

Summary of Public Feedback on Research and Evaluation of Policies to Study Under the Moving to Work Expansion

August 24, 2016

Background

The 2016 Consolidated Appropriations Act (the Act) authorizes HUD to expand the Moving to Work (MTW) Demonstration by an additional 100 high-performing Public Housing Agencies (PHAs) over a period of seven years. The Act requires that for each cohort of agencies “the Secretary shall direct one specific policy change to be implemented by the agencies.” To gather public feedback about what policies HUD should consider having these agencies study, in two issues of the Federal Register (81 FR 19233, April 4, 2016 and 81 FR 26815, May 4, 2016), HUD published notices to solicit public comments and to extend the comment period. HUD requested comments on: 1) specific policy proposal recommendations to be implemented as part of the expansion of the Moving to Work Demonstration; 2) research and evaluation proposal recommendations; and 3) comments on what policies should be considered as having already been proven successful, with specific reference to the rigorous research that supports the claim.

Over a 45-day period, HUD received 40 responses to the solicitation for comments. The breakdown along commenter categories is as follows: 1 was submitted from a resident; 4 were submitted from universities; 16 were submitted from nonprofits, advocacy or industry groups; and 19 were submitted from housing agencies. The scope of the comments submitted varied substantially in both length and content. While some commenters submitted clear and succinct recommendations on policies and/or research methodologies, many commenters provided in-depth white papers. HUD reviewed all of the comment letters received.

On July 26 and July 28, the MTW Research Federal Advisory Committee (Committee) met. The Committee established its goals, guiding principles, and discussed policies that should be considered by HUD for research through MTW expansion cohorts. Members of the public also provided comment at each meeting. A summary of each meeting, as well as recordings of the calls, are available on the MTW expansion webpage at:

http://portal.hud.gov/hudportal/HUD?src=/program_offices/public_indian_housing/programs/ph/mtw/expansion.

Public Comments Overview and Discussion

In addition to requiring HUD to select specific policy changes to be implemented by newly designated MTW agencies, the Act further directs that “All agencies designated under this section shall be evaluated through rigorous research as determined by the Secretary.” This document provides a summary of public comments related to research and evaluation of the policy changes that are implemented as part of the MTW Demonstration expansion. Its goal is to inform the Committee prior to its meeting on September 1-2, 2016.

In discussing how best to research and evaluate the policy changes of MTW agencies, many commenters noted the inherent tension between the expansion of the MTW demonstration, which in its current form has provided broad flexibilities to PHAs, and the Act’s requirement for rigorous research. Commenters pointed out that allowing a cohort of PHAs to adopt more than one major policy change could make evaluation difficult, as it would cloud the causal relationship between the policy change of interest and the measured outcomes. Additionally, commenters argued that HUD should decide on the

implementation details for a policy to be evaluated ahead of time, and researchers should know the components they are tasked with evaluating. On the other hand, some commenters recommended allowing flexibility with respect which policies PHAs should adopt and how to implement them. Further, one commenter suggested allowing PHAs to decide on their own research methodologies, arguing that PHAs themselves best understand their own programs, populations, and other local conditions.

Comments Related to Overall Study Design

In its April notice, HUD requested comment on what should be considered rigorous research in addition to randomized control trials. Several commenters reaffirmed that randomized control trials (RCTs) are the “gold standard” for research evaluation. In this approach, individuals are assigned to one of at least two groups, commonly known as a control group, which receives no policy change, and treatment group(s), which are exposed to a policy change. Such a design allows for differences in outcomes pre- and post-change in policy to be compared across the groups, quantifying the impact of the change. Commenters pointed out that the nature of MTW flexibilities and the expansion allow for the possibility of a multi-arm trial, in which multiple distinct yet related policy interventions could be tested and compared to a control group to either isolate the effects of specific policies or see if policies interact in compelling ways. For example, a voucher holder could be incentivized to use his or her voucher in an opportunity area, with some voucher holders also receiving added services.

Despite its desirability, several commenters noted potential challenges with randomized control trials in the context of the MTW expansion. For one, PHAs might be too small in terms of their number of individuals served to split households into multiple groups. Further, a PHA might not have the administrative capacity to manage such a design. One commenter also argued that the informed consent process required in randomized controlled trials can introduce biases that weaken resulting research findings. Other commenters also weighed in on the external validity of MTW policy changes, given that agencies will be opting in to applying for MTW status and are also required to be high-performers, thus leaving open the possibility that successful outcomes rely on PHA motivation and capacity in addition to specific policies. Finally, the policy to be tested might not be conducive to an RCT, such as the change in project based voucher cap which affects an agency’s entire portfolio.

Given these obstacles, some commenters suggested related alternative study designs. As one example, public housing or other project-based assistance sites within a PHA could be randomly assigned for a policy change, such as the provision of certain services. Other sites would not undergo a policy change.

