

Abt Associates welcomes the opportunity to provide suggestions on potential for testing alternative policies with expansion cohorts of Mtw

Our suggestions include:

1. Low- and No-Cost Strategies for Encouraging Progress toward Self-Sufficiency
2. Work Requirements and Stepped-down Subsidies
3. Mobility Options Using SAFMRs and Other Tests
4. Implications of Fungibility
5. Eviction Responses

We provide additional details on each suggestion below. We would also be happy to discuss these and other options with HUD.

### **Low- and No-Cost Strategies for Encouraging Progress toward Self-Sufficiency**

In recent years, there has been growing interest in applying the lessons learned from behavioral economics to a range of different policy areas. This proposed focus for a new MTW cohort would provide an opportunity to test applications of behavioral economics – and other low- and no-cost approaches – to the longstanding challenge of helping families living in subsidized housing to make progress toward self-sufficiency.

One approach to implementing this idea would be to invite potential MTW applicants to submit ideas for low- or no-cost approaches to helping families make progress toward self-sufficiency and then select the most promising approaches for testing against control groups in each PHA – as well as against each other. Researchers (with input from the MTW research advisory committee) could then supplement the proposed interventions with additional ideas that complement the proposed interventions or are otherwise helpful for improving the likelihood of getting robust results from the evaluation (for example, having two or more sites implement the same intervention or adding an intervention arm that combines two ideas also being tested separately). Alternatively, the ideas to be tested could be pre-selected by the research team with input from the MTW research advisory committee.

Among other ideas that could be evaluated through this approach are combinations of the following:

- Passive enrollment policies that enroll everyone served by the PHA in a self-sufficiency initiative (perhaps with an opportunity to opt-out).
- Rent incentives that strive to be cost-neutral or very low-cost, such as a 50-50 split of the traditional FSS escrow or a strike-point approach that delays application of an FSS-type escrow

until a family's earnings reach a certain level.<sup>1</sup>

- Re-imagining of the interaction between PHA staff and housing assistance recipients in the initial admissions and annual recertification processes to incorporate encouragement for families to increase their earnings. This might include showing a motivational video of success stories or using the EITC phase-in and a calculation of residual income (after payment of rent) as motivators to encourage increased earnings.
- A “work pays” marketing campaign that uses social networking and motivational postcards to help families understand that they will be better off if they increase their earnings.

The Cambridge Housing Authority recently launched a pilot initiative that will be trying out several of these ideas in a public housing development. A second development will also get the opportunity to participate in financial coaching.

Critics will argue that these interventions are less intensive than the Family Self-Sufficiency and Jobs Plus programs that are currently being evaluated by HUD and thus less likely to produce transformative results.<sup>2</sup> But as with other applications of behavioral economics principles, the goal is not to achieve transformative results for a small number of participants (or for a substantial cost) but incremental progress for a large number of people at little or no cost. If one or more of these low- or no-cost approaches proves effective, authority to offer them could be extended to all PHAs (and those approaches not requiring new authorization could be promoted), who could then work to supplement them, if desired, with more intensive interventions (for example, case management or financial coaching) using resources from local philanthropy or other local sources.

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<sup>1</sup> For a discussion of why these types of models are more likely than the traditional FSS model to be cost-neutral and thus scalable, see: Cramer, Reid, and Jeffrey Lubell. 2009. “Rental Assistance Asset Accounts: An Opportunity to Support Work and Savings among Recipients of Federal Housing Assistance.” Washington: New America Foundation and Cramer, Reid, and Jeffrey Lubell. 2011. “Taking Asset Building and Earnings Incentives to Scale in HUD-Assisted Rental Housing.” Washington: New America Foundation and Center for Housing Policy. Broadly speaking, these approaches seek to achieve cost-neutrality (or close to it) by using the increased rental contributions that come from higher earnings by participants to pay for the rent incentives.

<sup>2</sup> The Rent Reform demonstration, which is also being evaluated, is not necessarily more intensive than the approaches being proposed here, but it does include components (such as a three-year cycle for recertification of income) that could have a significant cost.

## **Work Requirements and Stepped-down Subsidies**

One of the original reasons for the Moving to Work demonstration, reflected in its name, is that federal housing assistance as traditionally structured has disincentives to working or increasing work. Randomized controlled trials (Effects of Housing Choice Vouchers on Welfare Families, the Family Options Study) have confirmed that, at least in the short-run, receipt of a voucher leads to a decline in work. The Jobs Plus Demonstration showed that modifying the rent formula in public housing developments can help overcome those disincentives. However, the impact of Jobs Plus was modest, and the intervention was not cost-neutral (caused lost rental income to PHAs). The rent reform that now is being studied on the basis of voluntary participation by current MTW PHAs is modest in design. The evaluation is not likely show substantial impacts on work effort. A few MTW PHAs are going much further, imposing work requirements or rent systems that phase subsidies out over time. Under the historical MTW program, it has been difficult to study those policies rigorously, although there is some evidence that Atlanta's work requirement produced substantial gains in employment for the households subject to that requirement.

A future round of MTW could invite PHAs to apply for one of two approaches to increasing work effort among non-elderly, non-disabled participants in the Housing Choice Voucher program: 1) an explicit work requirement or 2) a voucher subsidy that phases out over time regardless of changes to the household's income. Two approaches are recommended, because both are promising and because local opposition (from the PHA board, from advocates) may preclude one option but not the other. In return for willingness to apply one of two federally defined policies to some of their families, PHAs would gain the funding flexibility that is the main reason PHAs want to be part of MTW.

The funding round should be structured to bring in a sufficient number of PHAs to provide a credible test of the alternative policies. At each PHA in this demonstration round, HUD would conduct a randomized controlled trial, assigning some families to the new policy and leaving others with the current system of "Brooke" rents and no work requirement. Other design features—for example, whether to include (or permit) work-supporting services and whether to permit control families to participate in Family Self-Sufficiency programs—might need to be addressed before PHAs were invited to apply for this MTW round.

## **Mobility Options Using SAFMRs and Other Tests**

One of the central questions that HUD faces in administering the Housing Choice Voucher (HCV) program is how to create a more effective means for tenants to move into higher-opportunity, lower-poverty areas without significantly raising overall subsidy costs. Currently, in most PHAs, the subsidy available to families is based on a single Fair Market Rent (FMR) for each metropolitan area (and non-metropolitan county) generally set at the 40<sup>th</sup> percentile of rents. FMRs set too low could impede HCV holders' choice by limiting access to quality housing and neighborhoods. FMRs set too high impact program efficiency by driving up subsidy costs and reducing the number of families that can be served.

HUD's Small Area FMR (SAFMR) demonstration is testing an alternative approach of setting FMRs at the ZIP Code level. The core hypothesis is that this will significantly expand housing choice for HCV holders by increasing access housing in neighborhoods with high-quality schools, low crime rates, and other indicators of opportunity, as well as integrated neighborhoods in support of HUD's goal of affirmatively furthering fair housing. The SAFMR demonstration includes the Housing Authority of the City of Laredo (TX), the Town of Mamaroneck Housing Authority (NY), the Chattanooga Housing Authority (TN), the Housing Authority of the County of Cook (IL), and the City of Long Beach Housing Authority (CA). The demonstration started at the end of 2012, and will continue through late 2016. In addition to these five demonstration PHAs, HUD implemented SAFMRs in the Dallas, TX metro area in 2011 as a result of a legal settlement. Early indications from implementing SAFMRs in Dallas, TX are that tenants selected higher-opportunity neighborhoods after SAFMRs were established (Collinson and Ganong, 2015).<sup>3</sup> An evaluation of the demonstration, currently being conducted by Abt Associates will provide additional information on program costs and participant access to opportunity areas.

One recommendation that could address both program cost effectiveness and housing choice would be to expand the use and testing of SAFMRs in additional PHAs with and without other mobility assistance. For example an experiment could compare costs and outcomes for a number of PHAs that use SAFMRs alone, some that use SAFMRs plus mobility counseling, some that use mobility counseling alone, and some that would serve as a control group that are not using SAFMRs or mobility counseling. The experiment could be set up to prospectively compare costs, access to opportunity and mobility across these PHAs.

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<sup>3</sup> Collinson, Robert A., and Peter Ganong. 2015. "The Incidence of Housing Voucher Generosity." Available at SSRN 2255799.



## **Implications of Fungibility**

One of the most controversial features of MTW is the fungibility of funding PHAs receive from the federal government. MTW PHAs may transfer funds between the Housing Choice Voucher and Public Housing programs, between voucher HAP payments and administrative costs, and between public housing operations and capital funding. A key question that cannot be answered for historical MTW PHAs is whether that funding flexibility has led to a reduction in the number of families served by the MTW PHAs' housing assistance programs. Large transfers of funds from vouchers to public housing redevelopment at some PHAs imply that fewer households may be served by those PHAs. Alternatively, those PHAs may have created changes to their voucher programs that make it possible to serve additional households. Or the restoration of vacant public housing units to occupancy may have made it possible to serve additional households. By meeting backlogs of public housing capital needs for occupied units, PHAs may also be extending the useful lives of building systems, thus making it possible to maintain occupancy levels of public housing in the future.

This fundamental question about MTW cannot be answered on the basis of current data, because MTW PHAs and HUD did not establish well-defined "baseline" counts of the numbers of households served (or capable of being served) at the time each PHA joined MTW. Nor did the PHAs and HUD make well-defined and consistent adjustments to such baselines for additional funding received over time—not just for programs with special target populations but also for voucher funding received to replace Section 8 "opt outs" or public housing units retired from the stock. Finally, no current data system permits the measurement of the effect of investments in public housing on the future viability of the public housing stock.

An expansion round of MTW funding could require the creation and maintenance of baselines against which to measure the number of households being served. Another requirement for the expansion round should be systematic data collection on the numbers of years of useful life added to public housing building systems as a result of capital investments. Ongoing household-level data already required of all PHAs (PIC data) would make it possible to also measure changes to the types of households being served (e.g., households needing smaller and larger unit sizes) and changes to the income levels and rent burdens of the households being served.

## **Eviction Responses**

The book *Evicted* by Matthew Desmond (Crown Publishing, 2016) highlights the role the cycle of evictions plays in keeping people from obtaining decent affordable housing. Once a family has an eviction record it can mean that they are no longer eligible for assisted housing. However evictions are often the result of high rent burdens facing very low income households in the private market. Many poor families pay well over half their income on rent, and one in four pays more than 70 percent (Desmond p. 4). These families are often forced to choose between “feeding their home or feeding their families”, and often end up being evicted as a result of not paying rent. As Desmond describes, following eviction households typically cycles through worse and worse housing, trying to find a landlord who will rent to them, and often end up homeless. If these families ever make it to the top of a PHA waiting list they are generally not eligible for assistance due to their eviction records, leaving them with no alternatives to homelessness.

One potential focus for a cohort of new MtW PHAs might be to relax the restriction on prior evictions as a cause for ineligibility for public housing, particularly for families whose prior evictions were in situations where they were required to pay the vast majority of their income for rent. (24 CFR § 960.203 states that a PHA can reject an application for public housing among other things if: “The applicant fails the PHA’s screening because of a documented tenant history of: Poor past performance in meeting financial obligations, especially rent; A record of eviction from housing or termination from residential programs (considering relevant circumstances).“

Relaxing this restriction and allowing these families to receive assistance might enable them to get back on track with rent payments and avoid homelessness. Comparing the rent payments records for a sample of formerly-evicted households with records for a sample of households who enter assisted housing without histories of eviction could provide an indication of whether relaxing this more broadly could help families.

Other options to reduce evictions that could be tested include counseling, short term financial assistance, and legal assistance.

## **AKRON METROPOLITAN HOUSING AUTHORITY**

HUD MTW Comments:

### ***Increasing the movement of low-income families to high-opportunity neighborhoods:***

- Mobility counseling (pre/post move)
- Security Deposit Grants
- Increase search time
- Flexible payment standards
- Simplified procedures to acquire/develop properties in high-opportunity neighborhoods

### ***Improving education outcomes through housing partnerships:***

- Shared data between PHAs and Local School Districts
- Early Childhood Education Initiatives
- Space and programming for After-School Activities
- Comprehensive Education Models (partnerships with youth and educational organizations)

### ***Structuring alternative rent-setting methods:***

- Establishing Relationships between Unit Size and Rent /Subsidy
- Eliminate mandatory and non-mandatory exemptions – including utility allowances
- Tiered Rent Structures
- Rent Stability – triennial recertifications, eliminate interim certifications.

### ***Streamlining admissions and/or occupancy policies:***

- Triennial certifications
- Align definitions of homeless, income eligibility etc. across all public benefit federal agencies

### ***Improving the health and wellbeing of elderly and disabled residents:***

- Supportive Services
- Partnerships with health organizations
- Mandatory case management at some sites

### ***Achieving the goal of ending homelessness for families, veterans, youth and the chronically homeless:***

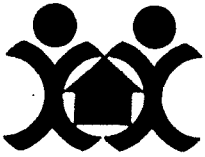
- Housing Locator Services (using HAP funds)
- Centralized intake centers for jurisdiction
- Align definition of homeless across all federal agencies (HHS, EDU, HUD, etc.)
- Increase % of vouchers to families with children

### ***Cultivating supportive or sponsor based housing policies:***

- Sponsor Based Vouchers in partnership with service providers and non-profits
- Rent Supplements for PBVs to pay for supportive services provided by the owner.

### ***Research Methods:***

- HUD should use data that PHAs currently provides to create a baseline
- HUD and other agencies should create and sign an interagency data sharing agreement or an integrated data system on the federal level so that PHAs and other government entities serving the same population can research and develop better ways to use the data to improve the lives of individuals and families in the local community.
- Convene partners to share best practices
- Focus on outputs to evaluate the policy changes



**BOSTON HOUSING AUTHORITY**

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*(This information is available in alternative format upon request.)*

May 2, 2016

Moving to Work Office  
Office of Public and Indian Housing  
Department of Housing and Urban Development  
451 Seventh Street SW, Room 4130  
Washington, D.C. 201410-0001

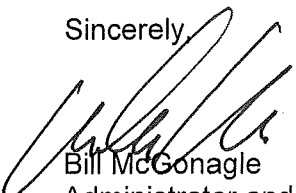
**RE: Comments in Response to Notice FR-5932-N-01  
Request for Specific Policy Proposals and Methods of Research and Evaluation  
for MTW Demonstration Expansion**

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The Boston Housing Authority submits the following comments in response to the above-referenced federal notice:

1. **General Support for an expedient and efficient process for designation of additional MTW Public Housing Authorities:** MTW is a critical initiative to start as quickly and efficiently as possible so that PHA's have additional flexibility needed to move forward with fewer resources caused by consistent federal funding shortfalls. In particular, fungibility between capital, operating and Section 8 programs will become increasingly important for utilizing scarce resources effectively. It is imperative that HUD move expediently to designate new PHA's for the program with an efficient, non-burdensome process. Research requirements must not drive or bog down the process of bringing this basic flexibility to PHA's now.
2. **Flexibility and Local Control as to Policy Research:** It is vital that HUD allow some degree of local control and flexibility regarding policies adopted as part of a PHA's MTW research component. MTW is designed to respond to local conditions and priorities. If a particular policy is not appropriate for the local community, the required research agenda should NOT preclude or delay a PHA from participating in this essential program.
3. **Non-MTW PHA Input to Research Advisory Committee:** Given the research agenda imbedded in the MTW legislation, the composition and efficacy of the Research Advisory Committee is key to the successful rollout of the expansion. PHA's must have seats on the Committee and the Committee must engage in discussions with additional PHA's in order to design the Research program realistically and successfully.

Sincerely,



Bill McGonagle  
Administrator and CEO

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Equal Opportunity Housing/Equal Opportunity Employer



April 28, 2016

To Whom It May Concern:

Re: FR-5932-N-01 Request for Specific Policy Proposals and Methods of Research and Evaluation for MTW Demonstration Expansion

Boulder Housing Partners provides the following comments in its role as an MTW agency and also in its role as co-sponsor, along with the Affordable Housing Institute, of a new national initiative called ***Bringing School Home***.

***Bringing School Home*** is a national research demonstration program focused on closing the achievement gap for low-income children by:

1. Using housing as the platform to an expanded learning partnership with school districts and community partners; bringing learning as a guest into the home and into the community;
2. Using housing policy to create a housing-based and community-accepted expectation of learning and of success; and
3. Buttredding that expectation with a seamless and persistent system of supports that refuses to let a child fail.

***Bringing School Home*** is based on a simple premise that public schools' limited contact time in the first eighteen years of a child's life (which totals only 9%) is wholly insufficient to the task of closing the achievement gap. What may be done within the 9% portion of contact time that schools have can be undone within the 91% for very low-income children whose lives can be characterized by constant moving, poor quality environments and sleep disturbances/ disruptions, all of which undermine cognition and emotional well-being. All of this 91% time in the first 18 years of a child's life is home-centric which means that housing authorities have an opportunity, if not an obligation, to be a partner. Substantial research confirms that housing quality, location, stability, and affordability have enormous impact on measurable in-school performance. ***Bringing School Home*** is exploring the platform potential beyond these three critical characteristics. We are studying what happens when a PHA 'leans in' and catalyzes their role in education outcomes.

BHP proposes that improving education outcomes through housing partnerships be established as an MTW policy priority for each of the seven years.

Betsey Martens

Executive Director, BHP



*Building On Success*

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May 4, 2016

Moving to Work Office  
Office of Public and Indian Housing  
U. S. Department of Housing and Urban Development  
451 Seventh Street, SW., Room 4130  
Washington, DC 20410-0001

Re: Docket No. FR-5932-N-01  
Request for Specific Policy Proposals and Methods of Research  
And Evaluation for MTW Demonstration Expansion

Dear Moving to Work Office:

Below please find comments to Docket No. FR-5932-N-01 regarding the request for specific policy proposals and methods of research and evaluation for MTW Demonstration expansion from the Broward County Housing Authority (BCHA). The Housing Authority is a high performer and a Rental Assistance Demonstration (RAD) agency.

### **Policy Proposal Recommendation**

The areas that may benefit the Housing Authority under MTW are developing strategies to better utilize project-based vouchers and improving the health and well-being of elderly residents. The policy proposal would seek to waive components of 24 CFR Parts 983 - Project-Based Voucher (PBV) program that caps an agency at 25 percent of a project and modify the selection process for PBV thereby reducing the administrative burden on BCHA. The Housing Authority would seek to project base vouchers in an elderly housing development and create a senior housing community that addresses the service needs of the elderly population in South Florida. The PBV's would aid in covering the housing cost for the elderly population as well as the debt service of a new facility. Utilizing MTW funding flexibility to leverage development funding would help to increase housing choices for the elderly population in the jurisdiction.

In terms of health and well-being of elderly residents, a services model will be developed that addresses the quality of care, quality of life and financial viability needed for senior to age in place in South Florida. The model will seek to transform the institutional concept of senior housing and provide services non-traditional to senior affordable housing.



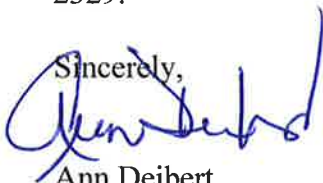
Moving to Work Office  
May 4, 2016  
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## **Research and Evaluation Proposal**

BCHA would seek to collaborate with a South Florida University, Broward County Human Services Department, AARP, and other county provides of senior services to establish a qualitative and quantitative evaluation centered on a quality of life index. The survey tool for evaluation purposed would mirror the type of inform from the Survey of Income and Program Participation (SIPP)<sup>1</sup> that is used by the Census Bureau to collect an array of data. There would also be an evaluation of the cost savings to BCHA due to the simplification of the PBV process and reduced administrative burden.

Should you have any questions, please do not hesitate to contact me at (954) 739-1114, extension 2329.

Sincerely,



Ann Deibert  
Chief Executive Officer

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<sup>1</sup> The Survey of Income and Program Participation is a longitudinal survey designed to provide a continuing measure of the economic condition of the United States. The data collected cover topics such as income, labor force, participation in government programs, and general demographic characteristics.

**From:** Webb, Michael David <webbmd@email.unc.edu>  
**Sent:** Monday, May 16, 2016 4:19 PM  
**To:** mtw-info  
**Subject:** Docket # HUD-2016-0030

Docket # HUD-2016-0030

FR-5932-N-03 Request for Specific Policy Proposals and Methods of Research and Evaluation for MTW Demonstration Expansion; Extension of Comment Period

Work requirements are some of the most controversial Moving to Work activities. Implemented by eight MTW agencies, these policies mandate that some or all work-able tenants work a certain number of hours (between 15 and 35 per week) or face sanctions, like higher rents or possible eviction. Despite their significant impact on tenants, only one agency (Charlotte) has evaluated their work requirement. We recommend that HUD prioritize evaluation of work requirements in the upcoming MTW expansion. In particular, these evaluations should address (i) changes in tenant work efforts, (ii) amount of services required to support tenant compliance, and (iii) changes in tenant exits – both negative (evictions) and positive (moves to private-market housing). In addition, HUD should utilize robust comparison groups – at a comparison site, through propensity score matching, or random assignment – to isolate the effect of work requirement policies.

Michael D. Webb, Ph.D.

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May 5, 2016

Moving to Work Office  
Office of Public and Indian Housing  
Department of Housing and Urban Development  
451 7th St. SW, Room 4130  
Washington, DC 20410-0001  
*Submitted electronically to [mtw-info@hud.gov](mailto:mtw-info@hud.gov)*

Re: Docket No. FR-5932-N-01, Request for Specific Policy Proposals and Methods of Research and Evaluation for MTW Demonstration Expansion

These comments are submitted by the Center on Budget and Policy Priorities. The Center is an independent, nonprofit policy institute that conducts research and analysis on a range of federal and state policy issues affecting low- and moderate-income families. The Center's housing work focuses on improving the effectiveness of federal low-income housing programs.

We appreciate the opportunity to comment on policy proposals and methods of research and evaluation for the Moving to Work demonstration expansion. HUD's implementation of the expansion carries high stakes, both because it offers the opportunity to produce meaningful research findings that could improve rental assistance and because it will directly alter the rules governing assistance for a large number of low-income families. Our main recommendations are as follows:

- **Prioritize policies promoting mobility and work.** In the first two cohorts of the expansion, HUD should direct agencies to test (1) regional cooperation to support housing mobility; and (2) policies to raise employment and earnings. These are areas where effective interventions could greatly improve the lives of rental assistance recipients, but where knowledge about which interventions work best is inadequate.
- **Use randomized trials whenever appropriate and feasible.** HUD should require evaluation using randomized trials whenever policies carry substantial costs or risks to low-income families and it is feasible to do so. Sometimes randomly assigning individuals to policy and control groups will not be possible, for example because an intervention can only be effectively implemented for an entire development, agency, or region. In these situations, HUD could employ alternative methods such as the development-to-development comparisons used for the Jobs Plus demonstration. But it should not allow costly or risky policies to go forward without a controlled evaluation simply because it would be less expensive or participating agencies would prefer not to implement randomized trials.
- **Limit implementation of unproven major policy changes.** There is *not* sufficient rigorous evidence to conclude that many major policy changes carried out by existing MTW agencies

“are already proven successful and could be implemented without further research.” These include major rent policy changes, work requirements, time limits, restrictions on portability and project-based voucher mobility rights, removal of caps on project-basing, elimination of extremely low-income targeting, and large-scale transfers of voucher funds to other purposes.

Instead, a compelling body of rigorous research shows that the voucher program in close to its current form reduces homelessness and other severe hardship among the most vulnerable families and children, and that using vouchers to move to higher-opportunity areas provides major added benefits. This suggests that policy changes altering the program’s core characteristics would risk reducing or eliminating those benefits.

In addition, allowing multiple major policy changes at the same time will make it more difficult to validly evaluate the high-priority changes HUD directs each cohort to test. For these reasons, HUD should not allow new MTW agencies to implement major untested policy changes except as part of their cohort’s primary policy.

### **Policy Proposals**

We recommend that HUD designate initiatives testing regional cooperation to support housing mobility as the primary policy all agencies in the first cohort must adopt and policies designed to raise employment and earnings as the primary policy for the second cohort. We have also included comments on several of the other policies HUD listed as examples in the Federal Register notice.

#### ***Regional Cooperation to Support Housing Choice***

Research shows that low-income families that use vouchers to move to low-poverty neighborhoods experience substantially improved outcomes. For example, HUD’s Moving to Opportunity (MTO) demonstration found that moving to low-poverty neighborhoods substantially reduced depression, psychological distress, severe obesity, and diabetes among adults.<sup>1</sup> A study by Raj Chetty, Nathaniel Hendren, and Lawrence Katz found that children in MTO whose parents moved from high- to low-poverty neighborhoods while they were young earned 30 percent more as adults and were more likely to attend college and less likely to become single parents.<sup>2</sup>

Federal rental assistance, however, is not as effective as it could be in enabling families to move to low-poverty areas. Vouchers do have a major effect on access to low-poverty areas for minority families with children, but 343,000 children in the voucher program still live in neighborhoods where 40 percent or more of the residents are poor.<sup>3</sup> Some existing efforts to help families move to

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<sup>1</sup> 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>.

<sup>2</sup> 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/mt\\_o\\_manuscript\\_may2015.pdf](http://scholar.harvard.edu/files/lkatz/files/mt_o_manuscript_may2015.pdf).

