



# 2011 Moving to Work Conference

*"Doing More with Less"*

*September 20-21, 2011 – Washington D.C.*

**C O N F E R E N C E   R E P O R T**

**OFFICE OF PUBLIC HOUSING INVESTMENTS  
U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT**

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# 2011 Moving to Work Conference Report

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## Executive Summary

The Moving to Work (MTW) Demonstration program, authorized by Section 204 of the 1996 Appropriations Act and administered by the U.S. Department of Housing and Urban Development (HUD), provides the 35 participating public housing authorities (PHAs) flexibility in administering their housing assistance programs. The purpose of the MTW Demonstration is to give public housing agencies and the Secretary of HUD the flexibility to design and test various approaches for providing and administering housing assistance that:

- Reduce cost and achieve greater cost-effectiveness in Federal expenditures;
- Give incentives to families with children where the head of household is working, 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; and
- Increase housing choices for low-income families.

On September 20-21, 2011, HUD sponsored a Moving to Work Conference in Washington, DC. The 2011 MTW Conference brought MTW agencies together to discuss accomplishments and best practices, review lessons learned and to share ideas. The theme of the 2011 MTW Conference was “Doing More with Less” and centered around effectively managing funds in a tight budgetary climate. Approximately 200 individuals attended the conference, representing almost every MTW agency, several industry groups, and HUD Headquarters and Field Offices.

The conference consisted of a mix of panel discussions and small group breakout sessions covering a variety of issues. The first morning focused on the conference theme, “Doing More with Less.” In the afternoon of the first day, a variety of topics were covered, including sessions led by both HUD and MTW agency staff. The morning of the second day was dedicated to the development of a working document that will outline lessons learned and policy recommendations from the demonstration. The afternoon of the second day concluded with small group discussions in which participants were organized by their roles, sessions with MTW agency and HUD program office staff on a number of technical support topics and a panel question and answer session with HUD senior staff.

This Conference Report provides a summary and a record of the topics discussed at the conference and will serve as a resource for ongoing discussion and future resolution of issues.

Appendix A provides copies of the handouts included in the conference registration folder. Appendix B includes handouts from sessions held during Day 1 of the conference. Appendix C includes handouts from sessions held during Day 2 of the conference.

# 2011 Moving to Work Conference Report

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## Conference Agenda

September 20 – 21, 2011

HUD Headquarters

451 7<sup>th</sup> St. SW

Washington, DC 20410

### DAY ONE – Tuesday, September 20th

7:30 a.m.	<b>Registration Begins</b>	Northeast Lobby
8:00 a.m.	<b>Optional Session:</b> New and Expanding MTW Agencies <i>San Antonio Housing Authority</i> <i>San Diego Housing Commission</i> <i>Tacoma Housing Authority</i> <i>Ivan Pour, MTW Program Director</i> <i>Facilitator: Emily Cadik, MTW Coordinator</i>	Auditorium C
9:00 a.m.	<b>Welcome</b> <i>Dominique Blom, Deputy Assistant Secretary (DAS), Office of Public Housing Investments</i>	Auditorium A
9:10 a.m.	<b>Opening Remarks:</b> Doing More with Less <i>Sandra Henriquez, Assistant Secretary, Office of Public and Indian Housing</i>	Auditorium A
9:35 a.m.	<b>Logistics</b>	Auditorium A
9:45 a.m.	<b>Break</b>	
10:00 a.m.	<b>Group Discussions:</b> Doing More with Less	
	1. Streamlining Agency Operations and Optimizing the Single-Fund Budget <i>Lincoln Housing Authority</i> <i>Housing Authority of the County of San Bernardino</i> <i>Housing Authority of the County of Santa Clara</i> <i>Facilitator: Emily Cadik, MTW Coordinator</i>	4202
	2. Managing Limited Capital Resources Smartly: Using MTW to Leverage Funds for Development and Critical Capital Needs <i>Housing Authority of Baltimore City</i> <i>King County Housing Authority</i> <i>Minneapolis Public Housing Authority</i> <i>Facilitator: Luci Blackburn, HOPE VI Team Leader/MTW Coordinator</i>	3254
	3. Leveraging Partnerships to Provide Enhanced Services	Auditorium C

*Atlanta Housing Authority  
Louisville Metro Housing Authority  
San Antonio Housing Authority  
Facilitator: Justin Fazzari, MTW Coordinator*

	4. Serving More Families through Local, Non-Traditional MTW Activities <i>Oakland Housing Authority  Housing Authority of Portland (d.b.a. Home Forward)  Facilitator: Ivan Pour, MTW Program Director</i>	Auditorium A
11:15 a.m.	<b>Break</b>	
11:30 a.m.	<b>Debrief</b>	Auditorium A
12:00 p.m.	<b>Lunch</b> (On your own)	
12:30 p.m.	<b>Optional Session:</b> Developing an Alternate PHAS/SEMAP and Other Monitoring Tools (Presentation) <i>Seattle Housing Authority</i>	Auditorium C
1:30 p.m.	<b>Concurrent Sessions</b>	
	1. Encouraging Self-Sufficiency in a Time of High Unemployment <i>Lawrence-Douglas County Housing Authority  Housing Authority of the City of New Haven (d.b.a. Elm City Communities)  Facilitator: Marianne Nazzaro, Senior Advisor to DAS Blom</i>	4202
	2. Annual MTW Plans and Reports and the Revised Attachment B <i>Justin Fazzari, MTW Coordinator  Facilitator: Laurel Davis, MTW Coordinator</i>	Auditorium A
	3. Parameters on the Uses of Funds Outside of Sections 8 and 9 for Local, Non-Traditional MTW Activities and Reporting on MTW Families <i>Ivan Pour, MTW Program Director</i>	Auditorium C
	4. Modifications to Self-Sufficiency Programs via MTW <i>Cambridge Housing Authority  Charlotte Housing Authority  Delaware State Housing Authority  Facilitator: Ron Ashford, Director, HUD Public Housing Supportive Services</i>	3254
2:30 p.m.	<b>Break</b>	
2:45 p.m.	<b>Panel:</b> Alternate Rent Policies to Encourage Self-Sufficiency <i>Charlotte Housing Authority  Housing Authority of Portland (d.b.a. Home Forward)  Housing Authority of the County of San Mateo  Ivan Pour, MTW Program Director  Facilitator: Emily Cadik, MTW Coordinator</i>	Auditorium A

3:45 p.m. **Break**

4:00 p.m. **Panel:** Testing the Concept of a Frozen Rolling Base for Energy Efficiency Improvements Auditorium A  
*Cambridge Housing Authority*  
*Housing Authority of the City of Pittsburgh*  
*Ted Van Dyke, Public Housing Authorities Directors Association*  
*Shauna Sorrells, Director of Public Housing Programs*  
*Ivan Pour, MTW Program Director*  
*Facilitator: Justin Fazzari, MTW Coordinator*

**OR**

**Break-Out Group Discussions:** Alternate Rent Policies to Encourage Self-Sufficiency

- |   |              |
|---|--------------|
| 1. Charlotte Housing Authority<br><i>Facilitator: Marianne Nazzaro, Senior Advisor to DAS Blom</i>  | 4202         |
| 2. Housing Authority of Portland (d.b.a. Home Forward)<br><i>Facilitator: Dan Esterling, Portfolio Management Specialist, Portland Field Office</i> | 3254         |
| 3. Housing Authority of the County of San Mateo<br><i>Facilitator: Katie Stuckemeyer, Program Analyst, Chicago Field Office</i>                     | Auditorium C |

5:00 p.m. **Day 1 Concludes**

5:30 p.m. **Informal Social Gathering** (see participant folder for information)

**DAY TWO – Wednesday, September 21st**

8:15 a.m. **Building a Working Document:** Lessons Learned and Policy Recommendations Auditorium A  
*Ivan Pour, MTW Program Director*  
*Laurel Davis, MTW Coordinator*

- 8:45 a.m. **Working Sessions:** Lessons Learned and Policy Recommendations
- |   |              |
|---|--------------|
| 1. Preserving and Revitalizing Public Housing<br><i>Co-Facilitators: Michael Kelly, Philadelphia Housing Authority</i><br><i>Luci Blackburn, HOPE VI Team Leader/MTW Coordinator</i>                                  | 4202         |
| 2. Streamlining Housing Assistance and Increasing Cost-Effectiveness of Federal Expenditures<br><i>Co-Facilitators: Catherine Stone, Alaska Housing Finance Corporation</i><br><i>Justin Fazzari, MTW Coordinator</i> | Auditorium C |
| 3. Encouraging Self-Sufficiency through Alternative Rent Structures<br><i>Co-Facilitators: Chris Whaley, Delaware State Housing Authority</i><br><i>Emily Cadik, MTW Coordinator</i>                                  | Auditorium A |
| 4. Self-Sufficiency, Supportive Services and Service-Enriched Housing   | 3242         |

*Co-Facilitators: Jennifer Kelly, San Diego Housing Commission  
Marianne Nazzaro, Senior Advisor to DAS Blom*

10:15 a.m.	<b>Debrief and Discuss Next Steps</b>	Auditorium A
11:00 a.m.	<b>Break</b>	
11:15 a.m.	<b>Small Groups Discussions</b>	
	1. Executive Directors/Senior Leadership <i>Co-Facilitators: Eric Johnson, Oakland Housing Authority Bill Lowell, Housing Authority of the County of San Mateo</i>	4202
	2. Finance and Accounting Staff <i>Facilitator: Ed Mauk, Housing Authority of the City of Pittsburgh</i>	B-174
	3. Housing Programs Staff <i>Facilitator: Louise Hofmeister, Housing Authority of the County of Santa Clara</i>	Auditorium B
	4. MTW Program Coordination and Reporting Staff <i>Facilitator: Suket Dayal, Housing Authority of the County of San Bernardino</i>	Auditorium A
	5. Self-Sufficiency and Supportive Services Staff <i>Facilitator: Sheila Allen Bell, Housing Authority of the City of New Haven (d.b.a. Elm City Communities)</i>	3242
	6. HUD Staff <i>Co-Facilitators: Ivan Pour, MTW Program Director Emily Cadik, MTW Coordinator</i>	Auditorium C
12:30 p.m.	<b>Lunch</b> (On your own)	
1:00 p.m.	<b>Optional Session:</b> Developing an Alternate PHAS/SEMAP and Other Monitoring Tools (Follow-Up Discussion) <i>Seattle Housing Authority</i>	Auditorium C
2:00 p.m.	<b>Concurrent Sessions</b>	
	1. Data Collection, Evaluating MTW Activities, and Developing Baselines and Benchmarks <i>Charlotte Housing Authority Housing Authority of the County of San Mateo Facilitator: Nora McArdle, Office of Policy, Program and Legislative Initiatives</i>	Auditorium A
	2. Reporting MTW Families in PIC and Q&A with PIC IT <i>Massachusetts Department of Housing and Community Development Eugene Chen, Management Information Specialist, PIH-IT Facilitator: Justin Fazzari, MTW Coordinator</i>	3242

3. Special Purpose Vouchers and the Voucher Management System (VMS) 4202  
*Carissa Riddle, Director, HCV Financial Management Center*  
*Brianna Benner, Housing Program Specialist, HCV Management and Operations Division (HCV-MOD)*  
*Phyllis Smelkinson, Housing Program Specialist, HCV-MOD*  
*Susannah Still, Housing Program Specialist, HCV-MOD*  
*Facilitator: Ivan Pour, MTW Program Director*
4. MTW Flexibility and PIH Grant Funds Auditorium C  
*Ron Ashford, Director, HUD Public Housing Supportive Services*  
*Sue Wilson, Director, Urban Revitalization Division*  
*Caroline Clayton, Team Leader, Choice Neighborhoods*  
*Alan Kaufmann, Public Housing Revitalization Specialist, Office of Capital Improvements*  
*Kathryn Greenspan, Housing Program Specialist, HCV Management and Operations Division*  
*Facilitator: Marianne Nazzaro, Senior Advisor to DAS Blom*
- 3:15 p.m. **Break**
- 3:30 p.m. **Panel: Q&A with HUD PIH Senior Staff** Auditorium A  
*Deborah Hernandez, General Deputy Assistant Secretary, Office of Public and Indian Housing*  
*Dominique Blom, Deputy Assistant Secretary, Office of Public Housing Investments*  
*Debra Gross, Deputy Assistant Secretary, Office of Policy, Programs and Legislative Initiatives*  
*Milan Ozdinec, Deputy Assistant Secretary, Office of Public Housing and Voucher Programs*  
*David Vargas, Deputy Assistant Secretary, Real Estate Assessment Center*  
*Candace Simms, Program Liaison Specialist, Office of Field Operations*  
*David Lipsetz, Senior Policy Advisor, Public and Indian Housing*  
*Ivan Pour, MTW Program Director*  
*Facilitator: Laurel Davis, MTW Coordinator*
- 4:45 p.m. **Closing Remarks** Auditorium A  
*Dominique Blom, Deputy Assistant Secretary, Office of Public Housing Investments*
- 5:00 p.m. **Conference Concludes**

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## **DAY ONE**

***SEPTEMBER 20, 2011***

## **New and Expanding MTW Agencies** *(Optional Morning Session)*

**Panel Members:** Brenner Stiles  
*MTW Program Manager, San Antonio Housing Authority (SAHA)*

Jennifer Kelly  
*MTW Project Manager, San Diego Housing Commission (SDHC)*

April Black  
*Director of Real Estate Management, Tacoma Housing Authority (THA)*

Ivan Pour  
*MTW Program Director, HUD*

**HUD Facilitator:** Emily Cadik  
*MTW Coordinator, HUD*

**Presentation(s):** None

MTW Program Director Ivan Pour began the session with an introduction of the MTW demonstration and its main goals and objectives. He introduced the three other panel members – all public housing authorities (PHAs) that recently joined the MTW demonstration or that recently underwent a significant expansion of their MTW program – who then gave individual presentations on implementation issues and challenges.

April Black from THA first explained that THA began its participation in MTW after signing the Standard Agreement in 2010. THA then proceeded with implementation of the activities contained in the Annual MTW Plan created during the application process, but staff found the activities to be overly complicated. Even though the Annual MTW Plan had been available for public comment during the application process, THA opted to meet with staff and residents again to ensure that the MTW activities contained in that document were not only good policy, but that they were also feasible in practice and implemented in the most efficient way. THA held regular staff meetings and created a SharePoint site to track its results. In order to seek input from as many households as possible, THA also sent direct mailings to residents. Ms. Black stated that THA did not initially realize how much time and effort this communication and input process would take. In addition to this process, THA also spent substantial time on Information Technology (IT) upgrades and staff training to get its MTW activities underway. Because the workload associated with these needs was underestimated by THA, implementation took slightly longer than expected. In response, THA created a new staff position to handle MTW so that these considerations received the time and focus required.

Brenner Stiles from SAHA then provided a brief history of SAHA's participation in MTW. SAHA began its original MTW program in 2000 at three public housing developments and expanded MTW to its full portfolio in 2010. Ms. Stiles emphasized that planning is vital when implementing MTW initiatives. It is also necessary to incorporate all departments within the PHA in the planning and implementation process. SAHA accomplishes this through an internal "MTW working group" that reviews initiatives and puts together action plans to advance MTW initiatives. Ms. Stiles also recommended that new MTW agencies take time to gain a clear understanding of all attachments contained in the Standard MTW Agreement, particularly Attachment C. Where the PHA does not have the expertise to address portions of the MTW demonstration or activities, Ms. Stiles suggested looking outside the PHA to obtain it.

Jennifer Kelly from SDHC concluded the session by describing SDHC's MTW expansion in 2009. Similar to SAHA's, SDHC's original MTW program only contained a small number of households and was later expanded to the entire portfolio. Ms. Kelly explained that since SDHC's MTW expansion, the number of staff involved in the MTW process has greatly increased. SDHC opted to involve more staff to ensure that all were aware of new policies and to keep communication channels open. Ms. Kelly encouraged new or expanding MTW agencies to make its Annual MTW Plans as complete as possible. In analyzing MTW activities, SDHC was careful to develop

metrics that isolated the important impacts of the activity as well as a plan for tracking results. To accomplish effective tracking, SDHC uses a customized software program to aid in analysis and ensures that there is adequate staff available to do the tracking.

Following the presentations by THA, SAHA and SDHC, MTW Coordinator Emily Cadik opened up the floor for any questions attendees had. The first question raised was directed to SDHC regarding how the agency went about creating its resident advisory committee. SDHC replied that it sent out numerous requests for participation to both Housing Choice Voucher (HCV) and public housing residents and posted an announcement regarding the opportunity on its website. The result was over 50 responses from interested residents. From these responses, SDHC chose participants from diverse backgrounds and housing types to ensure optimal representation. SDHC plans to involve this group especially in its rent reform initiatives.

Ms. Cadik inquired on the process that the PHAs on the panel used to put together Annual MTW Plans and Reports. SAHA's MTW Program Manager puts together these documents and reaches out to each department for information as needed. SAHA is in the process of establishing an MTW representative in each department to centralize these information requests. SDHC meets quarterly with the PHA's executive committee to brainstorm ideas for MTW initiatives. A form was created to assist with "thinking through" all MTW initiatives raised in these sessions to ensure all aspects of the activity are being considered. SDHC builds in extra time to the Annual MTW planning/reporting process to account for unforeseen issues, and stressed the importance of considering the time of year and any staff vacation or holidays that occur. THA maintains a whiteboard in a central location where all potential MTW activities are maintained. This ensures that all staff persons are aware of these potential activities and provides opportunities for ongoing collaboration and input.

A final question was raised regarding how much the PHA representatives on the panel (all main MTW contacts) communicate with other staff about what is happening with MTW. SAHA offered that most communication is done through its MTW working group, which ensures representation of affected departments. THA holds employee meeting to communicate with staff and to gain insight on how MTW activities may be affecting residents. SDHC formed a working group similar to SAHA through which communications are made.

## **Welcome from the Deputy Assistant Secretary Dominique Blom (General Session)**

**Speaker:** Dominique Blom  
*Deputy Assistant Secretary of the Office of Public Housing Investments, HUD*

**Presentation(s):** None

Deputy Assistant Secretary Dominique Blom welcomed attendees to the fourth Annual Moving to Work Conference. Ms. Blom is the Deputy Assistant Secretary for the Office of Public Housing Investments at HUD, which is responsible for oversight of the MTW demonstration. She emphasized that the conference is an excellent opportunity for MTW PHAs to exchange ideas, successes and challenges. Nearly every MTW agency was represented at this year's conference, including the two newest additions – Boulder Housing Partners and Lexington-Fayette Urban County Housing Authority. In addition, representatives from every HUD Field Office that oversees an MTW agency and industry groups were present.

Ms. Blom pointed out that participants may notice that this year's MTW conference is a bit different from years past. She acknowledged that MTW agencies have been doing more with less, and assured participants that HUD has been doing the same. Although there is no support contractor, and therefore all logistics had to be handled internally, HUD believes that the MTW conference remains an important opportunity for some of the most innovative minds in the public housing industry to come together and learn from one another – and for HUD to learn from participants as well.

Ms. Blom described the changes that have occurred since the previous MTW conference. These include:

- Strengthening the relationship between HUD Headquarters and the Field Offices and collaborating to provide better oversight of the MTW program.
- Submitting a Report to Congress that outlined some of the successes and lessons learned from MTW to date. This information was then used to suggest selection criteria for incoming MTW agencies and to identify areas for further research.
- Establishing an effort to consistently measure whether MTW agencies are serving substantially the same number of families. This effort has been a long process, but it is an important step in providing definitive answers to Congress and others who are concerned with whether MTW agencies are meeting this statutory requirement.
- Adding two new agencies to the demonstration who will be evaluating their MTW activities in an unprecedented way by implementing controlled studies to test rent reform strategies.
- Beginning the process to add four more MTW agencies.

Ms. Blom continued that aside from all of these enhancements to the MTW program, the context surrounding the demonstration has changed as well. MTW has received a lot of attention lately from within HUD and outside groups who realized that there is much to be learned from those agencies that have been streamlining programs, moving residents to self-sufficiency, leveraging outside funding and partnerships and using federal dollars more efficiently.

This year's conference theme – “Doing More with Less” – was chosen with the current budget climate in mind. In addition to other themes focused on in past conferences, this year the conference will hone in on promoting the goals of the MTW demonstration when the need in the community is still great, but the resources are more limited. HUD wants to hear how MTW agencies are reducing costs by administering smarter housing assistance, making the most of the block grant and prioritizing competing goals and needs and planning for a different fiscal climate. Ms. Blom emphasized that it is important to hear what has worked and what has not worked in order to learn the most.

Ms. Blom then introduced Sandra Henriquez, HUD's Assistant Secretary of Public and Indian Housing.