A cluster randomized controlled trial – in which entire groups are assigned to control or treatment groups – is also regarded as a rigorous method. Commenters noted that this seems appropriate to the framework of the MTW demonstration, where some PHAs will be selected into the demonstration while others will not, and therefore could serve as a control. There may be challenges in incentivizing control sites to provide information necessary for an evaluation and HUD should consider how best to facilitate obtaining necessary data. Commenters also advised that because of the possibility of attrition, the size and number of control sites should be carefully considered.

If PHAs cannot be randomly assigned, then pseudo-random methods should be used. Propensity score matching, in which individuals who have participated in a new policy are paired with other individuals who have not participated based on their observed similarities, is one such method. Commenters also advised HUD to consider natural experiments, along the lines of current research that compared

outcomes for households in public housing who were forced to move as result of demolition to households that did not move. Another recommendation was for time series discontinuity analysis, in which trends in an outcome of interest are compared before and after the introduction of a new policy or procedure.

Essential to many research designs are comparisons across groups, and commenters offered suggestions on the best ways to do make valuable comparisons. These included identifying explicit comparison groups prior to the policy intervention. It was noted that comparisons among participants within one agency, between participants in two different agencies, and between assisted and non-assisted households, among others, are all different and may serve varying research questions. Identifying subgroups of assisted households that are of interest is also important, as it will necessarily affect the research design, such as requiring a higher number of observations in order to perform a stratified analysis.

Several commenters stressed that a broad evaluation should be conducted, including research methods such as qualitative surveys, case studies, and ethnographic research. To that end, research teams should be multidisciplinary. Such a mixed-methods approach could help bridge the gap between randomized controlled trials and external validity by exploring the context behind policies and explaining why and under what circumstances they work.

Commenters also offered suggestions on the overall length of the research period. Many felt that the research should take place over at least three years, with some suggesting designs lasting five years. More generally, some commenter urged HUD not to rush. As evidence for an intermediate to long term evaluation, commenters cited the current literature on the Moving to Opportunity experiment, which suggests that the benefits of mobility-enhancing policy changes accrue to children who then realize better economic outcomes as adults (and which is still being analyzed 20 years after its implementation). Similarly, potential harm, or an erasing of earlier gains, might only become apparent with more time. However, challenges with a multi-year research design include the need to account for attrition.

To provide a complete picture of the effects of a policy change, HUD's research should provide some insight as to outcomes for assisted households even after they leave HUD's programs. This is particularly relevant in policies that aim to promote self-sufficiency, because a family's exit from a housing assistance program might not necessarily mean it has achieved success. The selection of a research team should take into account the difficulties in tracking populations that are at times vulnerable or hard to reach. Also related to the overall timeline of research, commenters pointed out that PHAs require time to adjust to the different operational environment of operating under the MTW designation.

Comments Related to Data and Outcomes

While the data sources and practices, along with the measured outcomes, will necessarily vary based on the specific policy that is studied, commenters offered general feedback in these areas. Multiple commenters argued for the establishment of uniform baseline measures and guidelines prior to the commencement of a policy change. This is an area that has hampered the evaluation of the MTW demonstration to date and should be an important component of future evaluation of agencies and the MTW flexibilities.

Commenters stressed the need for clearly defining outcomes of interest at the start, and recognizing that agencies operate in different contexts based on the differences among the communities they serve. For example, mobility might largely be determined by existing patterns of rental housing, and attitudes towards what constitutes areas of opportunity will differ.

Commenters also offered thoughts on sources of data that should be used as part of an evaluation. Suggestions included relying on information that is already reported into HUD systems to avoid any additional reporting by new agencies. Commenters also recommended exploring data sharing agreements and partnerships with federal and state governments to create a database of matched households. An example would be using Unemployment Insurance data combined with HUD's administrative data. It was suggested that not only would this data contribute to the MTW research, but it also would allow for data-driven decisions by PHAs. A further recommendation was to make data arising from any MTW evaluation publicly accessible to the extent possible, which would allow for research beyond a formal HUD-sponsored evaluation. Data security best practices and privacy standards should of course be maintained.

For policies adopted towards the MTW statutory objective of reducing costs and achieving greater cost effectiveness, commenters discussed the commonly understood metrics of evaluating program costs. These include staff time and the cost of staff hours (with subcomponents of the cost of specific tasks like portability), the per unit costs of vouchers, overall voucher utilization, or rental income from development activities. Cost efficiencies might also reasonably include Medicare and Medicaid expenditures if the provision of stable housing results in reduced spending from those programs.