<sup>3</sup> Barbara Sard and Douglas Rice, “Realizing the Housing Voucher Program’s Potential to Enable Families to Move to Better Neighborhoods,” Center on Budget and Policy Priorities, January 12, 2016, <http://www.cbpp.org/research/housing/realizing-the-housing-voucher-programs-potential-to-enable-families-to-move-to>.

low-poverty areas have reported significant success. For example, families assisted by a Baltimore mobility program moved from neighborhoods with an average poverty rate of 30 percent to neighborhoods with 15 percent poverty on average over the ten years following their initial move. But there has been little rigorous research to identify which mobility assistance strategies are most effective or how agencies can best work with other agencies in their region to broaden the housing choices available to families.

HUD could use the first MTW cohort to help fill these gaps. HUD should select two or more groups of housing agencies that administer most vouchers in a metropolitan area or a portion of a large metropolitan area to manage their programs cooperatively with the goal of expanding housing choice for low-income families. The agencies would undertake regional partnerships to address barriers to families using vouchers to access higher-opportunity neighborhoods, for example through mapping of opportunity areas, landlord recruitment in and strategies to increase families' familiarity with such areas, neighborhood-based payment standards, portability (if the PHAs don't merge or have a single ACC), financial help to offset security deposits and other moving-related costs, pre-move credit repair and other tenancy preparation, and post-move assistance.

HUD should focus the first MTW cohort on regional cooperation to support mobility whether or not Congress approves the 2017 proposal for a mobility demonstration included in the Administration's 2017 budget and the Transportation-HUD appropriations bill passed by the Senate Appropriations Committee last month. If that proposal is enacted, an MTW mobility cohort would complement the new mobility demonstration. We would then recommend that HUD select some MTW agencies for the mobility demonstration (along with some non-MTW agencies to test implementation of policies outside the MTW context). Agencies may be willing to commit to more robust regional administration as a condition for admission to MTW than they would otherwise, which could contribute to the success of mobility programs. In addition, combining resources from the two initiatives would allow HUD to undertake a more comprehensive, rigorous evaluation than would be possible under either one separately.

### ***Increasing Employment and Earnings***

Supporting employment and earnings is another area where MTW could help fill gaps in knowledge about what policies are most effective. The majority of non-elderly, non-disabled rental assistance recipients work. Nonetheless, a substantial minority are not employed, and many of those with jobs have very low earnings. Only limited information is available on what policies work best to raise the earnings of rental assistance recipients.

HUD should select up to 10 agencies to test policies promoting self-sufficiency among rental assistance recipients. These agencies should apply to implement a variety of promising interventions to increase employment and earnings, including strategies to:

- Reduce barriers to work, for example through soft skills and executive function programs, cognitive behavioral therapy, mental health treatment, and child care assistance (potentially including alteration of the current deduction for child care expenses);
- Increase skills, for example through sectoral job training and subsidized jobs; and

- Increase engagement with work support efforts, for example through financial incentives, home visits, and community outreach.<sup>4</sup>

The cohort should include both voluntary programs and programs with work requirements backed by sanctions. Some or all of the sanction regimes should require that staff conduct non-punitive outreach such as a home visit before imposing sanctions and apply any sanctions gradually (for example by raising rents in small increments for each violation). Testing such policies would be important since they could potentially encourage engagement without terminating housing subsidies or other harsh measures. The interventions should include training and supportive services, but agencies should be encouraged to fund those services through partnerships with other organizations (such as agencies administering TANF and workforce development programs) rather than by shifting voucher subsidy funds.

Each of these policies should be evaluated through randomized trials. The evaluation should measure the policy's impact on a wide range of outcomes both while families receive assistance and after they leave. These outcomes should include employment, earnings, hardship (such as homelessness, frequent moves, crowding, and eviction), and child well-being. The evaluation should also examine voucher success rates and indicators of neighborhood quality to determine if work requirements affect landlords' willingness to accept vouchers. For all policies, the evaluation should report the impact of the interventions on costs for subsidies, administration, and other items such as counseling and services.

### ***Other Policies***

We discuss below several of the examples listed in HUD's notice of policies that could be tested under the expansion:

- **Improving educational outcomes through housing partnerships.** Rental assistance can support better educational outcomes by stabilizing families' housing so that children are not compelled to move frequently from one school to another and by providing low-income families access to neighborhoods with high-performing schools. It would be worthwhile for HUD to direct a cohort to test policies to maximize the impact of vouchers on educational outcomes, but it should do so in a way that emphasizes both stability and choice.

Some MTW agencies, such as the Tacoma Housing Authority, have issued vouchers subject to the requirement that voucher holders' children attend specified, predominantly low-income schools. This could reduce turnover at that school and may have had value as an initial exploratory policy, but if replicated widely it will tend to reinforce economic, ethnic, and racial segregation and deny voucher holders' children access to the best schools in most regions. Moreover, research such as the Family Options Study, which found that vouchers reduced school turnover *without* restrictions on where families live or what schools they attend, suggests that such restrictions are not necessary.

Agencies could expand knowledge about how best to use rental assistance to support both

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<sup>4</sup> For more information on promising policies to raise employment and earnings, see LaDonna Pavetti, "Improving Opportunity: Building on Past Successes," Center on Budget and Policy Priorities, January 11, 2016, <http://www.cbpp.org/research/family-income-support/improving-opportunity-building-on-past-successes>.

stability and choice by, for example, giving families in a particular school's attendance area preferences for vouchers, but providing them with information about high-performing schools in other locations and supporting moves if families wish to relocate.

- **Structuring alternative rent-setting methods.** HUD is currently conducting a rigorously evaluated rent reform demonstration at four MTW agencies. Our understanding is that the final demonstration report is scheduled for 2019, although some aspects of the follow-up study could extend somewhat longer. It may be worthwhile to use one of the MTW expansion cohorts to test other rent policies, but not until after 2019 when the new experiment could reflect lessons learned and questions raised by the current demonstration.
- **Streamlining admissions and/or occupancy policies (i.e., work requirements, time limits, waitlist preference alterations).** As noted above, we believe that HUD should examine work requirements together with other work support policies in an early cohort. HUD should not, however, direct or permit agencies to experiment with time limits at least until a later expansion cohort. It would make sense to test time limits only if evaluation of the employment cohort identifies policies that will reliably raise earnings for rental assistance recipients to the point where they can afford housing on their own in the local market.

This would enable HUD to require that time limits be accompanied by appropriate work supports and targeted on families who have a real chance to become self-sufficient before their assistance is cut off. In the absence of proven, evidence-based employment policies, time limits could arbitrarily cut off assistance for families who are playing by the rules but lack opportunities to increase their earnings.

- **Developing strategies to better utilize project-based vouchers.** HUD should implement a cohort to test strategies for using project-based vouchers effectively in opportunity areas where tenant-based vouchers are difficult to use. This should include regional strategies to coordinate project-based voucher funding, placement, and waiting lists. While these strategies share goals with the regional initiative focused on tenant-based voucher mobility proposed above, we think they involve a distinct enough set of policies to merit a separate cohort.

The cohort should include at least some agencies focused on placing project-based vouchers in neighborhoods that are gentrifying or at risk of gentrification, an approach that has the potential to lock in deeply affordable housing while rents are still relatively low. An important component of this effort would be learning about the predictive value of various criteria to identify such neighborhoods.

- **Cultivating supportive or sponsor-based housing policies.** It is not clear to us that there is an important research gap in this area; HUD should only implement a cohort focused on these policies if it concludes that there is one. If HUD does move forward with a cohort in this area, we recommend that it emphasize strategies that use voucher subsidy funds for rental assistance and seek to pay for supportive services by leveraging other funding sources. These could include, for example, Medicaid and other health programs as well as state, local, and philanthropic funds. The experience of non-MTW agencies that have implemented major supportive housing and homelessness initiatives, such as the city and county housing

authorities in Los Angeles, demonstrates that this approach is feasible if local communities are committed to addressing homelessness.

This would be consistent with the evidence-based policy priorities advanced over the past decade by HUD's homelessness programs, which have encouraged local Continuums of Care to use scarce HUD homelessness funding for housing rather than services. This shift to a housing-focused approach is widely seen as a key contributor to recent declines in chronic homelessness. HUD should not allow MTW to undermine that successful strategy by permitting housing agencies to shift large amounts of mainstream voucher subsidy funds into services — which could potentially contribute to homelessness by providing rental assistance to fewer households.

### **Research and Evaluation**

HUD requested comments regarding research and evaluation methods other than randomized control trials that should be considered “rigorous.” In general, randomized trials will produce the most reliable findings and HUD should use them to test MTW policies whenever such trials are feasible and the policies carry substantial costs or risk serious adverse effects. HUD should not employ less rigorous alternative evaluation methods simply because they are less expensive or preferred by participating housing agencies.

There are, however, circumstances where randomized trials would not be feasible or appropriate. These include evaluation of policies that can only be implemented effectively at the level of an entire development, agency, or region, and for which it would therefore be impossible to randomly select individuals for experimental and control groups. For example, the Jobs Plus demonstration, which was specifically designed to test the impact of pro-work policies that applied throughout a public housing development, was implemented in randomly selected developments at participating agencies and evaluated by comparing outcomes for residents of those developments with a control group of residents of similar developments.<sup>5</sup>

HUD could use methods like this to evaluate certain MTW interventions where individual random selection is not possible. In some cases, it would be feasible to use individual randomized trials to test some components of an intervention but not others. The regional mobility cohort we proposed above offers an example of this. HUD should conduct a random assignment evaluation of mobility counseling and other assistance provided to individual families, including an analysis of costs. The overall policy of regional cooperation, however, would affect all voucher holders at participating agencies and would likely need to be evaluated through qualitative analysis and comparison with other metropolitan areas where vouchers are not administered cooperatively.

### **Implementation of Policies Without Further Research**

HUD also requested comments regarding “what policies already are proven effective and could be implemented without further research.” This appears meant to help HUD determine what policies it should permit at most or all new MTW agencies. As discussed further below, there is not sufficient evidence to show that a number of the major policy changes implemented by MTW

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<sup>5</sup> Howard S. Bloom, James A. Riccio, and Nandita Verma, *Promoting Work in Public Housing: The Effectiveness of Jobs-Plus*, MDRC, 2005, <http://www.mdrc.org/publication/promoting-work-public-housing>.



agencies to date have been proven successful. We recommend that HUD tightly limit major waivers that go beyond the primary policy each cohort is directed to implement — both to protect the validity of MTW evaluations and because the rigorous research demonstrating the benefits of rental assistance suggest that untested changes to core characteristics of that assistance could severely harm vulnerable low-income families.

### ***Sweeping Flexibility Would Make Valid Evaluations Difficult***

Allowing agencies broad waivers beyond those needed for their cohort’s primary policy would reduce the chances of producing valid, useful evaluation results, for three reasons.

First, if agencies are permitted to alter more than one major policy at once it will be difficult or impossible to use evaluation methods that compare outcomes across agencies or regions or at the same agency before and after implementation. For example, if an agency put in place work requirements, major rent changes, and a mobility initiative within a few years, a comparison to another agency that did not implement any of these policies would not be able to determine which policy caused differences in outcomes such as earnings, health, or child well-being.<sup>6</sup>

Second, allowing agencies to make multiple major changes at once would make evaluation findings less relevant to policymakers deciding whether to extend a policy nationally. For example, if HUD tested mobility policies at a group of agencies whose voucher and public housing programs are run under essentially the same rules that apply to most other agencies, policymakers could assume that the findings approximate the effects the policies would have nationally. But if some or all of the agencies simultaneously implemented other substantial changes such as work requirements or major rent changes, that could alter the impacts of mobility changes — because families whose rental assistance is shallower or insecure may be less willing to take the risk of moving to a high-opportunity neighborhood, or for other reasons. In order to produce findings that are broadly applicable, HUD should require that evaluations be conducted in a policy environment that is as similar as possible to that in place at non-MTW agencies.

Third, permitting agencies to carry out several major changes at once could distract them from carefully implementing the primary experimental policy. In demonstrations, it can sometimes be a significant challenge to ensure that agencies properly implement the experimental policy. For example, only three of the six housing agencies participating in the Jobs Plus demonstration fully implemented the demonstration policies and sustained them through the evaluation period. If agencies are juggling multiple policy changes at once, this could reduce the chances that any of them will be implemented as planned. Multiple simultaneous policy changes could also strain the capacity of tenants (who may have difficulty understanding all of the changes and consequently respond to them differently than they would if they were implemented separately) and evaluators (who would have to track widely varying policy environments and sort out their implications for the evaluation).

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<sup>6</sup> Individual randomized trials would be better able to isolate effects of particular policies. But as noted above such trials will not always be feasible — and even when they are, cross-agency and before-and-after comparisons will often provide useful additional information.

### ***Rigorous Research on Benefits of Existing Rental Assistance Shows Risks of Untested Changes***

Another reason HUD should exercise caution in authorizing major changes to rental assistance policies is that research suggests that doing so would have major downside risks. The voucher program in its current (or close to current) form has been shown to play a major role in meeting the basic needs of the nation's most vulnerable people, and under some circumstances improving their children's long-term life prospects. Unproven policy changes that alter the program's core characteristics risk reducing or eliminating those benefits. HUD should not permit such changes except as part of a careful, rigorous research evaluation.

Three major controlled evaluations have found particularly strong benefits from vouchers:

- The Family Options Study found that vouchers issued to randomly selected homeless families with children sharply reduced homelessness, crowding, and housing instability compared to homeless families randomly assigned to other anti-homelessness interventions (transitional housing or short-term rapid rehousing) or to receive no special assistance. The study also found that the vouchers cut foster care placements (which are often triggered by parents' inability to afford suitable housing) by more than half, sharply reduced moves from one school to another, and cut rates of alcohol dependence, psychological distress, and domestic violence victimization among the adults with whom the children lived.<sup>7</sup>
- The Welfare-to-Work Voucher evaluation found that vouchers issued to families with children receiving or eligible for Temporary Assistance for Needy Families (TANF) sharply reduced homelessness, crowding, doubling up, and frequent moves.<sup>8</sup>
- As discussed above, evaluations of the Moving to Opportunity demonstration found that using vouchers to move to low-poverty neighborhoods improved health outcomes for adults and caused young children to earn more as adults and be much more likely to attend college and less likely to become single parents.

We do not know what aspects of the voucher program are essential to producing the powerful benefits these studies found. But if a policy change significantly reduces the number of families with rental assistance, reallocates rental assistance away from the lowest-income families, makes assistance to the lowest-income families shallower or less stable, or constrains voucher holders' choices about where they live, policymakers should assume that the change risks curtailing or eliminating these benefits — unless sufficient rigorous evidence is available to show that the change does not have that effect.

Put in more specific terms, such policy changes risk leaving more children homeless, in foster care, in homes affected by domestic violence and alcohol abuse, or facing significantly diminished

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<sup>7</sup> 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](http://www.huduser.org/portal/sites/default/files/pdf/FamilyOptionsStudy_final.pdf).

<sup>8</sup> 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.

prospects for success as adults. Most of these negative effects are not certain, but the chances they would occur are high enough that HUD should not allow policies that are risky and unproven unless they will be subject to rigorous evaluation to determine their positive and negative effects.

### ***HUD Should Establish Clear, Up-Front Limits on Risky Policy Changes***

We list a series of policies below for which there is insufficient evidence to conclude that the policy is successful and that therefore should not be implemented without further research. As a result, we recommend that HUD allow these policies only if they are an essential component of a cohort's primary policy. In some cases, we recommend that HUD also limit them in additional ways.

HUD should establish these limits by notice sufficiently early so that they are clear to agencies when they consider applying to participate in the demonstration, and HUD should incorporate them into a new standard agreement covering all agencies admitted to MTW under the expansion. HUD should also make clear that waivers permitting the policies discussed below as part of a cohort's primary policy apply only for the duration of the evaluation, and may only be extended beyond that time if the evaluation results support doing so.

- **Major changes in rent policy.** All MTW agencies have implemented alternative rent policies, but there is little information on their effects. Many alternative rent policies — including higher minimum rents, increasing the share of income paid substantially above 30 percent of income, high flat rents, and some tiered rent policies — raise rents on the poorest families and therefore risk reducing the effectiveness of rental assistance in protecting these families from homelessness and severe hardship.

Some agencies have conducted or sponsored assessments of some type, but not the randomized trials needed to distinguish the effects of the rent policies from other factors. Moreover, these assessments generally have not tracked families that lose assistance, which is essential to determine if policies push families into homelessness, housing instability, or crowded or substandard housing. The only experimental MTW rent evaluation is the ongoing Rent Reform Demonstration, which will not produce final results for several years.

HUD should permit MTW agencies to undertake modest rent streamlining that does not radically alter the policy environment or pose serious risks to tenants. This includes, for example, limited changes to deductions and modifications to recertification periods that still allow tenants whose income drops sharply to obtain rent adjustments. But more substantial changes should only be permitted if they are a cohort's primary policy.<sup>9</sup>

- **Work requirements.** Work requirements may increase employment, but they also risk increasing homelessness and other hardship if families that do not comply lose assistance. In addition, well-implemented work requirements will carry substantial costs for case management and supportive services. If these costs are funded using voucher funds that could have been used to assist needy families, that could also result in greater homelessness and other adverse effects. Some MTW agencies have implemented work requirements and

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<sup>9</sup> If the Rent Reform Demonstration finds that some or all of the policies it tests generate benefits that outweigh their risks or costs, HUD could revise this limitation.

some of these have been subject to some form of assessment, usually contracted by the local housing agency. But none of these assessments have been adequate to assess the trade-offs and determine whether it would be beneficial to permit work requirements at other agencies.

For example, the Charlotte Housing Authority contracted with researchers to evaluate the agency's work requirements. The evaluation was generally positive, although this may reflect the fact that Charlotte implemented a flexible, modest work requirement with strong case management and other services, in a healthy job market, and in well-located developments with access to mass transportation. More fundamentally, the evaluation only studied data for one year and did not track families after they left public housing. The evaluation also made no effort to consider the cost of the supportive services provided, even though these appear to have been funded by transfers from the agency's voucher program. In any case, the evaluation did not find work requirements in Charlotte to be significantly more beneficial than Jobs Plus, which improved employment and earnings without the threat of punitive sanctions.

We recommended above that HUD place a high priority on testing work requirements and other employment strategies at a range of agencies and subject to rigorous evaluation. But it should not permit new MTW agencies in other cohorts to implement work requirements until it has completed the evaluation of the work cohort and considered whether the benefits of work requirements relative to other approaches are worth the risks and costs across a broad range of housing markets.

- **Time limits.** Like work requirements and rent changes, the effects of time limits are highly uncertain. The limits would allow rental assistance to be spread to more families over time, as current recipients are terminated and slots freed up for other families. But if the time limits are not accompanied by employment programs that enable families to raise their earnings to the point where they can afford housing on their own, families that are terminated could face severe hardship. Moreover, churning families on and off of waiting lists based on time limits could undercut the housing stability that is one of the main benefits of rental assistance; for this reason it may be that moving a series of families on and off rental assistance has less total benefit than providing stable assistance to a single family.

A number of MTW agencies have implemented time limits, but few have maintained these policies long enough that families reached the limit and were terminated, and none have been subject to rigorous evaluation. As noted above, we recommend that HUD establish a time limit cohort under the expansion only if other research identifies policies that raise earnings for most rental assistance recipients to the point where they can afford housing without assistance. And HUD should not allow MTW agencies to implement time limits except as part of such a cohort.

- **Limitations on portability.** Policies limiting voucher holders' portability rights can substantially impede their ability to move outside areas with high concentration of poverty. This could deprive families of the positive effects that moves to opportunity areas have on adults' health and children's life prospects. The main benefits of portability limitations, by contrast, would be modest reductions in the administrative costs of housing agencies. A number of MTW agencies have restricted portability, but we know of no evidence suggesting

that the benefits outweigh the potentially large cost to families.

The law expanding MTW prohibited HUD from allowing agencies to limit portability rights except where “necessary to implement comprehensive rent reform and occupancy policies subject to evaluation by the Secretary,” and any limits must exempt requests to move “due to employment, education, health, and safety.” Consistent with this, HUD should only allow portability limits (and limits on the right of project-based voucher residents to move with a tenant-based voucher, which raise similar issues) when necessary to implement the primary policy being tested by an agency’s cohort. In addition, the Fair Housing Act — which cannot be waived under MTW — obligates HUD to require that any limits exempt families seeking to use their vouchers outside of racially- or ethnically-concentrated areas of poverty, or in an area where the family’s race or ethnicity does not predominate.

- **Project-based vouchers.** The U.S. Housing Act prohibits agencies from project basing more than 20 percent of their voucher funds, ensuring that most vouchers can be used in a neighborhood of a family’s choice. Sharply raising this agency-level cap would fundamentally alter the voucher program and risk undermining its benefits. HUD could permit MTW agencies to modestly increase project-basing outside the primary policy of their cohort, perhaps consistent with the increased flexibility that would be permitted under H.R. 3700, a bill passed by the House of Representatives in February 2016, if the additional authority is used for certain projects. The risks of these changes seems relatively small.

There has not been sufficient research, however, to assess the impact of major increases in the share of vouchers that are project-based. HUD should allow such increases only as part of a rigorously evaluated primary policy, and that evaluation should assess the policy’s impact on the neighborhoods where voucher holders live and the availability of tenant-based vouchers to project-based voucher residents and families on the agency’s waiting list.

- **Elimination of ELI targeting.** Non-MTW agencies must ensure that 75 percent of families entering the voucher program and 40 percent of those moving into public housing have “extremely low incomes” (ELI) below the poverty line or 30 percent of area median income. The MTW statute requires agencies to ensure that 75 percent of the families they assist have “very low incomes” below 50 percent of median. But MTW agencies are also subject to the ELI targeting requirement (which was enacted in 1998, two years after the MTW statute) unless HUD opts to waive it. This decision is entirely within HUD’s discretion.

The evidence discussed above regarding the benefits of vouchers comes from studies of families that are homeless, eligible for TANF, or initially living in high-poverty public housing developments — groups that are overwhelmingly ELI. We know of no evidence suggesting that assistance to higher-income families produces greater benefits. Indeed, it seems highly likely that assisting higher-income families would be much *less* beneficial than assisting ELI families, since problems like homelessness and housing instability are heavily concentrated among the lowest-income families.

Eliminating ELI targeting clearly poses risks to vulnerable families and should not be permitted outside of a cohort’s primary policy. We would however, recommend that HUD go further and make clear that it will not waive ELI targeting for *any* new MTW agency, since

it is implausible that such waivers could make rental assistance more effective in addressing the nation's most pressing housing problems. The MTW expansion should focus on testing improvements to assistance targeted primarily on ELI families, not on providing agencies the option to shift assistance to less needy families.

- **Large scale shifts of voucher funds.** In 2014 (the last year for which complete data are available), MTW agencies shifted close to \$600 million in voucher funds to other purposes. The costs of these shifts is clear: about 63,000 families who could have been assisted with available funds did not receive vouchers and consequently did not have access to the benefits of vouchers described above. There is much less information available on offsetting benefits of these transfers, partly because at most agencies there is not enough publicly available data to determine how much transferred voucher funding went to particular purposes.

We know of no evidence showing that specific transfers had benefits equal to or greater than vouchers. A substantial share has gone to uses whose benefits are very unlikely to even approach those of vouchers. This includes, for example, shifts to supplement agency administrative budgets or development of affordable housing to assist non-ELI families. The Family Options study suggests that transfers for rapid-rehousing assistance (which have absorbed a modest share of shifted funds) are also generally less beneficial. We therefore recommend that HUD either prohibit fund transfers to purposes other than direct rental assistance that are not needed to support the primary policy of an agency's cohort, or at a minimum cap them at a low level (such as the higher of two percent of an agency's voucher funds or \$25,000).

HUD should also establish a firm overall limit on the amount of voucher funds that MTW agencies may shift to purposes other than rental assistance whether or not they are part of a cohort's primary policy. The nation's rental assistance resources already fall far short of meeting pressing rental assistance needs. The goal of the MTW expansion should be to examine ways to use available resources more efficiently to meet those needs, not to allow agencies to transfer large amounts away from rental assistance to other purposes.

We recognize that some innovative policies may require spending for purposes such as employment- or mobility-related services. Agencies should, however, use rental assistance funds for these purposes only sparingly and as a last resort, and should seek to meet most non-rental assistance needs primarily through coordination with other systems, funding sources, and providers. We recommend that HUD limit transfers for purposes other than direct rental assistance to no more than a total of the higher of 10 percent of an agency's voucher funds or \$25,000 (counting any money used for purposes outside of the cohort's primary policy under the lower limit we proposed above). In addition, HUD should provide a preference in the MTW selection process for agencies that commit to transferring lower shares of their voucher funds.

The most effective and efficient way for HUD to implement these limits would be through agencies' voucher funding formulas. HUD should institute hybrid funding formulas for MTW expansion agencies, in which they receive most voucher renewal funds based on their expenditures on direct rental assistance in the previous year adjusted for inflation — the same formula that is used at non-MTW agencies and has been instrumental in causing them to use

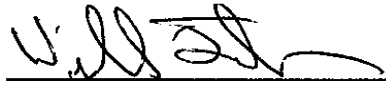
nearly all of their vouchers subsidy funding for vouchers.

Only the 2 to 10 percent of funds that an agency plans to use for non-rental assistance purposes should be renewed through block grant formulas like those used in MTW today, in which funding is increased each year by an inflation factor without considering expenditures. This would make the limits on transfer of voucher funds a routine, automatic part of the annual funding process, and would be easier and less controversial for HUD to administer than establishing a separate system to monitor agencies' expenditures and sanction violators.

