

Moving to Work Research Advisory Committee (Conference call)

Tuesday, December 13, 2016 Meeting Notes

I. Welcome

The Committee's Designated Federal Official (DFO), Laurel Davis, offered a welcome and took attendance. All members of the Committee were present but one (Larry Orr). Members attending the conference call were:

PHA Representatives and Residents

- Josh Meehan, Keene Housing, NH
- Austin Simms, Lexington-Fayette Urban Housing Authority, KY
- Chris Lamberty, Lincoln Housing Authority, NE
- Adrienne Todman, District of Columbia Housing Authority
- Ed Hinojosa, San Antonio Housing Authority, TX
- Janny Castillo, Oakland Housing Authority, CA
- Cindy Fernandez, Housing Authority of County Tulare, CA
- Asia Coney, Philadelphia Housing Authority, PA

Researchers

- Stefanie DeLuca, Johns Hopkins University
- Mark Joseph, Case Western Reserve University
- Jill Khadduri, Abt. Associates, Inc.

HUD Staff

- Marianne Nazzaro, MTW Director, Public and Indian Housing (PIH)
- Todd Richardson, Acting Deputy Assistant Secretary for Policy, Office of Policy Development and Research (PD&R)

The DFO handed the floor to MTW Director, Marianne Nazzaro, to refresh the Committee's memory on the previous meetings.

She provided a brief background on the Committee's work to date, focusing on place-based and mobility, since that was the focus of the meeting.

In April, the Department issued a Notice soliciting feedback on what policies to study with the expansion, and how they should be evaluated. Over 250 suggestions from over 40 respondents were received. The summary of the feedback received, organized around the three MTW statutory objectives of cost-effectiveness, self-sufficiency, and housing choice, can be found on the MTW website.

- During the two calls in July, the Committee discussed the feedback as it relates to the specific policies that HUD could study with the expansion and narrowed the policies. The

following policies around place-based initiatives and mobility were discussed during the July meetings:

- HEALTH

- HUD received several comments recommending the Department test reducing overall Federal expenditures through improving health outcomes. The comments ranged from suggesting the Department study policies that focus on the health and well-being of elderly and disabled residents to focusing on providing mental health services for certain groups of residents.
- In July, the Committee discussed the experience of the DC Housing Authority in creating an assisted living facility. It was noted that the single-fund budget authority is the only MTW flexibility necessary to implement the project. The Committee agreed this was a lower priority area for study due to the limited capacity of smaller agencies and lack of clarity around what flexibility would be needed for such interventions.

- EDUCATION.

- HUD received a number of comments focused on educational policy proposals. Many commenters suggested services that could be provided by a PHA or through partnerships, and the need to dedicate onsite space for such efforts. Commenters noted that education outcomes are possible indirect outcomes of the operation of assisted housing; therefore, research on this and similar secondary effects of MTW status should be prioritized much lower than outcomes related to core assisted housing program goals.
- During the July calls, the Committee agreed that policies in this area might be difficult for smaller agencies, but at the same time, the possibility of ending generational poverty through this is important, and it may be worth considering how it could be applied to those agencies. MTW PHAs generally rely on funding fungibility, however, not necessarily requiring a specific statutory or regulatory waiver. Overall, the Committee agreed that this is a lower-priority area, though it was also suggested that education could be a set of outcomes for the study of the block grant.

- MOBILITY

- HUD received extensive comments regarding strategies that could encourage participant mobility to opportunity areas. Addressing barriers by providing services, security deposit assistance, increasing search times and offering pre-and/or post-move counseling were suggested. Policy changes such as increasing payment standards and adjusting rent calculations were also discussed as aides to accessing opportunity areas.
- During the July call, the Committee discussed the breadth of work occurring to implement and study mobility strategies. Other researchers are also engaged on this topic, with both MTW and non-MTW PHAs. Committee members noted that

many small PHAs may not be interested in studying mobility as it is not their most pressing priority/need. For these reasons, during the July calls, the Committee agreed that mobility should not be a cohort-specific policy area.