With respect to outcomes that would be worth considering for policies oriented towards the MTW statutory objective of self-sufficiency, commenters offered a variety of suggestions. These included economic outcomes like earnings, employment status, decreased debt, access to a vehicle, use of Temporary Assistance to Needy Families (TANF), and personal savings. Additional related measures are educational attainment and enrollment, child well-being, and health indicators. Commenters also discussed the need for measuring negative outcomes like homelessness, frequent moves, crowding, and evictions, which are relevant to HUD's strategic goals beyond the statutory objectives of MTW. Commenters also discussed the need to obtain values for these metrics for any tenants that leave the program in order to not bias research findings.

Commenters also suggested additional metrics that would be associated with the statutory objective of housing choice. These include tenant satisfaction with units, particularly in project-based settings, relative to what tenants feel they could lease on the open market. Measuring landlord participation in the voucher program is also a component of this. An additional component of housing choice is the number of assisted households living in areas of opportunity. This would require a definition and mapping of such areas, which might consider school quality, crime rates, access to transportation, local labor market conditions, and other indicators.

Several commenters indicated a desire for research to create aggregate indicators for use in evaluation and future program management. For example, one commenter discussed a measure of labor market capital that consists of attainment and training data that could be created and tracked over time, while another proposed a quality of life index. Commenters discussed the issues with measuring outputs relative to outcomes. The benefits of standardizing measurements, such as the preservation of

affordable units including the years of life added to a unit, would extend beyond the evaluation research and in to the management of HUD programs.

Specific Research Proposals

Commenters offered research proposals with an evaluation tied to a specific policy proposal. Commenters also proposed testing project based vouchers (PBV) and tenant based vouchers (TBV), by issuing a PBVs and TBVs to families from the same waiting list or who are otherwise similar enough to compare. The time to lease-up could be evaluated as tenants find units. Over time, other outcomes like tenant income, housing stability and satisfaction with their neighborhoods could be tracked using longitudinal surveying. The total cost effectiveness of each form of assistance should also be considered, which might include subsidies beyond just the housing assistance payment of each voucher. The unit quality should also be considered when examining the cost. Another commenter proposed an evaluation of a mobility policy along the lines of the Moving to Opportunity experiment, in which some voucher holders were required to lease in certain neighborhoods, but with an added service component.

Some commenters offered recommendations for overall research methodologies at a level of detail beyond the scope of this comment summary. These are included as part of the PDF containing all comments received that is posted on the MTW website.

Research on Policies Proven Effective

The Act authorizing expansion of the MTW demonstration requires HUD to consult with the Federal Advisory Committee as to MTW policy changes that have proven successful and could be expanded. Thus, HUD's April Federal Register notice requested comments on what policies should be considered as having already been proven successful, with specific reference to the rigorous research that supports the claim.

Several commenters discussed the research supporting vouchers in general as an important tool in fighting homelessness and housing instability. Voucher use in specific neighborhoods of opportunity is also associated with better health outcomes of adults¹, and future earnings and educational attainment increases of children in assisted households^{2,3}. Relatedly, recent research has shown the potential for policy changes to affect tenant locations in the voucher program.⁴ Commenters also discussed the negative incentives on work of the current rent structure both theoretically and as observed in several

¹ Lisa Sanbonmatsu et al, "Moving to Opportunity for Fair Housing Final Demonstration Program: Final Impacts Evaluation", prepared for U.S. Department of Housing and Urban Development, Office of Policy Development and Research, 2011, <http://www.huduser.org/portal/publications/pubasst/MTOFHD.html>.

² Raj Chetty, Nathaniel Hendren, and Lawrence F. Katz, "The Effects of Exposure to Better Neighborhoods on Children: New Evidence from the Moving to Opportunity Experiment, May 2015, http://scholar.harvard.edu/files/lkatz/files/mto_manuscript_may2015.pdf.

³ Eric Chyn, "Moved to Opportunity: The Long-Run Effect of Public Housing Demolition on Labor Market Outcomes of Children", July 2016. http://www-personal.umich.edu/~ericchyn/Chyn_Moved_to_Opportunity.pdf

⁴ Collinson, Robert A., and Peter Ganong. 2015. "The Incidence of Housing Voucher Generosity." Available at SSRN 2255799.

studies^{5,6}. This supports the need for policies aimed at rent reform to promote self-sufficiency. There have also been a number of local evaluations conducted by current MTW agencies and their research partners that provide evidence for certain policies. These include family self-sufficiency based services which are associated with a modest increase in earnings. Similarly, the combination of work requirements and time limits on assistance has been evaluated at one MTW agency.

⁵ Gubits *et al.*, “Family Options Study: Short-Term Impacts of Housing and Services Interventions for Homeless Families”, prepared for Department of Housing and Urban Development, July 2015, http://www.huduser.org/portal/sites/default/files/pdf/FamilyOptionsStudy_final.pdf.

⁶ Gregory Mills *et al.*, “Effects of Housing Vouchers on Welfare Families,” prepared for U.S. Department of Housing and Urban Development Office of Policy Development and Research, September 2006. https://www.huduser.gov/publications/pdf/hsgvouchers_1_2011.pdf