It is commendable that HUD has solicited public comments to inform the design of the MTW expansion. The questions HUD is asking — which policies should be prioritized, how to ensure they are rigorously evaluated, and which policies should be permitted without further research — are critically important ones. Thank you for considering these comments, and please let us know if you have questions regarding the issues we have raised.



Barbara Sard  
Vice President for Housing Policy  
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Will Fischer  
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## Charlotte Housing Authority

May 18, 2016

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Moving to Work Office  
Office of Public and Indian Housing  
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451 7<sup>th</sup> Street SW., Room 4130  
Washington, DC 20410-0001

Re: Document No. FR-5932-N-01, *Request for Specific Proposals and Methods of Research and Evaluation for MTW Demonstration Expansion*

Dear MTW Team:

On behalf of the Charlotte Housing Authority, I want to express sincere appreciation for the opportunity to provide recommendations for specific policy proposals. The Charlotte Housing Authority has been an MTW agency since 2007. We value the flexibility that MTW offers and used such flexibility to develop a work requirement combined with support services and develop a rent reform program just to name a few. Outlined below are two specific proposals related to creating housing opportunities and assisting families in becoming economically self-sufficient.

In Charlotte, we are currently experiencing a great need for affordable housing. Voucher holders are having more difficulty finding available units. We realize more than ever that we need to develop ways to build partnerships that will enable us to move families to high opportunity neighborhoods. HUD should consider developing pilot programs to test some of the practices that are currently deployed by agencies throughout the country. This will mean allowing agencies to increase payments standards to what best meet the needs of that city or county. The request for the necessary waivers may differ for each agency.

Work requirements and term limits are often talked about negatively. HUD could further explore the impact of a work requirement coupled with work supports (services). This will require an investment into the families. Based on our experience, we have found that the combination of the two positively impacts the family and helps moves families towards self-sufficiency.

This is a great opportunity to further test policy changes that may benefit non-MTW agencies and result in better service for the people that we assist every day. Again, thank you for the opportunity to submit recommendations.

Sincerely,

Shaunté Evans  
Chief Administrative Officer



**From:** Katy Casey <caseykaty@gmail.com>  
**Sent:** Monday, April 04, 2016 2:04 PM  
**To:** mtw-info  
**Subject:** MtW  
**Attachments:** AMG TB presentation 2-2016.pptx; Passive House and Resilient Design.pptx; Dev Budget.xlsx

The East Hampton Housing Authority is designing a new 40 unit multi-family, mixed-use, mixed-income project for a property in Amagansett NY, one of the costliest zip codes in the country. The proposed community would have 40 residential and 4 commercial suites, a community house, common vegetable gardens and lawns, and a playground. Eligibility for tenancy <30% AMI through 120% AMI for commercial suites with accompanying studios.

The physical design includes Passive House<sup>1</sup> certification for energy efficiency, on-site wastewater treatment and reclamation of grey water for toilets and irrigation and rain gardens to mitigate storm water runoff<sup>2</sup>, a pocket neighborhood with walking and biking trails, a bike rental kiosk adjacent to a proposed inter-hamlet bike path along the MTA right of way<sup>3</sup>, solar PV and a level III EV charging station<sup>4</sup>.

Administrative and management design elements allow for economic mobility of tenants. Target percentages of varying income levels are <30, 50, 60, 90 & 120% AMI. As Tenant household income changes the unit they currently occupy is re-designated to the new level, up or down, and the next lease-up comes in at the level necessary to maintain a balance of units. For example, a household can come into this high-opportunity neighborhood as extremely low-income to a project based unit from the preference list, gain employment, economic stability and potentially qualify for one of four commercial suites for entrepreneurial enterprise without ever having to relocate. Each commercial unit has an accessory studio apartment for the proprietor or their staff up to 120% AMI. From one location a household can move from extreme poverty through self-employed business owner. This requires the Project Based Voucher to be transferable to a different unit at the same location.

We believe this effectively and creatively meets MTW demonstration statutory objectives of cost effectiveness, self-sufficiency, and housing choice.

- Increasing moves of low-income families to high-opportunity neighborhoods;
- Structuring alternative rent-setting methods;
- Streamlining admissions and/or occupancy policies (*i.e.*, work requirements, time limits, waitlist preference alterations);
- Developing strategies to better utilize project-based vouchers;
- Achieving the goal of ending homelessness for families, veterans, youth, and the chronically homeless.

1. Passive House is a rigorous design standard that maximizes superior envelope sealing and insulation, eliminates thermal bridging, and orientates buildings for solar PV and smart fenestration. As it requires very little energy to heat or cool living spaces it allows for very small, efficient mechanicals. It also gives occupants greater control over indoor air quality and comfort. Air handlers in each unit minimize odor, noise and pest cross-contamination. 2. On-site wastewater treatment not required by current health department density standards but this project will voluntarily treat on-site on principle and as a model for future projects. 3. Transit Oriented / Walkable Communities 4. To include NYSDA initiatives for increasing renewable energy generation, contributing to the development of EV transportation infrastructure nation-wide, and the East Hampton Town 100% energy self-sufficiency contract goal of 2020.

Some of the above elements have already proven effective and some of the proposed management elements we consider to be ground breaking and worthy of investment. The Housing Authority is working with the State of NY on tax credit funding but there remains an unmet need at the higher income levels that current programs do not support. We request your consideration and comments.

<http://ehhacc.wix.com/eh-housing-authority>

<http://www.ehamptonny.gov/DocumentsPDF/HousingCommDevelop/Publications/CHOFMarch112015reduced.pdf>



Catherine M. Casey, Executive Director

east hampton housing authority

316 Accabonac Road / P.O.Box 2106 East Hampton NY 11937



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**Strengthening Neighborhoods.  
Improving Lives.**

**Council of Large Public Housing Authorities**

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May 16, 2016

Regulations Division  
Office of General Counsel  
US Department of Housing and Urban Development  
451 7<sup>th</sup> Street SW, Room 10276  
Washington, DC 20410-7000

Re: [Docket No. FR-5932-N-01] Request for Specific Policy Proposals and Methods of Research and Evaluation for MTW Demonstration Expansion

To Whom It May Concern:

CLPHA is a non-profit organization committed to preserving, improving, and expanding the availability of housing opportunities for low-income, elderly, and disabled individuals and families. CLPHA's members comprise more than 70 of the largest housing authorities, in most major metropolitan areas in the United States. These agencies act as both housing providers and community developers, effectively serving over one million households, managing almost half of the nation's multi-billion dollar public housing stock, and administering over one-quarter of the Section-8 Housing Choice Voucher program.

CLPHA welcomes the opportunity to submit comments on HUD's notice soliciting recommendations for policy and research proposals for MTW expansion. Below are our general comments, as well as specific policy recommendations:

**General Comments on MTW Expansion and the Research Advisory Committee**

We believe that the Research Advisory Committee should develop the research agenda through a thoughtful, measured, and engaged process with considerable input from the housing authorities and industry groups. In comments submitted to HUD last week on the notice establishing the Research Advisory Committee, CLPHA asked that HUD create an open dialogue with the public and industry group *throughout the entire* RAC process, regularly sharing information and soliciting comments and feedback as the research agenda is being developed. While we welcome the opportunity to submit recommendations for policy proposals and research methodologies, we want to emphasize that this should not be the final opportunity to provide comments. HUD should publish a draft of the research agenda well in advance of the first round of applications and invite feedback

on the agenda from the public and industry groups, in addition to regular engagement throughout the development process. We also want to emphasize that developing a well-designed research evaluation takes considerable time and thoughtful planning, as recent research efforts from Abt Associates, MDRC, and the University of North Carolina, Chapel Hill have shown. Housing authorities should be given the flexibility to develop the evaluations at a pace appropriate for them, the discretion to test the designated policies portfolio wide or only at specific properties, and the freedom to choose appropriate evaluation partners.

HUD has not made it clear whether or not it will be prescribing specific research evaluation methods following recommendations from the RAC, or allowing PHAs to determine their own evaluation designs. *CLPHA recommends that housing authorities should be given full flexibility and latitude over the design and implementation of their research methodologies.* PHAs best understand their operations, portfolios, and populations, as well as local markets and conditions, and can tailor their methodologies accordingly. If HUD plans to prescribe specific research methods, it should permit housing authorities to use the broadest range of research methodologies and designs possible. The statutory language authorizing the expansion of MTW calls for “rigorous research”. Although some consider randomized control studies to be the only gold standard, CLPHA believes “rigorous research” should be applied broadly. In addition to randomized control and comparison studies, qualitative methods such as surveys, interviews, case studies, and other methods should be employed. Permitting PHAs to use multiple methods will not only create a larger supply of information and data for evaluation, but also allow for a more complete understanding of the impacts of the designated policies.

HUD should pay particular attention to researchers who have done innovative research in public housing. At Johns Hopkins University, sociologist Stephanie Deluca used qualitative methodologies to study adolescents growing up in public housing in Baltimore. Her research, documented in *Coming of Age in the Other America*, tracked a group of youth for 10 years. Through extensive fieldwork, including repeated interviews with the children and their parents, Deluca’s study identified the opportunities and unique challenges around upward mobility facing youth in Baltimore’s public housing. HUD can also take lessons from Charlotte Housing Authority’s (CHA) recent research efforts. Working in collaboration with evaluators from the University of North Carolina at Chapel Hill, CHA developed a comparison study, supplemented with survey and interview data, which evaluated employment and eviction rates between properties that implemented work requirements and properties that did not. The study included rigorous, carefully thought-out methodologies and implementation strategies that took both resident capacity and local markets into consideration. For example, CHA built in exceptions for residents identified as potentially having disabilities (and therefore unable to work) and provided on-site case management and supportive services for work-eligible residents for over two years prior to implementing work requirements. CHA also delayed the enforcement of work-requirements due to a local economic recession and accompanying high unemployment rates in Charlotte.

## Policy Recommendations for Evaluation

### Administrative & Operational

#### 1. *Funding Flexibility*

One of the unique features of MTW is the ability to merge operating, capital, and tenant-based assistance dollars into a single agency fund, allowing agencies to take advantage of opportunities not available to traditional public housing authorities. MTW agencies have made strategic use of their authority to flexibly use funds to increase housing choice and improve cost effectiveness. In HUD's report, *Moving to Work: Interim Policy Applications and the Future of the Demonstration*, HUD states that funding flexibility has enabled MTW agencies to serve more families. In a number of MTW agencies the housing authority used its combined funds to leverage financing for the development of additional affordable housing units. In Vancouver, Washington, the housing authority used its single fund flexibility to create a rapid-rehousing program for families experiencing short-term financial challenges. Developing a research question around the use of funding flexibility will allow for a more robust understanding of how the policy impacts resident outcomes, as well as MTW's three major statutory goals; expanding housing choices, increasing self-sufficiency, and increasing cost effectiveness.

#### 2. *Partnerships*

There has previously been minimal research on MTW and its impact on partnerships. However, MTW housing authorities are in a unique position to leverage partnerships with local service providers, as well as develop partnerships across sectors. Many MTW housing authorities are already engaging in these innovative collaborations, including partnering with education, health, and financial institutions to provide more housing choices and better opportunities and outcomes for their residents. CLPHA believes a partnerships/collaborations research question should be included in the research agenda, so we can better understand how MTW flexibilities impact this important component of a PHA's work.

#### 3. *Improving Housing Quality and Expanding Housing Opportunities*

Despite the fact that the capital backlog for public housing is now over \$26 billion and a substantial amount of public housing units are being lost every year, the flexibilities authorized under MTW have allowed agencies to preserve and revitalize their public housing stock in three substantial ways.

First, housing authorities are using MTW flexibility to improve existing stock in need of rehabilitation. In Atlanta, the housing authority undertook a portfolio transformation by recapitalizing and converting its public housing stock to mixed-income, mixed-financed developments. Financial flexibilities under MTW, such as the single agency fund and the exemption

to HUD's Total Development Cost limits allowed the Atlanta Housing Authority take an active "developer" role in the preservation and improvement of its housing stock.

Second, housing authorities have used MTW flexibility to preserve affordable units in emerging opportunity neighborhoods. HUD has increasingly focused on providing affordable housing in areas of opportunity. However, many public housing units are already located in, or adjacent to, potential opportunity neighborhoods. In these cases agencies have used their MTW authority to preserve existing housing in neighborhoods they may have been priced out of just a few years later.

And finally, housing authorities are using MTW flexibility to create new housing options in existing opportunity neighborhoods where affordable housing has been historically absent. CLPHA recommends that the RAC develop a research question addressing how MTW authority allows PHAs to improve their housing quality, preserve their stock, and expand housing opportunities for residents.

## **Resident Services and Outcomes**

Housing authorities have implemented a wide variety of policies and programs around resident services and outcomes. Rather than prescribing one specific policy for each cohort, the RAC should consider developing a menu of policy options grouped according to broader research categories that reflect current MTW activities – including economic self-sufficiency, health, and education. Each of these categories can have a list of several policies for PHAs in that cohort to choose from. PHAs capacity, funding, and operations, as well as resident demographics and local economic conditions vary widely across geographies and markets. Allowing PHAs to select from a menu of policy options will grant housing authorities greater flexibility in implementing policies that best work for their local conditions. Additionally, combining these policies under one research topic allows for a greater range of policies to be evaluated over the course of the expansion.

### *1. Economic Self-Sufficiency*

Housing authorities are currently implementing a wide range of innovative economic self-sufficiency policies and activities that encourage financial mobility and independence for residents, including work requirements, rent reform, and term limits. King County Housing Authority developed revised rent policies for work-able and working households. The rental policies, adopted in 2010, combined simplified reporting and review requirements with tiered rents and a biennial recertification cycle, allowing household income to increase without an immediate impact on tenant rent. In New Haven, Connecticut, Elm City Communities developed the CARES (Caring About Resident Economic Self-Sufficiency) Initiative, which introduced term limits paired with escrow savings and supportive services to residents in certain properties. When developing the research

agenda, HUD should create a research category for economic self-sufficiency with policy options including, but is not limited to, work requirements, rent reform, and term limits.

## *2. Health and Education*

HUD should also create research categories for studying the impact of MTW on health and education outcomes for residents, particularly the ways in which MTW flexibilities create new opportunities for funding and partnerships. Housing authorities have been deeply engaged in building partnerships between housing and school systems to improve educational outcomes for children living in public housing. In Tacoma, WA, the housing authority created the McCarver School Initiative. Through the initiative, THA offers homeless or at-risk families housing vouchers with annual rent increases over a five year period, until the families pay 80 percent of the city's fair housing market rent. Parents in the program commit to keeping their children enrolled at McCarver Elementary School, as well as completing their own education and work-related goals as a condition of receiving their housing voucher. Under the initiative the school also committed to improving its status from a low-performing school to a high-performing one. McCarver has recently been certified as an International Baccalaureate (IB) Primary Years Program school, adopting rigorous academic achievement standards and an innovative curriculum to encourage better educational outcomes for its students. Housing authorities have also done innovative work around health outcomes for residents, particularly for seniors aging in place. In Cambridge Massachusetts, the housing authority used its MTW funding flexibility to subsidize housing and services costs in an assisted-living facility, in combination with funding from the Massachusetts Medicaid Group Adult Foster Care Program and PACE (Program of All-Inclusive Care for the Elderly).

## *3. Special Needs Housing*

Many PHAs have used their flexibility to expand their services beyond traditional program administration, partnering with community organizations to provide service-enriched housing opportunities for special needs populations, including the homeless and formerly incarcerated. In Oakland, the housing authority provides housing assistance and service coordination for mothers who have been incarcerated through the MOMS Program (Maximizing Opportunities for Mothers to Succeed), a sponsor-based housing model. The King County Housing Authority used project-based vouchers (PBVs) to place homeless families in properties with targeted support and training as part of the Sound Families Program. Using its MTW flexibility, the housing authority adopted a policy allowing families who graduated from the program to receive a tenant-based voucher without being on the traditional waitlist. Understanding how MTW agencies can use their flexibilities to serve special needs populations would be an important research question for the RAC to include in its research agenda.

#### *4. Mobility*

Increasing housing choice is one of the three main statutory goals of the MTW program. Many housing authorities have developed mobility strategies to assist residents in moving to higher opportunity neighborhoods. The San Diego Housing Commission created the Choice Communities program aimed at helping move families into more affluent communities with better employment and education opportunities. The housing authority used its MTW authority to create more flexible rent limits, increase payment standards, and offer no-interest loans to assist families in paying higher security deposits. In Baltimore, low-income residents are given mobility counseling to support their transitions into new communities. The RAC should create a research category for mobility that includes several policy interventions, including changes to payment standards and mobility counseling.

In conclusion, CLPHA appreciates the opportunity to submit recommendations for research methodology and policy ideas for the RAC. We recommend that housing authorities be given considerable latitude over their research design process and that a menu of policy options, under broad research categories, should be made available to each cohort. Additionally, we strongly encourage HUD create a transparent and engaged dialogue with stakeholders throughout the RAC process, including making the research agenda available for comment in advance of the first round of applications.

Thank you for the opportunity to submit these comments.

Sincerely,

A handwritten signature in black ink, reading "Sunia Zatterman". The signature is fluid and cursive, with a long horizontal flourish extending to the right.

Sunia Zatterman  
Executive Director





May 13, 2016

Moving to Work Office  
Office of Public and Indian Housing  
Department of Housing and Urban Development  
451 Seventh Street, SW., Room 4130  
Washington, DC 20410-0001

Submitted via email to [mtw-info@hud.gov](mailto:mtw-info@hud.gov)

RE: *FR-5932-N-01 Request for Specific Policy Proposals and Methods of Research and Evaluation for MTW Demonstration Expansion (Docket Number HUD-2016-0030)*

To Whom it May Concern:

Moving To Work (MTW) status has allowed public housing authorities (PHAs) to test promising practices for serving homeless and high needs populations. As part of HUD's overall initiatives to help people experiencing homelessness access mainstream housing assistance programs, we support using the expansion of MTW to rigorously test the deregulation of public housing in ways that align the systems to appropriately serve the needs of people with multiple barriers to housing. We appreciate the opportunity to comment on the specific policy proposals and methods of research and evaluation for the MTW expansion.

CSH's mission is to advance solutions that use housing as a platform for services to improve the lives of the most vulnerable people, maximize public resources and build healthy communities. We provide financing, technical assistance and consulting, and policy leadership at the local, state, and national levels to incorporate evidence based and promising practices into investments in affordable and supportive housing.

This comment letter builds off of our letter to Secretary Julian Castro from March 14, 2016 offering suggestions for the forthcoming MTW expansion notice. We noted that HUD has been fostering collaborations between PHAs and CoCs at the federal and community levels over the past few years, assisted by CSH, and made great strides. We see MTW as one further area where HUD can encourage and incentivize PHA and CoC partnerships. "Increased flexibility is important to encourage PHAs to continue to move in this direction. After consultation with HUD and review of the official request for comment on MTW research proposals, we wish to modify our proposed recommendations. Our top three recommendations for policies to test, including study design recommendations as appropriate, are as follows:

1. Test the cost effectiveness and resident outcomes of exceeding the 20% cap on project based vouchers for the purpose of creating supportive housing in the large PHA cohort

2. Test sponsor basing for people with significant barriers to housing
3. Test appropriate connections to supported, transitional, or social-enterprise-based employment for public housing residents.

### **Project Basing**

HUD should use MTW flexibility to test the cost effectiveness and resident outcomes of exceeding the 20% cap on project based vouchers for the purpose of creating supportive housing in the large PHA cohort. Many of CSH's PHA partners desire to serve more high-need households, but with rents increasing in many major cities and landlords able to be very selective about their tenants, even a Housing Choice Voucher is sometimes not enough to overcome barriers to housing such as criminal records or poor credit, let alone the fact that vouchers may not pay what the market will bear. Several Moving To Work PHAs in the original cohort found that using their MTW flexibility to exceed the statutory limitation on project based vouchers of 20% of their funding allowed them to serve households with higher needs, better control rent increases and manage their cash flows, and offer higher quality housing. Anecdotally, we know that there are many current non-MTW PHAs who feel that the cap on project based vouchers hinders them from expanding supportive housing options, and who are therefore attracted to MTW status. Project basing leverages capital dollars outside of PHA sources towards the goal of ending homelessness and serving people with the greatest needs. The effects of measured without necessarily waiting through process of affordable housing development. As illustrated by the Section 811 program, there is appetite among developers to back-fill rental assistance contracts into existing units, especially if it offers them a competitive edge for LIHTC.

Important metrics for testing the effectiveness of lifting the cap on project based vouchers include the following:

- Cost Measures
  - Affordability over time compared to market
  - Leverage of capital funds
  - Cost compared to tenant based voucher
  - Determining whether project based costs are more predictable and easier to administer
- Resident Outcome Measures
  - Number of residents exiting homelessness served and housing stability
  - Number of residents with other barriers to housing served and housing stability
  - Extent to which residents have access to services to support their housing stability
  - Extent to which residents exercise mobility option, indicating satisfaction with their unit compared to what they believe they could get in the open market
- System Change Measures
  - Partnerships created between PHAs, CoCs, and homeless assistance providers, and effects of those partnerships
  - Partnerships created between PHAs and Health Systems and health care providers, and effects of those partnerships

### **Sponsor Basing Vouchers for High Needs Households**

HUD should direct one of the MTW cohorts to test if and how sponsor basing increases housing stability and other outcome metrics. Sponsor-basing allows a PHA to partner with a non-profit service provider to ensure that households who may otherwise be screened out or unable to find suitable housing can access affordable housing while receiving supportive services. Only MTW agencies are currently able to provide

sponsor-based voucher assistance to hard-to-serve households, who are often homeless, leaving a correctional institution, or at-risk young adults. What makes sponsor basing effective at serving hard to serve households is that the service provider removes the need for changing screening policies wholesale, provides the services helpful for maintaining housing stability, and takes responsibility for the unit.

While there is less of a clear connection between sponsor basing and the needs and interests of a particular cohort, we do know that successful sponsor basing involves some level of partnership between PHAs and service providers, as well as available capacity from service providers. It may be of particular interest to PHAs who want to serve higher needs households without hiring their own resident service staff. Therefore, it could be a good fit for mid-size PHAs.

Important metrics for testing the effectiveness of sponsor basing include:

- Cost measures
  - Cost of unit repairs compared to regular public housing or vouchers as a way of informing the additional housing costs of serving households with high needs
  - Leverage of services funding
  - System-wide cost savings for specific cohorts of people served as a result of housing stability
  - Administrative savings
- Resident outcome measures
  - Number of residents exiting homelessness served
  - Resident housing barriers and service needs
  - Housing stability
  - Increases in income or benefits,
  - Improved health outcomes,
  - Family reunification
- System Change Measures
  - Partnerships created between PHAs, CoCs, and homeless assistance providers and effects of those partnerships
  - Partnerships created between PHAs, health systems, and health care providers and effects of those partnerships.

### **Connections to Supported, Transitional, or Social Enterprise Employment Supports**

Finally, HUD should assign a cohort of MTW PHAs to test appropriate connections to supported, transitional, or social-enterprise-based employment for public housing residents. Barriers to housing and barriers to employment often overlap and reinforce each other. While there is a large body of research describing effective models for removing barriers to employment<sup>1</sup>, these models have not been scaled or effectively incorporated into PHAs. CSH believes that there is a role for housing providers to partner with the workforce support system to better serve people with barriers to both employment and housing.

The workforce development system is currently engaged in an effort to determine appropriate strategies for serving higher need job seekers and would benefit from collaboration with housing providers who serve the same population. The implementation of the Workforce Innovation and Opportunity Act (WIOA) presents

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<sup>1</sup> For more information, see: <https://www.heartlandalliance.org/nationalinitiatives/field-building/web-toolkit/>; <http://www.dartmouthips.org/>, and <http://redf.org/jobsreport/>



an important moment for PHAs to work with local workforce boards and other sources of employment support to ensure that PHA residents are better served within the WIOA system and that there are appropriate hand-offs between systems to support the employment entry and success of PHA residents.

Testing employment supports will require creative experiment design because the outcomes are likely to be dependent on the capacity of the workforce system or other entities who are engaged in creating job opportunities for high need people, which will not necessarily overlap with PHA interest in MTW. The effects of the local job market and the employment barriers of participants should also be disaggregated from the effects of the various workforce engagement models.

The models to be tested could include:

- Control group: Only the statutorily mandated work or community service requirements and whatever residents access on their own
- Connections to the workforce system: Access to employment-related information and services through One-Stop/American Jobs Centers/the WIOA system or a Jobs Plus model that saturates a public housing site with employment information.
- Subsidized/transitional/social enterprise employment: Programs that combine wage-paid work, job skills training, and supportive services to help individuals facing barriers to employment succeed in the workforce.
- Work incentives: Modifying rent calculation formulas to provide non-punitive incentives for participants to increase their earnings and save for the future.
- Combination strategies

Another, separate, useful research question would be to test triage tools that would identify which supports are needed to address which barriers to employment.