Additionally, during the July call, several commenters suggested HUD encourage regional collaboration, and the Committee discussed whether a cohort should be dedicated to the study of regionalization. During the September meeting the Committee agreed that this should not be a cohort-specific policy area; rather, all MTW PHAs should be able to establish regional partnerships.

The DFO then proceeded to invite Acting Deputy Assistant Secretary for Policy, Todd Richardson, to share with the Committee policy areas they had discussed to test. He shared the following with the Committee:

- A summary of the September meeting is in the notes posted on the MTW Research Advisory Committee website and this summary is on the table on pages 7 to 9.
- At the end of the September meeting nine potential policies were identified to test and the research methods to test them. Three of the policies had significant or modest support from the Committee as policies to test that had solid recommendations for the research.
- Those three were: MTW flexibility, Rent Reform, and Landlord Incentives. To summarize those three:
 - Priority 1: **MTW flexibility.** This is a core question, what are the benefits and costs of providing PHAs greater flexibility on how they budget their resources and how they operate their programs? Are they meeting the statutory objectives of the MTW program?
 - *Research:* The research design suggested would randomly assign PHAs to get flexibility or not. To help us meet the statutory requirement that at least 50 agencies be fewer than 1,000 units, this cohort would only invite PHAs under 1,000 combined units to apply. Of those agencies that meet the program requirements (such as high performing), HUD would randomly select 30. Those 30 would be compared over time to the 30 or more agencies that applied and met the qualifications but were not selected.
 - *Sense of the Committee:* This was supported by all members of the RAC.
 - Priority 2: **Rent Reform.** Brooke rent is the law of the land for most of the 4.6 million assisted households in the US. MTW is an opportunity to see if there is a rent structure that is better at incentivizing work and/or improving program efficiencies. Rent structures that might be tested under this cohort include stepped-up rents, flat rents, or income based tiered rents. This might also include time limits or work requirements.

- *Research:* Different than priority 1, this would not randomly assign agencies. Instead, to participate in the cohort agencies would identify which of the rent reforms they want to test and then would be required to randomly assign among the target population(s) those receiving the new rent structure and those continuing to receive the Brooke Rents. What happens to families in the two groups would be compared over time.
- *Sense of the Committee:* Committee members supported this cohort. There were significant concerns about time limits and work requirements in particular. Some Committee members expressed interest in a cohort studying work requirements only with no alternative rent policy; some Committee members were not in favor of studying time limits only.
- No priority rank: **Landlord Incentives.** The Housing Choice Voucher program needs landlords willing to accept vouchers. In some places success rates for tenants receiving vouchers is not very good, landlord incentives might improve this. If granted MTW authority agencies would agree to utilize MTW flexibilities that might increase landlord participation. Agencies could propose some combination of payment standard flexibility, case incentives to landlords, less frequent inspections, or similar.
- *Research:* Similar to policy 1, this would randomly assign applicant agencies to doing landlord incentives or not. The number of PHAs suggested to be in the treatment group was 20.
- *Sense of the Committee:* All Committee members supported this for a cohort.

The remaining six policies are as follows: **Project Based Voucher Flexibility.** The Committee thought this was important and might be considered as a cohort but did not have a good sense of how to research it. It might also be evaluated using data from the existing 39 MTW PHAs.

Sponsor Based Housing. This was thought to be a very important policy to test, but a rigorous method to evaluate it was not identified and as such the Committee was split on this as a cohort.

Regionalization. The Committee felt this to be important as a policy but thought the Committee needed more information from HUD.

Rental Assistance Demonstration. The Committee felt that there should not be a cohort specifically for portfolio-wide RAD PHAs; rather, these PHAs could be included throughout the cohorts.

And the last two policy items to discuss are Mobility and Place Based Models.