## Opening Remarks on “Doing More with Less” from Assistant Secretary Sandra Henriquez (General Session)

**Speaker:** Sandra Henriquez  
*Assistant Secretary of the Office of Public and Indian Housing, HUD*

**Presentation(s):** None

Assistant Secretary Sandra Henriquez began by thanking Ms. Blom for the introduction. In speaking at many events throughout the year, Ms. Henriquez is always struck at the MTW conference by the fact that the people in the room are the leaders helping families to live in decent, safe and affordable housing. This year, there was a fair amount of concern regarding funding availability for an MTW conference. Although the conference budget was cut substantially this year, by pulling the conference logistics in-house, there was never a question of whether or not it would happen. Ms. Henriquez thanked Laurel Davis and Emily Cadik from the MTW Office in particular for their incredible efforts to make the conference a success.

Ms. Henriquez continued that the sharing of ideas and best practices, along with the collaborations that are forged and relationships that are strengthened, over the duration of the conference are critical to HUD’s efforts to provide affordable housing to the most vulnerable and to make improvements to HUD programs to ensure their long-term viability. Ms. Henriquez emphasized that HUD wants to hear all the challenges and ideas that participants of this conference have to offer.

Next, Ms. Henriquez stated that she wanted to focus on discussing the President’s budget – why choices were made and how these choices help make the case for funding over the long-term. Ms. Henriquez also wanted to detail how MTW agencies are in a unique position to do more with fewer resources. Finally, Ms Henriquez wanted to cover how everyone can work together to ensure that we can continue to serve not only current families receiving assistance, but more families in the years ahead. This may seem like a tall order in light of funding constraints but with poverty at its highest level in more than seventeen years, everyone must do everything in their power to create additional housing opportunities for low-income families. This includes not only preserving the housing available now, rehabbing units to get them back online and developing new units; but also working to move current participants to self-sufficiency.

### *Winning the Future by Protecting Vital Investments*

As difficult as these times have been for our economy overall, they’ve been brutally hard on families that were already struggling to make ends meet, continued Ms. Henriquez. This was confirmed by HUD’s “Worst Case Housing Needs” survey, which showed that the increase in need between 2007 and 2009 was the largest in the survey’s history. Ms. Henriquez acknowledged that every person in the room, and the Obama Administration, knows that the most powerful weapons to address worst case housing needs are HUD programs. In fact, she continued, this budgetary environment has forced President Obama to make choices he would never make in normal times. In the face of an assault on domestic discretionary programs like Public Housing and Section 8 that puts the livelihoods of countless families at risk, the Administration has prioritized the families who live in HUD-funded housing in the President’s FY2012 budget proposal. While Ms. Henriquez recognized that many in the room may not agree with the choices that were made, she wanted to emphasize that HUD’s budget request for next year would actually serve 20,000 more families than this year.

The need for these resources in this economy is very real. The median family income last year was over \$60,000. The median income for families served by HUD rental assistance was only \$10,200. Extremely low-income families make up 72% of HUD-assisted households and more than half are elderly or disabled. These families are among the hardest hit by the recession, and HUD’s FY2012 budget proposal ensures that they will be protected. The majority of HUD’s budget each year is required simply to keep families that are currently being served in their homes and provide basic upkeep to the public housing stock. In the FY2012 budget proposal this remains the case – with 80% of the budget being used for renewing homeless and rental

assistance and providing funding for HUD's public housing stock. In all, HUD's FY2012 budget will maintain its assistance for over 5.5 million families and double the number of new supportive housing units to meet rising demand.

*Winning the Future by Taking Responsibility for Our Deficit*

Ms. Henriquez stated further that the choice to protect existing residents by not cutting off the funding for families already in HUD housing comes at a cost, which in this case is funding for new units and projects. Ms. Henriquez explained that hard times require tough decisions, and every Department shares a responsibility to manage their budgets just like every family and business. Despite the President's support of the work done by those at the conference, HUD is no exception. As some participants are aware, operating reserves at housing authorities has increased substantially over the last couple of years. Therefore, in FY2012, the budget requires PHAs with disproportionate reserves to contribute \$1 billion so that the Public Housing Operating Fund can be fully funded. HUD has held about a dozen sessions with PHAs around the country and countless meetings with PHAs to ensure that this is being done in the right way.

Ms. Henriquez assured participants that she understood their concerns on this issue, including the complexity of redevelopment deals and how operating reserves are so heavily leveraged. However, in many cases, resources have been set aside so that PHAs could continue operated during a rainy day. Ms. Henriquez emphasized that the rainy day is here, and challenged MTW agencies to dig as deep as ever to put every dollar to work now. This will allow the public housing industry to keep operating and weathering the storm. It will also demonstrate to the American people how tax dollars are being used to help vulnerable families and to create jobs.

*Winning the Future by Working Smarter, Managing Resources and Leveraging Partnerships*

Ms. Henriquez concluded that as an increasing number of PHAs across the country are faced with the false choice of housing more families versus maintaining property, it is critical to work more efficiently. Thanks to the participants present at this conference, the MTW program is doing exactly what it was meant to do – giving PHAs the funding flexibility to serve additional families, strengthening supportive services, improving the quality of life for residents and preserving the public housing portfolio.

MTW has made it easier for PHAs to respond quickly to market conditions and resident need. In addition, having the stability of leveraged funding sources has made it possible for PHAs to revitalize entire communities through innovative and ambitious redevelopment. Looking ahead to what HUD expects to be leaner budget years, the experiences of MTW agencies will be vital as HUD considers promising policies and practices that will increase operational efficiencies; pilot alternative rent structures to reduce administrative burden; encourage greater resident self-sufficiency to a broader PHA audience; and increase housing choice. However, the only way that HUD can continue to expand the MTW program and bring greater and more permanent flexibility to more PHAs is through improved data collection. Without deeper analysis, only qualitative results are available from MTW. Ms. Henriquez explained that it is time to move from anecdotal to real data. Anecdotal information is not enough to justify, under increased scrutiny, why the MTW program could lift some of the administrative burdens felt by non-MTW agencies. To this end, some of the data collection changes currently being addressed include revising the Annual MTW Plan and Report requirements, ensuring all MTW families are counted in the PIH Information Center (PIC) and putting a methodology in place to track the MTW statutory requirement of serving "substantially the same number of families."

Ms. Henriquez closed by thanking all PHA participants and HUD staff for their commitment and hard work. She challenged participants to bring their best thinking as issues and questions are discussed, and looks forward to continued partnership in the months and years to come.

## **Streamlining Agency Operations and Optimizing the Single Fund Budget** *(Group Discussions: Doing More with Less)*

- Panel Members:** Chris Lamberty  
*Assistant Director, Lincoln Housing Authority (LHA)*
- Maria Razo-Dale  
*Deputy Executive Director of the Office of Business Administration, Housing Authority of the County of San Bernardino (HACSB)*
- Louise Hoffmeister  
*Director of Housing Programs, Housing Authority of the County of Santa Clara (HACSC)*
- HUD Facilitator:** Emily Cadik  
*MTW Coordinator, HUD*
- Presentation(s):** LHA Presentation (Appendix B, Pages 1-4)  
HACSB Presentation (Appendix B, Pages 5-6)  
HACSC Presentation (Appendix B, Pages 7-10)

LHA, HACSB and HACSC gathered to discuss their streamlining measures, including which activities have proven to be the most successful and whether any streamlining measures did not produce desired results. The presentations also included discussions on ways in which the savings in time and costs have been redirected to other activities and to serving more families, with a focus on how these results were quantified for evaluation purposes.

Chris Lamberty from LHA began with a brief introduction of the demographic and economic context within which LHA operates. Of particular importance is the fact that Lincoln, Nebraska is home to one of the nation's lowest unemployment rates at 3.5%. Mr. Lamberty acknowledged this was a highly advantageous circumstance and one that LHA takes advantage of in developing its MTW policies. LHA also seeks the support of the resident advisory board, landlords, human service agencies, public officials and the state voucher programs.

Mr. Lamberty moved on to a presentation that examined how specific streamlining initiatives have produced measurable savings for LHA. These initiatives include:

- *Rent Calculation:* For all tenants, rent is calculated as 27% of gross income with no exceptions. The rule was created after LHA reviewed information relating to tenant incomes, rents, and deductions and found that the majority of households were paying close to 27% of gross income. From this study LHA anticipated limited instances of hardship (where rents would dramatically increase for certain residents) and created a hardship clause to exclude these households from the immediate effects of the change. LHA compared staff time calculating rents on MTW cases versus non-MTW cases and found a 30% time savings.
- *Streamlining Asset Income Certifications:* LHA found that the exercise of certifying asset income was excessive for many residents. Accordingly, LHA adjusted its asset income rules to make a split for households with less than \$5,000 in assets and households with \$5,000 or more in assets. Households under \$5,000, can self-certify their assets, and any income from those assets is excluded from gross income. For those households with over \$5,000, asset income is verified through household-provided documents with a 2% passbook rate applied to the verified assets. This amount is then included in gross income. For public housing households, LHA has realized \$5,000 in savings from this efficiency, and in the Housing Choice Voucher program, \$26,000 in savings.
- *Interim Rent Re-examinations:* LHA has redesigned its interim rent re-examination rules to incentivize employment, capitalizing on Lincoln's low unemployment rate. Accordingly, LHA does not allow interim rent reductions for temporary loss of income of 30 days or less. Additionally, if a more permanent loss of

employment or income does occur, the rent decrease does not go into effect until after 90 days of the income/employment loss. There are, however, exceptions to the rule that can result in immediate reduction in rent. Both rules have the effect of encouraging tenants to keep jobs or seek out new employment if they lose an existing job.

- *Biennial Income Re-examinations*: Because certain resident populations have little change in their incomes, it was apparent to LHA that yearly re-examinations were not necessary. Accordingly, LHA identified elderly and disabled households as not requiring annual re-examinations, due to their fixed income streams. LHA does, however, offer interim re-examinations if the household composition changes. The adjustment has resulted in a 52% reduction in examinations for public housing households and a 43% reduction for Housing Choice Voucher households.
- *Inspection Waiver*: LHA allows a one year waiver of the annual unit inspection if the prior inspection meets 100% of Housing Quality Standards (HQS). Any failure during the inspection will result in the regular annual inspection. This year will be the first year that any of the “waived” properties will be up for re-inspection, so LHA is excited to see how this waiver system holds up after a two year absence of inspection. LHA also noted that this change has presented some challenges in tracking which housing units are waived and which units are still receiving annual inspections. To date, there has been a 38.9% reduction in the number of inspections conducted.
- *Limited Portability*: LHA places heavy restrictions on the portability of the Housing Choice Vouchers in its portfolio. LHA will only approve of the “porting out” of vouchers in limited circumstances such as verified employment, education, safety and/or medical/disability needs. In the last year, only 13 requests were made and all 13 were approved.
- *Minimum Earned Income (MEI)*: To further encourage employment, LHA has set an MEI requirement for all households. This essentially requires each work-able adult to work at least 25 hours per week at minimum wage (or 40 hours per week for two work-able adults). LHA’s MEI essentially sets the floor for household income. LHA does have exemptions for individual or household circumstances (e.g. elderly, disabled, caretaker, medical, education, FSS status, etc). The MEI requirement has produced the following outcomes: 30% of households exceed the MEI requirement by gaining employment; 18% enter self-sufficiency programs; 9% become full-time students; 5% are elderly or disabled and thus exempt; 1% are caretakers; 3% have temporary medical issues; in 6% of households, the MEI eligible person moved out; and 29% terminate their participation in the housing program.

Maria Razo-Dale from HACSB continued the session with a presentation on how several MTW activities have produced significant savings for HACSB. These include:

- *Biennial Inspections*: HACSB is beginning to conduct HQS inspections on a biennial basis. Since this is the first year this process has been implemented, HACSB is still waiting to see the impacts of this effort.
- *Local Payment Standard Adjustments*: A recent market study determined that HACSB voucher payments were actually the driving force that was determining the market rent among the low to very low-income rental market. Using the market study information, HACSB was able to reduce the rents paid in certain rental markets in its community. Although HACSB received initial pushback from the landlords, market data was available to demonstrate the fairness of these new rents and eventually the landlords accepted them. Significant Housing Assistance Payment (HAP) saving have been realized from this activity.
- *Adjustments to Local Income Inclusion*: HACSB will now count foster care income and sanctioned Temporary Assistance for Needy Families (TANF) income as part of its rent calculation.
- *Staff Savings from FY2010*: These MTW activities, and some other non-MTW activities, yielded 3,645 staff hours saved, equivalent to 2 full time staff member hours.

Outside of MTW, HACSB is beginning to implement several new efforts that will create agency efficiencies and create a better experience for its residents. These include:

- *Outsourcing Inspections:* By contracting with third party inspectors to conduct HQS inspections, HACSB has realized a nearly 50% savings in its inspection costs. This source of savings will be compounded as HACSB expands the biennial inspection schedule.
- *Lobby Kiosk:* To provide more immediate customer service, HACSB will create a customer service kiosk in its administrative building lobby. This kiosk will provide households with many answers that may have originally required the household to wait for a staff response.
- *Restructuring Staff Specialties:* In the past, HACSB staff members were trained to be information generalists in the housing authority's programs and functions. Now the housing authority is working to train staff members as specialists in specific housing authority programs and functions.

Ms. Razo-Dale concluded by saying that as HACSB plans for the future, it is anticipating that its MTW and non-MTW activities will produce even more significant savings in staff time. Savings already realized have resulted in HACSB deciding not to backfill three existing staff vacancies. In addition, HACSB will only replace one of six upcoming retirees.

The final presenter, Louise Hoffmeister of HACSC, provided information on how focusing on streamlining routine processes has produced an over 50% reduction in key Housing Choice Voucher Program work tasks. Additionally, HACSC has implemented new policy changes and sought process improvements to produce additional savings and administrative efficiencies. Since becoming an MTW agency in 2008, HACSC has focused on designing and implementing MTW activities to reduce administrative costs. Some of these include:

- *Rent Simplification:* HACSC has adopted many rent simplification reforms that allow HACSC to more quickly calculate a household's rent. Such simplifications include the elimination of most income exclusions. This simplification has resulted in approximately \$44,500 in staff time savings (1,560 labor hours).
- *Biennial Inspection Schedule:* HACSC has reduced MTW unit inspection to a biennial inspection cycle. From 2008 to 2010, HACSC has seen a 55% reduction in the number of units inspected. Additionally, the reduction in inspections resulted in a 66% reduction in associated labor hours, saving HACSC \$525,000.
- *Re-Certification Frequency Adjustments:* HACSC has also created a system to utilize biennial and triennial re-certifications for household incomes. From 2008 to 2010, HACSC has seen a 51% reduction in labor hours required to process income recertifications.
- *Overall Savings:* Cumulatively, HACSC MTW activities have produced major savings for the organization. Through increased efficiency and cost savings, HACSC estimates that its institutional capacity has increased by 36 full time positions. The streamlined processing requirements have saved approximately 225,000 hours, saving HACSC \$2.1 million. Finally, program administration costs have been reduced by \$879,000. These savings were realized through third party contractors to conduct inspections, third party contractors to process paperwork and over \$270,000 in postage and office supplies savings.

Outside of MTW activities, HACSC has made several policy changes and has identified where its processing systems created administrative inefficiencies. These include:

- *Adjusting Subsidy Standards:* HACSC looked to the voucher cost saving measures outlined in Public and Indian Housing (PIH) Notice 2011-28. These adjustments allowed HACSC to realize approximately \$1.5 million dollars per month in HAP savings.
- *Business Process Reform:* HACSC took time to study its business process to have a full understanding of how many steps and actors it took to complete its most frequent tasks. From this study HACSC had a better understanding of where the "value added" steps were located and which steps were ultimately unnecessary.
- *Technology Investments:* HACSC has made substantial efforts to transform how they use technology. By instituting a comprehensive scanning system, HACSC is able to reduce the volume of paper they

consume and better track critical documents. HACSC is also seeking out ways to better integrate its systems with handheld devices that may allow more immediate input of information and efficiencies for inspections. Finally, HACSC is working on tools to provide better inspection mapping capabilities to ensure that inspections are done in the most efficient manner.

## **Managing Limited Capital Resources Smartly – Using MTW to Leverage Funds for Development and Critical Capital Needs** *(Group Discussions: Doing More with Less)*

- Panel Members:** Peter Engel  
*Assistant Commissioner, Housing Authority of Baltimore City (HABC)*
- Connie Davis  
*Deputy Director, King County Housing Authority (KCHA)*
- Bob Boyd  
*Director of Policy and Special Initiatives, Minneapolis Public Housing Authority (MPHA)*
- HUD Facilitator:** Luci Blackburn  
*HOPE VI Team Leader/MTW Coordinator, HUD*
- Presentation(s):** HABC Presentation (Appendix B, Pages 11-12)  
KCHA Presentation (Appendix B, Pages 13-17)  
MPHA Presentation (Appendix B, Pages 18-21)

This session focused on the use of MTW flexibilities that allow HABC, KCHA and MPHA to leverage more money for development, bring additional units online and serve more families even when funds are scarce.

Bob Boyd of MPHA started the session by stating that MPHA has used MTW flexibility to leverage money for additional development to meet critical capital needs. MPHA serves over 24,000 individuals through 5,900 public housing units and 5,000 Housing Choice Voucher (HCV) units. Ninety-eight percent of MPHA's funding comes from the federal government. MPHA notes that its biggest challenges are preserving and improving its housing inventory, reducing energy consumption and serving an aging population. To address these issues, MPHA conducts a needs analysis every five years. The most recent analysis in 2009 identified a total capital need of \$244,931,000 over the next ten years, while the annual capital funding is approximately \$13 million.

MPHA uses the facility condition index (FCI), a ratio of the facility renewal and repair costs divided by the replacement cost of the asset, to evaluate its housing. This tool is used to project a site's condition into the future. In 2009, MPHA's projection showed its units in the poor range and slipping if it were to rely solely on \$13 million in capital funds over the next 10 years, even though it is deemed a "high performing" agency. Based on this scenario, MPHA felt compelled to develop an investment strategy to address this funding shortfall. This plan focused on implementation of an energy performance contract (EPC) to improve overall unit conditions and amenities, while at the same time realizing hard savings on energy costs. Additionally, MPHA saw a need to initiate active research and outreach for more grants and the use of MTW funding flexibility to allow the public housing authority (PHA) to take risks while providing the security needed by lenders and others to garner their support and partnerships.

MPHA viewed the adoption of an EPC as a way to reduce its overall costs, while also generating savings which could then be put back into the capital needs of the facilities. Additionally, this was viewed as a way to improve inventory. MPHA focused on lighting, refrigerators, water, weatherization, heating, stoves and water heaters. The water and electric savings alone are over \$1.2 million each year. The gas savings are over \$1.1 million per year. An unanticipated reward was the over \$750,000 in energy rebates from local suppliers for old appliances.

MPHA used American Recovery and Reinvestment Act of 2009 (ARRA) competitive grants as one of the mechanisms to meet its goal of garnering additional grant funding. The first of two "green" grants MPHA received was for green improvements at MPHA's scattered sites. This leveraged \$11.6 million in ARRA money with a contribution of only \$1.165 million from the PHA. This money was provided from central office funds and some of the EPC savings. The focus was on weatherization and energy conservation measures similar to those for public housing developments.

The second “green” grant was for a memory care facility to serve the needs of aging residents. This permitted the creation of a forty-eight unit senior assisted-living facility for residents with memory issues. ARRA provided \$9.7 million in funding which was leveraged by \$5.1 million from MPHA, primarily in grants from the County, and included \$872,000 of MPHA central office funds.

Additionally, ARRA funds were used in partnership with the YMCA, senior services, adult day-care providers and others to develop a senior community center to serve both the PHA residents and the neighborhood. This project combined competitive ARRA funds, tax credits and Replacement Housing Factor (RHF) funds. It provides a comprehensive array of services and programs to all residents and addresses many health and wellness needs. The combination of multiple providers allows MPHA to leverage service dollars including those for mental health, mental retardation and public assistance.

An MTW agency’s ability to combine funding, and the flexibility to use this funding creatively, afforded MPHA the ability to take risks, including the upfront investment in an EPC and the ability to have enough funds to stabilize the agency regardless of any immediate savings. MPHA’s ability to use RHF funds as leverage was also an important component in using the ARRA grants. Finally, MPHA could use the funding flexibility to assure the County and other providers that the PHA would be able to provide its share of the funds to each project.

MPHA was able to leverage millions of dollars for additional capital outlays using the energy savings and additional grants and was able to target additional resources and programs to meet local need. An important benefit of these activities is that MPHA’s FCI is expected to reach the fair range based on this investment strategy within the next ten years.