Information to collect would include:

- Cost measures
  - Cost of each model
  - Partnership development needed for each model
- Resident outcome measures
  - Percentage of residents employed
  - Increases in resident or family income
  - Growth of resident rent share
  - Employment stability/job retention and income stability
  - Job quality, including scheduling stability, access to benefits, wage and salary increases, and opportunities for advancement
  - Satisfaction with employment
  - Housing exits and reasons (positive/negative)
- Systems change measures
  - Partnerships created between PHAs and WIOA system
  - Success of community based workforce development programs that focus specifically on people facing barriers to employment

Once again, CSH appreciates the chance to comment on the research agenda for the MTW expansion. MTW flexibility is a powerful tool that has allowed PHAs to expand housing opportunities for the most vulnerable Americans and we are excited about the prospect of quantifying the value of these tools. If you have any questions regarding these comments, please contact Eva Wingren, Policy Analyst, at [eva.wingren@csh.org](mailto:eva.wingren@csh.org).

Thanks,

A handwritten signature in black ink, reading "Deborah De Santis". The signature is fluid and cursive, with the first name "Deborah" and last name "De Santis" clearly distinguishable.

Deborah De Santis  
President and CEO  
CSH

## **Policy Proposals and Research Methods for MTW Demonstration Expansion**

Ed Olsen  
University of Virginia  
May 4, 2016

### **Cost-Effectiveness of Project-Based Assistance in the Section 8 Housing Voucher Program**

Since the 1998 Housing Act, public housing authorities have been allowed to require recipients of up to 20 percent of their Section 8 vouchers to live in particular dwelling units in order to receive vouchers, thereby reducing recipient choice. Previous research has indicated that it costs much more to provide equally desirable housing with project-based than tenant-based assistance. This new project-based assistance in the Section 8 Housing Choice Voucher Program differs in some respects from previous types. A comparison of its cost-effectiveness with that of tenant-based Section 8 assistance is overdue. This should be based on a random sample of tenant-based and project-based vouchers from housing authorities that have both. A credible cost-effectiveness analysis requires detailed information about the characteristics of the dwelling units and their neighborhoods and a meticulous collection of data on **all** of the subsidies associated with the unit occupied by the recipient of a project-based voucher. HUD's Customer Satisfaction Survey indicates that information on the characteristics of the unit and its neighborhood can be obtained at low cost from recipients. To compare the total cost of providing the housing occupied by a family with a project-based voucher with the total cost of providing an equally good unit in an equally desirable neighborhood under the tenant-based voucher program, analysts would estimate a statistical relationship explaining the total cost of each unit in the sample as a function of housing and neighborhood characteristics and a dummy variable for whether the unit was project-based. The coefficient on the dummy variable indicates how much more or less the project-based unit costs.

### **Reducing the Work Disincentive Effects of Low-Income Housing Programs**

The perennial desire to help the poorest people has always been combined with a desire to avoid their prolonged dependence on others. Like other welfare programs, HUD's low-income housing programs create disincentives for work. They reduce their subsidy by 30 cents for each additional dollar of countable income. Three studies of HUD's largest low-income housing program (the housing voucher program) have assembled data well suited to studying its labor supply effects on adult recipients and used excellent statistical methods to analyze it. Other good studies have produced estimates of these effects for programs of project-based housing assistance as well as housing vouchers. Although the results of the studies don't agree in every detail, the big picture is clear. U.S. low-income housing programs induce adult recipients to earn 10 to 15 percent less on average. The evidence indicates that the reduction in the magnitude of the subsidy that results from higher labor earnings is an important reason for this effect. For example, the evidence indicates that the three broad types of housing assistance have similar effects on labor earnings and employment. These programs differ in respects that some believed would significantly affect labor earnings. What they have in common is their subsidy formula.

A simple change in the housing voucher program's subsidy formula for families with able bodied adults would both reduce the program's work disincentive effects and enable public housing authorities to provide vouchers to additional households with the current voucher budget. Specifically, the PHA could reduce the voucher program's payment standard but introduce a large income disregard. Suppose, for example, that the payment standard for a family of a particular size and composition were \$1,000 a month under the current formula. This would be the family's monthly voucher subsidy if it had no countable income. Under the current formula, the subsidy would be reduced by 30 cents for each additional dollar of countable income. So if the family's countable income were \$500 a month, its voucher subsidy would be \$850 a month. The revised subsidy might reduce the payment standard to \$850 a month but introduce an income disregard of \$500. In this case, the family would receive a fixed subsidy of \$850 a month if its countable income is no greater than \$500 a month. Beyond this countable income, the subsidy would be the same under the current and revised formula. Families would have to earn at least \$500 a month in order to receive a subsidy as generous as the current one, but over this range of low earnings, they would not be penalized for working more. Because voucher recipients who received a subsidy of more than \$850 a month under the current formula would receive a smaller subsidy under the new formula, it would be possible to provide vouchers to additional households with the current budget. The revised subsidy formula would be applied to new voucher households with at least one able bodied adult. Current recipients would be grandfathered.

This study could be based in part on data on the earnings of new recipients of various types before and after the change in formula using preprogram earnings data from UI records.

May 2, 2016

Lourdes Castro Ramirez  
Principal Deputy Assistant Secretary  
US Department of Housing and Urban Development  
451 7th Street SW  
Washington, DC 20410-5000



**Karen DuBois-Walton, Ph.D.**  
Executive Director

Re: [Docket No. FR-5932-N-01] Request for Specific Policy Proposals and Methods of Research and Evaluation for MTW Demonstration Expansion

Dear Ms. Castro Ramirez,

Elm City Communities/Housing Authority of the City of New Haven has been a Moving to Work Demonstration Program agency since 2000. We have embraced the opportunity to be innovative while demonstrating the effectiveness of the initiatives and documenting lessons learned.

As HUD considers program expansion, it is recommended that the following areas of innovation be further explored:

- Exploration of MTW initiatives that are designed to revitalize existing public housing in urban centers of high concentration of poverty and minority population where the revitalization can be linked to promotion of urban renewal;
- Exploration of MTW initiatives that promote family moves to areas of deconcentrated poverty by promoting accessibility, community acceptance and removal of other barriers beyond simply the issuance of vouchers in these areas;
- Exploration of MTW initiatives that promote regionalization of the delivery of affordable housing services for the purposes of deconcentration of poverty;
- Initiatives geared toward supporting the academic achievement of youth and adult learners in families in a two generational model to break cycles of poverty;
- Initiatives geared toward providing housing and services to re-entry populations; and
- Initiatives that shorten the length of housing subsidy assistance for work-able populations through creative strategies that offer incentives and conditions.

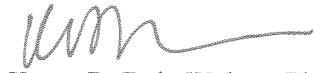
While randomized assignment to control and experimental groups is often seen as the most effective way of assessing impacts, HUD is in a unique position to use the vast database that it controls to conduct analysis on similarly matched populations in non-MTW agencies against the experimental groups in the MTW agencies testing a given initiative. HUD should allocate sufficient funds to conduct such analyses on the data that it has amassed from all PHAs.

Housing Authority of the City of New Haven's Elm City Communities  
360 Orange Street, P.O. Box 1912, New Haven, CT 06511  
(203) 498-8800 • TTD (203) 497-8343 • [www.newhavenhousing.org](http://www.newhavenhousing.org)



Thank you for consideration of these comments. I am available for further discussion and information at [kdwalton@newhavenhousing.org](mailto:kdwalton@newhavenhousing.org) or (203) 498-8800 ext. 1002.

Sincerely,

A handwritten signature in black ink, appearing to be 'KD' followed by a long horizontal flourish.

Karen DuBois-Walton, Ph.D.

**From:** Rothman, Emily <erothman@bu.edu>  
**Sent:** Wednesday, May 04, 2016 10:46 AM  
**To:** mtw-info  
**Subject:** R-5932-N-01 Request for Specific Policy Proposals and Methods of Research and Evaluation for MTW Demonstration Expansion

To whom it may concern,

I am pleased to respond to HUD's request for comments regarding the expansion of MTW and hereby submit the following policy recommendation to address the **statutory objective of self-sufficiency** and rationale for the recommendation.

My name is Emily F. Rothman and I am an Associate Professor at the Boston University School of Public Health. I am the evaluator of the Worcester Housing Authority's "A Better Life" program. As principal investigator of the evaluation, I designed the quasi-experimental research and have been implementing it for the past four years. My first-hand experience crafting and executing a plan for evaluation of a Moving To Work-type program has informed my comments herein.

**I would like to suggest the following proposal recommendation:**

**Streamlining admissions and/or occupancy policies (i.e., work requirements, time limits, waitlist preference alterations).**

I think it is important that the work requirement be defined to include attending educational and training programs, that elderly people and people with disabilities be exempted from the requirement, and that families with children be assured of quality childcare in order for the parents to complete the work requirement.

I have many recommendations regarding the planned advisory board for the evaluation of the HUD programming and detail them below. If you have any questions about any of the below-listed points, please do not hesitate to contact me at: [erothman@bu.edu](mailto:erothman@bu.edu)

#### Recommendations for evaluation research

##### *Study design*

The optimal evaluation design would be cluster randomized controlled trials (RCTs). If it is not feasible to conduct cluster RCTs, a quasi-experimental matched case-control design also has merit. This is the type of design that was used for the 3-year evaluation that was conducted in Worcester, MA of the "A Better Life" program (evaluation report attached). A cost-effectiveness analysis should be conducted in addition to a process and outcome evaluation. The process evaluation, using mixed methods, will help inform HUD about participant satisfaction, fidelity of implementation, and feasibility of dissemination of the model.

##### *Case-control ratio*

If the pilot intervention sites are already selected (or will be selected by HUD), the ideal evaluation would then match each site to at least two demographically-matched control sites in the same state as the intervention site. The 2 to 1 ratio for case-control studies is recommended by Hennessey et al. (1999) to address the elevated risk of attrition in the control group, although these experts also stress that there are situations when a higher than 2 to 1 ratio is recommended (as per Rothman, 1986). Those situations are: (1) when the cost of including additional control sites is negligible, and (2) when a stratified analysis is planned. In this case, the cost of adding control sites may not be negligible, but stratified analyses seem important. HUD will want to know the impact of the MTW program on

individuals, and on individual stratified by sex, race/ethnicity, immigration status, family size, and age, at a minimum. Therefore a 5 to 1 comparison-to-intervention site ratio is likely necessary. HUD should think about how it will incentivize participation in an outcome evaluation for sites that are comparison sites.

### *Longitudinal follow up*

The impact of a program like MTW cannot be ascertained in a 12 month follow-up period. The effects of the intensive programming are more likely to be observed 24-36 months post-implementation, and ideally the longitudinal follow-up could continue for up to five years post-implementation. For this reason, a longitudinal study with multiple follow-up data collection points will be necessary.

Tracking public housing residents over time for the purposes of a research study is extremely challenging. Attrition rates can ruin even the most rigorously-designed study. Evidence that the evaluation research team has well-honed methods for following “hard to reach” and vulnerable populations over time is absolutely critical. The evaluation team may benefit from participating in a specialized workshop on tracking hard-to-reach research participants (*NB*: the Boston University School of Public Health team that evaluated the Worcester, MA A Better Life program could provide such a workshop).

### *Measures*

Only demonstrably valid, reliable measures should be used for an outcome evaluation. A broad range of outcomes should be considered, including each of these measures many of which were included in the Worcester, MA “A Better Life” quasi-experimental evaluation:

#### Financial, education or employment

- Change in income
- Employment status
- Decreased credit card and other debt
- Increased savings
- Vehicle ownership
- Existence of a family budget or spending plan
- Educational attainment
- Change in use of nutritional assistance or other TANF

#### Child and family-related

- Type of childcare services used (group daycare vs. private/individual)
- Marital or partnership status
- Family size
- Children’s school truancy vs. attendance

#### Physical, mental and behavioral health

- Depression, anxiety, post-traumatic stress symptomology and other mental health outcomes
- Intimate partner violence and other crime victimization outcomes
- Alcohol and other substance use

### *Power and sample size*

The ideal evaluation design will include multiple sites with demographically-matched control sites. Therefore, power analyses will take into account that a hierarchical approach will be needed to account for correlations at the state level, potentially at the city level, potentially at the neighborhood level, and within persons over time.

### *Analytic plan*

For the outcome evaluation, generalized estimating equation (GEE) models or other models that assess repeated measures over time, and take into account the potential for correlated data within geographic regions, by site, and within person over time, are necessary to conduct rigorous analyses.

Process evaluation data—including participant satisfaction and implementation fidelity—will need to be systematically collected, stored and analyzed by experts in qualitative and process evaluation research.

#### *Data sharing plan*

A plan for public archiving of data should be included in any evaluation so that external researchers can re-analyze data easily to verify results. Data collected with public funds should be part of the public domain. The National Institute of Justice has an excellent model of requiring data archiving.

#### *Human subjects*

The ethics of conducting an evaluation of MTW should be carefully considered. Data privacy and security will need to be carefully addressed, and evidence that evaluation researchers have the capacity to collect sensitive data on personal topics should be required. Close attention should be paid to issues such as participant remuneration and on-going contact for longitudinal tracking.

#### *Advisory board*

It is essential that the research advisory board be multidisciplinary and reflect the expertise necessary to advise the conduct of rigorous evaluation of each one of the outcomes of interest. Experts in housing policy research are typically not also experts in intimate partner violence research, for example, and guidance on the selection of appropriate measures, the inclusion of necessary control variables, and interpretation of data will be enhanced if advisors with a range of expertise are working together. Econometricians will be needed to advise on the cost effectiveness of the programming, as well as social scientists with expertise in assessing changes in income, employment, mental health and physical health status, intimate partner violence and other crime victimization outcomes, and child and family health outcomes. Qualitative methodologists should be involved in the design and implementation of the process evaluation. Experts in collecting sensitive data from hard-to-reach and vulnerable populations should be included on the advisory board, as well as researchers with some experience in Participatory Action Research, Empowerment Evaluation, or Community Based Participatory Research. Qualified statisticians who have previously conducted longitudinal analyses for multi-site studies will be necessary. Given the longitudinal nature of the project, and the presumption that the evaluation research could take 5-10 years, it is also important to have a mix of experienced, senior investigators and junior investigators who can be mentored to take leadership roles over time so that there is continuity in the advisory board recommendations and procedures. The rigor and ultimate value of the evaluation research to multiple stakeholders will be substantially enhanced by including a mix of public health, criminology, economics, sociology, and policy researchers on the advisory board.

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May 4, 2016

Moving to Work Office  
Office of Public and Indian Housing  
Department of Housing and Urban Development  
451 Seventh Street, SW, Room 4130  
Washington, DC 20410

**Docket No. HUD-2016-0030**

**Request for Specific Policy Proposals and Methods of Research and Evaluation for MTW Demonstration Expansion**

Enterprise Community Partners (Enterprise) appreciates the opportunity to provide comments on specific policy proposals and methods of research and evaluation to consider as part of HUD's expansion of the Moving to Work (MTW) demonstration.

Enterprise is a leading provider of the development capital and expertise it takes to create decent, affordable homes and rebuild communities. Since 1982, Enterprise has raised and invested more than \$18.6 billion in equity, grants and loans to help build or preserve nearly 340,000 affordable homes in strong neighborhoods. Enterprise has worked extensively with public housing authorities (PHAs) around the country, serving as a partner, advisor, investor, lender and grant provider.

Enterprise works in the field with partners to solve critical issues facing low-income communities across the U.S. Whether preserving affordable housing near transit or ensuring families have access to jobs, health care and other services, together we identify, pilot and scale opportunity-building solutions for low-income people. We see the MTW expansion as an opportunity to explore and test new ways to improve access to affordable housing and outcomes for residents. To this end, we propose testing the following policies.

**POLICIES TO ACHIEVE GREATER COST EFFECTIVENESS IN FEDERAL EXPENDITURES**

**Reducing Federal Expenditures through Improved Health Outcomes**

A growing body of evidence shows that safe and stable housing can have profound effects on a person's long-term health outcomes, from improved asthma to a reduced chance of cardiovascular disease. These health benefits have been found to be so pronounced that they actually result in significant long-term savings in other publicly funded services, including emergency room and other healthcare – related expenses.

An analysis by Enterprise and the Center for Outcomes Research and Education (CORE) found that when Medicaid-covered residents moved into one of 145 different affordable housing properties in Portland, Oregon, health care experiences changed dramatically. Over the following year, these residents used more primary care by 20 percent, had fewer emergency department visits by 18 percent, and accumulated lower medical expenditures by 12 percent. Residents also reported better

access to and quality of health care. It was also found that integrated health services were a key driver of health care outcomes. While the Health in Housing study was conducted in Oregon, the results hold national implications that could be further informed through testing in different communities around the country.

*Proposed evaluation methods:* We propose that MTW PHAs evaluate the health care cost savings that result from decreased health care utilization as residents have improved outcomes. The key cost savings to be studied should include savings in emergency room visits, inpatient hospital stays, and reductions in other Medicaid and Medicare expenses. One option for the evaluation is to compare cost savings for households before and after living in affordable housing. This would require gathering baseline data (at least 12 months is ideal) for health care expenditures on households moving into affordable housing, and then measuring the change in health care expenditures for at least one year after. We recommend utilizing actual health care cost data, as it is more reliable than self-reported data.

## **POLICIES TO PROMOTE SELF-SUFFICIENCY**

### **Improving Education Outcomes for Children Living in Assisted Housing**

A growing body of research has begun to explore the connection between housing and education. Recent research from Harvard University's Raj Chetty confirms the impact of neighborhood on outcomes for children, including academic performance, education attainment and future earnings. Education quality is often tied to where students live. Several MTW PHAs have already added to this area of study – for example, the Tacoma Housing Authority's partnership with the local school district to reduce school mobility rates among its lowest-income students has already shown promising results in terms of fewer suspensions, better attendance, increased parent engagement and signs of both academic and behavioral progress for participating students.

MTW PHAs in King County and Washington, D.C. have also developed programs that aim to maintain school stability for children, increase school readiness for students and parents, and help families access opportunity neighborhoods with high-performing schools. Further testing through MTW could provide additional insight to this timely and important body of research.

*Proposed evaluation methods:* We propose that MTW PHAs test methods to improve school attendance, increase grades and test scores and reduce suspensions through innovative partnerships with local educational institutions. The research would benefit from comparing educational outcomes across children living in assisted housing and receiving educational supportive services, children living in assisted housing that don't receive any additional educational supports or services, and low-income children not living in assisted housing or receiving educational supports or services.

### **Giving a Second Chance to Ex-offenders**

Nearly one-third of Americans have a criminal record, and many of the circumstances surrounding the records have no bearing on whether the individuals would be good tenants. Yet, as HUD's recent

guidance on fair housing and criminal records confirms, many people with criminal records face significant barriers to finding housing, including HUD-assisted housing.

Several MTW PHAs have already piloted prisoner reentry programs that seek to provide stable housing and services to people returning to the community after paying their debt to society. Given recent attention to this topic from the Obama Administration and the media, it is ideal for further exploration by incoming MTW agencies, potentially including those who are already participating in the Pay for Success Permanent Supportive Housing Demonstration.

*Proposed evaluation methods:* We propose that MTW agencies design and test prisoner reentry and ex-offender programs that evaluate the impacts on residents of being stably housed with access to supportive services. Key outcomes that the evaluation may consider are employment and income, recidivism, utilization and cost of other public services (including health care). We also suggest including measures of ‘tenant performance’ such as on-time rent payment, eviction, etc. compared to similar tenants without a criminal record. These measures can help quantify the risk associated with providing housing to this population, and ideally demonstrate to housing providers that there is little risk associated with housing this population.

### **Improving Resident Financial Stability**

Financial advisors recommend that families keep at least three months of rent and other household expenses as liquid savings, in part because it can take at least that long to find a new job after a sudden job loss. Unfortunately, millions of families – most of them low-income households –are falling woefully short of that goal. According to NeighborWorks America, half of all families who earn less than \$40,000 per year have no emergency savings whatsoever, and a significant portion of these households likely have a negative net worth. Without adequate savings, low-income families often have no choice but to turn to expensive sources of short-term credit—such as credit cards, title loans or payday lenders – in times of crisis, or even just to make ends meet. Though several MTW agencies have already tested modifications to HUD’s Family Self-Sufficiency (FSS) program, including to the escrow portion of the program, further testing would help determine best practices for encouraging resident savings that could be brought to scale at other PHAs.

*Proposed evaluation methods:* We recommend that incoming MTW agencies design and test innovative ways to encourage resident savings through escrow or other savings accounts, paired with financial literacy training and counseling.

## **POLICIES TO INCREASE HOUSING CHOICES**

### **Promoting a Balanced Approach to Fair Housing**

MTW PHAs already play a key role in studying the impacts of improved location outcomes for voucher recipients, strengthened through research initiatives like Moving to Opportunity. But given the major focus on fair housing policy resulting from recent developments – including HUD’s new fair housing rule, the Supreme Court’s ruling on disparate impact and the growing body of research



on the impacts of segregation – it is clear that much more research related to fair housing is both timely and necessary.

Enterprise is a partner in HOPE SF, an initiative that seeks to transform four of San Francisco’s most distressed public housing sites away from the failed model of large, isolated islands of poverty and deteriorating housing and into high-quality mixed-income housing developments in vibrant, thriving communities. As a result of initiatives like HOPE SF, MTW, Choice Neighborhoods, HOPE VI and HUD’s Rental Assistance Demonstration, many developments representing the public housing of the past have already been transformed. But transformation of many more distressed public housing developments are needed, and with an additional level of evaluation through MTW the impacts of such transformations could be better understood.

*Proposed evaluation methods:* We encourage HUD to further study fair housing through MTW, including outcomes for families who move to higher opportunity neighborhoods, in addition to the outcomes for families who stay in distressed communities undergoing revitalization. HUD’s new rule on Affirmatively Furthering Fair Housing affirms that both approaches are valid, and explicitly recognizes the value of investing in distressed communities in addition to promoting mobility policies.

If you have any questions regarding these comments, please contact Emily Cadik at [ecadik@enterprisecommunity.org](mailto:ecadik@enterprisecommunity.org) or 202.403.8015.

Sincerely,

Laurel Blatchford  
Senior Vice President, Solutions  
Enterprise Community Partners



Davis, Laurel L

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**From:** Oscar Sandoval <osandoval@harlingen-ha.com>  
**Sent:** Tuesday, May 03, 2016 4:13 PM  
**To:** mtw-info  
**Cc:** Hilda Benavides; Nelrod (Mark Vogeler)  
**Subject:** Request for Specific Policy Proposals

Moving to Work Office  
Office of Public and Indian Housing  
Department of Housing and Urban Development  
451 Seventh Street, SW., Room 4130  
Washington, DC 20410-0001

RE: **Docket No. FR-5932-N-01**

**Request for Specific Policy Proposals  
and Methods of Research and  
Evaluation for MTW Demonstration  
Expansion**

Dear:

**Lourdes Castro Ramirez,**  
*Principal Deputy Assistant Secretary for  
Public and Indian Housing.*

**Katherine M. O'Regan,**  
*Assistant Secretary for Policy Development  
and Research.*

Below is our specific policy proposal recommendation to the three MTW demonstration statutory objectives of cost effectiveness, self-sufficiency, and housing choice specifically related to the housing needs of the elderly, disabled, and homeless veterans.

**“Allow PH operating reserves to easily be used to develop PH owned land to provide affordable housing for the elderly, disabled, and veteran populations. This specific policy change could assist in better use of PBV, improve the health and well-being of elderly and disabled residents, and assist with ending homelessness among veterans.”**

We appreciate the opportunity to submit our specific policy proposal recommendation that we believe will greatly help with the housing needs of the elderly, disabled, and veterans.

Thank you.

Oscar Sandoval  
Finance Officer  
Harlingen Housing Authority TX065  
219 E Jackson  
Harlingen TX 78550  
956-423-2521 ext. 129



# HEARTLAND ALLIANCE

NATIONAL INITIATIVES

May 18, 2016

Moving to Work Office  
Office of Public and Indian Housing  
Department of Housing and Urban Development  
451 Seventh Street, SW., Room 4130  
Washington, DC 20410-0001

Submitted via email to: [mtw-info@hud.gov](mailto:mtw-info@hud.gov)

*RE: FR-5932-N-01 Request for Specific Policy Proposals and Methods of Research and Evaluation for MTW Demonstration Expansion (Docket Number HUD-2016-0030).*

To Whom It May Concern:

The Moving to Work (MTW) demonstration has allowed public housing authorities (PHAs) to test strategies for helping PHA residents find employment and achieve self-sufficiency. The MTW demonstration expansion is an opportunity to draw from lessons learned, apply existing research-based employment strategies, and continue to identify best and promising employment approaches to help PHA residents, and especially families with children, obtain employment and become economically self-sufficient. We appreciate the opportunity to offer specific policy proposals and research and evaluation methods for the MTW expansion.

Heartland Alliance is the leading anti-poverty organization in the Midwest. Each year, Heartland Alliance helps ensure opportunity for thousands of people around the world who are experiencing homelessness, living in poverty, or seeking safety. Heartland Alliance's National Initiatives on Poverty & Economic Opportunity is dedicated to ending chronic unemployment and poverty. We believe that every person deserves the opportunity to succeed in work and support themselves and their families, and through our National Center on Employment & Homelessness, we promote employment in quality jobs as a fundamental solution to preventing and ending homelessness.