The DFO introduced the Principal Deputy Assistant Secretary(PDAS), Lourdes CastroRamírez who welcomed and thanked the MTW Advisory Committee and the general public for their interest in the MTW advisory committee meeting. She thanked the Committee members for giving so much of their time and for their dedication to this effort. The diverse composition and expertise of the Committee has helped to inform HUD on policies to study for the MTW expansion. Their feedback is invaluable and important to HUD. Due to their feedback and

recommendations, HUD has narrowed down the policies to be studied with the MTW expansion, and will include those policies in the Notice to select the initial cohort. The Notice will be published soon. The recommendations from this Committee will inform the MTW expansion and influence future policies for the public housing and voucher programs. The MTW Office will continue to work side by side with PDR to ensure that the expansion is designed well so that we can learn from MTW policies to influence future policy decisions and benefit families across America.

The DFO revisited the guiding principles of the committee.

Review of Guiding Principles

The DFO restated the guiding principles that were established during the July 26th conference call. The Committee established these principles:

1. Focus on policies to study rather than on program structure and administration;
2. Consider size of agencies, and that 97 of 100 will be under 6,000 units;
3. Consider policies could be studied across a broad variety of geographic areas;
4. Be aware of PHA costs, especially with regard to the MTW requirement to serve substantially the same number of families as would have been served absent MTW;
5. Be aware of burdens on participants, as well as benefits, in particular for children and families;
6. Policies should relate to one or more of the MTW Statutory Objectives;
7. There is some tension in MTW's focus on deregulation and having a policy change that is targeted enough to be able to evaluate; and
8. There shouldn't be a preconceived idea about what a given policy is going to achieve.

II. Policy Framework and Research Methodology-MTW Statutory Objective #3: Increasing Housing Choice

1. Strategies to Encourage Participant Mobility

The DFO set the stage for Committee members to deliberate strategies for encouraging mobility. One Committee member wanted the discussion to focus on areas that would benefit the PHA industry as a whole and not necessarily MTW ones. A Committee member (Researcher) indicated that Small Area Fair Market Rents (SAFMR) is an important area because it has huge implications on mobility and must therefore be studied. Another member (HUD Representative) indicated that SAFMRs are being studied under a demonstration currently.

Other members wanted to know what the impediments were for families that are not moving to opportunity neighborhoods. A member (PHA Representative) shared her organization's experience with the Committee on mobility. She indicated that her organization increased vouchers that allows families to move into certain neighborhoods with higher opportunity. She however reiterated the point that unless families actually moved, it is impossible to measure the

impact of mobility on those families. The discussion on mobility encompassed the idea of incentivizing tenants to move. Some members wanted specifics on what the incentive would be. Others postulated the idea of improving areas where families live instead of emphasizing mobility. The Committee recognized that people have legitimate reasons for wanting to remain in their neighborhoods including family support (when they have kids), transportation and other social factors.

The Committee discussed the appropriate methodology for testing policies that are mobility centered. Also, the question of validity was raised if randomized trials are to be considered, especially if families are unwilling to move. Upon extensive deliberation on mobility as a cohort, the Committee unanimously agreed that mobility as a cohort would not be studied.

III. Policy Framework and Research Methodology-MTW Statutory Objective #3: Increasing Housing Choice

2. Placed-Based Strategies as a Platform for Health and Educational Outcomes

The DFO opened the discussion by introducing place-based strategies as the topic for discussion. She solicited members input on the type of place-based strategies that should be considered.

Some members of the Committee were of the opinion that any discussion of mobility as a cohort should be balanced with place-based cohort. These members opined that even if place-based was not considered as a cohort for MTW expansion, it would be prudent for it to be studied elsewhere.

Some members of the Committee wanted to know the features of place-based strategies that could be studied. A member (PHA Representative) indicated that the Committee could recommend the study of what happens when certain features are inserted into a neighborhood.

Others postulated the idea of studying MTW fungibility by taking existing propositions as they are and supplementing with health and wellness, better education etc. Some Committee members wanted the idea of allowing communities to create a better environment for themselves considered.

A HUD representative on the Committee inquired from PHA representatives if using MTW funds for additional housing has enabled them to better partner with service providers. A few indicated that indeed the additional funding has helped in that respect.