Connie Davis from KCHA then spoke to the group regarding the PHA’s use of MTW flexibilities, fungibility of resources and reserves as key components in redevelopment strategies. KCHA is responsible for around 17,000 units. This includes 1,500 public housing units, 10,000 HCV units and 5,000 non-federally financed units created under tax credits, tax-exempt bonds, HOPE VI and other local programs.

KCHA has used MTW flexibilities related to project-based Section 8 vouchers to project-base vouchers through a non-competitive process to both KCHA owned units and to KCHA-indirectly owned specific third-party developers/non-profits. Additionally KCHA has exercised flexibility on the 25% cap on the number of project-based units in a development and eliminated the requirement that families be granted a replacement voucher upon exit from the project-based unit.

KCHA has also used MTW to achieve flexibility with certain other HUD requirements to facilitate administrative simplification. These include permitting KCHA to inspect its own project-based voucher units, determine rent reasonableness for its own project-based vouchers, permit sponsors to manage waiting lists and permit the management agent for the sponsor to conduct initial inspections once trained on HQS by KCHA. These are contingent upon the sponsor maintaining HUD standards as documented in periodic reviews by KCHA.

To facilitate the transition from public housing to project-based vouchers in certain units, KCHA has worked to ensure consistency between public housing and HCV regulations. This includes developing policies that match rent, utility allowances and interim policies, etc. as much as possible between the two programs. KCHA also tries to ensure a single set of rules for all mixed-finance developments to prevent confusion and conflicting regulations. Some of these initiatives include defaulting to current public housing rent when clients switch to an HCV, rather than recalculating the rent. The key item where no MTW exemption is available is that KCHA cannot provide assistance to any families over 80% of Adjusted Median Income (AMI). These families must be removed from HUD systems when applicable.

Next, Ms. Davis discussed how KCHA uses its fungibility under MTW to support expenditures outside of Sections 8 and 9. By combining its cash flow from HCV rents with its RHF funds, KCHA has been able to support debt issuance. This was based on KCHA’s interpretation that RHF is a subset of capital funds and thus fungible. The

option to use RHF funding in this way is available to MTW agencies through an amendment to the Standard MTW Agreement.

KCHA was able to use RHF funds from HOPE VI demolition and disposition of public housing units to leverage tax credits to redevelop a former public housing site. The former HUD-insured mortgage units on this site were never successful and ultimately gifted to KCHA in 1976. In 2007, based on the site's obsolescence, HUD approved KCHA's request to liquidate this public housing stock, and it was leased to a tax-credit partner with a promise of project-based Section 8 subsidies to support renovation.

This arrangement addressed the overcrowded nature of this site, in addition to mold, flat roofs, water issues, dysfunctional kitchens and large family units with only one bathroom and few services. It incorporated more green space, accessible units, new drainage, washers and dryers and included education on how to use the new appliances correctly. This also permitted the coordination of multiple funding streams to meet the financial needs of this project.

Ms. Davis noted that KCHA has also been able to use its reserves to make direct and timely purchases of housing without having to seek HUD development funds. KCHA was able to partner with the County and other players in the purchase of several small developments adjacent to current public housing under a line of credit with the local bank and then used MTW reserve funds to eliminate KCHA's portion of the debt. This model resulted in the purchase of units that were then targeted for use by those who were homeless with mental illness and those coming out of state institutions. As part of this partnership, supportive services are provided on-site and required as part of the housing.

In another project, Green River, KCHA used its reserves to collateralize bonds for the purchase and rehabilitation of the property. As the bonds are paid off through the Section 8 rents and RHF, the reserves are released.

More recently KCHA has used some of its MTW reserves to bridge the gap between third-party financing and the delay in sales of land in HOPE VI developments. These funds help assure the lender the lines of credit (LOC) will be repaid and provide comfort in extending the LOC longer due to the economy. Additionally, reserves could be used to replace some of the LOCs if they are not renewed.

Finally, KCHA has provided Section 8 vouchers to non-profit partners to finance housing choice in low poverty areas. KCHA's MTW flexibility is sometimes needed to allow over-leasing at times to provide these additional vouchers.

Peter Engel from HABC began his presentation by explaining that current economic times force all PHAs to think more creatively and efficiently and to prioritize in order to meet needs that far exceed local resources. HABC has consistently tried to use its MTW flexibility to increase the number of people it can serve. The primary tools have been strategic planning, flexibilities related to certain project-based voucher regulations and the development of unique Total Development Costs (TDCs). HABC has consistently tried to tap into local Community Development Block Grant (CDBG) and HOME funds as additional funding mechanisms, but even these are not nearly enough. Additionally, HABC is currently under two consent decrees related to impacted areas for concentrations of poverty and racial minorities. These have seriously limited HABC's use of its capital funds.

Planning is critical in today's economy and the local housing market, Mr. Engel continued. He encouraged participants to first and foremost, know your market, then know your residents and their needs, and finally pick what you can do, focus on that, and DO IT. Mr. Engel suggested considering the following questions: what do you have?; What are your capital needs?; and What are your demographic trends? He continued that if a need for more one-bedroom units for individuals who are non-elderly or disabled is prevalent, then that need should be addressed. If a need for less large family units is prevalent, then a reduction in inventory may be required. Being aware of local needs and adapting is critical. Mr. Engel suggested the use of selective disposition of

dysfunctional or no longer needed units. This can improve overall appearance, green space and marketability of sites.

HABC has used many of the same flexibilities identified by KCHA to support and streamline the use of project-based vouchers. One of the key exceptions utilized has been elimination of the 25% cap on the number of project-based units at any one development. This not only affords better cash flow by ensuring a larger subsidy stream, but it also assists in the provision of needed services to hard to house clients with special needs. Finally, it has afforded greater housing choice in less impacted areas.

HABC has used its fungibility of funds to support HOPE VI and other developments. The choice of HCV funding over public housing funds has permitted HABC the option of combining tax credits with HCV project-based unit subsidies. Additionally, HABC has been able to use some of these additional HAP funds to support energy efficient modernization activities at various public housing sites including: waterproofing, roof replacement, elevator replacement, Uniform Federal Accessibility Standards (UFAS) retrofits, plumbing replacement and incentives for creation of certain non-impacted units. Finally, this pool of money has enabled HABC to purchase units when appropriate to meet local need.

HABC's use of modified TDCs has also afforded the PHA greater flexibility in creating housing options in non-impacted areas. This has afforded HABC the option of purchasing housing in higher cost areas outside of Baltimore City and allowed them to better address the issues identified in the consent decrees.

In its efforts to increase local access to affordable housing in a larger market, HABC has undertaken initiatives to promote and support the use of vouchers in wider and wider markets. To do this, HABC has promoted the use of vouchers in non-traditional markets, promoted the use of project-based vouchers in lower impacted areas, worked with non-profit partners to locate and purchase appropriate units and worked with local officials to require a minimum number of project-based vouchers in all local tax credit projects or land acquisition proposals for future rental units. Having the use and acceptance of project-based vouchers tied to local funding has been a critical component to meeting the need for greater housing choice.

## **Leveraging Partnerships to Provide Enhanced Services** *(Group Discussions: Doing More with Less)*

- Panel Members:** Marvin Nesbitt, Jr.  
*Vice President of Human Development Services, Atlanta Housing Authority (AHA)*
- Tim Barry  
*Executive Director, Louisville Metropolitan Housing Authority (LMHA)*
- Sarah Laster  
*MTW Program Coordinator, Louisville Metropolitan Housing Authority (LMHA)*
- Brenner Stiles  
*MTW Program Manager, San Antonio Housing Authority (SAHA)*
- Veronica Guevara  
*Director of Construction Services & Risk Management, San Antonio Housing Authority (SAHA)*
- HUD Facilitator:** Justin Fazzari  
*MTW Coordinator, HUD*
- Presentation(s):** AHA Presentation (Appendix B, Pages 22-23)  
SAHA Presentation (Appendix B, Pages 24-25)

This session included a discussion by SAHA, AHA, and LMHA on how the agencies are using MTW to make the most of partnerships to provide additional services and encourage self-sufficiency in more families when resources are limited. The agencies also discussed how these partnerships have fared in light of budget cuts at local levels.

Brenner Stiles and Veronica Guevara from SAHA began the session with information on its partnerships that create sustainable communities and promote self-sufficiency. SAHA serves 25,493 participants, and is the City of San Antonio's largest landlord. SAHA is increasing its MTW self-sufficiency initiatives, leveraging city-funded and non-profit grants, utilizing partnerships to create sustainable communities, strengthening communication with residents and stakeholders through community meetings and creating healthy options for communities with low socioeconomic status.

Ms. Stiles and Ms. Guevara shared SAHA's MTW initiatives relating to self-sufficiency. The Gateway-to-College, an educational partnership with the area Alamo Community College's District (ACCD), was an MTW activity implemented in the last year. Through this partnership, 10,000 scholarships will be provided to public housing youth, ages 16-24. Scholarship recipients receive funds, two meals each day and transportation. Fifteen youth are currently enrolled in the program, and some will attend institutions of higher education. SAHA also has a partnership with the Texas Department of Transportation, which developed a construction career academy. The ACCD contributed to this initiative as well. Through the academy, residents receive training, resume writing and interview skills. Participants then obtain their Commercial Driver's License. Another partnership is with the local cable installer, Time Warner. Nine residents have enrolled in a six-week program, six have completed the training, and three have received employment with Time Warner Cable and are paid between \$15-20/hour. SAHA has also partnered with a local landscaper, which actively employed four residents at two sites through the Section 3 program. These initiatives all utilize funding fungibility under MTW to be successful.

SAHA described its city funded and non-profit grants. SAHA received grants from the city to promote sustainable initiatives and to address the city's obesity and diabetes challenges by increasing physical activity and promoting farmers markets. Other grants have been received through the United Way in partnership with the Promise Neighborhoods Planning Grant in Wheaton. The Promise funding is focused on child education, and Choice Neighborhoods funding was also received to increase high school graduation rates. Finally, SAHA received \$2.5 million through Jobs Plus to actively create jobs for at least 1,000 residents. Through the Jobs Plus

imitative, SAHA partnered with ACCD to facilitate the employment and 20-24 residents have already signed up for the eight-week program. The participants will receive on-the-job training at medical facilities.

Ms. Stiles and Ms. Guevara described the benefits of SAHA's MTW partnerships including: increasing employment and household earnings, creating a strong sense of self and place for residents, improving sustainable communities through health, wellness and green initiatives, healthy homes, and building communities through educational opportunities.

Marvin Nesbitt, Jr. then presented on how AHA has facilitated self-sufficiency through its partnerships. AHA has been an MTW agency for ten years and serves about 21,000 households through public housing, vouchers, mixed-income communities and project-based rental assistance. AHA has demolished all of its large family properties, so it no longer has large, traditional public housing. AHA received a Choice Neighborhoods Planning Grant for University Homes, and is working with University Center (who received Promise Grant).

The most significant policy changes that AHA has made using its MTW authority are implementing a work requirement and increasing minimum rent from \$25 to \$125 per month. This is still the most inexpensive rent in Atlanta.

AHA uses its work requirement to encourage self-sufficiency. AHA's philosophy is that in order for families to move out of public housing and out of poverty, education and work are required. The work requirement applies to all residents between 18-61 years of age, excluding elderly and disabled households. Families may defer the work requirement if they are in training, attending school or have a short-term disability. All families must provide annual verification of employment through the recertification process, and AHA verifies employment through the Enterprise Verification (EIV) System and a partnership with the Georgia Department of Labor.

AHA implemented the work requirement in October 2004, which required a significant change in mindset for both the families served and for AHA staff. AHA staff had to change how it interacts with families and the community partners, and had discussions with its partners on how to fund services. A service provider network emerged from these conversations, which has allowed AHA to bring together and leverage many service providers in Atlanta that are funded by other organizations. AHA does not have multi-million dollar contracts with service providers; rather, there are 59 members of the service network that provide a variety of services to the families they serve. AHA has worked with the partners to establish comprehensive referral network and to partner on various funding opportunities. Now, AHA feels that it has a network of providers that families trust and are comfortable working with.

One of these partnership programs is the CATALYST workforce preparation program, administered by Atlanta's workforce development agency. Through CATALYST, families are provided with computer training, soft skills development, job fairs and direct connections with employers. There have been over 1,000 job placements in this past fiscal year as a result of AHA's relationship with the workforce development agency.

AHA also has a partnership with Atlanta Public Schools to help families that are not able to read. The Good-2-Great GED program is an intensive program which participants attend all day, every weekday, with the goal of earning a GED. Through this program, participants are able to take the time they need to become functionally literate.

The "Connecting you to CATALYST success..." is a tool that the AHA uses to communicate with its residents. Each day, AHA staff looks for new employment opportunities and sends a list daily via email to AHA residents. Residents have obtained employment through this, and AHA has expanded the emails to include job training opportunities, child care, summer programs, etc. In addition, families provide their resumes, which staff critique and forwards to potential job sites.

In some instances, AHA uses its MTW funds to provide seed grants in the amount of \$25,000 to leverage services from providers that work with AHA families. In addition, AHA has a case management partnership for intensive coaching and counseling services for all families impacted by revitalization initiatives. Another AHA

partnership with Georgia State University created the Good Neighbor Program, which teaches the basics of living in mainstream community to all housing participants. All AHA voucher residents are required to go through this program. The Good Neighbor Program

Tim Barry and Sarah Laster from LMHA concluded the session. LMHA was established in 2003 as a merger between the city and county housing authorities. LMHA manages over 14,000 units of public housing, vouchers, and homeownership units. LMHA has five core programs that were established as a result of its MTW designation: the Center for Women and Families, which provides 22 vouchers for transitional housing for women experiencing domestic violence; the Family Scholar House, which provides housing assistance to help further families' education; Day Spring, which is a faith-based charitable organization that provides residential services for people with mental disabilities and has onsite case management; Well Spring, which provides assistance to similar clients but does not provide onsite case management; and rescue for human trafficking.

LMHA has a special referral program that functions as a program-based and site-specific waiting list for the voucher program. In this program, when a family comes to the top of the waiting list for one of the programs, they come to top of the list for any program that they are income eligible. In contrast, typically public housing authorities (PHAs) only allocate a certain number of vouchers for each program.

LMHA has been able to leverage funds to provide 90 additional units of housing, with a service provider offering direct services to residents. Since LMHA's waiting list is over 15,000, these program-based initiatives provide families with direct access to vouchers because there is a preference for these families. Most of the programs are new, so LMHA does not yet have conclusive evidence regarding whether these families are moving towards self-sufficiency. Many, however, have moved into the Section 8 homeownership program, graduated from college, moved with a voucher or left assisted housing to market-rate housing.

The session was then opened to questions from the attendees. The following questions were asked:

- *How does AHA measure success for the CATALYST program?* Mr. Nesbitt answered that AHA looks at the number of people who are employed and reporting income wages. This number has increased: about 80% were employed at the height of economy, and before 2004, it was 24%. Currently, this number is now down due to the recession, but more families are working now than in 2004. AHA also looks at household income level, which has increased over time. Household income started at \$7,000 per household, and it has increased (some voucher households have an income of \$16,000). However, household income has also decreased as a result of the economy. AHA also tracks Total Tenant Payment (TTP), and families are paying more to subsidy than in past. While graduation rates would be a good measure, many families have significant challenges, and graduation may not be realistic.
- *Is SAHA's Gateway-to-College program for both public housing and Section 8? How does SAHA keep families motivated?* Ms. Stiles and Ms. Guevara answered that SAHA's Gateway program is only for public housing residents, and keeping residents motivated is an issue. Most youth were already not going to high school and/or have juvenile records. SAHA has case managers through the Resident Opportunities and Self-Sufficiency (ROSS) program, who have regular contact with the residents and have played a significant role in the success of the program. SAHA also uses its MTW funds to support a resident ambassador program to motivate youth and promote the MTW program. Gateway-to-College also promotes and encourages students, and SAHA has found that often youth who failed high school actually thrive in the college environment. Thus far, 12-15 youth have become involved with this program.
- *How is the Gateway-to-College program funded? Is funding received annually based on the number of enrollees, or is there a cap? How is it capped?* Ms. Stiles and Ms. Guevara continued that Gateway-to-College is funded through the Gates Foundation. There is also an Education and Investment Foundation within SAHA. The Gates Foundation grant received to fund Gateway-to-College was awarded to San Antonio College, and SAHA partnered with the College to provide services to 50 youth. Funds are provided annually to the College and 50 slots are set aside for SAHA.

- *Are the special referral vouchers the only vouchers that LMHA administers?* Mr. Barry and Ms. Laster responded that LMHA administers 9,000 MTW vouchers, and a certain number are set aside for each program annually. The vouchers are site-specific and tenant-based. The service providers administer the waiting list and provide all the services, which saves LMHA staff time and allows LMHA case management staff to target other families.
- *Are families in LMHA's special voucher programs required to maintain a case plan?* Mr. Barry and Ms. Laster continued that families are required to meet the program criteria, which varies by program. Some programs require families to meet regularly with the case manager, be in school, etc. LMHA is hoping to increase housing choice and tracks voucher utilization and how many families move to market-rate housing or Section 8 homeownership. LMHA requires that the service providers give LMHA certain information on each of the families, including income level and type, job placement, time between entry and completion of program and how often children have to transfer between schools.
- *In relation to the conference theme of doing more with less - how do you take into account the effectiveness of the program vs. the cost when planning activities?* Mr. Nesbitt from AHA responded that thinking about the number of families served is important. Most PHAs do not have capacity to serve all residents, so it is important to reach out to as many partners as possible. Ms. Stiles and Ms. Guevara from SAHA continued that the PHA has monthly meetings with its partners and maintains a network. This also provides the partners with an opportunity to network with each other, since all organizations must "do more with less." The most important benefit PHAs can provide is human capital – PHAs have the people that the agencies they partner with are looking for to fulfill their grant requirements. PHAs have the people; service providers have the grants and the funding. Mr. Barry and Ms. Laster from LMHA concluded that LMHA provides the vouchers through its programs, and the partners provide all of the supportive services. At LMHA certain organizations are chosen because of the services they provide. These organizations provide funds for services and volunteers, but not housing – which is where LMHA's Section 8 vouchers come in.

## **Serving More Families through Local, Non-Traditional MTW Activities** *(Group Discussions: Doing More with Less)*

- Panel Members:** Janet Rice  
*Deputy Executive Director of Program Administration, Oakland Housing Authority (OHA)*  
Jill Riddle  
*Director of Rent Assistance, Housing Authority of Portland (d.b.a. Home Forward)*
- HUD Facilitator:** Ivan Pour  
*MTW Program Director, HUD*
- Presentation(s):** OHA Presentation (Appendix B, Pages 26-27)  
Home Forward Presentation (Appendix B, Pages 28-30)

MTW Program Director Ivan Pour opened by stating the goal of the session on *Serving More Families through Local, Non-Traditional MTW Activities* as giving new ideas to MTW agencies exploring this flexibility. Representatives from OHA and Home Forward then presented on programs that utilize this MTW flexibility to serve families outside of Sections 8 and 9.

Jill Riddle of Home Forward began with a presentation on Home Forward's Short Term Rental Assistance (STRA) program. It was developed in 2006 through a county wide effort to consolidate housing resources into one cost effective program. STRA combines funding from over six funding sources into one unified program administered by Home Forward. Funding comes from a mix of both federal and non-federal sources. Ms. Riddle explained that streamlining service delivery from multiple agencies providing services to one population resulted in being able to serve more families overall.

Ms. Riddle cited community-wide engagement as a key element in creating STRA. Ongoing buy-in and support were necessary in consolidating the community's fractured short-term rental assistance system. Funding sources for STRA are multiple and diverse. Some are one-time grant awards where others are ongoing, annual support. Some sources are state or locally funded while others are federally appropriated. Because of the funding fungibility available through MTW, Home Forward is able to ensure that a constant and steady stream is available by supplementing funding gaps.

The first step in creating STRA was determining community goals that would guide the program. For example, in the greater Portland area, housing for victims of domestic violence and efforts to help households maintain permanent housing (eviction prevention) were agreed upon as two major community needs. Accordingly, Home Forward sought to engage the most appropriate area service providers to address these needs and goals. A total of nineteen agencies were identified and chosen through a competitive process according to a set of criteria.

Home Forward's success with the STRA program can be attributed largely to flexibility. Housing retention outcomes are required and closely tracked. Home Forward was happy to report a 70% housing retention rate at twelve months after assistance was terminated. A further indicator of success and effectiveness is that Home Forward is receiving a maximum benefit from a minimal investment. The average time of assistance received through STRA is two to three months. Ms. Riddle concluded by emphasizing Home Forward's commitment to the continuation of this program.

