fair housing or civil rights remedial order or agreement (e.g., Voluntary Compliance Agreement, Conciliation/Settlement Agreement, consent order), the MTW Agency must include in its MTW Regionalization application a description of the applicable remedial order(s) or agreement(s) and how the use of any MTW waivers and the adoption of any local, non-traditional activities are consistent with any applicable remedial order or agreement for the MTW Agency and/or Partner Agency. HUD may disapprove an MTW Regionalization application or its use of any waivers or local, non-traditional activities if it is not consistent with any applicable remedial order or agreement.
- g) State whether the proposed Regional MTW Agency will result in any cost implications (positive and/or negative) for the MTW Agency and the Partner Agency. If the proposed Regional MTW Agency does result in cost implications, provide an estimate of the amount, and discuss how the MTW Agency and Partner Agency will manage the surplus or deficit anticipated.

B. **Option 1 (Transfer/Consolidation of Programs):** MTW Agencies and Partner Agencies seeking HUD approval for a voluntary transfer or consolidation with one or more Agencies should submit its intent to the local HUD Field Office (with a copy to the MTW Office at [MTW-info@hud.gov](mailto:MTW-info@hud.gov)) per instructions in Notices PIH 2014-24 and 2018-12, including a document that provides responses to the **Supplemental MTW Regionalization Questions** identified above in this Section of the Notice.

C. **Option 2 (Management Agreement):** MTW Agencies and Partner Agencies seeking HUD approval for MTW administrative flexibilities (i.e., statutory and regulatory waivers, and not funding flexibilities) through a Management Agreement should submit its intent to the to the MTW Office at [MTW-info@hud.gov](mailto:MTW-info@hud.gov) (with a copy to local HUD Field Office) in accordance with the established guidelines and instructions below. HUD approval of this option will be based on the following information:

1) **Documentation to be Submitted:**

- a) Responses to the **Supplemental MTW Regionalization Questions** identified above in this Section of the Notice.
- b) Advance written notice of at least 120 days of the intent to form an MTW Regional Agency via a Management Agreement has been given to HUD. HUD may, upon a showing of good cause, provide an exception to this requirement.
- c) A letter of intent signed by the executive director of every PHA wishing to join the MTW Regional Agency, with an accompanying board resolution of each PHA.
- d) A general overview of the Regional MTW Agency with a description of planned regional initiatives, roles of both the MTW Agency and the Partner Agency, specific MTW flexibilities the Regional MTW Agency plans to utilize, and any other relevant information.
- e) Any Management Agreement documentation between the MTW Agency and its Partner Agency governing the administration of the Regional MTW Agency, that outlines all administration components, including, but not limited to, terms, severability, fiscal impact, compensation, party responsibilities, etc.

9. **Ongoing MTW Reporting Requirements.** Subsequent to HUD Approval of an MTW Regionalization application and designation of a Regional MTW Agency, the Regional MTW Agency is required to provide ongoing updates on the Regional MTW Agency in its Annual MTW Plan/Report or the MTW Supplement to the PHA Plan, as applicable.

A. **Future and Retrospective Reporting:**

1) **Annual MTW Plan/Report and MTW Supplement to PHA Plan**

- a) In an Appendix to the Annual MTW Plan or to the MTW Supplement to the PHA Plan, as applicable, provide information and updates on the status of any components of the Regional MTW Agency including, but not limited to, the following:

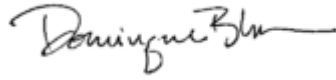
- i. A general overview of the Regional MTW Agency and a description of planned regional initiatives.
  - ii. Specific MTW flexibilities utilized and any additional planned MTW flexibilities for the upcoming Fiscal Year.
  - iii. Cost and Program Implications.
  - iv. Any other information that the PHAs wish to report on as it relates to the Regional MTW Agency.
- b) In the Appendix to the Annual MTW Report or to the MTW Supplement to the PHA Plan, provide retrospective updates on the Regional MTW Agency for the preceding Fiscal Year including, but not limited to, the following:
  - i. How did the Regional MTW Agency achieve efficiencies during the Plan Year?
  - ii. How has the Regional MTW Agency increased housing choice for households?
  - iii. Provide any other relevant updates, including milestones achieved or challenges faced.
- c) For MTW Regional Agencies operating under Option 1 (Transfer/Consolidation), all relevant sections of the Annual MTW Plan/Report and the MTW Supplement to the PHA Plan must incorporate the added HCV and/or Public Housing units as applicable.
- d) For MTW Regional Agencies operating under Option 2 (Management Agreement), the MTW Agency will indicate in the relevant sections of the Annual MTW Plan/Report or MTW Supplement to the PHA Plan any specific MTW activities/waivers that will be used or have been used for the Partner Agency's regional units.

**10. Post Regionalization Requirements.** A Regional MTW Agency will be subject to all compliance requirements in this Notice and the Standard MTW Agreement or the MTW Operations Notice, as applicable. Additional information on requirements and conditions upon completion of a voluntary transfer and consolidation can be referenced in Notices PIH 2014-24 and PIH 2018-12, or successor notices.

**11. Paperwork Reduction Act.** The information collection requirements contained in this Notice have been approved by the Office of Management and Budget (OMB) under the Paperwork Reduction Act of 1995 (44 U.S.C. 3501-3520) and assigned OMB control number 2577-0216. In accordance with the Paperwork Reduction Act, HUD may not conduct or sponsor, and a person is not required to respond to, a collection of information unless the collection displays a currently valid OMB control number.

**12. Further Information.** For further information on the applicability of this Notice or questions relating to its requirements, contact John Concannon, MTW Program Director, at

[MTW-info@hud.gov](mailto:MTW-info@hud.gov). General information regarding the MTW demonstration program can be found at: [www.hud.gov/mtw](http://www.hud.gov/mtw).



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