To help PHA residents who are the heads of households with children obtain employment and become economically self-sufficient, we encourage HUD to test and evaluate the following policy proposal within a MTW expansion cohort: **connect eligible residents to transitional jobs (TJ), including social enterprise strategies, that combine wage-paid work, job skills training, and supportive services to help individuals facing barriers to employment succeed in the workforce.**

This proposal is especially timely given the changes to the public workforce system under the Workforce Innovation and Opportunity Act (WIOA), the growing accountability in the homeless services system around increasing employment and economic opportunity among jobseekers experiencing or at-risk of homelessness, and the research evidence that indicates TJ programs are a viable solution to getting individuals who face barriers to employment engaged in the workforce. WIOA prioritizes the need for workforce services for jobseekers facing barriers to employment, including jobseekers experiencing or at-risk of homelessness, and allows local Workforce Investment Boards to use WIOA dollars to implement TJ programming for these jobseekers. WIOA also encourages cross-system collaboration and gives states the flexibility to develop public workforce plans in coordination with public systems, including HUD-funded employment and training activities. Implementing TJ within the MTW demonstration expansion could help HUD align with and leverage the available resources of the WIOA system, yield lessons learned for connecting residents of other HUD-funded programs to the public workforce system, and leverage evidence-based workforce development strategies to advance HUD and WIOA's shared goal of increasing employment and economic opportunity among jobseekers experiencing or at-risk of homelessness.

### **Transitional Jobs: A Strategy For Moving PHA Residents Toward Economic Self-Sufficiency**

Individuals such as PHA residents who face barriers to stable housing often face barriers to employment. TJ's primary goal is to help jobseekers facing barriers to employment get, keep, and advance in work. Research evidence demonstrates that TJ works best for jobseekers facing the most significant barriers.<sup>1</sup> As such, TJ is often deployed as a workforce development strategy to help build skills and secure employment for people experiencing or at-risk of homelessness, long-term recipients of public benefits, and individuals with very limited or no work history, among other populations facing barriers to employment.

TJ workers earn a paycheck, learn skills, may become eligible for the Earned Income Tax Credit, and receive intensive mentoring and support to prepare them for success in the unsubsidized labor market. TJ also provides job development and retention services to help jobseekers find and keep unsubsidized employment. TJ employment can take place in work crews, in social enterprises that combine a revenue-generating business and mission-driven employment services, or with employer partners in the community. The model's flexibility means that it can be adapted to MTW demonstration expansion sites' local contexts.

Pursuant to HUD's request for comment on policies that should be considered to have already been proven successful, there is a robust evidence base that TJ is an effective workforce development strategy for individuals facing barriers to employment. A recent report from

Georgetown Law’s Center on Poverty & Inequality concludes that 40 years of research show it’s time for a significant, national effort to expand subsidized employment strategies such as TJ.<sup>2</sup> Numerous evaluations of TJ programs, including randomized control trials, show that TJ has many demonstrable positive impacts, including:

- TJ gets people working who would not otherwise be employed, even in very weak labor markets;<sup>3</sup>
- TJ can promote pro-social behavior and orient jobseekers around work;<sup>4</sup>
- TJ can contribute to the long-term success of children and strengthen families;<sup>5,6</sup>
- TJ can decrease reliance on public benefits such as Temporary Assistance to Needy Families (TANF, or welfare);<sup>7</sup>
- TJ, delivered within a social enterprise setting, can increase housing stability among participants;<sup>8</sup>
- TJ programs can significantly reduce recidivism, especially among those at highest risk of reincarceration. TJ has also been shown to make communities safer and reduce violent crime among youth at high risk of justice system involvement;<sup>9,10</sup>
- TJ positively contributes to the economic health of employers by lowering the cost of hiring new employees and increasing business productivity, financial well-being, and customer satisfaction;<sup>11</sup>
- TJ spurs local economic growth by generating additional demand for goods and services;<sup>12</sup>
- TJ can increase state and federal revenues.<sup>13</sup>

### **Research and Evaluation of Transitional Jobs in the MTW Demonstration Expansion**

Given the robust body of evidence that TJ is an effective workforce development strategy for individuals facing barriers to employment, we believe that it is not necessary to conduct a randomized control trial study of TJ within the MTW demonstration expansion. That being said, a quasi-experimental impact assessment with a carefully-matched comparison group of PHA residents not receiving the TJ intervention could measure comparative earnings, hours or quarters worked, tenure of employment, and successful exits from public housing, among other measures of economic self-sufficiency.

*Other potential questions related to the implementation of TJ in a PHA setting include:*

- Is the TJ strategy a good match for PHAs and one that can be implemented at scale?
- To deliver TJ, were partnerships created between PHAs and community-based organizations? Between PHAs and the WIOA system? If so, what were the effects of those partnerships?

# HEARTLAND ALLIANCE

## NATIONAL INITIATIVES

- What TJ program principles, practices, and strategies are most effective for helping families with children achieve self-sufficiency?

We believe that every person deserves the opportunity to succeed in work and support themselves and their families. The MTW demonstration expansion is an important opportunity to help ensure that a greater share of PHA residents have access to robust employment services and supports that meet their needs and interests and move them toward economic self-sufficiency.

If you have any questions regarding these comments, please contact Caitlin Schnur, National Initiatives Coordinator, at [cschnur@heartlandalliance.org](mailto:cschnur@heartlandalliance.org).

Sincerely,



Melissa Young  
Director, National Initiatives on Poverty & Economic Opportunity  
Heartland Alliance

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<sup>1</sup> Redcross, C., Millenky, M., Rudd, T., & Levshin, V. (2012). *More than a job: Final results from the evaluation of the Center for Employment Opportunities (CEO) transitional jobs program (OPRE Report 2011-18)*. Retrieved from U.S. Department of Health and Human Services, Administration for Children and Families website: [http://www.acf.hhs.gov/sites/default/files/opre/more\\_than\\_job.pdf](http://www.acf.hhs.gov/sites/default/files/opre/more_than_job.pdf)

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<sup>7</sup> Greenwald, R. (2002). *Transitional jobs: The Philadelphia story*. Retrieved from the Brookings Institution website: <http://www.brookings.edu/ES/urban/innovations/welfessay3phillyjobs.pdf>

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<sup>9</sup> Redcross et al., 2012.

<sup>10</sup> Heller, S. B. (2014, December 5). Summer jobs reduce violence among disadvantaged youth. *Science*, 346(6214), 1219-1222.

<sup>11</sup> Schnur, C., & Vanucci, K. (2014). *Taking care of business: Transitional jobs & subsidized employment programs benefit the business community*. Retrieved from Heartland Alliance's National Initiatives on Poverty & Economic Opportunity website: [http://nationalinitiatives.issuelab.org/resource/taking\\_care\\_of\\_business\\_transitional\\_jobs\\_and\\_subsidized\\_employment\\_programs\\_benefit\\_the\\_business\\_community](http://nationalinitiatives.issuelab.org/resource/taking_care_of_business_transitional_jobs_and_subsidized_employment_programs_benefit_the_business_community)

<sup>12</sup> Kushner, J. (2013). *Chicago Neighborhood Jobstart full evaluation report: A transitional jobs response to the Great Recession*. Retrieved from Heartland Alliance's Social IMPACT Research Center website: [http://socialimpactresearchcenter.issuelab.org/resource/chicago\\_neighborhood\\_job\\_start\\_full\\_evaluation\\_report\\_a\\_transitional\\_jobs\\_response\\_to\\_the\\_great\\_recession](http://socialimpactresearchcenter.issuelab.org/resource/chicago_neighborhood_job_start_full_evaluation_report_a_transitional_jobs_response_to_the_great_recession)

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May 18, 2016

Colette Pollard

Reports Management Officer, QDAM

Department of Housing and Urban Development

451 7th Street SW, Room 4176

Washington, DC 20410-5000

Re: [Docket No. FR-5916-N-02] [OMB Control Number: 2577-0216] 60-Day Notice of Proposed Information Collection: Form 50900: Elements for the Annual Moving to Work Plan and Annual Moving to Work Report

To Whom It May Concern:

I would like to offer the following comments in response to the 60-Day Notice of Proposed Information Collection (FR-5916-N-02) titled "Form 50900: Elements for the Annual Moving to Work Plan and Annual Moving to Work Report" published in the *Federal Register* on March 1, 2016.

The proposed Form 50900 raises comment for several reasons. Some of these concerns are in the current Form 50900 and have been carried over to the proposed form, while others are only in the proposed form. When crafting reporting requirements, an agency should try and balance the utility gained from those reporting requirements with the additional burdens imposed on the entities that are complying with the requirements. The proposed Form 50900 appears to lean more on the side of additional administrative burdens without concomitant benefits.

There are several reasons that the current Form 50900 imposes a large administrative burden, but does not provide utility in the form of meaningful data. This comment letter touches on the primary reasons. The main concerns of the proposed form listed in this letter are projecting and reporting costs of individual MTW activities; the inclusion of low-utility standard metric requirements; the requirements for re-authorization of activities; and the overly burdensome single-fund reporting requirements.





## **MTW activities cost projections and reporting**

It is difficult or impossible to project or report complete costs and savings of many MTW activities. It may be difficult to determine the cost of an MTW activity because an activity may have many minor impacts that it is hard to determine the overall cost savings or because the activity may be beneficial, but it is hard to quantify that “benefit.” Some MTW activities simultaneously impact efficiency goals, housing choice goals, and self-sufficiency goals. Disentangling how these activities are impacted can be a difficult process. Other MTW activities may be beneficial, but hard to quantify.

Since it is so difficult to accurately gauge the cost of many of these activities, forcing MTW agencies to engage in this exercise imposes a cost (in terms of time and scarce employee capacity), but yields “data” that may be nothing more than guesswork. The Department should only require MTW agencies to go through the process of reporting data when the data collected has real value, which in this case, it may not.

## **HUD's Standard Metrics**

The standard metrics do not always provide useful data for the activity involved. The purpose of metrics is to measure how effective certain MTW activities are. Unfortunately, the metrics do not serve this function because variables other than the MTW activities being measured may affect the metric. For example, though an MTW activity is designed to decrease operating costs, measuring average agency unit costs over time may not be the appropriate metric by which to judge whether an MTW activity is decreasing operating costs. This is because average agency unit costs are a function of many variables. The MTW activity may be working to decrease operating costs, but if other variables, outside the scope of control of the agency or the MTW activity, are working to have an effect in the opposite direction, then utility of the MTW activity is not being properly gauged. For a more concrete example, an agency may implement MTW activities to increase the efficiency of its inspections policy, but it may also concurrently encounter increased maintenance and turnover costs from serving special populations. This may result in an overall increase in average unit costs, but, again, does not mean that efficiencies from the inspections policies are not working.

Any set of metrics used should take into account the study being performed by Abt Associates. They have made an effort to develop metrics that better reflect the value of the work that MTW agencies perform. It would be collaborative for future amendments to the Form 50900 and standard metrics to include Abt Associates.

## **Re-authorization of Ongoing Activities**



The proposed form does not correct the current form's requirement of reproposing previously approved activities. Additionally, new language has been added which requires that activities with "significant changes" require a full reproposal in the plan. Existing activities should have a more streamlined process for "significant changes" than new proposed activities. The proposed form also requires an update on "non-significant changes" to all existing activities. The terms "significant changes" and "non-significant changes" have been defined in ways that make it unclear what constitutes a "significant change" and what constitutes a "non-significant change."

### **Single Fund Flexibility Reporting**

The proposed form requires an excessively detailed level of reporting on single fund flexibility. This lowers the utility of single fund flexibility, since one of the anticipated benefits of using a combined fund is having simplified set reporting requirements. Additional time burdens are the new elements of the form that require that agencies provide a cost estimate for all new MTW activities and an explanation of how a surplus or deficit will be managed; the new field requiring a description of any variance between estimated total revenue and estimated total expenses; and the requirement that an agency provide a description of how using single fund flexibility responds to local needs by allocating funds at a higher or lower level than would be possible without single fund flexibility.

We appreciate HUD's efforts towards creating a better Form 50900. We encourage utilizing the work of Abt Associates and continuation of collaborating with MTW agencies to increase application of useful data that measures activities in a way that includes the intent behind the creation of the activity itself, while minimizing unneeded administrative burden on MTW agencies. We value the opportunity to comment on the proposed Form 50900 and hope consideration is given to comments provided on the Form 50900.

Thank you,

Bianca Chinn

Moving To Work Program Analyst

Home Forward

**GA237 - Request for Specific Policy Proposals and Methods of Research and Evaluation for  
MTW Demonstration Expansion - Docket No. FR-5932-N-01**

HUD initiative: Increasing moves of low-income families to high-opportunity neighborhoods:			
<b>Policy Recommendation #1</b>	<p><b>In order to attract and maintain quality owners and units, Housing Authorities may implement a Landlord incentive payment program under the following conditions:</b></p> <ul style="list-style-type: none"> <li>• A property owner with a unit located in a high opportunity area of a PHAs jurisdiction that leases to a HCV participant will receive a \$300.00 payment at the completion of the HAP contract and an additional \$300.00 at the end of the first year. If the property owner chooses to extend the lease for a second year, an additional \$300.00 payment will be made once a second year lease has been received. <ul style="list-style-type: none"> <li>○ No property owner will receive more than five payments in a one year period.</li> <li>○ In order to be eligible for incentive payments, the unit must be compliant with HQS at all times during the HAP term. An agreement is signed certifying that the incentive payments are not part of the monthly rent to owner.</li> </ul> </li> <li>• The total annual set aside for this incentive program is \$60,000</li> </ul>		
<b>Targeted MTW statutory objective</b>	Increasing housing choices for low income families		
<b>Recommendation for research and evaluation:</b>	<b>Metric</b>	<b>Baseline</b>	<b>Benchmark</b>
	# of families living in areas of high opportunity	# of current families living in high opportunity areas	% increase in # of families living in high opportunity areas
	PUC of the HCV Program	Current PUC of the HCV Program	% increase/decrease of the PUC of the HCV Program
	Administrative cost of outreach  (Staff time spent on outreach X average staff salary)	Current administrative cost	Administrative cost of outreach
	# of landlords leasing units in areas of high opportunity to HCV participants	Current number of landlords leasing in high opportunity areas	% increase in landlords leasing in high opportunity areas

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HUD initiative: Streamlining admissions and/or occupancy policies ( <i>i.e.</i> , work requirements, time limits, waitlist preference alterations)			
Policy Recommendation #2	<p><b>Implement of a household independence strategy that encompasses a work or school requirement of work eligible individuals.</b></p> <ul style="list-style-type: none"> <li>• Work eligible individuals are defined as member of a household between the ages of 18-54 (excluding live-in aids) who are not disabled.</li> <li>• The requirements for the work eligible individuals include working, engaged in activities leading to work, or engaged in activities removing barriers to work <ul style="list-style-type: none"> <li>○ Full time students will be exempt while attending school and in good standing.</li> </ul> </li> <li>• Work hours will be phased in over a five year period: <ul style="list-style-type: none"> <li>○ Year 1 = 20 hours per week</li> <li>○ Year 2 = 25 hours per week</li> <li>○ Year 3 = 30 hours per week</li> <li>○ Year 4 = 35 hours per week</li> <li>○ Year 5 = 40 hours per week <ul style="list-style-type: none"> <li>▪ In year 1, the definition of work hours will be monitored based off of the income of the work eligible individual, where 20 hours is equal to the minimum wage multiplied by 52 weeks, therefore anyone making \$7,540 in year 1 will be considered to be meeting the work requirement for the year.</li> </ul> </li> </ul> </li> <li>• This activity will include all portability vouchers that are currently being administering</li> <li>• This initiative will require individuals participate in a self-sufficiency program</li> </ul>		
	Self Sufficiency		
Targeted MTW statutory objective			
Recommendation for research and evaluation:	<b>Metric</b>	<b>Baseline</b>	<b>Benchmark</b>
	Earned income of households	Current average earned income for work eligible individuals	% increase/decrease in average income
	Employment Status: Full Time	# of current work eligible individuals working Full-Time	% increase/decrease in individuals working Full-Time

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<b>Recommendation for research and evaluation:</b>	Employment Status: Part Time	# of current work eligible individuals working Part-Time	% increase/decrease in individuals working Part-Time
	Employment Status: Enrolled in Education Program	# of current work eligible individuals enrolled in Education Programs	% increase/decrease in individuals enrolled in Education Programs
	Employment Status: Enrolled in Job Training Program	# of current work eligible individuals enrolled in Job Training Programs	% increase/decrease in individuals enrolled in Job Training
	Employment Status: Unemployed	# of current work eligible individuals Unemployed	% increase/decrease in individuals Unemployed
	Temporary Assistance for Needy Families (TANF)	# of current work eligible individuals enrolled TANF	% increase/decrease in individuals receiving TANF
	PUC of the HCV Program	Current PUC of the HCV Program	% increase/decrease of the PUC of the HCV Program
	Households transitioned to Self Sufficiency	# of current households transitioned to Self Sufficiency annually	% increase in households transitioned to Self Sufficiency (Graduation from the HCV Program)

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HUD initiative: Streamlining admissions and/or occupancy policies ( <i>i.e.</i> , work requirements, time limits, waitlist preference alterations)			
<b>Policy Recommendation #3</b>	<b>Implement a Five Year Lease Assistance Program for work eligible households.</b> <ul style="list-style-type: none"> <li>The work eligible households who will be participating in the Five Year Lease Assistance Program will be new participants who are selected from the waiting list from either project based voucher or housing choice voucher program, in-bound portable families and volunteer families. All Elderly and disabled households will be exempt from this program.</li> <li>After the five year lease assistance is complete, families will have an opportunity to continue to receive assistance through the homeownership program or they will be graduated from the Housing Choice Voucher Program.</li> </ul>		
<b>Targeted MTW statutory objective</b>	Self Sufficiency		
<b>Recommendation for research and evaluation:</b>	<b>Metric</b>	<b>Baseline</b>	<b>Benchmark</b>
	Households transitioned to Self Sufficiency	# of current households transition to Self Sufficiency annually	% increase in households transitioned to Self Sufficiency (Graduation from the HCV Program)
	Wait List Time	Current average waiting list wait time	% decrease in waiting list length of time
	Homeownership Opportunities	# households added to homeownership in the current year	% increase households participating in homeownership

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**HUD initiative: Using administrative flexibilities to reduce costs and improve operations, governance, and  
financial management**

<b>Policy Recommendation #4</b>	<p><b>Housing Authorities may modify the recertification process to recertify “Work Eligible Households” biennially and “Fixed Income Households” triennially</b></p> <ul style="list-style-type: none"> <li>• Zero-income households and households on minimum rent will be subject to annual or more frequent recertification requirements.</li> <li>• Housing Authorities must conduct an annual review of each participants EIV to ensure they still income qualify for the program but will not adjust participant rental portions during the non-recertification processing years.</li> </ul>		
<b>Targeted MTW statutory objective</b>	<p align="center">Cost Effectiveness</p>		
<b>Recommendation for research and evaluation:</b>	<b>Metric</b>	<b>Baseline</b>	<b>Benchmark</b>
	<p>Total time to complete the task in staff hours</p>	<p>Current staff time for annual recertifications</p>	<p>% decrease in staff time spent conducting annual recertifications</p>
	<p>Administrative cost of Recertification (Staff time spent on recertificaitons X average staff salary)</p>	<p>Current administrative cost for recertification</p>	<p>Administrative cost of recertification</p>

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HUD initiative: Using administrative flexibilities to reduce costs and improve operations, governance, and financial management			
<b>Policy Recommendation #5</b>	<b>Housing Authorities may establish a local policy to restrict outbound portability</b> <ul style="list-style-type: none"> <li>Outbound portability will only be approved for families who can provide proof that they are leaving their PHA jurisdiction due to employment, to pursue education, VAWA or through reasonable accommodation.</li> </ul>		
<b>Targeted MTW statutory objective</b>	Cost Effectiveness		
<b>Recommendation for research and evaluation:</b>	<b>Metric</b>	<b>Baseline</b>	<b>Benchmark</b>
	Total time to complete outgoing portability in staff hours	Current administrative staff time for outgoing portability	Increase/decrease in administrative staff time for outgoing portability
	Total administrative cost of task in dollars (staff time X average staff salary)	Current administrative cost of outgoing portability	Administrative costs of outgoing portability
	PUC of the HCV Program versus PUC of outgoing portability	Current PUC of the HCV Program	% increase/decrease of the PUC of the HCV Program



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**HUD Initiative: Structuring alternative rent-setting methods**

<p align="center"><b>Policy Recommendation #6</b></p>				<p><b>Implementation of two rent modules for rent reform, one for “Elderly and Disabled Households” and one for “Work Eligible Households”.</b></p> <ul style="list-style-type: none"> <li>• Work eligible households are defined as households in which one member is between the ages of 18 – 54 (excluding live-in aides) and not disabled</li> <li>• Elderly and disabled households are defined as households where 100 percent of adults are elderly and/or disabled, with elderly being defined as 55 or older for rent reform purposes only.</li> <li>• Elderly and disabled households will pay the greater of either the minimum rent of \$50.00 or 24% (<b><u>or as determined by the PHA</u></b>) of their gross annual income to calculate their total tenant payment. <ul style="list-style-type: none"> <li>○ This process will eliminate all other deductions and allowances (e.g. dependents, elderly/disabled, childcare, medical, disability expense, etc.) resulting in a simpler calculation which will benefit the agency and the family.</li> </ul> </li> <li>• Work eligible households will pay the greater of; <ul style="list-style-type: none"> <li>○ The minimum rent of \$125</li> <li>○ The calculated total tenant payment based on a stepped rent calculation percentage that will eliminate all other deductions and allowances (e.g. dependents, elderly/disabled, childcare, medical, disability expense, etc.) <ul style="list-style-type: none"> <li>▪ PHAs will implement stepped rent calculations below, (<b><u>with percentages determined by the PHA</u></b>)</li> <li>▪ Families are able to keep the full amount of extra earnings they make between steps in increase their opportunity to develop savings accounts</li> </ul> </li> </ul> </li> </ul>
Step	Year	Calculation	Requirements for Work Eligible Households	
One	1	A flat <b>20%</b> of gross annual income	<ul style="list-style-type: none"> <li>• TTP will be calculated at the first recertification after implementation</li> <li>• TTP will remain in effect for the first 2 years of the lease period unless the family moves <ul style="list-style-type: none"> <li>○ If the family moves, TTP will be recalculated</li> <li>○ The greater of the initial TTP or new TTP will be utilized for the remainder of the 2 year lease period</li> </ul> </li> </ul>	
Two	3	A flat <b>25%</b> of gross annual income	<ul style="list-style-type: none"> <li>• TTP will be calculated at recertification during the third year</li> <li>• TTP will remain in effect for the next 2 years of the lease period unless the family moves <ul style="list-style-type: none"> <li>○ If the family moves, TTP will be recalculated</li> <li>○ The greater of the initial TTP or new TTP will be utilized for the remainder of the 2 year lease period</li> </ul> </li> <li>• TTP will never drop below the prior step TTP regardless of income.</li> </ul>	

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Three	5	A flat <b>30%</b> of gross annual income	<ul style="list-style-type: none"><li>• TTP will be calculated at recertification during the fifth year</li><li>• TTP will remain in effect for the last year of the lease period unless the family moves<ul style="list-style-type: none"><li>○ If the family moves, TTP will be recalculated</li><li>○ The greater of the initial TTP or new TTP will be utilized for the remainder of the last year lease period</li></ul></li><li>• TTP will never drop below the prior step TTP regardless of income.</li></ul>		
Targeted MTW statutory objective			Cost Effectiveness		
Recommendation for research and evaluation:			Metric	Baseline	Benchmark
			Total time to complete rent calculation in staff hours	Current staff time for rent calculation	Increase/decrease in staff time using the new rent calculation method
			Total cost of rent calculation in dollars (staff time X average staff salary)	Current administrative cost of rent calculation	Increase/decrease in administrative cost of rent calculation using the new rent calculation method
			Error Rate of file audits for deductions and verifications	Current error rates for deductions and verifications	% decrease in error rate for deductions and verifications
			Household Savings	Current average household savings accounts	% increase in household savings accounts
			PUC of the HCV Program	Current PUC of the HCV Program	% increase/decrease of the PUC of the HCV Program

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HUD Initiative: Developing strategies to better utilize project-based vouchers			
<b>Policy Recommendation #7</b>	<b>PHAs may establish site based administration for the PBV program by:</b> <ul style="list-style-type: none"> <li>Requiring PBV properties to develop site based waiting lists, allowing applicants to choose the development they wish to reside at directly with the property.</li> <li>The Waiting list will be maintained by the property</li> <li>All current Waiting List applications will be provided to the property owner and applicants will be offered housing before any new applications received by the property</li> <li>PHAs will require the properties to enter reexamination data into the PHAs systems of record or other database that can be transferred into the PHA systems for transmission to PIC</li> <li>PHAs will monitor property performance, and will perform comprehensive quality control reviews to ensure applicants have been taken in order on the waiting list, meet the eligibility criteria for the program and ensure accuracy of the rental calculation.</li> </ul>		
<b>Targeted MTW statutory objective</b>	Cost Effectiveness		
<b>Recommendation for research and evaluation:</b>	<b>Metric</b>	<b>Baseline</b>	<b>Benchmark</b>
	Total time to complete the task in staff hours <i>(Wait List, Eligibility, Recertification)</i>	Current staff of administering project-based vouchers	% decrease in staff time administering project-based vouchers
	Total admin cost administering project-based vouchers in dollars (staff time X average staff salary)	Current cost of administering project-based vouchers	% decrease in cost for administering project-based vouchers