Next, Janet Rice of OHA presented information on OHA's Sponsor Based Housing Assistance Program (SBHAP). SBHAP is designed to expand housing opportunities for low-income special needs populations who otherwise might not qualify for or be successful in either public housing or Section 8. OHA identified and implemented SBHAP as an MTW activity in 2010 under the objective of increasing housing choice.

SBHAP is a partnership with the City of Oakland that provides rental housing assistance to serve 40 homeless individuals formerly living in encampments and 50 homeless individuals exiting the criminal justice system.

Individuals participating in SBHAP must be receiving services from providers that are currently under contract with the City of Oakland. Ms. Rice indicated that these service providers have an excellent reputation for successful outreach and the expertise to assist the target group. The funding that OHA contributes to the partnership goes directly to the service providers for: direct housing subsidy costs, security deposits, monthly utility payments, repairs and cleaning, vacancy losses on master leased units and housing placement services. The City of Oakland covers all other related program expenses.

Ms. Rice then discussed participant eligibility, tenant selection and rents related to the program. All of these aspects assure compliance with OHA's MTW Agreement and other applicable statutes and regulations. The outcomes of SBHAP have been very promising. The "Housing First" model applied here is consistent with other successes seen around the country.

Following the presentations by Home Forward and OHA, Mr. Pour solicited questions and comments from attendees. The following questions were raised:

- *Has OHA received any negative community feedback on directing resources to a population that includes formerly incarcerated individuals?* Ms. Rice answered that in fact, the city supported this initiative because it was known through other programs and experience that the problem was so large. There is a clear need in the community to address this population. In order to account for any other concerns in the community, OHA undertook an extensive and collaborative public process that lasted for six months.
- *Does OHA have a time limit on the housing and services provided through SBHAP?* Ms. Rice responded that there is no time limit in place at this point. The program focuses mainly on stability. Once the program is further along and needs/issues become clear, this is something that could be considered.
- *How does Home Forward track the outcomes that were shown during the presentation? How does it meet requirements for all the different types of funding that are used?* Ms. Riddle answered that depending on the funding source, services providers submit different documents. Some providers require more oversight than others, but Home Forward engages in ongoing training to assist in this endeavor.
- *If HUD had interest in allowing sponsor-based housing to a wider group of PHAs outside of MTW, what are some lessons learned and takeaways to be considered?* Ms. Riddle of Home Forward began by saying that service providers are generally not experts on housing programs. For that reason, it is necessary to keep things simple. Having a contract in place between the service provider and the public housing authority (PHA) is also very important. This ensures that both parties are aware of their responsibilities. The quality of the service providers is also very important.

## **Doing More with Less: Debrief (General Session)**

**Speaker:** Laurel Davis  
MTW Coordinator, HUD

**Presentation(s):** None

Participants provided summaries of the four concurrent, morning sessions on “Doing More with Less.” Ms. Davis requested that a representative from each session give an overview of the discussion and main points that occurred.

### *Streamlining Agency Operations and Optimizing the Single Fund Budget*

The Lincoln Housing Authority (LHA), Housing Authority of the County of San Bernardino (HACSB) and Housing Authority of the County of Santa Clara (HACSC) discussed streamlining measures undertaken via MTW, including which activities have proven most successful and whether any streamlining measures did not produce the desired results. These agencies also discussed the ways in which saved time and costs have been redirected to other activities and to serving more families, with a focus on how these results can be quantified for evaluation purposes.

LHA presented on its rent simplification initiatives involving calculation of asset income, income verifications, interim re-examinations, rent calculations with no deductions, average utility allowances by bedroom size, biennial reexaminations for elderly\disabled households and an inspections waiver. HACSB shared how staff savings from successfully implemented MTW activities have been redirected to a newly created Program Integrity Unit. HACSC reviewed the measures it has taken, and plans to take, in anticipation of reductions in funding. These measures include MTW activities, policy options, and business process improvements. HACSC also discussed how MTW flexibility provides the means to best position a public housing authority (PHA) anticipating budget cuts to continue to assist more families and incentivize self-sufficiency and reviewed how it has measured both potential and actual savings.

### *Managing Limited Capital Resources Smartly – Using MTW to Leverage Funds for Development and Critical Capital Needs*

The Minneapolis Public Housing Authority (MPHA), Housing Authority of Baltimore City (HABC) and King County Housing Authority (KCHA) explained how MTW flexibilities have allowed these agencies to leverage funds in the development process, bring additional units online and serve more families, especially when capital is scarce. Discussion also focused on the role of capital planning in making strategic, informed decisions.

MPHA’s presentation focused on the impact of MTW flexibility for maximizing use of capital funds and leveraging other resources. HABC’s presentation recognized that the modern history of public housing is a continuing attempt to serve needs that far outstrip resources. HABC has used a variety of tools, some of which required MTW authority, to expand the number of people it serves. These tools include strategic planning, waiver of certain project-based voucher rules, unique Total Development Costs (TDCs), and other approaches. KCHA discussed how it used MTW in its development activities, including use of Housing Choice Voucher (HCV) and Replacement Housing Factor (RHF) funding to underwrite debt on redeveloped functionally obsolete public housing properties, as well as how KCHA has used its existing MTW reserves to expand housing choice.

### *Leveraging Partnerships to Provide Enhanced Services*

The Atlanta Housing Authority (AHA), Louisville Metro Housing Authority (LMHA) and San Antonio Housing Authority (SAHA) discussed using MTW to make the most of partnerships to provide additional services and

encourage self-sufficiency in more families when resources are limited. The agencies also discussed how these partnerships have fared in light of budget cuts at local levels.

AHA focused on its most significant policy change under MTW, which facilitates self-sufficiency and the strategies and initiatives AHA has been able to implement to support family success under MTW. SAHA discussed the utilization of MTW flexibility to develop innovative ways to increase self-sufficiency, as well as refine resident community environments through health and wellness initiatives. Being able to achieve more with less funding has led SAHA to explore new opportunities to establish partnerships with the City of San Antonio and other non-profits to seek alternate financial resources and strengthen the agency's mission and MTW initiatives. LMHA presented on how MTW has allow the PHA to develop innovative programs and housing stock targeted to populations with special needs not adequately served elsewhere in the community. LMHA's Special Referral Voucher programs tie voucher assistance with local organizations and social services programs that need a housing support element. Some of these needs are transitional, others are for programs that provide more long-term support, particularly for single parents with children where the parent is working or preparing for work by participating in educational programs.

#### *Serving More Families through Local, Non-Traditional MTW Activities*

The Oakland Housing Authority (OHA) and the Housing Authority of Portland (d.b.a. Home Forward) discussed local, non-traditional MTW activities that have helped them leverage outside resources in a difficult budget climate. Through creative partnerships, subsidy structures and financing deals, MTW agencies can use local, non-traditional MTW flexibility to serve more families, test strategies to help residents achieve self-sufficiency and reach a more diverse group than are served through traditional HUD programs.

OHA has utilized its MTW flexibility to design a Sponsor Based Housing Assistance Program (SBHAP) that allows OHA to address local housing needs outside of the traditional public housing and Section 8 programs. Through a creative partnership with the City of Oakland, OHA provides rental subsidy funding to serve 90 homeless individuals living in encampments or exiting the criminal justice system. This program leverages the existing resources and expertise of the City's efforts while expanding OHA's ability to serve special needs populations. Home Forward discussed its MTW initiatives which involve alternate forms of rental assistance. Home Forward is investing traditional rent assistance dollars into a Short Term Rent Assistance program within the local community with a focus on housing retention for extremely vulnerable people who are very low-income.

## **Presentation on Developing an Alternate PHAS/SEMAP and Other Monitoring Tools (Optional Lunch Session)**

**Presenter:** Andrew Lofton  
*Deputy Executive Director, Seattle Housing Authority (SHA)*

**Presentation(s):** SHA Presentation (Appendix B, Pages 31-33)

Andrew Lofton from SHA began the discussion by providing an overview (see presentation in Appendix B) of a multi-year effort to think of ways to better reflect the performance of MTW agencies. This effort involved the help of Steve Nolan, Alison Bell, and a working group divided into three groups by MTW statutory objective. Marcia Waggoner from the Housing Authority of the County of San Bernardino (HACSB) is leading the Self-Sufficiency group, April Black from the Tacoma Housing Authority (THA) is leading the Housing Choice group and Peter Beyer from the Housing Authority of Portland (d.b.a. Home Forward) is leading the Operational Efficiencies group. Mr. Lofton noted that the three statutory objectives are no longer the focus of this effort, however, because the Real Estate Assessment Center (REAC) has demonstrated more of an interest in the performance of assets than in performance as an MTW agency generally.

Following the presentation by Mr. Lofton, the following discussion points were raised:

- It was noted that the Section 8 Management Assessment Program (SEMAP) may be easier to revise in order to measure MTW agency performance than the Public Housing Assessment System (PHAS). Mr. Lofton responded that the group would like to revise SEMAP eventually, but is focusing on PHAS for the time being. He noted that there is also a question of whether to merge with existing HUD systems or develop an add-on. Mr. Beyer from Home Forward added that there is a need to focus on PHAS because of the fear of losing High Performer status when the Interim PHAS Rule becomes final.
- The question of why there is an interest in expanding PHAS beyond what it was originally designed to do was asked. It was explained that the goal was to replace PHAS with something that more closely reflects what MTW agencies actually do.
- A participant from the HUD Office of Policy Development and Research (PD&R) suggested that the group focus on the three most important SEMAP indicators: number of households, recertifications and rents that go above the payment standard. It was suggested that it may be easier to push through a handful of changes, rather than introduce a new system. It was then noted that the scores captured in HUD systems still do not reflect the context of temporary dips when an agency implements a new activity or undergoes a large transformation.

In closing the session, it was agreed that discussion on this topic would continue during another optional lunch session on Day 2 of the MTW Conference.

## **Encouraging Self-Sufficiency in a Time of High Unemployment (Concurrent Sessions)**

**Panel Members:** Carrie Lindsey (via phone)  
*Director of Resident Services, Lawrence-Douglas County Housing Authority (LDCHA)*

Karen Dubois-Walton, PhD  
*Executive Director, Housing Authority of the City of New Haven (d.b.a. Elm City Communities)*

Sheila Allen Bell  
*Assistant Executive Director, Housing Authority of the City of New Haven (d.b.a. Elm City Communities)*

Renee Dobos  
*Chief Operating Officer, Housing Authority of the City of New Haven (d.b.a. Elm City Communities)*

**HUD Facilitator:** Marianne Nazzaro  
*Senior Advisor to the Deputy Assistant Secretary of the Office of Public Housing Investments, HUD*

**Presentation(s):** LDCHA Presentation (Appendix B, Pages 34-36)  
Elm City Communities Presentation (Appendix B, Pages 37-40)

This session focused on a discussion by Elm City Communities and LDCHA related to time limits and work requirements and whether residents are able to achieve self-sufficiency and meet program requirements when jobs are scarce. The discussion explored other ways to incentivize self-sufficiency, as well as the role of supportive services and hardship policies to accompany successful time limits, work requirements and other self-sufficiency initiatives.

Ms. Lindsey from LDCHA went through a presentation (included in Appendix B) about LDCHA's incentives for self-sufficiency in times of economic instability. LDCHA has a work requirement that requires all non-disabled/non-elderly adults over the age of eighteen to work fifteen to twenty hours per week. This work requirement can be met in several ways, including: traditional employment, full-time enrollment in a job training or post-secondary education program or working at LDCHA's employment center. MTW funds are used to expand employment related services to help households meet these requirements. LDCHA also offers case management services for households below 40% of Adjusted Median Income (AMI), paid training, technology based support, funds for vehicle repair and youth services. These services are delivered through partnerships that LDCHA has established with local organizations.

Dr. Dubois-Walton, Ms. Allen Bell and Ms. Dobos from Elm City Communities presented on how it aims to use its MTW flexibility to improve family self-sufficiency and housing choice while providing residents with cost effective services. To date, Elm City Communities has experienced great success in this area, including: increased number of residents enrolled in job skills programs, increase in average income and increased number of adult full-time students. Elm City Communities is still concerned, however, with the average time that its residents spend in assisted housing of 11.1 years. Although there has been a decrease from 12.1 years since the baseline was established, Elm City Communities would like to bring this number lower.

In order to address the issue, Elm City Communities created a new proposed initiative called "Caring About Resident Economic Self-Sufficiency" (CARES). The initiative will be geared toward a 500-unit development. The goal of the program is to increase the number of work eligible families who are able to obtain market-rate units or other affordable housing without assistance. Households in the CARES program will receive a maximum of 72 months of rental assistance. After that, families may remain in the property but must pay a flat rent. In year three of the program, Elm City Communities will deposit an amount equal to the final year of the subsidy into an

escrow account. The household may then draw down on that escrow account for approved self-sufficiency purposes. Upon graduation, the household will receive any funds remaining.

The CARES program also provides residents with supportive services that include case management (residents meet with a case manager at least twice a month), development, homeownership counseling, etc. Elm City Communities plans to track households in this program from enrollment to graduation. This tracking will capture hardship requests, early dropouts and reasons for dropouts.

Following the presentations by LDCHA and Elm City Communities, Ms. Nazzaro solicited questions and comments from attendees. The following questions were raised:

- *In a program of a similar nature to those presented by another MTW agency, success is based on the number of residents who move into an unassisted unit that does not exceed 40% of the family's gross income. How do the presenting agencies define successful self-sufficiency?* It was answered that success is defined by each individual in the program when they put their service plan together. Each family is different, but success is usually measured by income, employment or a similar indicator.
- *Is there an incentive to opt out of the programs described early?* Ms. Lindsey from LDCHA responded that work eligible families are in the program for seven years. When households opt out, often it is because they do not want to comply with the program requirements. Elm City Communities responded that if a resident is able to opt out early and move out of rental assistance after year three, the household would receive one year of subsidy payments from the escrow account as an incentive.
- *There are costs associated with programs of this kind. How do the presenting agencies reconcile those costs with the requirement to serve as many households as possible? Also, how will the agencies address the issue of HUD reserve recapture?* Ms. Lindsey from LDCHA responded that the prospect of recapture is concerning. LDCHA has used reserves to purchase additional elderly housing so the PHA is serving more residents. LDCHA also uses its MTW block grant to keep programs, but if HUD recaptures reserves, its ability to do this will be diminished. Ms. Allen Bell from Elm City Communities responded that her PHA is in the same situation. While this is concerning, families on this program do seem to be saving money.

**Annual MTW Plans and Reports and the Revised Attachment B  
(Concurrent Sessions)**

**Presenter:** Justin Fazzari  
*MTW Coordinator, HUD*

**HUD Facilitator:** Laurel Davis  
*MTW Coordinator, HUD*

**Presentation(s):** Draft Attachment B Handout (Appendix B, Pages 41-69)  
Attachment B Questions & Answers (Appendix B, Pages 70-80)

Questions and answers that were discussed at this session were incorporated in a document that is inclusive of all comments and questions received during the 60-day Federal Register public comment period. This document can be found in Appendix B of this Conference Report.

## **Parameters on the Uses of Funds Outside of Sections 8 and 9 for Local Non-Traditional Activities and Reporting on MTW Families (Concurrent Sessions)**

**Presenter:** Ivan Pour  
*MTW Program Director, HUD*

**HUD Facilitator:** Laurel Davis  
*MTW Coordinator, HUD*

**Presentation(s):** PIH Notice 2011-45 (Appendix B, Pages 81-83)

The purpose of this session was to review the main points of Public and Indian Housing (PIH) Notice 2011-45 titled *Parameters for Local, Non-Traditional Activities under the Moving to Work Demonstration Program* and to identify examples of activities that are allowable within these parameters. Issues surrounding how to report local, non-traditional MTW families in HUD systems were also a topic of discussion.

MTW Program Director Ivan Pour began by giving a history of the ability of MTW agencies to use MTW funds outside of Sections 8 and 9 of the 1937 Housing Act. He indicated that in the original MTW statute it was anticipated that public housing authorities (PHAs) should be able to do this. However, HUD's Office of the General Counsel (OGC) questioned this flexibility. After much discussion, OGC agreed to allow those agencies that already had specific language in their MTW Agreements allowing activities outside of Sections 8 and 9 to continue. This authority was subsequently extended to all MTW PHAs, if the PHA followed HUD's process for approving the local, non-traditional activities flexibility.

It was still felt, however, that further guidance was needed on these activities, hence the publishing of PIH Notice 2011-45, which clarifies what is allowed and what is not allowed under this MTW flexibility. The goal of the Notice was not to impose new restrictions, but to clarify laws and regulations already in place that continue to apply. MTW agencies can only receive exceptions from provisions of the 1937 Housing Act. The Notice lists general parameters that apply to all local, non-traditional activities, which are not flexible, such as fair housing, income eligibility, Davis- Bacon, Section 3, Federal expenditure requirements, etc.

The Notice organizes local, non-traditional activities into four broad categories and provides examples of each: Rental Subsidy Programs; Homeownership Programs; Housing Development Programs; and, Service Programs. Mr. Pour noted that under the Housing Development Programs section, if a local, non-traditional project includes the development of public housing, the PHA must follow the mixed-finance process, otherwise the process outlined in the Notice can be followed.

Mr. Pour finished by noting that today there is much interest from Congress on research and showing how MTW is working. HUD needs data to support this. Therefore, MTW agencies should collect information on families being served outside of Section 8 and 9, even though this is not currently being captured in the PIH Information Center (PIC).

The following issues and observations were raised by attendees of the session:

- It was noted that with term limits and flat rents, residents could eventually exceed 80% of Adjusted Median Income (AMI) so long as the household was admitted under this threshold.
- A question regarding how "hardship" should be defined under these policies was raised. Mr. Pour indicated that hardship policy formation could be discussed with the MTW Office on an individual agency basis.
- Many participants that provide sponsor-based assistance under the local, non-traditional flexibility questioned whether the sponsors were bound by HUD requirements.

- Issues were raised regarding inspections and the need to meet Housing Quality Standards (HQS) or other standards approved by the Secretary. Some participants felt their agencies should be able to use alternate standards adopted locally without HUD approval.
- A participant questioned why there was a 30-year affordability requirement. The participant felt that local requirements should prevail.
- A participant questioned what was meant by the requirement to enter families “receiving assistance” into PIC. What does “receiving assistance mean”? Mr. Pour answered that this term referred to providing financial assistance, not social services. HUD is considering changes to what families are captured in PIC.
- A concern was raised that HUD was requesting that too much information regarding local, non-traditional projects be included in the Annual MTW Plan. Mr. Pour responded that HUD needs to have some understanding of what is happening with these activities.

## **Modifications to Self-Sufficiency Programs via MTW (Concurrent Sessions)**

- Panel Members:** Greg Russ  
*Executive Director, Cambridge Housing Authority (Cambridge HA)*
- Tomico Evans  
*Family Support Manager/Interim Director of Client Services, Charlotte Housing Authority (Charlotte HA)*
- LaRae Baumann  
*Project Analyst, Charlotte Housing Authority (Charlotte HA)*
- Rebecca Kauffman  
*Social Service Senior Administrator, Delaware State Housing Authority (DSHA)*
- HUD Facilitator:** Ron Ashford  
*Director of Public Housing Supportive Services, HUD*
- Presentation(s):** Charlotte HA Presentation (Appendix B, Pages 84-87)  
Charlotte HA Handout – Action Plan (Appendix B, Pages 88-93)  
Charlotte HA Handout – Moving Forward Contract (Appendix B, Pages 94-95)  
Charlotte HA Handout – Performance Data (Appendix B, Page 96)

This session included discussions by panel members on how self-sufficiency programs have been supplemented and redesigned using MTW, including flexibilities used, resources needed and/or leveraged and outcomes to date.

Greg Russ from Cambridge HA discussed the Career Family Opportunity Cambridge, the Family Opportunity Subsidy and the Sponsor-Based Program at the public housing authority (PHA). Partnerships with high-capacity nonprofits are central to all three programs. These collaborations with mission-driven partners bring philanthropic support and links to a broad network of service providers. One unique element of the Family Opportunity Subsidy program, which offers a total of 50 housing subsidies, is that after twelve to fifteen months the sponsor-based subsidy converts to a subsidy paid directly to the participants. Participants in the Career Family Opportunity Cambridge work toward securing a job that will pay the Massachusetts Economic Independence Index wage of over \$68,000 per year for a family of four. This program offers twenty housing subsidies open to both voucher holders and public housing residents; currently there is a significantly higher participation rate among voucher holders. Mr. Russ closed with a summary of the benefits of these programs, including the overarching theme that successfully moving families towards self-sufficiency reduces subsidy outlays and allows for these funds to serve more people.