The Committee also discussed the possible interplay between RAD sites and the acquisition of MTW status. Could an agency be both RAD and MTW at the same time? A HUD representative noted that if an agency was going to do RAD conversion, it could be allowed to apply for MTW status, and then it can be observed to see how it does on the RAD over time.

The conversation on place-based strategies encompassed how MTW flexibility could be leveraged to bring about safety, bringing services onsite and improving local schools. A PHA member of the Committee indicated that her agency is able to respond nimbly to safety and other issues mainly due to fungibility.

A Committee member inquired if there is a question MTW can answer as it relates to place-based. Some members believed that initiatives like Choice Neighborhood and HOPE VI could be an avenue to learn the things that studying place-based would teach the Committee.

IV. Public Input

Public Comments

1. Suket Dayal, San Diego Housing Commission: any kind of mobility program requires money; he was curious about the kind of help or assistance there is. He does not think agencies have the ability to have the money to carry out this responsibility. The idea of MTW is flexibility. His agency used that to get developers.
2. Christine Cane, Housing Authority of Snohomish County: wants the Committee to reconsider how it would study place-based policy interactions. There are a lot of PHAs who have been implementing place-based initiatives and if they are given MTW flexibility, they could tweak it. The big barrier to us as a place-based voucher is the 12-month cap.
3. Will Fischer, Center on Budget and Policy Priorities: wanted the Committee to add work requirements as a cohort.
4. Leslie Schmeltzer, Akron Metropolitan Housing Authority: was a little disappointed to see MTW less than 1000 units. Wanted large PHAs to apply for the top priorities too.
5. Thu Tran, Community Legal Services: urged Committee to consider affirmatively furthering fair housing. wanted the Committee to consider how ex-offenders will be re-integrated in order not to foster discrimination.
6. Eric Oberdorfer, National Association of Housing and Redevelopment Officials: agrees with the overall position on mobility. However, if HUD decided to pursue it, it will be great to look at it from the context of help with security deposit in form of grants. He touched on the importance of fungibility to PHAs.
7. Nicole Barrett, Council of Large Public Housing Authorities: echoed Eric's comment on fungibility and its importance for place-based strategies. She commented on eligibility to get into the MTW expansion and wanted HUD to have some kind of waiver for PHAs doing RAD.
8. Susan Popkin, Urban Institute: wanted the Committee to leverage existing resources in the expansion process.
9. Marianne Nazzaro, HUD: clarified comments on unit size by stating that statute specified the unit sizes not the Committee. She went on to explain the statutory language to the benefit of all participants.

V. Summary of Discussion

After the Committee heard the public's input, the DFO opened the floor for Committee discussion.

The Committee revisited the issue of work requirement as a cohort. Some members wanted work requirement to be studied in one form or another; be it mandated or optional. Others believed that it will serve a better purpose if studied on its own, separate from rent reform. A member of the Committee (researcher) was of the opinion that, if considered, work requirements should be paired with modest job counselling/placement services. Other members indicated that money for placement services would be tough to come by.

The Committee also discussed the possibility of employing work incentives as opposed to work requirements. The Committee also discussed what the outcome/benefit of work requirement/incentive would be. With others citing self-worth, higher income etc. as possible benefits.

Although the Committee discussed testing a contrast of work requirement versus no work requirement under the same rent structure, it became apparent that it will be difficult if not impossible to force some tenants to work while others are not.

The Committee after extensive deliberations on place-based strategies elected to stick with the recommendation of studying in order of priority:

<u>Policy to Test</u>	<u>Research method</u>
MTW Flexibility	Randomly select 30 PHAs under 1000 combined units. Compare to the agencies that were not selected.
Rent Reform. Including with/without work requirements and/or time limits.	Random assignment.
Work Requirements. With supportive services (either by PHA or partner). Not including rent reform or time limits.	Randomization between PHAs or between developments (no random assignment within a development).
Landlord Incentives.	Randomly select 20 PHAs. Compare to agencies not selected.

VI. Next Steps

Marianne thanked the Committee for its work and the DFO thanked all participants and brought the meeting to an end.