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<b>HUD Initiative: Developing strategies to better utilize project-based vouchers</b>			
<b>Policy Recommendation #8</b>	<b>Eliminate the two Project Based Voucher Program cap restrictions.</b> <ul style="list-style-type: none"> <li>Eliminate the 20% cap for Project Based Voucher units based on the budget authority. <ul style="list-style-type: none"> <li>By eliminating the 20% cap, PHAs will: <ul style="list-style-type: none"> <li>Expand the PBV portfolio to create more affordable housing and or continue to assist in stabilizing affordable housing communities.</li> <li>Use the flexibility to extend small allocations of PBV vouchers to multiple properties throughout the jurisdiction in areas of high opportunity as a way to deconcentrate poverty.</li> </ul> </li> </ul> </li> <li>Eliminate the 25% building cap which restricts PHAs from project basing more than 25% of the units at a property for PBV unless they are exempted units. <ul style="list-style-type: none"> <li>Developments may require more PBV units to ensure financial feasibility for the new property.</li> </ul> </li> </ul>		
<b>Targeted MTW statutory objective</b>	Cost Effectiveness/Housing Choice		
<b>Recommendation for research and evaluation:</b>	<b>Metric</b>	<b>Baseline</b>	<b>Benchmark</b>
	Revenue created by development/redevelopment activities	Current revenue created by development/redevelopment activities	% increase in revenue created through development/redevelopment activities
	Rental income from non-PBV affordable housing, LIHTC or HOME units	Current rental income from non-PBV affordable housing LIHTC or HOME units	% increase in rental revenue from non-PBV affordable housing LIHTC or HOME units
	Units of affordable housing made available	Current affordable housing created through PBV	% increase in the # of new affordable units created through PBV Leveraging
	# of units in high opportunity areas	Current number of units in high opportunity areas	% increase in the # of PBV units in high opportunity areas

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<b>HUD Initiative: Developing strategies to better utilize project-based vouchers</b>			
<b>Policy Recommendation #9</b>	<b>Utilizing local market conditions to determine the Total Development Cost instead of HUD's standard.</b> <ul style="list-style-type: none"> <li>PHAs will be able to develop or redevelop in areas of higher opportunity where the TDC costs are higher. This will result in an improved quality of life for the residents of the developments and their families and allow PHAs to develop in areas that they are currently unable to develop in.</li> </ul>		
<b>Targeted MTW statutory objective</b>	Housing Choice		
<b>Recommendation for research and evaluation:</b>	<b>Metric</b>	<b>Baseline</b>	<b>Benchmark</b>
	Revenue created by development/redevelopment activities	Current revenue created by development/redevelopment activities	% increase in revenue created through development/redevelopment activities
	Rental income from non-PBV affordable housing, LIHTC or HOME units	Current rental income from non-PBV affordable housing LIHTC or HOME units	% increase in rental revenue from non-PBV affordable housing LIHTC or HOME units
	Units of affordable housing made available	Current affordable housing created through PBV	% increase in the # of new affordable units created through PBV Leveraging
	# of units in high opportunity areas	Current number of units high opportunity areas	% increase in the # of PBV units in high opportunity areas

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HUD Initiative : Developing strategies to better utilize project-based vouchers			
<b>Policy Recommendation #10</b>	<b>Bid Process for Project Based Voucher</b> <ul style="list-style-type: none"> <li>PHAs may allocate PBV units to developments owned directly by the PHA or through a partnership affiliated with the PHA without a competitive process for awarding PBV units.</li> </ul>		
<b>Targeted MTW statutory objective</b>	Cost Effectiveness		
<b>Recommendation for research and evaluation:</b>	<b>Metric</b>	<b>Baseline</b>	<b>Benchmark</b>
	Total time to complete the task in staff hours	Current staff hours for bidding PBV	% decrease in staff hours for not bidding PBV
	Total cost of task in dollars (staff time X average staff salary)	Current administrative cost of bidding PBV	% decrease in administrative cost for not bidding PBV

**From:** Vanessa Cooper <vcooper@alamedahsg.org>  
**Sent:** Monday, May 02, 2016 11:32 PM  
**To:** mtw-info  
**Cc:** Vanessa Cooper; Victoria Johnson; Tonya Schuler  
**Subject:** Docket No. FR-5932-N-01: Request for Specific Policy Proposals and Methods of Research and Evaluation for MTW Demonstration Expansion

Please see below the proposal from the City of Alameda, California

**Docket No. FR-5932-N-01: Request for Specific Policy Proposals and Methods of Research and Evaluation for MTW Demonstration Expansion**

**Specific Policy Proposal Recommendations: Allow more than 20% budget authority for Project-Based Vouchers (PBV)**

Tight rental markets with skyrocketing rents have limited housing choice in many areas of the country. 47 of the 75 Largest Metropolitan Statistical Areas in the First Quarter of 2016 had vacancy rates at or below the national average for the same period.

Public Housing Authorities are facing a difficult market in expanding housing choice and de-concentrating poverty. Existing tenant based section 8 rentals are being lost to higher income renters and land is at a premium. By allowing more PBV units in areas where the vacancy rate is less than the national average and rents are at or above HUD's published FMRs, more housing choice can be provided to low-income families who are being priced out of some markets.

With the Tax Credit program looking to funding from PBV when evaluating applications and giving a higher score and better financing to applicants utilizing PBV funds, new or rehabilitated housing of a high quality becomes available to families who otherwise would have to rent the lowest quality units.

In many high cost areas, new Tax Credit development dedicated to low income families is the only way to avoid the widespread displacement of low-income, disabled and disadvantaged communities in to areas of less opportunity. By allowing PHAs in high cost areas to build in areas with strong services and supports, this measure also supports the policy on Affirmatively Furthering Fair Housing.

By also requiring these PBV units over the 20% cap to have the same services as exempted units over the 25% cap (such as units for seniors, persons with disabilities, or units with supportive services), the services attached to the units can be geared towards increasing family self-sufficiency, and two goals of the MTW program are met. Several of the existing MTW agencies have successfully utilized such flexibility to provide PBV over 20% to meet MTW goals.

## **Research and Evaluation Proposal Recommendations**

The metrics to evaluate would be: voucher utilization, number of days searching for Housing Choice Voucher holders in the jurisdiction, number of HCVs expired before housing is found in jurisdiction, rents as a percentage of payment standard for new contracts and rent increases in the jurisdiction, and income increases of PBV residents.

For a control group: issue an HCV and PBV at the same time to two families. Should be off the same wait list or steps should be taken to ensure there are not statistical differences between the make-up of the two wait lists. Track the success of the HCV family on finding a unit. If one is found, establish both families' initial income from their income at admissions. Over the period of the families' tenancies, do statistical tests to compare the differences in their incomes and housing stability.

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# HOUSING AUTHORITY OF THE CITY OF GOLDSBORO, NC

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## COMMISSIONERS:

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MAYOR CHUCK ALLEN, EX-OFFICIO

ANTHONY GOODSON, JR., CHIEF EXECUTIVE OFFICER

PHILIP A. BADDOUR, JR., ATTORNEY

May 17, 2016

Office of Public and Indian Housing  
Department of Housing and Urban Development  
451 7th Street SW  
Washington, DC 20410-0001

Re: Docket No. FR-5932-N-01: Request for Specific Policy Proposals and Methods of Research and Evaluation for MTW Demonstration Expansion

To Whom It May Concern:

We would like to thank HUD for the recent expansion of the Moving-to-Work (MTW) program and the opportunity to comment on future developments and structure. As a high-performing agency, we are always looking for ways to improve our programs and services, and we believe MTW provides an excellent vehicle to do so.

While we are not currently a MTW agency, our research and experiences with other MTW agencies indicate that much of the success of these efforts is focused on flexibility for local discretion to implement local strategies devised for the climate surrounding specific agencies and their partners. PHA flexibility and fungibility have allowed incredible innovations around the country. We encourage HUD not to hinder MTW capabilities to achieve and innovate by placing overbroad restrictions on MTW programs.

In regard to the request for comments, we offer the following insights:

## A. Specific Policy Proposal Recommendations

- Increasing moves of low-income families to high-opportunity neighborhoods

HACG strongly believes in decreasing the concentration of poverty and moving public housing residents and low-income families out of desolate pockets of poverty into high-opportunity neighborhoods in less remote areas with locations close to shops, services, and employment opportunities. Increasing access to additional vouchers and programs such as LIHTC (Low-income housing tax credits) provides resources to make this more of a possibility for low-income families. Allowing PHAs the flexibility to purchase land, acquire existing properties, and engage in new construction in a timely manner will also aid in these efforts to provide affordable housing in high-opportunity neighborhoods.

- Using administrative flexibilities to reduce costs and improve operations, governance, and financial management

Flexibility is a major advantage of MTW. Giving programs the authority to save time and costs by streamlining their processes through local initiatives is a strong indicator of success and sensibility. Unfortunately, sometimes administrative burdens and legislative policies detract from their intended purpose. Rigid adherence to antiquated models has forced PHAs to decline beneficial opportunities in the face of receiving lower scores and potential reprimands. If PHAs are focused on the core goals of MTW (cost-effectiveness, self-sufficiency, and housing choice options) with good internal oversight, agency discretion should be utilized to get things done.

Some examples of strategies from other agencies that would be effective in reducing costs and administrative burden include minimizing interim readjustments, eliminating verification of 100% excluded income, standard utility allowances, and other such policies that are feasible and responsible but also allow for simplification of administrative procedures. Please see other sections for additional applicable examples.

- Structuring alternative rent-setting methods

Alternative rent-setting methods can provide a focus on gradual increases to assist residents with self-sufficiency where increased income is a possibility. Protecting low-income families while still working to prepare them for the private market can be better achieved through such programs as tiered rent, correlations between unit sizes and rent rates, minimum earned income, or increased minimum rent policies.

Coupling such policies with education, self-sufficiency programs, and supportive services provides the opportunity for increased success for residents. It would also benefit PHAs by decreasing waiting lists as more individuals transition out of housing and providing income that could be used for capital improvements or special projects with the appropriate permissions.

- Streamlining admissions and/or occupancy policies (*i.e.*, work requirements, time limits, waitlist preference alterations)

Work requirements for workable adults would be a benefit for MTW agencies and other PHAs. Such requirements provide a less abrupt alternative to imposing time limits on residents while still providing incentive to increase upward mobility and focus on the transitional nature of housing and highlighting the importance of self-sufficiency. Innovative solutions may include tiered housing programs that allow apartment upgrades for able residents that are willing to work. Allowing preferences for work willingness in collaboration with other programs such as FSS, ROSS, and Jobs Plus could also be beneficial. A cohort for Jobs Plus recipients or agencies willing to adopt work requirements is highly recommended.

Using alternate definitions for terms such as elderly and homeless could also benefit applicants and residents. Some programs designate anyone age 55 and older as elderly. This could make other services more available to them due to their designation and prevent unnecessary moves for individuals that are potentially less mobile and less likely to transition in some cases. HUD's definition of homelessness has also created difficulty in reporting and assessment for point-in-time counts due to collaboration with other agencies that have a more inclusive definition. Additionally, many individuals are in crisis and desperately need homes but cannot be counted toward assessing the need for VASH or other PBVs due to statutory restrictions.

- Improving the health and wellbeing of elderly and disabled residents

Elderly and disabled residents are some of our most vulnerable populations. Methods such as lifting or

increasing the cap on project-based vouchers, inclusion or community service programs such as connected living; reduced recertification frequency, and increasing supportive services could benefit residents in these categories.

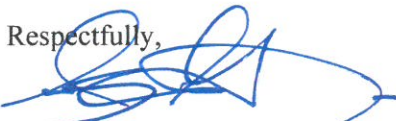
Providing creative partner collaborations and programs also decreases potential problems and administrative burden for individuals needing more assistance and allows individuals to maintain their own independent living for longer.

#### B. Research and Evaluation Proposal Recommendations

Gauging success is important; however, attempts to streamline program innovations may result in a destruction of the program's validity. Success measures should not always be numerical, and qualitative data should be used in conjunction with quantitative data to capture the totality of outcomes and change over time.

The suggestions provided above are not all-inclusive, but provide an indication of the types of programs that have been successful or show promise of being successful. Providing quality services to residents while allowing PHAs the latitude necessary to get things done provides appeal for MTW, and it is why we as an agency would be interested in gaining the designation. We appreciate HUD's willingness to consider the administrative burdens and barriers to success for MTW. We hope that the creation of cohorts will not minimize other strategies by trying to create a one variable solution to a multiple variable problem. We look forward to continued innovations in the future.

Respectfully,



Anthony Goodson, Jr.  
Chief Executive Officer

## **Request for Public Comments: Docket No. FR-5932-N-01**

John Goering, Ph.D.  
Professor of Public Affairs & Political Science  
CUNY & Baruch College  
New York  
646-660-6960

I am pleased to be able to offer comments on the issues raised in this Request for Policy Proposals and Methods of Research for the MTW Demonstration Expansion.

MTW is arguably the most policy significant demonstration that HUD can conduct over the next decade because it can help empirically reveal both the process and results of how a range of housing authorities can use the flexibility of MTW rules to adapt to reduced federal funding for housing programs. Both CBO and the Center for Budget and Policy Priorities have described the probable trajectory of budget reductions that HUD programs will experience over the decade, driven by Congressional deficit reduction pressures as signaled in the Budget & Control Act of 2011, as amended.

The demonstrations and evaluations, if carefully planned and executed, can help suggest and shape the range of innovations, including public private partnerships and private sector funding arrangements, which can offer some suggestion as to how future PHAs operations should best proceed for the entire nation.

My comments below focus upon a range of methodological and design issues including your request for “specific policy recommendations.”

### **Methodological Issues:**

**Role of the Existing MTW Evaluation?** Given that PDR is already funding a process and outcomes study of the existing smaller number of MTW sites, and this evaluation is underway, how can the proposed Research Advisory Committee for this MTW expansion benefit from the methods and data gathered in this current research? That is, what are the best means to integrate the current evaluation of MTW being managed for PD&R by the Urban Institute and MDRC into the planned expansion and future evaluation? Should the evaluation for example be suspended pending the results of this new design study or are they far enough along to help in the design of the new study? <sup>i</sup>

**Local PHA evaluations?** Some PHAs (e.g. New Haven) are planning their own evaluation of the MTW work: how should HUD integrate such localized studies into the larger planned research or alternatively should HUD request that PHAs suspend such research expenditures until the larger study is prepared?

**Coordinating/Integrating other ongoing experimental demonstrations?** HUD has already funded major, innovative research on MTW related issues, such as through the Moving to Opportunity demonstration evaluation, the ongoing FSS evaluation, the various forms of the Jobs Plus demonstration, the Rental Assistance Demonstration, the Rent Reform Demonstration as well as critically important research by

independent researchers led by Prof. Raj Chetty on the select human effects of HCV mobility. What are the best means for the integration of these important studies, focused upon MTW sites, to be linked into the planned MTW expansion? Only the newly created Research Committee seems likely to be in a position to create these research, social science, and policy linkages.

**Non-experimental Designs:** The core rationale for using an experimental design for MTO was to reduce or eliminate the problem of selection bias, or the selection of only the most motivated to join the program. Using a non-experimental design clearly requires considerable thought by the research advisory committee. What *comparison projects* or programs can the 100 PHAs propose? With what will they propose to compare the behaviors of programs and beneficiaries after they have begun the MTW program? *Time series discontinuity analysis* also can help in assessing whether prior trends or distributions have been notably disrupted by the initiation of the new program. Solid baseline and trend data are thus essential. In--depth *qualitative or ethnographic* work can also help see or visualize the effects of program change at a granular level (Matthew Desmond's recent book, *Evicted* is a good illustration of the utility of in-depth examinations of the eviction process in one city). *Regression analyses* with large enough samples also can create effective assessments of influences and effects. The problem with Congress asking for a series of small programs is that samples will shrink unless all 100 sites are required to assemble core data fields. These methodological choices are not mutually exclusive of course.

**Non-experimental experts:** The prior research of Professors Robert Sampson, Douglas Massey, Stefanie Deluca, Patrick Sharkey, George Galster and Raj Chetty are all relevant; they would be useful candidates the advisory committee might consult during the design stage. They are all aware of the use of non-experimental methods (for example, Sampson's work on econometrics, and Doug Massey's work on Mt. Laurel outcomes), and are aware of the uses/limits of experimental designs.

**Do not Rush:** Long term panel studies and experimental research often take many years to determine and learn what the true long-lasting effects of an intervention may be; including how long the effects last for clients and PHAs, or whether clients revert. Patience is required to learn what if any longer term benefits or harms may derive from the intervention. The roughly 20 plus years of the MTO experiment illustrate the benefits of waiting to learn where effects are created.

### **Design Issues:**

**Selecting the maximally useful set of PHAs to participate?** Many prior HUD/PD&R demonstrations allowed PHAs to volunteer for major experimental research demonstrations, including Jobs Plus, MTO, and the Rent Reform demonstration. This selectivity means of course that the lessons and findings from these experiments are not readily generalizable to the remaining non-engaged PHAs.

**External Validity:** There is a well-known concern about external validity which can be addressed in part by using sampling methods to select the 100 PHAs to be included in the study. (Below I raise a concern about using only "high-performing" PHAs). In MTO, Congress pre-selected one PHA leaving HUD to request volunteers for the remaining 4 sites. The sociological, economic, and housing market conditions of the metro areas into which MTO was applied were not carefully assessed or used as criteria for selecting the sites. HUD used the percent poverty variable which Congress had stipulated, leaving absent information of a host of factors better able to assess the level of housing and economic opportunities available in the local region. This

is now a well-known criticism of MTO's design which you should strive of course to avoid. MTW can do better:

***Regional Opportunity Characteristics:*** In order to design new MTW research aimed at fully "increasing housing choices for low income families," HUD should carefully consider what the social and economic opportunity set of the potential new 100 PHAs may be; and select those areas where it is feasible to examine the relevance of a range of job placement, educational, health care, and rental housing options for households. Chetty's evidence tells us that the chances of upward mobility are better in certain cities, like San Jose and Salt Lake, than in others such as Milwaukee. If these findings are policy relevant, and I believe they are, then great care should be taken in selecting programs that work for communities with varying levels of implied or background mobility potential. What types of job options are available in the immediate market for those enrolled at the local PHA? What is the rental housing vacancy rate of units affordable at existing FMRs and payment standards; what realistic options exist for portability? What is the range of capabilities and performance of school systems in the immediate community or region to which the children might apply for acceptance? If the program is to be regional, what is the level of agreement from surrounding towns for mobility from the central MTW site, or will some communities refuse to cooperate? An analogous concern affects the goal of fostering economic self-sufficiency without mobility.

It would seem prudent to seek a typology of regional opportunities, and the causal effects of place that are not as affected by bias. Areas with higher rates of upward mobility, for example, might be selected as a design parameter for the MTW expansion if the goal is to learn how to maximize mobility choices for lower income families. Might one of the MTW experiments be in the creation of regionally framed PHAs operations and HCV allocation? (Chetty 2015. "Hastings and Weinstein show that providing simplified information about the relative quality of schools substantially changes the choices made by low-income parents, suggesting that they choose worse schools not because of intrinsic preferences but rather because of a lack of information.")

***Pre and post counseling:*** A great deal of effort has been devoted to learning how to create better models for tenant counseling. MTO used only the bare bones of Gautreaux but there is much work that shows that counseling before, during, and after placement can improve select outcomes. Jobs Plus and Work Rewards experiments could help here, as well as all the good work done in the Dallas and Baltimore desegregation cases.

***Avoiding the Appearance of Triage.*** While Congress has stipulated that only "high performing" PHAs be selected, PDR is not limited in its design options. By previously selecting better performing PHAs for the first phase of MTW, this current restriction to only the better functioning PHAs leaves the impression of triage: weaker PHAs simply left out of options for reform, innovation, and better management. One option to correct/avoid this apparent "triage" problem would be to require that the 100 PHAs selected would be asked or required to adopt or assist a weaker performing PHA in their area, in collaboration with HUD. This would occur after their model of innovation had been designed, implemented, and initially assessed. The high performers would offer technical assistance, including administrative and program design advice. The effects of this policy diffusion could be studied in a separate PD&R study that would enable HUD after a decade of work to learn how to best transmit the guidance high performers acquired. The research would caution about risks, costs, and best outcomes.

***Time Limits on HCV is Different:*** One important caveat or concern is that I do not believe that this PD&R evaluation should be the forum or vehicle for establishing, however selectively, time limits for HUD's dwindling housing assistance. The time delimitation of HUD's assistance is a major political choice and needs to be addressed by Congress and not expressed as if it were just another policy equivalent methodological option for MTW. It is not in my view. Fundamental political choices of such importance should be decided by the US Congress with all the analogous political negotiations, as was done with the end of welfare in AFDC to TANF. I am not arguing that it is a necessarily a research Trojan horse, but its implications outweigh other evaluation options such as rent reforms, switching to every 3<sup>rd</sup> year income verifications, or reducing the level of property inspections to lower PHA costs. The option of imposing time limits that eliminate voucher assistance for some number of households is a fundamental alteration in HUD's policy.

If, however, the option needs to be tested, local PHAs could be given the option of a range of choices from which they may select in order to reduce costs or offer benefits to larger numbers of clients. They would be offered a "menu" of several, five or six, longer term strategies proposed to them with the research goal to learn how many PHAs with what characteristics adopt time limits. Then the next goal would be to learn in successive research how this radical new policy has been implemented and what effects it has as the PHAs replace the terminated HHs with new families. How are waiting lists and tenant screening managed given the now higher levels of tenant turnover? Do any of the terminated families become homeless, and then qualify for an alternative set of PHA supports? If so what is the net cost savings or benefits from terminations? Alternatively, do the PHAs begin to offer aggressive work, employment, or FSS counseling to those targeted for a 5 year (if that is the period selected) termination so that they use the threat of termination to spur adoption of self-sufficiency practices by the self-selected, work-enabled families?

Alternatively, the research goal could be to reduce or eliminate such self-selection and allow the PHAs to randomly assign families to the time limits program because of its policy significance.

***PHA Governance:*** PHAs are of course creatures of state enabling legislation and frequently have Boards and key personnel selected by local elected officials. Many also have Boards or Advisory Councils that include tenants. Such governance systems can alter or affect the range of what the newly added cohorts will actually be permitted to undertake. This then poses two sets of issues: 1. before selecting PHAs for the next wave of MTW they need to be asked if their governance systems will accept a wide range of policy innovations including imposing time limits on some number of their tenants; and 2. how will selected PHAs that adopt, for example, rent increases, time limits, or new eligibility rules explain that these are not permanent policy changes but temporary for the purpose of research? Will tenants become agitated at the prospect of more systematic, permanent rent increase and time limits and create a political fire-storm as occurred in Baltimore for MTO?

How does this new, larger set of PHAs adapt to the MTW options and what limits if any do state and local governing officials place upon MTW's options? Some local advisory boards might politically oppose time limits, or the use of operating budget funds for capital repairs – or any of the other range of options PHAs in MTW are currently trying out. (What for example has the experience been of those MTW-PHAs which have already raised rent limits or tried time limits? The current, on-going MTW evaluation could help here.)

Closely linked to this issue, what parts of individual or local PHA's MTW plans can best be measured, assessed for their effectiveness, and then adopted for training for others. How do we know the full set

of uses, risks and costs of innovative ideas? (Many of these issues may be addressed in the ongoing MTW evaluation but few of us are aware of what those findings are intended to show).

***State and Local Government Fiscal Substitution:*** As a number of local PHAs have experienced roughly a decade of budget reductions from Congress through HUD, they have adapted by seeking alternative sources of financing. Some state and local governments, like New York City, provide funding for building repairs, sustainability conversions, senior programs, and homeless assistance. That is, MTW's effort to learn how 100 local PHAs can adopt tools to reduce costs and achieve greater "cost effectiveness" has been complicated by the substitution of non-Federal sources of support for basic program operations and capital funding. Research on the cost savings achieved under MTW needs then to be cognizant of alternative sources of funding, given the past record of Federal funding cut-backs and austerity projections. Few PHAs will be unaware of the 2016-2017 House and Senate votes to further reduce select HUD program funding. The policy context of austerity politics appears therefore germane.

***What is the range of PHA capabilities?*** There appears relatively little careful comparative research on the innovative capabilities and necessary system supports that will enable larger and smaller PHAs to adopt, manage, and self-assess MTW innovation challenges. That is, how does HUD design and transfuse or disperse innovative ideas when so little is known about the management, staffing, and incentives capabilities and shortcomings of PHAs themselves. What are the PHA-level behavioral foundations for the study? It is hard to identify good quality research on the management capabilities and shortcomings of the over 3,000 PHAs in the US. Learning how to successfully integrate or incorporate innovative ideas into on-going PHA operations (of the current non-MTW sites) seems central to the creation of the less well funded, less centralized PHA/MTW system of the future.

***Managing the privatization of PHA land and assets:*** As some authorities may wish to sell or lease their unused lands to raise capital for expenses, how should the MTW evaluation offer guidance and real estate technical assistance. How will PHAs get sensible and market rate appraisals of land that has few comparables; how will they negotiate long-term land leases with the appropriate rent inflators to private parties offering some level of affordable housing development. What role might they play in seeking and justifying LIHTC 4% or 9% credits for those properties? HUD should well consider that once launched on the path of business competitiveness, that PHAs long sheltered from the commercial real estate market, will benefit from centralized forms of advice, training, and technical assistance.