Tomico Evans and LaRae Baumann from Charlotte HA discussed the PHA's Moving Forward Self-Reliance program, which focuses on promoting employment among able-bodied adults and improving educational outcomes for youth. This program is required at five public housing communities, which were selected using a set of indicators that include income from wages, school quality and accessibility of community services. Voucher holders can also volunteer to participate. The program uses an incentive account, with the potential to earn monthly credits ranging from \$25-100 depending on the household's income. With the high cost of service provider contracts to administer the program, the presenters identified sustainable funding as a key challenge. The Charlotte HA also tracks a common set of outcome metrics across the sites using an internal data management system. This data collection and analysis strategy includes collaborating with the service provider "Communities in Schools" to gather youth outcome measures from over forty schools and juvenile corrections facilities.

Rebecca Kauffman discussed DSHA's MTW program. All residents who are able to work are required to participate; currently, the program has 300 participants. Originally, DSHA partnered with a non-profit

community action organization to provide case management, but discovered that there were differences between traditional case management and case management associated with housing. Thus, DSHA decided to employ its own case managers. Other lessons learned include the need to require participation because of limited volunteers and the importance of requiring participants to save earnings, not just to help them access bank accounts. DSHA decided to administer participants' savings accounts and then voucher out approval for eligible expenses.

Following the presentations by Cambridge HA, Charlotte HA and DSHA, Mr. Ashford allowed participants to share questions and comments. The following questions were raised:

- *Session participants were interested to know whether the featured presenters were also running traditional Family Self-Sufficiency (FSS) or Resident Opportunities and Self-Sufficiency (ROSS) programs and whether the MTW programs serve both public housing and voucher residents.* Only Charlotte HA runs a traditional FSS program. All other featured programs serve both voucher and public housing residents.
- *A session participant inquired about the unemployment rates in the three cities.* The rates are between seven and nine percent. Funding for the programs was also discussed. Cambridge HA's model focuses on partnerships with service providers that often have strong funder and partner networks. Charlotte HA is currently paying services providers with reserves.
- *Participants were curious about how Charlotte HA phased in the requirement for existing residents to participate in the program across the five target sites.* Charlotte HA gave notice of more than 30 days and held a kick-off event to prepare residents for the transition.
- *A participant asked about the data management systems used by the presenting agencies.* Currently, Charlotte HA is using a spreadsheet to track the data but is considering other internal database options. Cambridge HA has an evaluator partner and finds it beneficial that evaluation is conducted by an independent third party; however, one downside is the need to negotiate how the data is shared and when. Because of this, the data may be less readily available than if it were managed in-house.
- *One session participant wanted to know how families were selected to participate in the programs that the Cambridge HA supports.* The nonprofit partners screen and select the participants; the Cambridge HA is involved in designing and overseeing the programs and provides the housing subsidies.
- *A final question was asked about the effectiveness of smaller-scale incentives.* As this is a new program component, the Charlotte HA presenters stated that they would stay in touch to share early findings.

## **Alternate Rent Polices to Encourage Self-Sufficiency (Panel)**

**Panel Members:** LaRae Baumann  
*Project Analyst, Charlotte Housing Authority (CHA)*

Peter Beyer  
*Controller, Housing Authority of Portland (d.b.a. Home Forward)*

Jennifer Rainwater  
*MTW Project Manager, Housing Authority of the County of San Mateo (HACSM)*

**HUD Facilitator:** Ivan Pour  
*MTW Program Director, HUD*

Emily Cadik  
*MTW Coordinator, HUD*

**Presentation(s):** CHA Presentation (Appendix B, Pages 97-99)  
CHA Handout – Rent Reform FAQ (Appendix B, Page 100)  
Home Forward Presentation (Appendix B, Pages 101-102)  
HACSM Handout – Rent Reform Panel (Appendix B, Pages 103-106)

MTW Program Director Ivan Pour provided the opening remarks for the session and introduced panel members.

HACSM's Jennifer Rainwater began by commenting on how to structure rents with a focus on self-sufficiency. HACSM opted to implement a tiered rent structure to encourage self-sufficiency. Ms. Rainwater continued that there was a need to restructure roles and openly communicate about the new policy to residents during its development. Due to success during first year of implementation, HACSM is offering the tiered subsidy to a wider audience of residents. Currently, approximately 68% of all residents are participating in the program.

For staff, Ms. Rainwater explained, the rent calculation ends at annual adjusted income as it falls into the tiered subsidy table. If there is an increase in housing rent, then the resident is responsible for the increase. HACSM will not pick up the extra rent increase. HACSM monitors the time from voucher issue to move-in and the results thus far are positive.

LaRae Baumann from CHA provided two handouts to participants (see Appendix B). There are four main components of CHA's rent reform: alternate recertification schedule, zero income rent adjustment, rent simplification and the incentive program.

- *Alternate Recertification Schedule:* CHA changed the frequency of recertifications to biennial.
- *Zero Income Rent Adjustment:* CHA requires that a household reporting zero income meet with CHA staff every 90 days to report progress. Minimum monthly rent was also increased from \$25 to \$100.
- *Rent simplification:* CHA altered rent payments to an income-based stepped rent. Income bands change at \$2,500 increments.
- *Incentive program:* CHA created an incentive program that uses an escrow account to encourage residents to move off of assistance.

Ms. Baumann added that CHA is also engaged in a rent simplification initiative that includes asset exclusions and alteration of the Earned Income Disallowance (EID). Ms. Baumann then went into more detail on CHA's incentive program. When a resident's adjusted income reaches \$12,500, the incentive program will set aside \$25 to \$100 monthly depending on the household's income level. At a certain point the incentive ends when

income increases to 70% of Adjusted Median Income (AMI). After three years, or upon reaching 70% AMI, the household graduates from the program and has access to the incentive. As is required by the Standard MTW Agreement, CHA has a hardship policy in place.

Peter Beyer from Home Forward presented an overview of the agency's rent reform. Home Forward did extensive outreach and research on types of rent reform before making any final decisions. Home Forward's rent reform activity was approved by the board in December 2010 and by HUD in March 2011. The main focus was on meeting the MTW objectives of increasing self sufficiency and cost efficiency. Mr. Beyer pointed out that it is challenging to embark on a new career for older workers. Therefore, Home Forward lowered the definition of elderly to 55 so as not to impact those households. This matched up to the age required for other city services. Deductions were eliminated and a 27.5% tenant contribution was established.

Following these presentations the audience was able to pose questions to the panel members. The following questions were raised:

- *How did Home Forward arrive at the 27.5% tenant contribution amount?* Mr. Beyer answered that this was the number that the PHA determined would have a net neutral effect on revenue.
- *A question was posed to CHA regarding zero income households. What are the consequences for residents who do not look for work?* Ms. Baumann answered that if this is the case, then that resident is out of compliance with the program. CHA keeps job logs and other monitoring that occurs during case management in order to determine whether this is occurring.
- *How did HASCM create its tiered subsidy table?* Ms. Rainwater answered that HACSM's goal was also for the rent reform have a revenue neutral effect on the agency. Additionally, HACSM wanted to ensure that affordability for its residents was maintained. These principles guided the creation of the tiered subsidy table.
- *A participant asked HACSM if they found the tiered subsidy table to lead to higher concentrations of poverty?* Ms. Rainwater responded that no such indication had been found to date.

## **Alternate Rent Policies to Encourage Self-Sufficiency: Charlotte Housing Authority (Break-Out Group Discussions)**

- Presenter:** LaRae Baumann  
*Project Analyst, Charlotte Housing Authority (CHA)*
- HUD Facilitator:** Marianne Nazzaro  
*Senior Advisor to the Deputy Assistant Secretary of the Office of Public Housing Investments, HUD*
- Presentation(s):** Provided in Panel Session → CHA Presentation (Appendix B, Pages 97-99)

LaRae Baumann of CHA presented specifics on the public housing authority's (PHA's) rent reform structure and formation during the earlier panel session in the day. For that reason, the group opted to utilize the break-out group discussion time for questions and answers.

The following questions and discussion points were raised:

- *CHA notes three properties where the extensive supportive services associated with this activity are offered. Do these three sites have the same requirements?* Ms. Baumann responded that all supportive services sites have work requirements. If a resident resides in another property with no supportive services, the resident still reports in the same way, but not all the sanctions are enforced in the same way.
- *It was noted that two of the three supportive services sites are staffed by CHA case workers and the third uses contracted staff. Do the CHA service providers perform the same duties as the contracted service providers?* Ms. Baumann responded that all of these staff perform the same functions. The only difference is that the CHA staff is physically present on-site. The contracted service providers do not have the same type of "home base."
- *How did CHA find the contracted service providers?* Ms. Baumann answered that a competitive Request for Proposals (RFP) process was used.
- *Besides providing information related to metrics, does CHA require anything else in the RFP from contractors?* Ms. Baumann answered that the CHA contract managers who oversee the contracted service providers meet directly with leadership. There are also quarterly collaboration meeting where all service providers convene to discuss best practices and other topical issues. Reporting is required on a monthly, quarterly, biannual and annual basis.
- *How does CHA obtain resident feedback on the contracted services?* CHA uses surveys, both internal and external, to achieve this.
- *Please discuss CHA's metric formation process for this activity.* The goals that CHA sets for this activity are aggressive, but meant to be achieved over a number of years. PHAs can use Department of Labor, Workforce Department data and other data to determine fair metrics. Outside influences also affect outcomes. CHA will continue to monitor its progress towards the metrics to ensure that they are realistic.
- *Does this program help with cost-efficiency?* Ms. Baumann answered that the activity has not really implicated this MTW statutory objective. It will however, provide cost savings in the long term as tenant contributions increase with more earned income.
- *Can CHA provide any advice that could be offered to other MTW agencies on these types of initiatives?* When CHA first began this initiative, staff spoke to many other MTW agencies to get ideas. These ideas were then tailored to work towards CHA's priorities.

- *How long did it take for CHA to update its software programs to account for this activity?* Ms. Baumann responded that the process began in 2009 and CHA hopes to have all reports tested by September of this year.
- *How were residents involved in the creation of this policy, and what were their reactions?* CHA held community session and ran all aspects of the activity through the Resident Advisory Board. The main debate centered around the amount of money that should be included in incentives. Once residents understood the concept, the message was well received.

## **Alternate Rent Policies to Encourage Self-Sufficiency: Home Forward (Group Break-Out Discussions)**

**Presenter:** Peter Beyer  
*Controller, Housing Authority of Portland (d.b.a. Home Forward)*

**HUD Facilitator:** Dan Esterling  
*Portfolio Management Specialist, Portland Field Office, HUD*

**Presentation(s):** Home Forward Presentation (Appendix B, Pages 107-108)

The session began with introductions and a visual depiction of how rent is currently calculated at Home Forward. Peter Beyer of Home Forward then displayed how many of the rent calculation steps could and/or would be eliminated through Home Forward's rent reform process.

Mr. Beyer described the team that Home Forward assembled to plan and implement rent reform, and emphasized the importance of a thorough, well-thought-out planning process. Home Forward's project plan included considerations of policies, procedures, technology, training, communication and analysis related to the program.

The process to reform Home Forward's rent calculation is taking longer than expected, despite detailed planning efforts. One of the roadblocks is information technology. Specifically, Home Forward's software vendor is trying to build in variables to the software so that other agencies may be able to use the software product in the future.

A sizeable portion of tenant rents will increase under the new rent model, however, Home Forward has determined that for a vast majority of the residents that see rent increases, those increases will be less than \$50. Home Forward conducted an analysis of the group of tenant rents that would increase significantly under rent reform. In general, it was determined that the reasons for those large increases were due to either lifting of the ceiling rent or elimination of deductions. It was noted that out of 10,000 participants, only 67 residents would have a large increase and would not be eligible for a "phase-in" of the new rent.

Mr. Beyer continued that Home Forward expects the rent reform process to result in greater agency efficiency and greater resident self-sufficiency. In particular, Home Forward expects increases in tenant income and the tenant ability to pay rent.

While discussing "things to think about" during the rent reform implementation process, Mr. Beyer emphasized involving the Information Technology (IT) department/vendors early in the process. A list of other considerations was shown to participants (available in the presentation in Appendix B).

Finally, one attendee asked how Home Forward handled the delayed implementation date – specifically, whether a letter or other communications were sent to residents announcing a hard date for implementation, and what Home Forward would do to correct that. Mr. Beyer responded that while initial letters with a target date were sent out, Home Forward would be following up with an "update communication" revising the implementation date.

## **Alternate Rent Policies to Encourage Self-Sufficiency: Housing Authority of the County of San Mateo** *(Break-Out Group Discussions)*

**Presenter:** Jennifer Rainwater  
*MTW Project Manager, Housing Authority of the County of San Mateo (HACSM)*

**HUD Facilitator:** Katie Stuckmeyer  
*Program Analyst, Chicago Field Office, HUD*

**Presentation(s):** HACSM Handout – Rent Reform Breakout (Appendix B, Pages 109-112)

As a follow-up to information presented in the general panel session, Jennifer Rainwater from HACSM discussed the methodology of the tiered subsidy tables (TST) in greater detail. The tenant pays the difference between the unit's contract rent and the subsidy paid by HACSM, with the caveat that HACSM has a minimum rent of \$50.00. The subsidy amounts result in a 30% total tenant payment for the middle of the income tier based on current fair market rents. This amount was chosen because HACSM wanted the implementation process to be smooth and wanted the families rent to remain relatively stable. The subsidy amount listed on the TST is the total subsidy paid by HACSM and includes rent and utilities. Ms. Rainwater stated that HACSM experimented with a utility allowance when calculating adjusted annual income; however, it became extremely complicated and HACSM decided to figure the utility allowance into the subsidy amount. Ms. Rainwater commented, however, that the Bay Area climate makes high utility consumption less of an issue for tenants and that it might well be a greater issue in less temperate climates. When implementing the tables, HACSM wanted minimal impact in either direction for participants. Because of this, two tables were necessary: one table for open market units and another table for units associated with project-based vouchers.

Ms. Rainwater stated that the tables used by HACSM are based on bedroom size; however, an agency could elect to do this differently. If a family rents a smaller unit than the voucher size it qualifies for, the subsidy decreases to match the bedroom size. Both amounts are explicitly listed on the voucher, and families are encouraged to rent the unit size that they are eligible for. An attendee asked about the rationale for this policy. Ms. Rainwater responded that the agency's concerns were twofold: affordability for the agency and under-housing of families.

Ms. Rainwater then discussed computation of adjusted annual income (AAI). HACSM does not impute asset income. Payments for care of foster children are included in AAI, as are wages earned by full-time students aged 25 or older. Ms. Rainwater noted that these policies have made the hardship process more complicated. If a family wishes to qualify under the hardship policy, a letter is sent confirming that the family meets the threshold for hardship eligibility and this must be confirmed by answering three threshold questions. If there is greater than a \$25.00 difference between the tenant rent under the traditional calculation and the tenant rent under the TST, the family qualifies for hardship, which lasts until the next recertification. An attendee asked if medical expenses and childcare expenses were still utilized in calculating AAI. Ms. Rainwater stated that they were, but that the onus was on the participant to provide third party verification.

Ms. Rainwater commented on the cost analysis HACSM conducted regarding tenant rent burden versus affordability for the agency. The agency conducted many analyses of how implementation of the TST would affect different populations in order to structure the tables in a way that would minimize impact on tenants while maintaining affordability for the agency.

Ms. Rainwater then opened the session up for questions from attendees. The following questions and comments were received:

- *An attendee complimented the TST model and stated that she hoped her agency could enact a similar model, which would allow agency staff to have more time to serve clients due to less administrative burden. She then asked about pushback from stakeholders and advocacy groups. Ms. Rainwater said that HACSM*

attempted to get families to attend sessions regarding the new policy but there was little interest. Advocacy groups also had minimal interaction with HACSM. She stated that the agency asked participants about perceived problems with the HCV program, and many responded that it was frustrating to not know what was considered 'affordable' when searching for a unit, which could in turn lead to having to go through the process multiple times. Ms. Rainwater stated that HACSM had formed an advocacy group for rent reform which included Bay Area Legal Aid and San Mateo County Human Services as well as others. Additionally, HACSM conducted client focus groups and reported data to advocacy groups. This data indicated that it was difficult for clients to navigate the HCV system and supported the need for simplification of the system.

- *An attendee asked about outreach to the landlord community.* Ms. Rainwater said that HACSM had tried outreach to landlords but found it very difficult to generate interest. HACSM sent a survey to landlords and approximately 45% responded.
- *An attendee asked about the implementation process for this activity.* Ms. Rainwater said that HACSM used a soft implementation process. The agency has received positive feedback from case managers, who state that this has made it much easier to do their job. HACSM is still in the process of implementing this activity. Currently, approximately 64% of households are on TST. Approximately 5% have received a hardship waiver, and there have thus far been no evictions as a result of rent reform activities.
- *An attendee also inquired about staff reactions to implementation.* Ms. Rainwater stated that the agency got staff feedback regarding problems with the old process, which was taken into account in developing the rent reform activity. HACSM staff received training on the new process in small group settings, and Ms. Rainwater said that the agency found there was more fear of potential problems than actual problems.
- *An attendee inquired about the potential for concentrated areas of poverty due to implementation of the TST.* Ms. Rainwater stated that, in the HACSM service area, the majority of the area is 'marketing out' clients even with implementation of tiered rents. She stated that the Bay Area rental climate makes it difficult to determine whether residents are choosing to live in areas with a high concentration of poverty or whether they are priced out of most other areas. Ms. Rainwater commented that there are some areas which are easier for families to move into than other areas, but the agency was not certain about the motivation for this.
- *An attendee asked about HACSM's metrics and outcomes for the rent reform activity.* Ms. Rainwater stated that HACSM is tracking where people are living and the timeline for locating a unit, executing a lease and moving into the unit. She said that, although implementation of tiered rents is fundamentally about self sufficiency, this is difficult to track through research metrics. Most metrics address administrative efficiency. Tiered rents have saved HACSM money; however, the agency has shifted the savings to quality assurance and self-sufficiency activities.
- *An attendee inquired about how many households are currently time-limited.* Ms. Rainwater stated that 300 households are time-limited. 240 households are in the five-year self-sufficiency program, and 60 are on a three-year plan meant to address chronically homeless families. For current participants who are not time-limited, a change in head of household results in entry into the five-year time-limited program. Regardless of participation in a time-limited program, rent calculation is the same.

## **Testing the Concept of a Frozen Rolling Base for Energy Efficiency Improvements (Panel)**

**Panel Members:** Greg Russ  
*Executive Director, Cambridge Housing Authority (CHA)*

Ed Mauk  
*Chief Financial Officer, Housing Authority of the City of Pittsburgh (HACP)*

Ted Van Dyke  
*Government Affairs, Public Housing Authority Directors Association (PHADA)*

Shauna Sorrells  
*Director of Public Housing Programs, HUD*

Ivan Pour  
*MTW Program Director, HUD*

**HUD Facilitator:** Justin Fazzari  
*MTW Coordinator, HUD*

**Presentation(s):** CHA Handout – Frozen Rolling Base Information (Appendix B, Pages 113-116)

MTW Program Director Ivan Pour opened the discussion by explaining that some MTW agencies have had their utility consumption frozen since the beginning of the demonstration per an authorization in Attachment D of their MTW Agreements. Outside of MTW, there has been some HUD interest in this policy.

Ted Van Dyke from PHADA then explained that discussions about the concept of a frozen rolling base (FRB) have been taking place for decades. PHADA currently has a proposal involving the use an Energy Service Company (ESCO) that would be paid for with savings from implementing the FRB, which has support from the National Association of Housing Redevelopment Officials (NAHRO) and Representative Barney Frank.

Ed Mauk from HACP then presented on this concept's effect on the public housing authority (PHA). The FRB was part of HACP's original MTW Agreement, and since then HACP has had two formal Energy Performance Contracts (EPC) with different ESCos. The first was a ten-year, \$3 million contract to address the "low hanging fruit" of energy savings, such as low-flow toilets and shower heads and other modifications related to water consumption. The savings from this initiative were estimated at \$400,000 per year, but actually resulted in over \$1 million in savings, allowing HACP to pay off the associated debt in four years.

HACP's second, and larger, EPC involved a \$25 million contract with an ESCo for a larger scope of work including: upgrading refrigerators, using geothermal energy at three large family properties and making additional water consumption modifications. HACP is now in the savings stage from this contract and is currently saving over \$3 million per year. These savings have been redirected into some "informal" energy saving modifications, as well as providing more security and offering more resident services at public housing properties.

CHA Executive Director Greg Russ then presented on how the FRB allows CHA to incorporate energy savings into its thinking as an MTW agency. While utility rates cannot be controlled, consumption can be. CHA has engaged in on-site energy generation wherever possible, though geothermal was not an option in Cambridge. And while energy costs have risen, they have not accelerated past the rate of energy savings, so there are still cost savings to CHA. To date, CHA has seen significant savings on water consumption (including low-flow toilets) and lighting, but believes there is much more that can be done, especially related to drainage and irrigation.

CHA has also experimented with using a “self-ESCO” at a senior property to avoid paying the fees associated with a third-party ESCo. CHA realized, however, that there is a benefit of a third-party ESCo insofar as they were able to help with design decisions.

Some of CHA’s informal energy improvements include weatherization and the use of utility partnerships for rebate programs. In addition, CHA now makes power purchases, its ESCo installs the necessary equipment (including solar panels), and CHA buys the energy that the panels generate below the market rate. As the retail rates for energy rise, CHA’s rates stay fixed. CHA has built an 8-year database of utility consumption, and by 2013 is projecting that 17% of CHA’s energy will be generated at its own sites.

Savings from these initiatives have allowed CHA to redirect funds into its properties, create a working capital fund to pay for staff, and provide additional resident services. Mr. Russ concluded by saying that the FRB is not just a good idea for MTW, but for all PHAs because of the way in which it changes thinking about energy.

Director of HUD’s Public Housing Programs Shauna Sorrels described how in the public housing program, there are generally two opportunities for energy initiatives:

- A three-year rolling base, which is limited in the amount of time but provides some incentives for energy savings, and
- An EPC program, which currently has 274 participating PHAs participating. This program is complex and has not kept up with innovation, nor has it appealed to smaller agencies.

Ms. Sorrels explained that HUD is looking for ways to have smaller agencies also participate in these types of initiatives so that they can leverage the savings as well. HUD is currently considering pilot programs to explore ways that the current programs could be modified. HUD is also interested in hearing more about how MTW PHAs have used their flexibilities in this area.

Ted Van Dyke from PHADA concluded the presentations by emphasizing that the FRB would not cost HUD or Congress any additional funding, and that by failing to make any changes, PHAs would be committing to the current consumption levels. He added that the proposal would result in over \$1 billion in extra income for PHAs, and that evidence has shown that PHAs will respond to these incentives. There are many ways for PHAs to reduce costs even without an ESCo and at no cost, such as lowering the temperature in hot water heaters. PHADA is moving forward on developing legislation to make an FRB proposal viable for all PHAs.

Following these presentations the audience was able to pose questions to the panel members. The following questions were raised:

- *How does freezing energy costs work in conjunction with freezing consumption?* Mr. Russ explained that when a PHA uses a multi-year contract for commodity consumption, there will be years where the PHA benefits more than others, which can make the PHA vulnerable. Mr. Mauk added that there should be a way for small agencies to participate in this model as well without using an expensive ESCo.
- *Ms. Sorrels indicated that HUD is interested in a self-sustaining loan fund, and asked whether the FRB would create enough savings to allow PHAs to pursue deeper energy reductions. She noted concerns about the initial investment in the ESCo.* Mr. Mauk explained that the first EPC was a jump-start to generate savings for the second, and that the second may not have been possible without the first.
- *Ms. Sorrels asked if any PHAs had worked with residents to modify behavior with regards to energy consumption.* Mr. Mauk responded that the resident education process was key, since, for instance, residents respond to geothermal and gas heat differently, as with regular versus energy-efficient lighting. Education and training were critical to get residents on board with these changes. Mr. Russ added that CHA had the same experience with low-flow toilets and lighting in a senior building.

- *An audience member noted that while they found it informative to hear about the experiences of large PHAs, there is not as much incentive for small PHAs because of the limited capital funds that must be used for improvements besides energy. The participant asked whether HUD would consider allocating a percentage of capital funds for energy improvements, to be awarded perhaps through a competitive process. Mr. Van Dyke responded that PHADA's proposal would accomplish that. Ms. Sorrels added that HUD is looking at ways to create self-sustaining loan pools, which may have a similar effect.*

# 2011 Moving to Work Conference Report

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## **DAY TWO**

***SEPTEMBER 21, 2011***

## **Building a Working Document: Lessons Learned and Policy Recommendations** *(General Session)*

**Speaker:** Ivan Pour  
*MTW Program Director, HUD*

**HUD Facilitator:** Laurel Davis  
*MTW Coordinator, HUD*

**Presentation(s):** MTW Report to Congress Executive Summary (Appendix C, Pages 1-3)

MTW Program Director Ivan Pour opened the session by noting that there are many questions about MTW activities and their results. The MTW Office has done its best internally to answer these questions through referencing the MTW Plans and Reports, which culminated in the publication of the August 2010 Report to Congress. Mr. Pour continued that the MTW Office realizes that each PHA has had completely different experiences. The task ahead is to see what can be agreed upon and what needs more research. Another consideration is whether new flexibilities are needed. Mr. Pour emphasized that outside groups and HUD leadership can learn a lot from the outcome of the sessions that will take place at this conference.

MTW Coordinator Laurel Davis then explained how the working sessions will function. Each working group has a HUD- and an MTW agency-facilitator to help lead the discussions. After the conference the MTW Office will put together a working paper to share with HUD leadership. MTW agency participation in this process would be welcomed.

## **Preserving and Revitalizing Public Housing** *(Working Sessions: Lessons Learned and Policy Recommendations)*

**Agency Facilitator:** Michael Kelly  
*Administrative Receiver, Philadelphia Housing Authority (PHA)*

**HUD Facilitator:** Luci Blackburn  
*HOPE VI Team Leader/MTW Coordinator, HUD*

**Presentation(s):** PHA Presentation (Appendix C, Pages 4-6)

Mr. Kelly explained the purpose for the session; to discuss the various MTW agency efforts and inform future legislative proposals related to preserving and revitalizing public housing.

### *Preserving and Revitalizing Public Housing: Development/Capital Activities*

Several PHAs represented in the session explained that they have pursued a strategy of disposing of public housing units and project-basing 100% of the replacement vouchers issues for the disposed units in the disposed units themselves. These representatives felt that the Project Based Voucher (PBV) is a better source of income for units, noting that vouchers seem to have more political support and thus more stable funding.

One PHA that had pursued the strategy of project-basing disposed units also created a new model that called a “Local Blended Subsidy.” Using its banked Annual Contributions Contract (ACC) funds from the disposed units, the PHA uses a combination of public housing and Section 8 funds to support the operations and maintenance of public housing units. This strategy also enabled the PHA to use the extra Section 8 money to house additional families.

Another PHA identified a roadblock to development activities around the expiration of MTW contracts. This PHA is interested in using operating funds to capitalize debt, but lenders are concerned about what might happen at the end of the MTW contract at the end of FY 2018. It was suggested that MTW agencies should be able to use the full extent of their flexibility through the life of the MTW agreement, so there should be assurances from HUD and Congress that commitments entered into during the current MTW term are honored.

Several PHAs expressed concern about the Department’s 2012 allocation adjustment proposal and how this may limit the ability to use operating reserves for development. Finally, one flexibility – the option to project base 100% of disposed units – was suggested as one that may be extended to all PHAs as a local market decision.

### *Mobility:*

The group discussed policies that allowed PHAs to move residents out of areas of high poverty concentration. One agency discussed a pilot project with three other local PHAs (including one MTW PHA) and other agencies to erase county lines as barriers and better take into account the availability of jobs and transportation. The MTW designation has helped the PHA take the lead in initiatives like this. In other regions, MTW agencies are modeling the Transforming Rental Assistance (TRA) mobility model for public housing.

Some agencies limit resident mobility through MTW activities to ensure steady income streams for housing developments and to limit the administrative burdens associated with frequent resident moves. One PHA discussed how it has required PBV holders to remain in the designated project for twenty four months, rather than twelve, before they may move with a the tenant-based voucher. Similarly, another PHA has eliminated the exit tenant-based voucher associated with PBVs. This PHA believes this encourages PBV holders to stabilize housing and keep children in the same school. The PHA is also going through the process to limit mobility for tenant-based vouchers for the same reason.

### Counting MTW Units:

The PHAs at the session discussed getting “credit” for affordable units that are not traditional public housing or Section 8 units. PHAs indicated that they primarily used annual MTW Reports to publicize the number of families served using local, non-traditional activities. Concerns regarding HUD’s reporting technology, specifically PIC, were expressed.

### Policies that need more research:

The group identified several policy areas that they believed need further research, including:

- Portability/housing choice
- Sustainability, including partnerships between DOT, EPA and HUD
- Partnerships to support veterans and the ‘formerly incarcerated’
- Rent programs that allow residents to obtain jobs and have their rent remain static for a period of time
- HUD review and approval of development projects. Specifically, a comment was made that demo/dispo applications should be approved at the same time as the accompanying mixed finance proposals. This would better allow the PHA’s to plan, and would eliminate some of the PIC “limbo” for units that are approved for one but not the other. PHAs stressed that streamlining the demo/dispo process actually helps them with leveraging funds.

## **Streamlining Housing Assistance and Increasing Cost-Effectiveness of Federal Expenditures (Working Sessions: Lessons Learned and Policy Recommendations)**

**Agency Facilitator:** Catherine Stone  
*Director of Housing Operations, Alaska Housing Finance Corporation (AHFC)*

**HUD Facilitator:** Justin Fazzari  
*MTW Coordinator, HUD*

**Presentation(s):** None

Participants at the session discussed a variety of MTW flexibilities used in their agencies with the goal of making policy recommendations that could be employed at other agencies. Participants began by addressing the questions provided to guide the discussion.

The first question posed was: *Using MTW flexibilities, what policy changes have been made to streamline?*

Many participants stated that their PHAs had employed various flexibilities to streamline the reexamination process. Several participants stated that their agencies had implemented biennial reexaminations for residents with fixed incomes. Several participants also addressed the policies of their PHAs regarding asset income. One participant stated that asset income below \$50,000 was disregarded. Another stated that her PHA has no limit and all assets of any amount are disregarded. An economic analysis was completed prior to implementation and the policy was found to be revenue neutral. It was emphasized that it is important to eliminate asset verification in the interest of streamlining, not just discounting of assets.

The attendees also discussed the elimination of medical and childcare deductions. One participant stated that their PHA eliminated these deductions but increased the standard deduction. The attendees shared ideas to make this process revenue neutral and not harm residents. A participant stated that their PHA has streamlined the examination process by limiting residents to one interim reexamination in a biennial cycle. Other PHAs eliminated utility reimbursements.

The participants had a lengthy discussion regarding flexibilities employed around moves and portability. One attendee stated that their PHA restricted moves in order to streamline and that families were requested to sign a two-year lease with moves only permitted for enumerated reasons. However, the PHA was re-visiting this activity because of a marked increase in reasonable accommodation requests. Another attendee stated that his PHA restricts portability, and that porting is only permitted for specific, verifiable reasons such as education, work or medical issues. An attendee stated that their PHA restricts incoming ports indirectly by imposing a work requirement, and another stated that a work requirement and stringent background check led to a decrease in port-in requests as well. Another participant commented that his PHA is considering implementing this activity in 2012, but that the Board of Commissioners is concerned about legal ramifications.

Flexibilities were also discussed regarding the Housing Quality Standards (HQS) inspection process. One participant stated that their PHA works with landlords to identify less serious items and allows landlords to self-certify that these items have been repaired. If the certification is not made within 60 days, payment is withheld.

Several participants commented on flexibilities utilized in the areas of Fair Market Rents (FMR) and subsidy payments. One participant stated that their PHA has developed local FMRs, which have proven to be revenue neutral and have given the agency more control to respond to the realities of the local market. Another participant commented that their PHA restricts bedroom size, requiring families to locate a unit that matches the family's voucher size. This measure was implemented after the PHA found that each additional bedroom was costing the PHA approximately \$90 per month, regardless of whether the total rent was below the payment standard. A participant commented that her PHA bases subsidy size on family size, not family composition, so

that the subsidy amount is determined solely on the number of persons in the family rather than considering ages of family members.

The next question considered was: *Have the changes been successful in meeting one or more MTW statutory objectives?*

Participants identified biennial reexaminations, disregard of asset income and elimination of utility reimbursement as reducing staff time and saving PHA resources. A participant commented that their PHA did a time study of staff time involved in annual reexaminations and found that the flexibilities employed cut processing time by 30%. Another participant commented that their PHA had credited debit cards rather than issuing checks in an effort to reduce staff workload and processing time, but found that this did not decrease workload. Participants discussed whether these activities increased self-sufficiency, and concluded that while it is difficult to quantify, it does make the program work more like the “real world.” Additionally, local FMRs were identified as increasing administrative efficiency and housing choices.

Participants identified work requirements and minimum rents as activities that promote self-sufficiency. An attendee commented that an increase in minimum rent at their PHA to \$125 seemed to result in tenants having a greater investment in the unit, and noticed a change in the way property was treated.

Restrictions on portability were identified as both increasing administrative efficiency and promoting self-sufficiency. A participant stated that his PHA did not want participants to circumvent MTW requirements by porting out, and the PHA wanted to keep vouchers in the area and have the ability to evaluate whether MTW activities were successful. Another attendee agreed with this, stating that participants were not permitted to “opt out” of work requirements by porting out. An attendee then commented that this does decrease housing choices.

A participant stated that single-fund flexibility meets the statutory requirement to increase housing choices by allowing a PHA to use Housing Assistance Payment (HAP) funds to redevelop or preserve public housing; however, this does make it challenging to serve the same number of families. Several attendees stated that single-fund flexibility promotes self sufficiency via supportive services, sponsor-based programs and other partnerships with non-profit agencies. An attendee commented that his agency is using single-fund flexibility in a variety of ways with the goal of improving educational outcomes.

The third and final question posed was: *What changes can be recommended for expansion to all public housing agencies?*

Participants agreed that activities such as biennial reexaminations and asset income disregards could easily be expanded to all PHAs. One attendee commented that when an idea becomes policy nationwide there is the risk that a great deal of local flexibility will be lost, but activities such as these are “easy ones.”

Many attendees commented on expanding single fund flexibility to all PHAs. Several comments were made expressing the opinion that Congress would not permit this; however, an attendee countered that if no one ever pushes the issue, it would never happen. A participant stated that without single-fund flexibility, it’s impossible to efficiently run a PHA due to segmentation of funds. Single fund flexibility permits a PHA to make business decisions regarding how funds would be best spent at a particular PHA based on the needs that the agency has. An attendee commented that it is impossible to run an HCV program with insufficient administrative fees, and single fund flexibility eliminates this problem. An attendee also commented that without single fund flexibility, there is little to no human development money. Single fund flexibility provides a way for agencies to open the door to providing services. It was acknowledged that while many flexibilities have the potential to be expanded via regulatory changes, expansion of the single-fund flexibility would require statutory change.

A participant commented that restricted portability would be best addressed through a change in regulations rather than utilization of MTW flexibilities. Another participant proposed that the flexibility to increase the percentage of vouchers that are project-based could be expanded to all PHAs in order to enable agencies to keep

units affordable in their communities. Several attendees also stated that the flexibilities to implement multiple payment standards and local fair market rents should be expanded to all PHAs so that they can respond to the realities of the local market.

Participants discussed MTW activities that have received backlash. A participant stated that his agency had received backlash regarding restricted portability and the work requirement; however, it had not received any negative feedback regarding the implementation of a minimum rent. The participant also stated that before implementing an activity that eliminated deductions from the computation of adjusted annual income, there had been an extensive explanation process and this had minimized backlash. Another participant stated that her agency had received a negative response regarding the inclusion of foster care income in adjusted annual income, and backlash from landlords regarding local payment standards because the landlords felt this activity was driving up market rents in one submarket. Several attendees commented on backlash from advocacy groups regarding activities aimed at de-concentrating poverty, as advocates felt they were decreasing housing choice.

An attendee commented that HUD procurement regulations are decreasing competition in their PHA's market and stated that no one wanted to bid on the PHA's projects due to the extensive regulatory requirements. The attendee proposed a study to use MTW flexibilities to allow a waiver of some procurement regulations. Another participant commented that this could expose a PHA to a great deal of risk and instead proposed streamlining the procurement process and connecting local contractors with resources and training.

Participants discussed whether rent reform activities should be proposed for expansion to all PHAs or whether it requires more analysis before the opportunity is given to other PHAs. An attendee commented that each locality has nuances that would make rent reform difficult to standardize. Another participant noted that HUD is concerned about money wasted due to incorrect calculations; however, there are many ways to make the calculations easier and less error-prone. The participant offered the example of eliminating various deductions and excluding asset income, balanced by decreasing the percentage of total tenant payment towards rent in order to minimize harm to residents. Several attendees commented that time limits and work requirements would be difficult to standardize between agencies. These are easier to implement in areas where a minimum wage or low-wage job is sufficient to afford rental housing. Additionally, a participant stated that there must be services associated with these activities, which is a challenge due to the cost of services and the requirement to serve substantially the same number of families.

## **Encouraging Self-Sufficiency through Alternative Rent Structures** *(Working Sessions: Lessons Learned and Policy Recommendations)*

**Agency Facilitator:** Chris Whaley  
*Housing Management Program Administrator at the Delaware State Housing Authority (DSHA)*

**HUD Facilitator:** Emily Cadik  
*MTW Coordinator, HUD*

**Presentation(s):** None

Mr. Whaley explained that DSHA is a relatively small agency that has participated in the MTW demonstration since 1999. Trying to achieve self-sufficiency among residents was DSHA's main goal in entering the MTW demonstration. Mr. Whaley explained DSHA's rent reform strategy as a 28% total tenant payment (TTP) with no deductions coupled with a flat utility allowance by bedroom size, making rents easy to explain and easy to calculate. There is a five- to seven-year time limit that takes into consideration established hardship provisions.

Mr. Whaley then relayed to the group that the purpose of this session would be to examine which rent reforms have had the strongest self-sufficiency outcomes and identify any common elements between successful rent reforms at different MTW agencies. This will be done in the context of five pre-determined questions in order to provide structure to the conversation and to create an outline for a working document that will be shared with Assistant Secretary Henriquez and Secretary Donovan.

The first question posed to the group was: *Using MTW flexibility, what policy changes have been made in this area and have the same types of policy changes been made at multiple PHAs?*

- One point that was largely agreed upon by the group was that rent reform strategies had the potential to help MTW agencies in achieving huge simplification of rent calculations. Benefits of this simplification include: savings in staff time that are then able to be reallocated to assisting residents with self-sufficiency activities; rent calculations that are easy for residents to understand, allowing for more meaningful financial planning and goal setting; and rent calculations that more closely resemble private rental market conditions, therefore preparing residents for future success.
- Another point that was largely agreed upon was that elderly and disabled households may require a different approach when setting alternative rent structures that encourage self-sufficiency. Many agencies ensure that these rent policies do not affect elderly or disabled families at all, either through provisions in a hardship policy or applying the alternative structure only to families who are earning income or have the ability to earn income. Some agencies, however, noted that often elderly and disabled households in their communities have the desire to earn income, and are therefore included in the development of these alternative rent structures.
- A general strategy that seemed to be applied across the alternative rent structures of many of the agencies was that both rewards for positive outcomes and consequences for lack of cooperation or compliance were needed to successfully encourage self-sufficiency. A combination of incentives (such as escrow accounts, job training resources, earned income disregards, fewer recertifications, etc.) and penalties (such as time limits, imputed income, etc.) were seen as effective for many agencies. Not all of the agencies present utilized this dual approach.
- The group discussed a number of alternative rent structures that MTW agencies have employed to address self-sufficiency, including: income banding, setting TTPs with no deductions, excluding new earned income in rent calculations for a set period of time, alternate recertification schedules and the establishment of escrow accounts. The group agreed that while there is some evidence that these particular approaches were or were not successful, not enough data was available to universally agree that any should or should not be widely used.

- The role of services (such as job training, financial counseling, budgeting, etc.) offered in conjunction with the types alternative rent structures at issue was discussed by the group. Some agencies require residents to make use of supportive services, some agencies offer services only to residents who wish to participate and some agencies either provide no service component or refer residents to other service providers in the community. It was largely agreed that if funding were available, offering services would be ideal. Some agencies, however, felt that it was the role of a housing authority to facilitate housing and not these other types of self-sufficiency services.

The next question posed was: *Have the changes been successful in meeting one or more of the MTW statutory objectives?*

- The group determined that the statutory objective of reducing costs and achieving greater cost effectiveness in federal expenditures has been addressed through the staff savings achieved in many of the rent simplification elements of the alternative rent structures.
- The group determined that the statutory objective of giving incentives to families in obtaining employment and economic self-sufficiency has been addressed through virtually every aspect of these alternative rent structures, as that is the central goal. It was noted that isolating the success or failure of a particular alternative rent activity was very difficult, as many other factors may contribute to resident outcomes. Because the alternative rents are not implemented in the absence of other influencing factors, it is difficult - if not impossible - to attribute success or failure to a particular policy.
- The group determined that the statutory objective of increasing housing choice for low income families has been addressed through the ability to move more families from the waiting list to housing assistance as other families achieve self-sufficiency. In addition, the increase that families achieve in earned income may allow them to move to areas of opportunity within their community, increasing the housing options available to them.