***Race and Affirmatively Furthering:*** Brookings recently (April 21, 2016) released a research note on the relevance of race and ethnicity to the city or suburban locations of the poor. This is but one recent illustration of the complex and structural embedding of race into many aspects of housing programs and operations. It suggests the relevance of including some formally "suburban" communities as well as rural and urban in the MTW expansion.

Another of many possible illustrations of the role of race can be found in a paper in HUD's *Cityscape* (2014 by Matthew Gebhardt). It illustrates how race has continued to influence thinking about current HUD programs like the Choice Neighborhood Initiative. He cautions about neglecting the new affirmatively furthering obligations which HUD has announced for all PHAs. Addressing budget needs of PHAs including how they may cut back on rent supports, or reduce housing opportunities to lower income, more "affordable" areas, can readily support existing racial or ethnic segregation. Making PHAs more cost-effective does not mean that they are licensed to continue to support – or worse increase – segregative housing practices.<sup>ii</sup> Clearly incorporating the affirmatively furthering requirement in any



expansion of MTW, and its evaluation, is imperative. Baseline measurements need to include racial patterns as part of the background for the final evaluations.

Best of luck  
April 27, 2016

## References:

Raj Chetty. 2015. "Behavioral economics and public policy: a pragmatic perspective." Working Paper 20928 <http://www.nber.org/papers/w20928>. Cambridge: NBER (February).

Raj Chetty. 2016. "Socioeconomic Mobility in the United States: New Evidence and Policy Lessons." In Susan Wachter and Lei Deng (eds.). *Shared Prosperity in American Communities*. University of Pennsylvania Press.

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<sup>i</sup>The April 21, 2016 "How Housing Matters" suggest the moving field MTW sites, and how their "innovations" might be relevant to the newly authorized additions. "The U.S. Department of Housing and Urban Development has extended the Moving to Work demonstration another 12 years. The program gives 39 authorized housing authorities, including the Vancouver Housing Authority (VHA) in Vancouver, Washington, additional flexibility in their budgets and certain program rules. "During the downturn and during [federal budget] sequestration, that flexibility helped us out a lot," says Steve Towell, spokesman for the VHA. The VHA has also used its Moving to Work status to offer a shorter-term version of the Family Self-Sufficiency Program and add a lease term requiring families at one development to participate in their children's education and maintain good school attendance.

<sup>ii</sup> See Lisa Foderaro. 2016. "Strides, if not solution, seen in housing suit: Bias persists despite Long Island ruling." *New York Times*. April 21: 17.



*Board of Commissioners*  
Doug Barnes, *Chair*  
Michael Brown, *Vice-Chair*  
Susan Palmer  
TerryLynn Stewart  
John Welch

*Executive Director*  
Stephen J. Norman

May 18, 2016

Moving to Work Office  
U.S. Department of Housing and Urban Development  
451 7<sup>th</sup> Street SW, Room 4130  
Washington, DC 20410

**Re: Docket No. FR-5932-N-01: Request for Specific Policy Proposals and Methods of Research and Evaluation for Moving to Work (MTW) Demonstration Expansion**

The King County Housing Authority (KCHA) submits the following policy recommendations and research and evaluation methodologies to be considered in the upcoming MTW expansion.

**Policy Proposal Recommendations**

**1. Short-term Rental Assistance Models**

With homelessness states of emergency being proclaimed across the country and limited resources to address this crisis, it is important to test alternative models that could enable housing authorities to serve more households in preventing/ending homelessness and supporting long-term housing stability. We suggest the implementation and evaluation of short-term rental assistance models. Program elements could include a graduated or tiered rent structure, flexible funds, shallow rent subsidies, and/or short-term assistance. Additionally, support service elements such as housing search, case management, and/or employment counseling should be tested. By evaluating short-term rental model(s) across diverse jurisdictions and populations, we could address some or all of the following questions: Who should be targeted for alternative rental assistance models (based on subsequent outcome trajectories)? Which model(s) of assistance are most efficiently support long-term housing stability? What is a household's trajectory before, during, and after receiving this kind of assistance? This evidence will inform PHAs' subsequent selection, implementation and scaling of alternative rental assistance models. Moreover, this demonstration would expand on the evidence recently generated through HUD's Rapid Re-Housing for Families Demonstration program.

**2. Local Payment Standards System**

The new cohort of MTW agencies will operate in a variety of markets, providing an opportunity to assess what payment standard system is most effective in meeting local needs. KCHA suggests the use of local data to inform the number of tiers, the scale at which each tier is set (i.e. by neighborhood or by ZIP code), and the percentage above FMR the system will go. Subsequent research/evaluation of PHAs' implementation of local payment standards could include process

analyses including how agencies determined payment standard tiers, as well as implementation considerations pertaining to technology, staff and resident communication, financial management, and other areas; these insights will complement information from HUD's Small Area FMR Demonstration by providing additional insights into PHAs use of local data and context to inform payment standard tiers. Analyses of outcomes from agencies' implementation of local payment standard systems might include assessment of effects on residents' shopping success, landlord participation, housing location, and/or housing assistance payments.

### 3. Lease-up Support

With national vacancy rates at an all time low and rental housing markets growing even more competitive, it is difficult for voucher holders to access housing. KCHA suggests the development and evaluation of a comprehensive approach to increasing voucher holders' lease-up success. A comprehensive intervention could include a landlord liaison or preferred owner program, security deposit and move-in cost assistance, shopping support for populations facing multiple barriers, and credit repair and ready to rent programs. Evidence from this demonstration across the new MTW cohort could give an indication of which lease-up supports work best in a variety of markets.

### 4. Co-location of Mental Health Services at PHA Housing Sites

PHAs serve the community's most vulnerable members, including those living with mental illness. Evidence from the Washington State Department of Social and Health Services indicates higher prevalence of mental health diagnoses among persons residing in subsidized housing as compared to a matched group not receiving housing assistance. Moreover, and at a program level, behaviors related to untreated mental illness is frequently cited as a contributor to housing instability and poor housing outcomes among current residents. This evidence suggests a need for closer alignment of housing and mental health services. This could include co-locating mental health services at PHA housing sites and/or engaging in meaningful and locally-informed cross-sector partnerships to increase residents' access to mental health supports. In addition, in states that have implemented a Medicaid waiver, this work could explore innovative financing models to leverage Medicaid funding to support housing supports. The development and implementation of such a policy could aid in answering the following questions: Can PHAs leverage existing systems and services to better meet its residents' mental health needs? How can PHAs encourage cross-sector partnerships to more effectively serve these residents? Are there systems-level cost-reductions to locating mental health services at housing sites?

### 5. Alternative FSS Program

The expansion provides an opportunity to test an alternative FSS program design that could include any or all of the following elements: automatic enrollment for particular sites or household types, escrow credit payments based on participation, intensive case management, financial workshops, and job placement. An evaluation of this approach could answer questions such as: Which self-sufficiency program elements are most effective in improving outcomes for PHA residents? Is there a rewards system or alternative escrow calculation that is more likely to incentivize a resident to improve his or her economic standing?

## **Research and Evaluation Recommendations**

The following recommendations are intended to increase the operational relevance and scientific rigor of future MTW expansion research and evaluation efforts. To achieve this end, additional resources and financial investment need to be committed to this work, such as a dedicated MTW research team in the Office of Policy Development and Research. Rigorous research and evaluation is expensive – KCHA recommends that HUD match the rigor with the policy intervention's scale when designing the evaluation. For example, a \$30,000 pilot that serves 25 households would not be the best use of a resource-intensive mixed methods approach that identifies a control group prior to intervention. Additionally, these recommendations should not apply retroactively to MTW policy or program interventions that have already been implemented. These best practices imply careful planning and investment prior to adopting a new policy so current MTW agencies should not be required to retrofit an evaluation onto their ongoing activities.

### **1. Process Evaluation**

MTW encourages PHAs to locally adapt interventions and be responsive to local needs so it is important to understand how policies and their implementation differ across these different contexts. Process evaluations account for and articulate variation in the implementation of policies across the participating agencies. By sharing early and incremental insights into how a program or policy is implemented, mid-course adjustments, and challenge points would be valuable toward all participating PHAs that may be considering how to adapt and implement similar initiatives.

### **2. Comparison Groups**

In order to gain greater insights into an intervention's causal impact, KCHA recommends that evaluations identify an explicit comparison group(s) prior to a policy intervention. This should not limit new policy evaluations to randomized designs, but rather to provide technical assistance and resources to consider novel identification of and analyses of comparison groups (including site-based matches, propensity score matching, etc.).

### **3. Mixed Methods**

If additional resources are available, KCHA recommends that evaluations under the MTW expansion use a mixed methods approach that includes both qualitative and quantitative data. Qualitative data helps elucidate the meaning and context of quantitative findings and informs any conclusions drawn from a research study. To date much evaluation has focused on statistical designs that have helped to identify patterns but may not provide the contextual insights into why programs/policies generated these outcomes.

### **4. Stakeholder Participation**

Research and evaluation efforts under the expansion should be informed by input from the various stakeholders involved, including current MTW agencies and potential participating PHAs and their residents. It is important that the PHA perspective informs program design and feasibility, and that this work also intentionally builds off of the learning questions being

explored in the broader MTW evaluation.

The purpose of MTW is to test, evaluate, and learn about how to best administer housing assistance, encourage economic mobility, and better meet local housing needs. In order to foster this learning community among MTW agencies, HUD should formulate a plan that clearly outlines how these learnings will be shared and disseminated among agencies – not only as end products but incrementally and as part of a broader learning framework. Ideally, stakeholders will be engaged throughout the process from initial findings to generalizable conclusions. KCHA looks forward to being a participant in this dialogue.



May 18, 2016

**Comment to the Request for Specific Policy Proposals and Methods of Research and Evaluation for MTW Program Expansion [Docket No. FR-5932-N-01]**

The Lawrence Douglas County Housing Authority (LDCHA) is privileged to have participated in the MTW Demonstration since 1999. It has been a highly successful program for this community and the flexibility granted enables the LDCHA program to be tailored to the local economic and social environment. The LDCHA is committed to this program and to helping other agencies interested in joining this program.

Recommendations:

**Scalable Research Requirement.** The expansion language states that half of the new agencies to be admitted will have 1000 or fewer units. The research requirements adopted for these small agencies should be commiserate with the staffing and funding available in these agencies. It may be that HUD should determine core research objectives for each initiative to be evaluated and then have various research models depending on the size of the agency. There are some research models that a small agency will not have the staff or the expertise to accomplish. Additionally, because of its size, a small agency may not have enough participants to test various alternatives in a manner that results in meaningful data because the sample size is not sufficient. These small agencies still have a contribution to make as MTW participants to the demonstration, and to their community. There is a way to generate meaningful data from small agencies without conditioning participation on being able to execute complicated statically modeling with control groups.

**Establish the Baselines prior to Commencement.** There exists an issue with determining the baselines for existing MTW agencies and how to retroactively determine some baselines. This difficulty should be avoided for the new agencies and a uniform baseline measure should be determined prior to new agencies being admitted. One of the goals of the current demonstration and the expansion is to generate good data for policy evaluation. This cannot be done without a good defendable baseline data.

Thank you for the opportunity to comment.

Sincerely,

A handwritten signature in blue ink, appearing to read "Shannon Oury".

Shannon Oury  
Executive Director





## Malden Housing Authority



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Transmitted by email to: [mtw-info@hud.gov](mailto:mtw-info@hud.gov)

May 17, 2016

The Moving to Work Office  
Office of Public and Indian Housing  
U.S. Department of Housing and Urban Development  
451 Seventh Street, SW., Room 4130  
Washington, DC 20410-0001

**Re: FR-5932-N-01 Request for Specific Policy Proposals and Methods of Research  
and Evaluation for MTW Demonstration Expansion**

Dear Moving To Work:

On behalf of the Malden Housing Authority (MA022, "MHA"), I am writing to offer the following comments in response to HUD's Request for Specific Policy Proposals and Methods of Research and Evaluation for MTW Program Expansion [Docket No. FR-5932-N-01] published in the Federal Register on April 4, 2016.

As enunciated by HUD, the vision for the MTW expansion is to learn from MTW interventions in order to improve the delivery of federally assisted housing and promote self-sufficiency for low-income families across the nation. HUD's key principles for the expansion of the MTW demonstration are to: simplify, learn, and apply.

The MHA understands that each PHA selected to participate in HUD's MTW demonstration program enjoys broad funding flexibility and the authority to implement policies that promote regulatory relief and provide discretion and flexibility in creating and configuring housing programs reflective of and better able to serve residents of the Local Community served.

In addition to many other recommendations offered by industry groups and other PHAs, the MHA strongly supports implementation of each of the the following policies, believing each of same would assist PHAs in achieving HUD's MTW demonstration statutory objectives of cost effectiveness, self-sufficiency, and housing choice:

MTW PHAs in high cost areas should continue to be allowed, if able, to purchase properties in high cost neighborhoods on a mixed-finance basis by utilizing project-based voucher, Low-Income Housing Tax Credit (LIHTC) and other funding sources, allowing those PHAs to keep rents far more affordable than rents charged by private market owner/landlords in such areas. By purchasing such properties, MTW PHAs have and will continue to ensure that affordable housing options can and will exist in such otherwise unattainable neighborhoods.

MTW PHAs should be allowed the flexibility to decouple their payment standards from HUD's highly problematic FMRs in order to adopt more accurate and responsible payment standards determined in conjunction with their local communities and/or local realtor organizations in order to provide more low income families with access to housing opportunities in higher cost neighborhoods.

MTW PHAs should be allowed to partner with and provide space to local educational and/or community service organizations in order to conduct early learning, afterschool, and/or summer programs for public housing youth.

The present twenty (20%) percent cap on the number of baseline vouchers that can be project-based should be lifted for MTW PHAs to allow such PHAs the ability to target underserved populations (like elderly and disabled residents) and/or locations (especially higher-cost neighborhoods).

MTW PHAs should be allowed to partner with one or more local nonprofit or supportive service provider to provide public housing elder and disabled residents with services designed to improve and support such residents' ability to retain and maintain their homes and age-in-place with dignity, quality and independence.

MTW PHAs should be allowed to create a Section 8 Voucher Local Wait List Preference incorporating elements of HUD's Family Self-Sufficiency program in recognition and support of one or more local nonprofit and/or supportive service providers in combating homelessness and/or creating affordability in high-demand market areas, and designate a certain number of tenant-based vouchers issued annually to families receiving services from such providers.

In the current budget and regulatory environment, MHA believes it is extremely unlikely that PHAs will be able to reduce administrative burdens and lower costs, streamline operations, improve governance structures or strengthen financial management systems unless PHAs either have the capacity to do more with less, or try something different, which participation in HUD's MTW Demonstration program would allow a PHA to do, by combining voucher, capital, operating and reserve funds to create and sustain administrative and programmatic flexibilities.



Thank you for the opportunity to submit these comments.

Respectfully yours:

A handwritten signature in black ink that reads "Stephen G. Finn". The signature is written in a cursive style with a large, stylized initial 'S'.

Stephen G. Finn  
Executive Director

**To:** Moving to Work Office, Office of Public and Indian Housing, HUD  
Office of Policy Development and Research, HUD

**From:** David Greenberg and James Riccio

**Date:** 5/18/16

**Subject:** Response to request for comments, Docket No. FR-5932-N-01

This memo responds to HUD's request for specific policy proposals and methods of research and evaluation for the MTW Demonstration Expansion. It gives special attention to using this expansion as an opportunity to build stronger evidence on effective ways of helping low-income families benefit from moves to high-opportunity neighborhoods. It then discusses, in less detail, several other policy ideas that may be worth carefully testing. The memo closes with a general suggestion about the approach to evaluation.

## **I. A New Mobility Study**

### **MTO's promising but mixed findings**

Over and above the challenges associated with being poor, policymakers also have been concerned for decades about the effects of concentrated poverty and segregation on the life trajectories of low-income individuals.<sup>1</sup> Interventions to assist low-income individuals move out of segregated settings have included the U.S. Department of Housing and Urban Development (HUD) Housing Choice Voucher program,<sup>2</sup> meant to make it possible for low-income residents to move to more mixed-income neighborhoods; fair housing initiatives to combat both outright housing discrimination and the discriminatory effects of housing policies;<sup>3</sup> and planning and land-use efforts that promote the construction of affordable apartments in high-income areas.<sup>4</sup>

One of the most rigorous attempts to understand the impact of place on low-income people's life trajectories was the Moving to Opportunity (MTO) experiment, which gave vouchers to low-income people living in public housing that enabled them to move to lower-poverty neighborhoods. While the early results of MTO were disappointing (in that there were no impacts on adult economic outcomes and some negative social impacts on boys),<sup>5</sup> follow-up studies have found that children who were 12 or younger when they moved benefited economically and educationally over the long term.<sup>6</sup> These

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<sup>1</sup>Wilson (1987); Jargowsky (1997).

<sup>2</sup>[U.S. Department of Housing and Urban Development \(2016a\)](#)

<sup>3</sup>U.S. Department of Housing and Urban Development (2016b).

<sup>4</sup>New York City Department of City Planning (2016).

<sup>5</sup>Sanbonmatsu et al. (2011).

<sup>6</sup>Chetty, Hendren, and Katz (2016).

analyses — combined with correlational studies of low-income residents who moved from low-income to higher-income settings — have received increasing national attention.<sup>7</sup>

HUD is likely encouraged to work with MTW expansion sites to suggest that a proportion of vouchers be used to support moves from public housing into higher-opportunity neighborhoods, based on original and follow-up research related to MTO. At the same time, it is important to note that even in longer-term follow-up studies, MTO did not benefit adults and may have hurt older children economically. For adults, simply moving to lower-poverty areas did not necessarily expose them to more job opportunities, and their relatively low levels of skills and credentials may have hindered their ability to take advantage of better jobs in those areas. Among older children, the earlier MTO study found that some boys saw negative behavioral impacts, possibly resulting from relocation and integration into a new school and social setting. These results suggest that it is important to find ways of better serving those who have a potential to move into “opportunity neighborhoods,” by integrating children into higher-quality schools and by supporting parents and young adults through effective employment and training programs.

#### **Evidence on improving economic mobility for voucher holders**

MTO’s promising but mixed findings suggest the need to “do more” for families who relocate into opportunity neighborhoods. MDRC has evaluated approaches to enhancing economic mobility among Housing Choice Voucher holders, and found some mixed results that may inform considerations of how to approach the goal of improving upon economic outcomes for these populations. (Results from HUD’s national evaluation of FSS will provide additional insights, as those findings become available.)

New York City’s Center for Economic Opportunity launched Opportunity NYC–Work Rewards, a test of three alternative but related ways of increasing employment and earnings for housing voucher holders. The alternatives were all related to HUD’s Family Self-Sufficiency (FSS) program. The Work Rewards demonstration is evaluating the effectiveness of NYC’s version of the FSS program alone (“FSS-only”) as well as an enhanced version of the program that offered all the components of FSS plus special cash work incentives (“FSS+Incentives”) conditioned on reaching specific education- and employment-related benchmarks. Work Rewards also tests an offer of those same incentives alone, *without* FSS, to determine whether this administratively simpler and potentially less costly approach could be effective. The demonstration used an experimental design, with program and control groups for the different studies. Interim findings have included<sup>8</sup>:

- FSS-only and FSS+Incentives increased enrollment in educational courses, but this did not lead to an increase in degree or certificate receipt. Both FSS programs also increased the number of participants connected to mainstream banking, reduced the use of check cashers, and increased the number of people reporting any savings — all measures of financial management.
- FSS+Incentives had a small impact on employment when averaged over the four-year study period. However, that impact appears to have been driven by large and statistically significant

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<sup>7</sup>Leonhardt, Cox, and Miller (2015).

<sup>8</sup> Nuñez, Verma and Yang (2015)

increases in employment and earnings (a gain of 47 percent over the control group) for participants who were not working at study enrollment.

- Neither FSS program reduced poverty or the incidence of material hardship, even for the subgroup of FSS+Incentives participants with large gains in employment and earnings.
- FSS+Incentives produced some late-occurring reductions in the receipt of Temporary Assistance for Needy Families and food stamp benefits.
- The incentives alone produced no consistent overall effects.
- None of the models so far has shown effects on those who were employed at enrollment.

### Evaluation recommendations

The MTO findings suggest both the potential importance of mobility as a long-term benefit for low-income households, but also the limits of a mobility strategy alone. With this in mind, HUD may wish to consider the following:

- ***Combine mobility interventions with services to provide greater economic opportunity.***  
Because the longer-term results from MTO showed some negative impacts on older children and no impacts on adults' employment and earnings, an important policy question is whether it is possible to improve outcomes for *entire families* by combining MTO-type mobility assistance for moves to high-opportunity areas with other types of services. HUD's national FSS evaluation will eventually suggest whether FSS would be an appropriate strategy to consider in this regard. At this time, however, the lessons from the NYC Work Rewards demonstration suggest that other approaches may be worth testing.
- ***Give priority to an RCT to test this policy, and a multi-arm RCT, if feasible, in which alternative approaches could be tested rigorously in a single experiment.*** The power of the original MTO findings came from the fact that the study was an RCT, and its value was enhanced by including a test of regular vouchers as well as special MTO vouchers as alternative interventions in the same demonstration. Looking ahead, testing a new MTO-type voucher with and without special employment assistance or other services for parents, and/or with and without special assistance for older children would show whether adding services of different types to the special voucher is worth the extra investment.

## **II. Other Policy Ideas That May Be Worth Testing**

### **1. Alternative minimum rents and hardship waivers**

A number of MTW agencies have implemented minimum rents that range widely in level – for example, from \$50 in Washington, DC, to \$150 in Lexington, KY, and with variations in hardship exemption policies. Testing such alternatives (separately from other features of rent reform) may help inform the debate over the appropriate level of a minimum rent and accompanying hardship policies. However, such a test should include survey or other data that would make it possible to determine whether higher minimum rents result in more hardship for families, or whether the hardship policies offer adequate protection.

## **2. Participation requirements**

A number of current MTW agencies have begun to implement participation requirements. The pros and cons of such a policy have been debated for years, with little strong evidence to inform the debate. Some non-experimental evidence suggests that such requirements promote work, but that evidence is far from conclusive. A randomized trial testing such a policy (as was done in the welfare reform arena) could help provide more definitive evidence on its merits or risks.

## **3. Extending the “zero HAP” grace period**

The Oakland Housing Authority has implemented an extension of the zero HAP grace period from 6 months to 24 months. This policy is intended to address a common belief that, in some communities, many tenants may be reluctant to try to earn their way off of housing assistance out of a fear that taking a job that would allow them to do so may be unstable, and, should they lose it, force them to return to a long waiting list for housing assistance, perhaps never to get such assistance again. Keeping a person’s voucher open for only 6 months at zero HAP, as is allowed under current HUD rent rules, may not provide enough encouragement for tenants to risk giving up their voucher for higher earnings. However, extending that offer for a much longer period of time may provide a kind of “insurance” that would encourage them to take the risk. Testing such a policy with an RCT could provide strong evidence on whether this relatively low-cost offer has an important effect on tenants’ labor market behavior.

## **4. Affordability lease-up cap**

Several current MTW housing agencies have increased or waived the 40% lease-up cap. It would be important to know whether this is associated with an increase in leasing up in lower-poverty/better opportunity neighborhoods, and/or an increase in arrears, evictions, and subsequent moves. This policy would be amenable to testing in an RCT.

## **III. Design the Evaluation Before Rolling Out a New Policy**

A number of policies currently being operated by existing MTW agencies would have been candidates for strong evaluations, including RCTs, and possibly strong quasi-experimental designs, but they cannot be rigorously evaluated because they were rolled out in ways that foreclosed that possibility. For example, a number of policies (e.g., some rent reform policies and participation requirements) were implemented authority-wide for targeted families, eliminating the opportunity to establish an appropriate counterfactual. Similarly, some policies that might, in principle, be evaluated with a comparative interrupted time-series design may be implemented in a way that is inconsistent with the conditions required by such a design. Involving researchers in policy discussions with the new MTW housing authorities before they settle on all features of a proposed policy and an implementation schedule may help preserve more opportunities for credible evaluations.

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**National Association of Housing and Redevelopment Officials**

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May 3, 2016

Office of Public and Indian Housing  
Department of Housing and Urban Development  
451 7th Street SW  
Washington, DC 20410-0001

Re: [Docket No. FR-5932-N-01] Request for Specific Policy Proposals and Methods of Research and Evaluation for MTW Program Expansion

To Whom It May Concern:

On behalf of the National Association of Housing and Redevelopment Officials (NAHRO), I am pleased to offer the following comments in response to HUD's Request for Specific Policy Proposals and Methods of Research and Evaluation for MTW Program Expansion [Docket No. FR-5932-N-01] published in the *Federal Register* on April 4, 2016. Formed in 1933, NAHRO represents over 20,000 individual and agency members. Collectively, our membership manages over 970,000 public housing units, or approximately 83 percent of the entire public housing inventory, as well as 1.7 million Housing Choice Vouchers. NAHRO also represents numerous Public Housing Agencies (PHAs) participating in the Moving to Work (MTW) Demonstration Program. Many of NAHRO's members are also involved in the administration of federal funding through Community Planning and Development programs. NAHRO works to support policies that promote regulatory relief and provide local discretion and flexibility to housing authorities so that they may best meet the need of their communities.