The third question posed was: *As a result of what we've learned, what changes can we recommend to the Secretary, Congress, and the industry for expansion to all PHAs?*

- The majority of the agencies present agreed that rent simplification of some kind should be widely available to all PHAs. Because the same simplification strategies may not work for all PHAs in all regions across the country, it was suggested that HUD provide a basic framework - or "toolbox" - of rent simplification strategies that PHAs would have the option of utilizing. This toolbox would need to be accompanied by guiding principles of what HUD sees as self-sufficiency or success so that the PHAs would be aware of the outcomes they would be trying to achieve. It was agreed that this approach would provide flexibility, but still allow HUD to set the parameters on permissible activities.
- Some members of the group expressed the view that public housing and Housing Choice Voucher rules should be the same. Operating the programs separately prevents efficient operation, therefore creating a barrier in expanding self-sufficiency programs.
- The group also largely felt that all PHAs should have the ability to negotiate with service providers in their communities. Often PHAs do not have the resources to provide needed services themselves, so the ability to enter into agreements with service providers with expertise in this area would be extremely beneficial.

The fourth question posed was: *What policies still need more research/testing before an assessment can be made?*

- The group agreed that testing alternative rent structures and the effect they have on self-sufficiency is virtually impossible. Even if it were possible to isolate only the effects of the rent structure, discounting

the numerous other factors at play, the results could not be widely applied across PHAs because of differences in region, housing stock, community size, etc. Because the results of testing alternative rent structures would be imprecise and not universally applicable across PHAs, the group felt that the value of testing was minimal.

- The group felt that the “tool box” option discussed above would address the fact that the value of testing these policies was low. They saw the “tool box” approach as a way for HUD to determine acceptable options that communities could then analyze to determine if those options would work for them.

The final question posed was: *What statutory, regulatory and/or policy modifications would be needed to effectuate the recommended changes?*

- It was stressed in the discussion of this final question and throughout the session that the most important thing HUD should avoid is to create any changes in policy that would result in an unfunded mandate. It was agreed that in these tight budgetary times, unfunded mandates could potentially have dire consequences for both MTW and non-MTW PHAs.
- The group did not specifically discuss the implementation of the “tool box” idea, but did say a first step would be for HUD to issue a menu of rent simplification tools that it felt was reasonable for all PHAs to have access to. Once this menu was complete, the various steps in implementing the menu could be explored.

## **Self-Sufficiency, Supportive Services and Service-Enriched Housing** *(Working Sessions: Lessons Learned and Policy Recommendations)*

- Agency Facilitator:** Jennifer Kelly  
*MTW Project Manager, San Diego Housing Commission (SCHC)*
- HUD Facilitator:** Marianne Nazzaro  
*Senior Advisor to the Deputy Assistant Secretary of the Office of Public Housing Investments, HUD*
- Presentation(s):** None

The first question posed to the group was: *Using MTW flexibility, what policy changes have been made in this area and have the same types of policy changes been made at multiple PHAs?*

One participant noted that their PHA had begun to implement sponsor-based housing for the homeless. This initiative was started in August, so no data is available yet. The PHA believes the initiative will provide needed resources to the homeless population. Other PHAs discussed similar sponsor-based initiatives that address the needs of the homeless, and it was largely agreed upon that these programs were successful.

Another participant described an MTW activity that allows the PHA to work with a local school with a high student turnover rate. This PHA plans to stabilize the school by coupling student enrollment with voucher assistance. Caseworkers will work with the students and families to help all household members to become more self-sufficient. Although this activity is in its initial phases, the PHA plans to track numerous outcomes very closely in order to provide results that can be replicated elsewhere.

Sponsor-based housing to address the needs of people coming out of prison was also discussed. This population is often overlooked and it is necessary to provide services in order to reunite families after a member of the household has been incarcerated. One PHA discussed an initiative that provides eighteen months of rental assistance to such households, paired with a service component.

The next question posed was: *Have the changes been successful in meeting one or more of the MTW statutory objectives?*

The group discussed that increasing housing choice was addressed through these types of MTW activities. Often, the housing assistance paired with a service component reaches vulnerable populations who may have no other housing options. Being able to pair households that have a specific need with the services to make them successful is a key component to this group of activities.

The third question posed was: *As a result of what we've learned, what changes can we recommend to the Secretary, Congress, and the industry for expansion to all PHAs?*

Possible changes and recommendations that the group submitted for consideration included:

- More flexibility with waitlist administration and trusting that the service providers familiar with the population that the PHA is trying to reach have the expertise and capacity to manage waitlists. This saves the PHA a substantial amount of money.
- Improve the capability of PIC to track these activities.
- Fungibility is central to these and other activities. This flexibility should be extended to all PHAs.

The fourth question posed was: *What policies still need more research/testing before an assessment can be made?*

Participants noted that there needs to be education, especially with the newer MTW agencies, regarding compliance with Fair Housing requirements. These regulations are not flexible under MTW. Another issue to examine would be the quantification of administrative savings that result from these MTW activities. Finally, the need for MTW PHAs to be able to capture the success of their MTW program in PIC was emphasized.

## **Building a Working Document: Debrief and Discuss Next Steps** *(General Session)*

**Speaker:** Laurel Davis  
MTW Coordinator, HUD

**Presentation(s):** None

The full conference reconvened to discuss the outcomes of the working sessions and possible recommendations for a policy paper. Below is a description of the report from each group.

### *Streamlining Housing Assistance and Increasing Cost-Effectiveness of Federal Expenditures*

The first group discussed several MTW activities that would increase cost-effectiveness, and whether it would make sense to expand these initiatives to all PHAs, or if further studies are needed. These included:

- *Conduct Biennial/Triennial Inspections and Recertifications.* The group found that it is easy to prove that these activities are cost-effective; stating that savings result after only a couple years of implementation. The group recommended expanding these activities to all PHAs.
- *Implement Work Requirements.* The group found work requirements to be cost-effective (both by saving the PHA money and bringing in additional revenue) and also to increase self-sufficiency. In addition, PHAs have found improved self-confidence and pride in participants after implementing this activity. The group cautioned that this activity would be more difficult to expand to all PHAs.
- *Disregard Assets below \$50,000.* The group found that this activity results in cost-efficiencies, but did not come to a conclusion regarding whether this activity should be expanded to all PHAs.
- *Eliminate or Reduce Verification Requirements for Determining Income.* The group found that this activity results in cost-efficiencies.
- *Increase Minimum Rent.* The group found that, as with the work requirement, a benefit of activity minimum rent is that family self-worth increases when they contribute more towards their rent and feel more of a sense of ownership.
- *Eliminate Utility Reimbursements.* Several MTW PHAs have eliminated the practice of issuing utility reimbursements to residents, while adjusting tenant rent payments to rent accordingly. These PHAs no longer have to issue small checks (\$2, \$5, \$10), resulting in efficiencies at the PHA-level.
- *Restrict Ports Outside of the PHA's Jurisdiction.* The group found that restricting port-outs could result in efficiencies, and in self-sufficiency, depending on the criteria that is placed on the ports (i.e. an employment requirement). The group believed that this activity could be expanded to all PHAs.
- *Restrict Interim Certification.* The group found that limiting the ability of residents to request re-certifications between regularly scheduled re-certifications to be cost-effective.
- *Restrict Mobility.* One PHA found that its average voucher-holder only stayed in a unit for 18 months, and the group suggested that limiting mobility may help reduce the cost associated with processing frequent moves. However, the group felt that more research should be done before expanding this flexibility to all PHAs.
- *Expand Single-Fund Authority.* The group suggested that in this tight fiscal environment, the only way that PHAs are able to make ends meet is by utilizing the flexibility to move funds between programs. The group suggested expanding this flexibility to all PHAs. In addition, the group suggested that HUD should provide a true block grant, in which funds are provided in a single fund, rather than via three separate funding streams (operating, capital and voucher).

- *Eliminate Deductions.* The group recommended eliminating all deductions and requiring households to instead pay a set percentage of their income in rent. The group believed that more research should be conducted, but that this cost-savings approach expanded to all PHAs. The group noted that this would simplify the rent process for both PHAs and households.
- *Simplify the Rent Structure.* The group noted that some PHAs assign rent payments by income bands, while others use subsidy bands based on the bedroom size a family qualifies for. Revising the rent structure would result in cost-efficiencies by simplifying the rent calculation process and increase housing choices by allowing residents to make more informed decisions, similar to those made by non-assisted tenants.
- *Expand Project Based Voucher Flexibilities.* The group recommended increasing the percentage of vouchers that PHAs can project-base, and expanding this flexibility to all PHAs. This would result in increased housing choice and cost-efficiencies.
- *Alternate procurement.* The group noted that reducing procurement requirements would be helpful.

### *Self-Sufficiency, Supportive Services and Service-Enriched Housing*

The group found that PHAs have used MTW to create and provide additional services to several targeted populations. Each PHA in the group administered a pilot program in partnership with agencies in the local community to provide services, often including case management.

The PHAs in the group found that in order to achieve the goals of their pilot programs, each had to relax screening policies and eligibility (criminal, prior conviction) records where permitted. These modifications to traditional programs used MTW authority to have partner agencies maintain waiting lists and make their own selections of participants. It was difficult to definitively identify successful programs, as many of the programs were too new to have provided concrete outcomes at this point. Each agency, however, established metrics to document success, and hoped to have more conclusive outcomes as the activities progressed.

The group found that these activities address all three statutory objectives: they increase housing choice for the target population, which would otherwise have restricted housing options; they provide increased self-sufficiency because of the additional services provided to the participants; and they provide administrative efficiencies by allowing the service providers to administer the waiting list.

The group recommended giving PHAs flexibility to relax eligibility requirements to target certain populations. In addition, the group recommended a process for PHAs to use the same funding flexibility (either within a single-fund or to shift funds from administrative fees to services) to achieve their goals in light of funding cuts.

The group recommended that more research is needed to clarify the regulations related to establishing eligibility (all PHAs could rethink this) and to educate PHAs on Fair Housing regulations and how they apply to MTW agencies.

Regarding documenting the success of self-sufficiency programs, the group found that MTW PHAs have been successful in determining administrative efficiencies and dollars saved. They have not, however, taken the next steps to identify where they are using the saved funds. The goal of some agencies is to achieve administrative efficiencies so they can use funds for supportive services. The subgroup suggested trying to quantify this across MTW PHAs.

### *Preserving and Revitalizing Public Housing*

The group identified several activities that use MTW authority to preserve and revitalize public housing including: modifying project-based voucher rules; project-basing vouchers in 100% of units in a development, project-basing a greater proportion of voucher assistance; waiving or simplifying competitive process

requirements; limiting portability in the first year of assistance; utilizing the single-fund budget authority; and using MTW funds to leverage debt for development.

These activities address the MTW statutory objective of increasing housing choice and are data-driven. The group discussed challenges with PIC, since it does not capture information on affordable units that are not public housing or voucher units. The group recommended providing all PHAs with flexibility relating to the project-based voucher rules, and recommended shifting the oversight function to the HUD Field Offices. The group suggested that this could be a good opportunity to combine demo/dispo and mixed-finance replacement voucher applications, as currently there are many different staff persons reviewing the applications.

The group suggested that more research is necessary regarding portability and mobility with vouchers and programs for veterans, formerly incarcerated residents and the homeless.

The group recommended that HUD encourage collaboration between HUD and the Departments of Energy, Justice, etc, to address sustainability initiatives. The group also recommended allowing PHAs to have one set of inspection rules that would satisfy the requirements in HUD's public housing and HOPE VI programs, as well as the requirements of tax-credit entities and state and local agencies.

#### *Encouraging Self-Sufficiency through Alternative Rent Structures*

The group noted that while rent simplification is an important tool to help residents achieve self-sufficiency, it should be coupled with services to promote self-sufficiency among affected residents. While it is likely that no single alternate rent approach would be successful for all PHAs, the group suggested that HUD develop a "menu" of possible activities and allow PHAs to implement those approaches that best fit the specific need of the PHA. The group suggested that rent simplification activities (e.g. eliminating deductions or streamlining the verification process) could result in cost efficiencies, which could then be used to fund self-sufficiency initiatives. Many PHAs have used the savings for this purpose.

The group noted that it is too early to know if most rent reform initiatives have been successful in meeting the statutory objective of increasing self-sufficiency. Some MTW agencies have recently implemented alternate rent policies; others are in the process of revising their policies. Because PHAs have different approaches, it will be difficult to test whether self-sufficiency has resulted from the alternate rent policy, or if is due to other factors.

The group recommended that HUD provide all PHAs with a basic framework of the overall objectives for rent reform, but that PHAs be given the flexibility to design a program that best fits each community's needs.

The group suggested that continued testing is not the solution; rather, practical application will be the best test of what works. The group recommended HUD set a specific measure of standard, so all PHAs provide the same measures, but they can have locally-designed programs in order to achieve the measures. Finally, the group recommended that any rent reform should be tied to self-sufficiency.

## **Description of Small Group Discussions** *(Small Group Discussions)*

During this portion of the MTW Conference, peer groups met with one another for a candid discuss of issues, challenges and ideas related to their specific duties. Participants broke out into the following staff types:

- Executive Directors/Senior Leadership
- Finance and Accounting Staff
- Housing Programs Staff
- MTW Program Coordination and Reporting Staff
- Self-Sufficiency and Supportive Services Staff
- HUD Staff

As these sessions were aimed towards brainstorming and networking, notes were not taken.

## **Presentation on Developing an Alternate PHAS/SEMAP and Other Monitoring Tools (Optional Lunch Session)**

**Presenter:** Andrew Lofton  
*Deputy Executive Director, Seattle Housing Authority (SHA)*

**HUD Facilitator:** None

**Presentation(s):** None

Because the discussion was shortened due to extenuating circumstances, Andrew Lofton from SHA indicated a follow-up conference call would be held to go into more depth on several issues, including:

- What is the need for an alternate Public Housing Assessment System (PHAS)?
- How should HUD define “high performers”?
- How should performance be measured generally for MTW?
- What should the working groups address moving forward?

Mr. Lofton noted that there are differences between a high performing real estate manager and a high performing MTW agency, since MTW agencies do much more than just manage real estate. He added that MTW agencies should not be punished in such a system for implementing approved MTW activities. Mr. Lofton then outlined the current options: opt out of PHAS entirely, foregoing the High Performer designation or bonus; opt into PHAS, but remain locked in throughout the remainder of the demonstration to a system that may not reflect local needs; develop an alternate system.

The group then engaged in the following discussion points:

- A participant asked whether HUD systems can really measure MTW activities at all, since they do not necessarily work for regular programs. The group may not want to consider them as a basis for any future system. Another attendee responded that it might be more viable to modify a HUD system than to create a new one, especially because HUD has no funding for such an effort. It was suggested that the PIH Information Center (PIC) may be the easiest to modify.
- It was noted that MTW agencies are all encouraged to try activities whose success is not guaranteed, which could negatively impact their scores in assessment systems.
- It was suggested that the group focus on identifying the key indicators that prevent the existing systems from working for MTW agencies.
- The question was posed of why MTW agencies would volunteer to do additional reporting beyond what is already required (i.e. developing an alternate system for MTW PHAs that would evaluate their performance more broadly). While it is understood that there is a need to tell the story of MTW, PHAS may not be the appropriate venue.
- It was noted that the group may just need to identify the places where the definition of “high performer” should be changed to reflect what MTW agencies are allowed to do.
- It was offered that MTW agencies implement many activities that PHAS does not capture, but agencies are evaluated only on PHAS. Developing an alternate system would arm HUD with the data it needs to defend MTW agencies and activities.
- Emily Cadik from the MTW Office at HUD reminded participants that HUD has not shown willingness to consider more than one alternate system for MTW agencies.

## **Data Collection, Evaluating MTW Activities, and Developing Baselines and Benchmarks (Concurrent Sessions)**

- Panel Members:** LaRae Baumann  
*Project Analyst, Charlotte Housing Authority (CHA)*  
Jennifer Rainwater  
*MTW Project Manager, Housing Authority of the County of San Mateo (HACSM)*
- HUD Facilitator:** Nora McArdle  
*Program Analyst for the Office of Policy, Program and Legislative Initiatives, HUD*
- Presentation(s):** CHA Presentation (Appendix C, Pages 7-9)  
CHA Handout – Reporting and Tracking Terminology (Appendix C, Page 10)  
CHA Handout – Performance Detail Calculations & FAQ (Appendix C, Pages 11-12)  
HACSM – Data Collection Handout (Appendix C, Pages 13-16)

Nora McArdle began the session by explaining that her office at HUD, the Office of Policy, Program and Legislative Initiatives (OPPLI), is very interested in the data regarding MTW outcomes for three reasons:

- MTW is the best place to evaluate reforms that can be expanded to other PHAs. With that in mind, MTW PHAs should make a concerted effort to provide strong outcome data so that the Office of Public and Indian Housing (PIH) can make better policy decisions and better advocate for reforms.
- MTW units comprise a significant portion of PIH’s portfolio.
- HUD has a responsibility to regulate and monitor MTW activities and report on these activities to Congress.

Ms. McArdle emphasized that MTW PHAs should give HUD as much data as possible, identifying numerous metrics and measuring concrete outcomes in order to make the data more persuasive. She added that when setting benchmarks, PHAs should not just set ones they believe they can achieve, but benchmarks that are challenging.

LaRae Baumann of CHA gave a presentation about CHA’s data collection efforts related to self-sufficiency activities. Ms. Baumann emphasized the importance of setting baselines, and noted that CHA’s initial metrics failed to capture several outcomes, such as attrition and the movement of families in terms of need and success. Realizing this, CHA met with a research organization to develop more precise measures by dividing families into tiered levels with cohorts. The longer a family stayed in the program, the higher standard they were held to, with baselines adjusted annually for attrition. CHA also has a separate set of metrics for youth.

Using a streamlined Master Tracking System spreadsheet, CHA is able to produce quarterly reports and respond to ad hoc data requests without difficulty. This has saved considerable staff time after the initial month that it took to set up the system. Ms. Baumann offered to share the template with participants.

HACSM’s Jennifer Rainwater explained the PHA’s interest in producing quality data as easily as possible, often using existing systems. HACSM created a Quality Assurance Department to check activities on a monthly basis, and while they may not always achieve a given benchmark, they are often able to see the reasons why because of the continuous monitoring. For instance, HACSM was able to see decreases in certain self-sufficiency measures that coincided with California’s decreasing Social Security payments.

To capture the effect of several streamlining activities, HACSM conducted a time study, using a “normal” snapshot in time from a month when there were no holidays or other extenuating factors. For the month, they tracked every appointment and inspection, but emphasized to staff that it was only for one month. HACSM found that it had saved 220 hours, or close to \$200,000, from these activities.

Ms. Rainwater added that it can be difficult to identify which activity caused any particular change, but that having a data collection plan in place from the start can help.

The following questions and discussion points were then brought forward:

- *Which activities have been the hardest to measure?* Ms. Rainwater responded that housing choice measures can be the most difficult – not necessarily the number of units, but metrics like differences between neighborhoods and landlord response. Ms. Baumann answered that measuring outcomes for youth can be the most difficult, especially because it relies on data from other partner agencies or from parents.
- *Who typically defines the metrics – those who implement the activities, or those responsible for MTW generally at the PHA?* Ms. Rainwater stated that the metrics are developed at the MTW policy staff level, and that the staff who implement the activities are not told what the goals are and are reminded that activity outcomes will not be used for performance evaluation purposes. Ms. Baumann responded that senior staff set the metrics, and then hold trainings for staff and vendors.
- *Are snapshots of raw data are taken periodically?* Ms. Baumann responded that CHA looks at the data each month, and that the data can be broken down by site or by program. Ms. Rainwater responded that HACSM tracks family data monthly.
- *Have other PHAs have found that Family Self-Sufficiency (FSS) outcomes are tied to the amount of time spent with a case manager?* No agencies indicated that they found such outcomes or were measuring this.
- *Have other PHAs measured rental revenue or Housing Assistance Payment (HAP) costs with regards to biennial recertifications? Have other PHAs found it to be a funding issue?* Ms. Baumann stated that it was not measured at CHA. Ms. Rainwater stated that it is difficult to measure because so many factors impact rental revenue.
- *At what point do PHAs deem MTW activities unsuccessful?* One participant explained that one of his PHA's activities resulted in more moves than expected, thus making implementation a problem. The activity was subsequently revised. Ms. Rainwater responded that the relief around third-party verification led to some questionable receipts to verify expenses (especially child care), and HACSM ended up having to verify the receipts anyway, thus negating the administrative efficiencies the activity was designed to create. Ms. Baumann added that CHA ties program budgets to a scorecard, so activities will appear as green, yellow or red. When activities appear red, either the activity or the metrics are revised. CHA has not, however, ever completely ceased an activity.

## **Reporting MTW Families in PIC and Q&A with PIC-IT (Concurrent Sessions)**

- Panel Members:** Justin Fazzari  
*MTW Coordinator, HUD*
- Eugene Chen  
*Management Information Specialist with PIC-IT, HUD*
- Steve Vigeant  
*MTW Consultant, Massachusetts Department of Housing and Community Development  
(MADHCD)*
- HUD Facilitator:** Justin Fazzari  
*MTW Coordinator, HUD*
- Presentation(s):** None

The session began with a presentation by Steve Vigeant from MADHCD, who shared MADHCD's experience converting from the traditional non-MTW 50058 module to the MTW module in the PIH Information Center (PIC). MADHCD began the conversion process a year before the conversion was targeted for completion and did a good deal of troubleshooting. Because PIC does not have the capability to erase the test system and start over, MADHCD created a tool to erase the data. After this, 50058s would be uploaded and erased. Although agencies can choose to have HUD PIC-IT staff complete the conversion, MADHCD chose to complete the conversion in-house so that the fault for any mistakes would fall on the agency. MADHCD also conducted troubleshooting regarding the issue of how to test new software. In the 50058 module, an agency can input data and then verify it. This tool, however, is not available in the MTW module. MADHCD recommended to HUD that HUD inform PHAs of flaws in the PIC system so that the agencies are not "reinventing the wheel."

Mr. Vigeant continued that currently, all of MADHCD's 18,000+ vouchers have been converted to the MTW module. Although the agency is not currently required to be scored in the Section 8 Management Assessment Program (SEMAP), MADHCD keeps track of the indicators to ensure that the agency is in compliance. This has been incorporated into the agency's internal software since it is not available in the MTW PIC module. Some problems that MADHCD have faced are the fact that "action 8" and "action 13" do not download in the ad hoc report. Eugene Chen from HUD's PIC-IT stated that the Real Estate Assessment Center (REAC) is running a batch job to correct this issue. Additionally, Mr. Vigeant stated that MADCHD has had problems regarding how to audit files, since the MTW 50058 is not useful for audits. MADCHD has put sections back into the form in the agency's internal software to make files more useful in the audit process.

MTW Coordinator Justin Fazzari discussed various issues with attendees. The MTW Office held two PIC conference calls in the eight months preceding the MTW conference, which consisted of an open dialogue about any PIC related issues. The MTW Office also put together a Question and Answer resource based on the questions that were asked during those calls. Q&A resource is available on the MTW website. There is currently no way to capture families served through local, nontraditional MTW activities in PIC and no immediate plans to modify PIC in order to do so.

Mr. Fazzari also discussed PIH Notice 2011-7 and the implications on MTW agencies. The Notice describes the process of categorizing units utilized for MTW Neighborhood Services, and MTW agencies must follow this process with their local Field Office to get the necessary approvals. The importance of correct unit categorization was stressed, as this data establishes a PHA's occupancy rate, which can in turn impact the agency's PHAS score and operating fund calculation. An attendee commented on the cumbersome nature of the notice, but it was emphasized that because the data will be utilized as the sole source of information regarding operating subsidy, it is essential that units be categorized correctly.

The attendees then engaged in a question and answer session with the presenters. The following questions were raised:

- *Is HUD concerned about PHAs converting from the traditional 50058 module to the MTW module independently and potentially losing the historical record?* It was answered that having a historical record is important.
- *An attendee from a new MTW PHA asked if the agency should have HUD perform the conversion to the MTW module.* It was recommended that the PHA perform the conversion itself. The conversion to the MTW module is not mandatory. However, if certain types of activities are undertaken (i.e. alternate rent structure, biennial reexaminations, etc.) then conversion will be necessary because the traditional 50058 module is not equipped to accept the data.
- *An attendee commented on the "hit or miss" nature of PIC reports.* It was stated that this is likely to be fixed in the next 18-24 months. HUD is considering posting reports on the HUD website in the interim.
- *Another attendee asked about the next set of changes for the MTW module.* Nothing will be changed in the next 18 months due to resource constraints and, when a new release occurs, there can only be maintenance fixes but no new development.

The session concluded with Mr. Fazzari asking attendees if the agencies would like to hold quarterly conference calls regarding PIC issues. The attendees were interested in this.

## **Special Purpose Vouchers and the Voucher Management System (VMS) (Concurrent Sessions)**

- Panel Members:** Carissa Riddle  
*Director of HCV Financial Management Center, HUD*
- Susannah Still  
*Housing Program Specialist (NED) in HCV Management and Operations Division, HUD*
- Brianna Benner  
*Housing Program Specialist (FUP) in HCV Management and Operations Division, HUD*
- Phyllis Smelkinson  
*Housing Program Specialist (VASH) in HCV Management and Operations Division, HUD*
- HUD Facilitator:** Ivan Pour  
*MTW Program Director, HUD*
- Presentation(s):** HCV NED Presentation (Appendix C, Pages 17-18)  
HCV Handout – FUP Fact Sheet (Appendix C, Pages 19-20)  
HCV Handout – Special Purpose Voucher Q&A (Appendix C, Pages 21-26)

The purpose of this session was to review different types of Special Purpose Vouchers (SPV) and their entry into the Voucher Management System (VMS). Mr. Pour introduced HUD staff from the Housing Choice Voucher Management and Operations Division and the Housing Choice Voucher Financial Management Center.

Susannah Still presented information on Non-Elderly Disabled (NED) Vouchers. These vouchers are divided into NED1 and NED2. Ms. Still reviewed the basic provisions of the programs, referring participants to PIH Notice 2011-32 for details. Participants were instructed to record NED vouchers in VMS under the heading NED. Participants were also reminded that upon turnover, NED vouchers can only be given to another NED person on the wait list and that housing authorities should be working with service providers to be sure there are eligible NED people on the wait list. Since 1997, HUD has issued 55,000 NED vouchers to 400 housing authorities.

Brianna Brenner provided a presentation on Family Unification Program (FUP) vouchers. These vouchers serve two populations: families separated due to lack of housing and youth aging out of foster care. Youth get only 18 months of assistance. Upon turnover of FUP vouchers, the vouchers must stay FUP and be given to another household eligible for the FUP program. FUP recipients must comply with the provisions of the specific Notice of Funding Availability (NOFA) under which the vouchers were awarded. For more information, participants can contact the Field Office SPV specialist.

Phyllis Smelkinson provided information on Veterans Affairs Supportive Housing (VASH) vouchers, which provide rental assistance to homeless veterans receiving social services. Special requirements related to the program (including portability) were published in the Federal Register on May 6, 2011. It was noted that if PHAs want to use MTW flexibilities to make changes to operational requirements in administering these vouchers, they must request HUD approval, which is generally given as long as the changes do not negatively impact veterans.

Carissa Riddle provided a presentation on entering SPVs in VMS. She reviewed the changes made in VMS recently (particularly the introduction of tabs and consolidating similar information on the same page to make it easier to read). She also reviewed data entry improvements and focused the major change in the upcoming April release, which will allow PHAs to update past entries more easily without requiring the intervention of their HUD representative every time an edit is required. Ms. Riddle reviewed upcoming proposed changes for separate tabbed information by voucher program, asked for feedback regarding these changes and asked participants if they thought this would be burdensome. She asked participants to contact her with any comments. The proposed voucher tabs are expected to be released in late fall of 2012.

## **MTW Flexibility and PIH Grant Funds (Concurrent Sessions)**

**Panel Members:** Sue Wilson  
*Director of the Urban Revitalization Division, HUD*

Caroline Clayton  
*Team Lead of Choice Neighborhoods, HUD*

Anice Schervish Chenault  
*ROSS Program Manager/HOPE VI CSS Grant Manager, HUD*

Alan Kaufmann  
*Public Housing Revitalization Specialist, HUD*

Kathryn Greenspan  
*Housing Program Specialist in HCV Management and Operations Division, HUD*

**HUD Facilitator:** Marianne Nazzaro  
*Senior Advisor to the Deputy Assistant Secretary of the Office of Public Housing Investments, HUD*

**Presentation(s):** None

Sue Wilson, Caroline Clayton, Alan Kaufmann, Ron Ashford and Kathryn Greenspan each gave an overview of their programs (HOPE VI, Choice Neighborhoods, Capital Fund Community Facilities, Resident Opportunities and Self-Sufficiency (ROSS) and Family Self-Sufficiency (FSS), respectively). The session was then opened for questions and discussion. The following questions were received:

### HOPE VI

- *Can blanket language that states that MTW funds can be used to apply for Notices of Funding Availability (NOFAs) be included in MTW Plans/Reports?* It was answered that the direct cost of putting the application together is not an eligible use of grant funds. Non-federal sources must be used for this.
- *Can MTW funds be used to plan? MTW PHAs may miss planning opportunities because the MTW Plan is already submitted by the time the NOFA is released.* It was noted that although MTW Plans may be submitted prior to the issuance of a NOFA, plan amendments are available to make these changes.

### Choice Neighborhoods

- *Can MTW funds be used for planning activities? Can they be used to hire a planning consultant if the funds are not actually used for the planning grant?* It was answered that MTW funds can be used for any purpose available under the MTW PHA's specific Standard MTW Agreement.

### ROSS/FSS

- *Can ROSS service coordinator funding only be used for service coordinators and not for residents?* It was answered that service coordinator funding must be used for service coordinators. The purpose is to create a core of service coordinators who are capable of providing the needed support.
- *If public housing undergoes a demo/dispo, what happens to the leftover ROSS funds?* It was answered that in the past HUD has recaptured these funds.
- *Is ROSS funding going to disappear?* It was answered that at this time, it looks like ROSS funding will not be included in the budget request. Therefore, the program will likely disappear. Money that has already

been awarded, however, will be given to PHAs in the full amount. For FSS, it was added that currently \$60 million is allocated in the budget request for the program. It is hoped that this funding will remain.

- *Is there a chance for more flexibility so coordinators can be used for MTW activities and programs?* It was answered that this may be a possibility in the future. More research will be needed.

## **Q&A with HUD PIH Senior Staff (Panel)**

**Panel Members:** Deborah Hernandez  
*General Deputy Assistant Secretary of the Office of Public and Indian Housing, HUD*

Dominique Blom  
*Deputy Assistant Secretary of the Office of Public Housing Investments, HUD*

Debra Gross  
*Deputy Assistant Secretary of the Office of Policy, Programs and Legislative Initiatives, HUD*

Milan Ozdinec  
*Deputy Assistant Secretary of the Office of Public Housing and Voucher Programs, HUD*

David Vargas  
*Deputy Assistant Secretary of the Real Estate Assessment Center, HUD*

Candace Simms  
*Program Liaison Specialist, Office of Field Operations, HUD*

David Lipsetz  
*Senior Policy Advisor for the Office of Public and Indian Housing, HUD*

Ivan Pour  
*MTW Program Director, HUD*

**HUD Facilitator:** Laurel Davis  
*MTW Coordinator, HUD*

**Presentation(s):** None

This general session for all conference attendees included a question and answer session with HUD senior staff whose program offices are involved with MTW. Below is a listing of the questions and their responses.

**QUESTION:** *How is HUD speaking loudly for the poor?*

General Deputy Assistant Secretary Deborah Hernandez said it is reflected in how HUD goes about the business of housing, though HUD could have better systems and could streamline and manage risk more effectively. MTW agencies have many flexibilities and can demonstrate what can be done in these areas. Ms. Hernandez concluded that HUD should take a strong look at managing the business of public housing.

Senior Policy Advisor David Lipsetz added that the comparison of PIH versus other federal programs has shown that PIH has been very successful in terms of its programs' ability to maintain funding.

Deputy Assistant Secretary Deborah Gross said her office has launched a major initiative for regulatory reform for fiscal year 2013. MTW has been a major influence on this initiative.

**QUESTION:** *What is probability of renewing MTW beyond 2018? Does HUD support an extension?*

Ms. Hernandez offered that there are a large number of supporters for an expansion of MTW in Congress. It will be necessary to tell the story that no one has been harmed by the program and that there have been positive outcomes, especially with regards to serving more people through MTW flexibilities. She said a formal MTW evaluation will help in this endeavor. An evaluation could highlight the good that can be done with flexibility with the same or fewer funds. She stressed the need for MTW agencies to advocate their position to Congress.

MTW Program Director Ivan Pour said at the beginning on the demonstration, it was thought that ten years would be a good amount of time for agencies to address local needs. It is now time to show the outcomes in order to preserve this flexibility.

QUESTION: *What is HUD's ability to approve activities beyond 2018?*

Mr. Pour answered that HUD's ability to make such a decision and should be something that is discussed and decided in the near future.

QUESTION: *What will HUD do to keep everyone focused on outcome measures?*

Mr. Pour responded that HUD aims to make sure MTW activities are clearly structured with metrics.

Deputy Assistant Director David Vargas added that as the final Public Housing Assessment System (PHAS) rule moves forward, there is a question as to the measurement for MTW agencies.

Ms. Hernandez indicated that a series of white papers including greening, improved housing and improved incomes would be helpful.

QUESTION: *Regarding the Parameters Notice (PIH Notice 2011-45), why was it created and is HUD open to revising it?*

Mr. Pour clarified that at outset of the demonstration, there was a lot of discussion about what activities agencies could engage in. Working through the development of the Standard MTW Agreement, the Office of General Counsel (OGC) thought only flexibilities under Sections 8 and 9 should be allowed. Some MTW agencies, however, were doing very creative and successful things outside Section 8 and 9 that were allowed in their Agreements that pre-dated the Standard MTW Agreement. OGC agreed that as long as the MTW activity was tied back to one or more of the three statutory objectives, the PHAs could carry forward the authority to undertake these activities. Secretary Henriquez then agreed to expand this authorization to conduct local, non-traditional activities to additional MTW agencies that did not have this authority in their Agreements, and this Notice was designed to clarify the parameters that accompany this flexibility. Clarifications can be made, but the Notice has undergone a comprehensive process and all of HUD has reached a level of comfort on this issue.

QUESTION: *If MTW is a partnership with HUD to innovate, why have there been a number of recent Notices that have restricted flexibilities?*

Ms. Gross responded that the recent Notices, such as the Parameters Notice and the Fair Housing Notice, are a result of concern about the permissibility of activities and proposals of MTW agencies. Issuing notices has actually given MTW agencies more flexibility, since many initiatives were not being approved until there was stronger guidance in place to ensure that MTW activities were only waiving parts of the 1937 Act.

QUESTION: *What is HUD's current thinking about the offset for the Operating Fund?*

Ms. Hernandez answered that all MTW agencies will be included in the offset.

Mr. Vargas added that there is language in the House and Senate versions of the appropriations bill that addresses MTW agencies. He said contributions will be based on median average of their peers.

Mr. Ozdinec said there is a \$720 million offset in the tenant-based voucher fund and potentially a reduction in administration fee funds as well.

QUESTION: *Given that cash reserves are put aside for MTW activities, how can agencies protect these reserve balances?*

Mr. Ozdinec answered that it is difficult to justify these balances when cuts are coming. The same happened in 2008 for the tenant-based voucher offset in that year. If agencies have unspent funds, those funds should be used. Maximizing housing choice vouchers issued was another suggestion.

Mr. Vargas added that there is language that protects money that is obligated, but not money that is not obligated.

QUESTION: *Can you discuss the five year technology initiative? Will it automate submissions?*

Mr. Vargas answered that the fund for these improvements will face challenges.

Mr. Ozdinec added that a contractor has been hired to evaluate the technology and is assessing needs.

QUESTION: *What is possibility of using Homeless Management Information System (HMIS) and the PIH Information Center (PIC) together?*

Mr. Pour agreed that this sounded like a good idea, but he was not sure what the possibility is.

Mr. Vargas said the contractor hired through the technology initiative is working on identifying duplicative systems. The contractor is also looking at REAC's ability to satisfy multiple requests.

QUESTION: *Is HUD looking for a single system for all reporting?*

Mr. Vargas answered yes, that HUD is looking at this and will address it under the fourth version of the Public Housing Assessment System (PHAS IV).

Mr. Ozdinec said on the Section 8 Management Assessment Program (SEMAP) side there is a similar issue and efforts are underway to create an easier environment to report on time.

Ms. Gross added that HUD is committed to advancing the agenda on regulatory reform and has looked at what PHA interest groups have suggested.

QUESTION: *Is there an update on Physical Needs Assessment (PNA) Tool?*

Ms. Blom responded that the latest comment period on the PNA Tool closed recently. Ms. Blom added that fewer industry comments were received than expected. The final rule is being finalized and pilot tested at this time. The tool is scheduled to roll out in FY2012.

QUESTION: *Could the Financial Management Center (FMC) provide monthly funding information so housing authorities do not have to reconcile?*

Mr. Ozdinec answered that a strategy to address this akin to online banking is being worked on.

QUESTION: *Can MTW funds be used to fund Choice Neighborhoods planning?*

Ms. Blom answered that this was an acceptable use of MTW funds.

QUESTION: *Can MTW funds be used to apply for Notices of Funding Availability (NOFAs)?*

Ms. Blom answered that non-Federal Central Office Cost Center (COCC) funds would have to be used for this purpose.

QUESTION: *Where is HUD with processing MTW Agreement amendments?*

Mr. Pour answered that some previously stalled amendments have begun to move through OGC now that the Parameters and Fair Housing Notices have been published, while issues with other amendments are being addressed individually.

*QUESTION: Are any MTW flexibilities available in relation to the Community Service requirement?*

Mr. Pour answered that the Community Service requirement is in Section 12 of the 1937 Act and therefore no MTW flexibility is available.

*QUESTION: How can reviews be limited and more structured?*

Ms. Hernandez answered that the more the systems are streamlined, the more agencies can easily share their information with HUD.

Mr. Lipsetz added that there is a working group with the Department of Treasury, the Department of Agriculture and the White House to examine issues like this. Mr. Lipsetz acknowledged that no PHAs are administering just public housing units, and because there are a lot of different kinds of units, there are a lot of different kinds of oversight. Ideas such as piloting consolidation of subsidy layering reviews are being discussed by the working group.

*QUESTION: With the Brooke Amendment tenant contribution income limit at 30%, could HUD lower the percentage and eliminate deductions?*

Mr. Pour answered that is permissible under MTW. Some MTW agencies have engaged in this.

*QUESTION: Is there an unwritten policy to reject demo/dispo applications?*

Ms. Blom answered that the standard for the processing of demo/dispo applications is the same. There have been lawsuits that question the processing of these applications. HUD must separate the technical assistance from the approvals and disapprovals. That means if an application does not meet the standard, the application is rejected. Then the PHA can resubmit it at a later time. Ms. Blom continued that the issue is that Special Applications Center (SAC) has helped agencies pass the test, and the advocacy community has been criticizing this. For this reason, the SAC can now only provide technical assistance before an agency submits the application. Once submitted then the technical assistance will be minimal.

## **Closing Remarks** *(General Session)*

**Speaker:** Dominique Blom  
*Deputy Assistant Secretary of the Office of Public Housing Investments, HUD*

**Presentation(s):** None

Deputy Assistant Secretary Dominique Blom concluded the 2011 MTW Conference by thanking all participants for their hard work over the past two days and all the work required in preparation for the conference. She commented how a lot of thought and effort clearly went into the presentations given.

Ms. Blom continued that the conference gave her an opportunity not only to come away knowing more about the current activities of MTW agencies, but also a sense of hopefulness for the future. The conference is an opportunity to remind everyone that PHAs have been figuring out ways to get the most out of their federal dollars for years, and have a history of thinking creatively to adapt to a variety of circumstances. Ms. Blom expressed her confidence that MTW agencies would continue to use the tools available to them through MTW to keep serving residents even when resources are scarce.

As MTW agencies continue to think of new initiatives, Ms. Blom encouraged them to keep telling HUD their stories, including how funds were saved and redirected elsewhere, how MTW was used to leverage outside funding and how funding flexibility can focus resources where they are needed most. HUD will review the documents that resulted from the working sessions to see what suggestions MTW agencies have in expanding flexibility to a wider range of PHAs.

Now more than ever, concluded Ms, Blom, HUD is looking to industry innovators in determining where to go next and how to make the most of what is available. She then thanked all HUD staff from the Field and Headquarters who contributed to the conference.