NAHRO was extremely pleased that the 2016 Consolidated Appropriations Act (the Act) authorized HUD to expand the MTW demonstration program by an additional 100 high performing Public Housing Agencies (PHAs) over a period of seven years. NAHRO has long called for meaningful expansion of the MTW demonstration and is deeply supportive of Congress's efforts and HUD's quick actions to move the expansion forward. PHAs that participate in the MTW demonstration enjoy broad funding flexibility and may experiment with alternative program structures to better serve their communities.

The Act requires the Secretary to establish a research advisory committee that includes program and research experts from HUD agencies with an MTW designation and independent subject matter experts in housing policy research. The research advisory committee is responsible for advising the Secretary on specific policy proposals and methods of research and evaluation for MTW. The Secretary will direct one specific policy change for each new cohort of agencies receiving MTW

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designation, and the impact of this policy change will be evaluated through rigorous research. Newly designated MTW agencies will provide information requested by HUD to support oversight and evaluation, including targeted policy changes. Research and evaluation will be coordinated under the Secretary in consultation with the advisory committee to determine successful policy changes that can be applied more broadly to all public housing agencies and to propose any necessary statutory changes.

NAHRO supports Congress and HUD's efforts to determine successful policies utilized by MTW agencies that could be applied more broadly, however NAHRO cautions that the research and evaluation component of the MTW expansion must minimize additional burdensome reporting requirements on MTW agencies. Although NAHRO understands HUD's need to provide oversight and evaluation, one of the most critical components of the MTW demonstration is the flexibility that PHAs can utilize to meet the needs of their communities. Time-consuming and overly burdensome reporting requirements may prevent PHAs from being able to use their MTW designation in the most practical and cost-efficient manner.

Although NAHRO understands the importance of directing one specific policy to each MTW cohort over the 7 years of program expansion for the purpose of evaluation, we caution against any policy proposals that limit PHA flexibility and fungibility, as these components are what make the MTW demonstration so successful for currently participating agencies. Although NAHRO supports this MTW expansion, we want to ensure that any proposed policy changes do not divert the local discretion built into the MTW demonstration that allows PHAs to meet the core goals of the program: cost effectiveness, self-sufficiency, and housing choice.

NAHRO also recommends that HUD not only evaluate new data provided by MTW agencies, but also pre-existing data already provided by current MTW agencies that demonstrate the impacts of the policy changes they have implemented. Cataloging and communicating current MTW activities would provide HUD with insights into the impacts these policy changes have had on PHA operations, affordable housing preservation, cost-efficient streamlined operations, and any tenant impacts. Although by design the MTW demonstration is not a one-size-fits-all approach, many MTW agencies have implemented similar policies to achieve similar goals. Utilizing the data submitted by current MTW agencies would help ensure new evaluation processes are no more onerous or burdensome than current MTW reporting.

HUD seeks specific policy proposal recommendations related to the three MTW demonstration statutory objectives of cost effectiveness, self-sufficiency, and housing choice. HUD also requested recommendations specifically on using administrative flexibilities to reduce costs and improve operations, governance, and financial management. Although our comment letter does not include that topic as a stand-alone item, most of our recommendations lend themselves to increasing PHA flexibility to minimize administrative burden. Please find NAHRO's recommendations on specific policy proposals below:

#### *Increasing moves of low-income families to high-opportunity neighborhoods*

##### Mobility Counseling

- Both pre- and post-move mobility counselling can help increase moves of low-income families to high-opportunity neighborhoods.



- Pre-move counseling should include explaining the benefits of moving to high-opportunity areas to tenants, housing search assistance (especially in neighborhoods that tenants may be less familiar with), help improving credit scores, and assistance saving for security deposits.
- Post-move counseling should provide assistance once the family moves and is adjusting to the new neighborhood. Offering counseling post-move increases the likelihood that the family will remain and not move back to a lower-opportunity neighborhood.

#### Security Deposit Grants

- Providing grants to tenants to be used for security deposits can help tenants move into units in higher-opportunity neighborhoods that may have higher security deposit requirements. Often, costs associated with moving into units in higher-opportunity neighborhoods are greater, and it can take low-income families significant time to save the money needed for a deposit.
- This will also help the family if they opt to move to a market unit rental, as they can transfer the security deposit to the new unit. This incentivizes the family to maintain proper upkeep of their unit so that they are able to keep the deposit money. Providing the deposit as a grant, as opposed to a loan, ensures that families do not fall into debt if, for whatever reason, they are unable to pay the security deposit back to the PHA.

#### Increased Search Times

- Finding rental units in higher-opportunity neighborhoods can be challenging for tenants unfamiliar with those neighborhoods. Furthermore, landlords in higher-opportunity neighborhoods may be less familiar with the Section 8 program and, as a result, may be less inclined to rent to a voucher holder if other renters are available. Providing tenants with increased search times would help tenants find and secure rental units in higher-opportunity neighborhoods where they may face more challenges finding a rental unit than in lower-opportunity neighborhoods.

#### Location Based Strategies

- Current MTW agencies in high cost locations have been able to purchase properties in higher-opportunity neighborhoods for project-based vouchers through the Low-Income Housing Tax Credit (LIHTC) and other funding sources.
- This allows PHAs to keep rents lower in higher-opportunity neighborhoods, as private landlords would increase rents along with the market. By purchasing these properties, PHAs can ensure affordable options exist in high-opportunity areas.
- Lifting the cap on the number of vouchers that PHAs are allowed to project-base in high-opportunity neighborhoods could help PHAs purchase more properties to provide affordable housing in neighborhoods experiencing increasing rental costs.

#### Flexible Payment Standards

- Allowing PHAs to decouple their payment standards from FMRs to create payment standards that work locally and utilize local data and knowledge on costs of living within higher-opportunity areas can increase the ease of moving tenants to these neighborhoods.
- Although HUD is currently promoting small FMRs, many PHAs feel as though these include out-of-date data that do not represent true rental costs in higher-opportunity neighborhoods. PHAs also note that small FMRs are overly burdensome and administratively time consuming.

- Providing PHAs the flexibility to determine their own local payment standards internally, or through partnerships with their cities or other local organizations, could help move more low-income families to higher-opportunity neighborhoods. Furthermore, this would allow PHAs to more easily tie rent ratios to high-opportunity areas, allowing PHAs to provide greater subsidies for more costly neighborhoods.

### *Improving education outcomes through housing partnerships*

#### Shared Data between PHAs and Local School Districts

- Sharing demographic and attendance information about students can help improve attendance, academic achievement and parental involvement. This can also help PHAs better understand where absenteeism is an issue and where students are falling behind.
- PHAs could also act as an intermediary for schools to relay important information such as school registration dates, holidays and professional development days, and remind families when the school year begins.

#### Grade-Level Reading for Young Learners

- Ensuring students can read proficiently by the end of third grade is a key predictor of high school graduation rates. Promoting grade-level reading as a goal of a supportive service program can help PHAs put young residents on the path to success. By funding reading programs through supportive service programs, PHAs can help provide books, tutors, or other activities that can help young learners increase their reading skills.

#### Space and Programming for After-School Activities

- PHAs could partner with local organizations and provide space for early learning, after-school programs, and summer programs. Partner organizations can also help parents improve their abilities to help their children build vocabularies and develop early reading skills as a supportive service program.
- Partnering with organizations that provide summer food programs ensure that children are eating even when school is out. Summer food programs also provide an opportunity for older residents to volunteer and undergo food safety trainings that can help them find employment and create a stronger connection to the community in which they live.

#### Comprehensive Education Models

- New models should take a holistic approach to improve educational outcomes. This includes stable housing, early intervention, pre-school education, academic support, high expectations, student mentorship, parent engagement, strong community foundations, and post-secondary funding. PHAs could create partnerships with youth and educational organizations to help ensure students maintain access to stable housing.

### *Structuring alternative rent-setting methods*

#### Establish Relationships between Unit Size and Rent

- Rent reform should allow for a relationship between rent and unit size. Like the private market, tenants would have to pay additional rent for units larger than those for which they are eligible. In other words, a family that qualifies for a three-bedroom unit would receive the same subsidy for a three-bedroom unit as they would if they rented something larger. The

family has the option to put more income toward rent if they chose to rent a larger unit. If a family rents a smaller unit, the subsidy then declines to match the subsidy that would be given to a family that qualifies for a two- or one-bedroom unit. This encourages families to rent appropriate-sized homes for their households.

#### Eliminate Mandatory and Nonmandatory Exemptions

- Eliminating mandatory and non-mandatory exemptions, including utility reimbursements, allows for streamlined rent structures that greatly decrease administrative burden on PHAs. Hardship exemptions, or some sort of financial safety net program, would need to be provided in extenuating circumstances for families that are disproportionately impacted.

#### Tiered Rent Structures

- Tiered rent structures based on subsidies inform residents of the subsidy amount they will receive before they begin searching for a unit. This is especially beneficial in tight markets with limited rental vacancies. This system allows residents to act quickly when they find a suitable unit and allows the resident to know up front what their contribution for the unit would be since the subsidy is already known. If a resident finds a unit below the subsidy value, the PHA can charge a minimum rent to the tenant.

#### Rent Stability

- Promoting rent stability may benefit residents as it more closely mirrors the actual rental market. This helps tenants once they move from assisted housing and into market rentals, as they already understand and are accustomed to the rental market system.
- Increased rent stability can be achieved through bi- or triennial recertifications and removing interim recertifications. Like the rental and housing market, if residents experience an increase in their income, they are able to save this amount as opposed to putting it toward rent. This way promotions and wage increases do not affect what you pay month-to-month and incentivize employment and economic improvement. A stable rent also helps tenants budget as they are able to forecast their upcoming expenses. Recertifications should be staggered so that PHAs are not overwhelmed. No interim recertifications should occur except for extenuating circumstances that significantly impact a tenant's ability to pay rent.
- Using VPS data to determine subsidy eligibility can also help create a tiered rent structure that promotes rent stability as opposed to basing the rent off tenant income.
- Removing the forty percent cap of income for rent at move-in also decreases the likelihood that landlords will raise the rent later on. This allows tenants to forecast their budgets as they have increased rent stability.

*Streamlining admissions and/or occupancy policies (i.e., work requirements, time limits, waitlist preference alterations)*

#### Work Requirements

- If PHAs opt to include work requirements, they should be set at no less than 15 hours a week to match welfare requirements. Work requirements should include education and job training programs. Resident services need to be plentiful and robust to ensure residents have access to job placement programs, job training, and other outreach services. The inclusion of work requirements should not be thought of as a means to “de-house” residents, but rather help them achieve increased self-sufficiency.

#### Site-Based Public Housing Waiting Lists

- Allow PHAs to create site-based waiting lists. This would allow applicants to make more informed choices when selecting developments to reside. It would also reduce administrative burden of managing multiple unit offers and decrease the amount of time it would take to lease-up units.

#### *Developing strategies to better utilize project-based vouchers*

#### Lifting the Cap on Project-Based Voucher Units

- Lifting the cap on the number of project-based vouchers PHAs can use could help PHAs better utilize project-based vouchers. This would allow PHAs to either target project-based vouchers to specific populations (like elderly and disabled residents) or allow PHAs to target project-based vouchers to neighborhoods (especially those that are higher-opportunity).

#### *Improving the health and wellbeing of elderly and disabled residents*

#### Increased Project-Based Vouchers for Elderly and Disabled Residents

- Lifting the cap on project-based vouchers for elderly and disabled residents specifically could help PHAs provide stable homes for elderly and disabled residents. Moreover, it could ensure that accessible properties are available to those with mobility concerns.
- It is important to understand that seniors and disabled individuals can be very different populations. Grouping these populations together in the same project-based development may not make sense, as a 30-year old disabled individual may do poorly at a housing development oriented toward senior citizens. Allowing PHAs to separate these groups if desired could help improve their health and wellbeing.

#### Supportive Services

- Providing resident services to individuals with mobility impairments would help ensure elderly and disabled residents receive the treatment and care they deserve. This could be achieved through mobile health and care services that are provided throughout the week. Establishing partnerships with local public health organizations could assist in this endeavor.
- Ensuring that training, especially surrounding computer literacy, and volunteering opportunities are available to households that are not workable would help provide a sense a purpose to elderly and disabled residents, as opposed to excluding them from such activities.
- Providing weekly transportation to grocery stores, pharmacies, doctor's offices, and other necessary errands can help seniors and disabled individuals access needed care and complete daily tasks.

#### Connecting Elderly and Disabled Residents with Younger Residents

- Connecting elderly and disabled residents to younger residents can help increase a sense of community and provide mutually beneficial educational opportunities.

#### *Achieving the goal of ending homelessness for families, veterans, youth, and the chronically homeless*

### Housing Locator Services

- HAP funds can be used for “Housing Locator Services” that act as an interface between landlords and PHAs. These individuals help vulnerable families find housing and help remove the perceived red-tape that prevents many landlords from participating in the Section 8 program. The Housing Locator should be trained in HQS to be able to perform on-the-spot inspections to sign potential tenants up as quickly as possible. The Housing Locators also help more vulnerable families navigate sometimes challenging rental markets. This is especially true in areas with low rental vacancies and high rental demand.

### *Cultivating supportive or sponsor based housing policies*

#### Master-Leasing Units

- Allow for PHAs to master-lease units coupled with case management services. This could allow landlords to lease to individuals whom they otherwise may not serve due to perceived risks.
- Master-leasing also removes the tenant responsibility of locating appropriate housing and negotiating with the landlord regarding housing quality inspections and program participation, which can be challenging for residents who may need supportive services.
- Master-leasing can help lead to greater self-sufficiency as it provides residents with an opportunity to develop a relationship with a landlord and become responsible tenants. This could eventually lead to the resident assuming the lease under their own name.

#### Sponsor Based Vouchers

- PHAs could designate a certain percentage of sponsor based vouchers. Sponsor based vouchers are vouchers that are provided to nonprofits or service providers that then lease a unit for a tenant. The landlord or nonprofit would be responsible for providing tenants with supportive services. Landlords may perceive less risk if they are leasing to an organization as opposed to an individual tenant. PHAs would need to create strong partnerships with service providers to ensure that residents are receiving needed supports.
- Sponsor based voucher units would be required to pass similar inspections as all tenant based voucher units.

#### Rent Supplements for Project Based Vouchers

- PHAs could also create rent supplement programs with project-based vouchers. The rent supplement would be provided to the owner, not the building, so that they could be swapped between eligible units and would be used specifically for supportive services.
- The rent supplement would help pay for needed supportive services that would be provided to the tenants by the owner.

### *Research Methods*

NAHRO recommends that HUD use data to evaluate program and policy changes that PHAs regularly collect or could collect without much additional effort. Currently, PHAs provide HUD with a significant amount of data. Utilizing the data that PHAs are already required to provide ensures that the MTW demonstration remains cost effective. It also helps ensure that data are calculated consistently across agencies and can be compared to non-MTW agencies. HUD should also emphasize collecting baseline data from new MTW agencies. One of the challenges existing MTW

agencies have regarding evaluation is that baseline data is not readily available, making it more difficult to see outcomes over time. Having these baselines clear and established at the beginning of the process will strengthen policy evaluations. HUD should focus on outcomes as opposed to inputs to truly determine the impact of the proposed policy changes. Any evaluation of MTW should also include non-traditional housing assistance that PHAs are able to provide through the flexibility found in the MTW demonstration, otherwise the overall impact of the program may be understated. Data quality checks should be built into reporting systems, and PHAs should also be able to review and verify data to ensure accuracy.

As always, NAHRO is appreciative of the opportunity to comment on this important notice. NAHRO has long called for meaningful expansion of the MTW demonstration and is deeply supportive of the Congress's efforts and HUD's quick actions to move the expansion forward. We look forward to continuing our work together throughout HUD's evaluation of MTW policies. Please do not hesitate to contact us if we can provide additional information or clarification.

Sincerely,

A handwritten signature in black ink, appearing to read "E. Oberdorfer", with a stylized flourish at the end.

Eric Oberdorfer  
Policy Advisor, Public and Affordable Housing



## NATIONAL LOW INCOME HOUSING COALITION

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May 18, 2016

Regulations Division

Moving to Work Office

Office of Public and Indian Housing

Department of Housing and Urban Development

451 7th Street SW

Room 4130

Washington, DC 20410-0001

Via email

Re Docket No. FR-5932-N-03

Request for Specific Policy Proposals and Methods of Research and Evaluation for  
MTW Demonstration Expansion; Extension of Comment Period

The National Low Income Housing Coalition (NLIHC) is an organization whose members include state and local housing coalitions, residents of public and assisted housing, nonprofit housing providers, homeless service providers, fair housing organizations, researchers, faith-based organizations, public housing agencies, private developers and property owners, local and state government agencies, and concerned citizens. While our members include the spectrum of housing interests, we do not represent any segment of the housing industry. Rather, we focus on what is in the best interests of people who receive and those who are in need of federal housing assistance, especially extremely low income people and people who are homeless.

NLIHC has long been concerned that Moving to Work (MTW) demonstration waivers can harm the lowest income residents if, for example, PHAs are allowed to charge unaffordable rents, serve higher income residents, or impose work requirements and time limits. Because the policies of the original MTW demonstration have not been effectively evaluated, NLIHC has advocated against extending MTW for the original 39 PHAs as well as expanding MTW to additional PHAs until rigorous research and evaluation has been conducted on the policy waivers of the original 39 MTW agencies.

Given the 2016 Consolidated Appropriations Act authorization of 100 additional MTW slots, NLIHC offers the following comments acknowledging this growth in the demonstration. We urge HUD to ensure compliance with the requirement that the MTW policy waivers granted each new cohort be rigorously evaluated. NLIHC also urges HUD to structure each MTW agreement in a manner designed to avoid or minimize harm to residents.

Founded in 1974 by  
Cushing N. Dolbeare

Dedicated solely to achieving socially just public policy that assures people with the lowest incomes in the United States have affordable and decent homes

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## Comments Regarding Specific Policy Proposals Offered by HUD

In response to the specific policy proposals in the *Federal Register* for which HUD requested recommendations, NLIHC offers the following comments.

### Increasing moves of low income families to high-opportunity neighborhoods

Policies to consider include:

- Allowing an MTW agency to set payment standards at a level that reflects market rents, up to a maximum of 140% of the fair market rent (FMR).
- Facilitating voucher portability to high opportunity areas.
  - Allow an “initial” MTW agency to retain 100% of its administrative fee when vouchers are ported to a high opportunity area, and to allow the “receiving” PHA to receive 100% of its administrative fee (rather than 80% of the initial PHA’s administrative fee if it is less than the receiving PHA’s administrative fee).
- While on the topic of portability, NLIHC understands that some of the original MTW agencies restricted portability as a cost saving measure.
  - Although one of the statutory objectives of the MTW demonstration is to identify ways to reduce cost, the net cost savings are likely to be modest when compared to the cost of “lost” resident mobility (resident mobility is one of the putative hallmarks of the voucher program).
  - Furthermore, portability limits contravene the obligation of a PHA, any PHA, to affirmatively further fair housing choice, particularly if the port could be to an area of higher opportunity, an area that is not one of racially or ethnically concentrated poverty, or one that is more integrated.
- Use MTW flexibility to provide tenants with upfront financial assistance to cover landlord requirements regarding security deposits, two/three months’ rent in advance, moving costs, etc.
- While mobility counseling both before and after a move to high opportunity areas is important, this use of MTW flexibility should be limited, if permitted at all. Rather, the PHA should seek such services from other organizations in the area and conserve MTW funds for direct housing assistance.
- Use MTW flexibility in robust housing markets to provide landlord incentives such as lease signing bonuses for new participants and reimbursement for units left vacant due to delayed Housing Quality Standards (HQS) inspections.



### Structuring alternative rent-setting methods

As the Congressional Research Service and Government Accountability Office (GAO) reported in 2012, (*Moving to Work (MTW): Housing Assistance Demonstration Program* and *Moving to Work Demonstration: Opportunities Exist to Improve Information and Monitoring*, respectively) many of the original MTW agencies instituted alternative rent-setting methods such as higher minimum rents, flat rents that do not adjust downward when a household's income declines, tiered rents also unrelated to household income, and shallow subsidies that result in households spending more than 30% of their income for their federally-assisted homes. Other than yielding modest rent revenues for PHAs, there are no other apparent outcomes consistent with the purposes of the MTW demonstration. Rather, alternative rent-setting methods place greater financial burdens on households with extremely low income.

If a cohort is allowed to experiment with alternative rent-setting methods, then the PHA must track the impact on households for three to five years, assessing changes in household expenditures for essentials such as food and healthcare. If an alternative rent-setting policy causes a household to leave public housing or the voucher program in order to lower their housing costs, the PHA must track the household for three to five years, recording whether the replacement home: meets Housing Quality Standards, causes the household to again be cost burdened or severely cost burdened, and is in an R/ECAP. The research should also record the number of times the household moves during the study period, any periods of homelessness, and the impact of such housing instability on the educational attainment and physical health of any children in the household.

PHAs must report net rent revenue increases each year as a result of the alternative rent-setting method. PHAs should also be required to report the composition of families affected (i.e. family size, have a family member with a disability, etc.)

### Streamlining admissions and/or occupancy policies (i.e. work requirements, time limits, waitlist preference alternatives)

NLIHC has long opposed work requirements and time limits because of the great potential harm to residents. While NLIHC compromised by consenting to the "Stakeholder Agreement" negotiated among HUD, PHAs, resident leaders, and advocates, the Stakeholder Agreement did not specify limitations or conditions for work requirement or time limit MTW experiments.

#### Work requirements

If work requirements are permitted for one cohort, the demonstration should consider the type and level of: training or preparation, job search assistance, and child care needed and provided. Wages and benefits, hours worked per week, and job turnover should be monitored and reported for three to five years. In order to compare outcomes among cohort PHAs, the job market for the type of employment likely to be available to residents should be assessed and reported each year. There should be provisions to protect residents who encounter temporary layoffs through no fault of their own.

The April 2012 GAO report stated that an MTW agency limited unemployment to a maximum of 90 days. If such a strict policy is used by a new cohort, any household displaced due to unemployment through no fault of their own should be tracked for three to five years, recording whether the displaced household's replacement home meets HQS, causes the household to be cost burdened or severely cost burdened, and is located in an R/ECAP. The research should also record the number of times the household moves during the study period, any period of homelessness, and the impact of such housing instability on the educational attainment and

physical health of any children in the household. PHAs should also be required to report the composition of families affected (i.e. family size, have a family member with a disability, etc.)

The April 2012 GAO report also stated that an MTW agency required a household to meet a minimum income level in order to retain their housing assistance. If such a policy is used by a new cohort, any household displaced due to inadequate earnings should be tracked for three to five years, recording whether the displaced household's replacement home meets HQS, causes the household to be cost burdened or severely cost burdened, and is located in an R/ECAP. The research should also record the number of times the household moves during the study period, any period of homelessness, and the impact of such housing instability on the educational attainment and physical health of any children in the household. PHAs should also be required to report the composition of families affected (i.e. family size, have a family member with a disability, etc.)

Work requirements and the related PHA-provided employment support that needs to come with them, may raise incomes and encourage residents to voluntarily move if the programs are successful. However, success may not be long term because job security in low-wage jobs can be precarious. For those who voluntarily move, for a three to five year period the PHA must measure whether the household's replacement home meets HQS, causes the household to be cost burdened or severely cost burdened, and is located in an R/ECAP. The research should also record the number of times the household moves during the study period, any period of homelessness, and the impact of such housing instability on the educational attainment and physical health of any children in the household. PHAs should also be required to report the composition of families affected (i.e. family size, have a family member with a disability, etc.). Unreliable employment and housing instability are not successes.

Rather than divert a large amount of housing assistance resources to implement and enforce work requirements, cohort PHAs should seek training and employment services from other organizations that specialize in workforce development in order to conserve MTW funds for direct housing assistance. At most, MTW funding fungibility should be limited to filling minor gaps in existing workforce development programs operated by other public entities. Any costs incurred by the MTW agency in implementing and operating a work requirement must be reported each year.

#### Time Limits

If time limits are permitted for one cohort, the demonstration should track for three to five years households displaced due to this policy, recording whether the displaced household's replacement home meets HQS, causes the household to be cost burdened or severely cost burdened, and is located in an R/ECAP. The research should also record the number of times the household moves during the study period, any period of homelessness, and the impact of such housing instability on the educational attainment and physical health of any children in the household. PHAs should also be required to report the composition of families affected (i.e. family size, have a family member with a disability, etc.)

If a household is displaced due to a time limit policy, the household should be provided with relocation assistance, including housing search assistance emphasizing assistance in moving to an area of higher opportunity. In addition, the household's moving costs should be paid by the PHA, including costs such as utility hook ups and advance rent payments required by the landlord. The costs of implementing and monitoring a time limit policy must be reported annually.

Some residents at a MTW agency with time limits might voluntarily leave public housing or the voucher program. They might feel pressure to move as the time limit approaches and another housing opportunity comes up, even if the opportunity is a potentially worse housing situation, such as doubling-up or choosing low-quality housing. For those who voluntarily move, the PHA must measure whether the replacement home meets Housing Quality Standards, causes the household to be cost burdened or severely cost burdened, and is in an R/ECAP. The research should also record the number of times the household moves during the study period, any period of homelessness, and any impact such housing instability has on the educational attainment and physical health of any children in the household. PHAs should also be required to report the composition of families affected (i.e. family size, have a family member with a disability, etc.)

If time limits are instituted by an MTW agency as an incentive/threat to a household to increase income so that they can move to unassisted housing and thereby free up a public housing unit or a voucher for another household on the waitlist, then the MTW agency must also make sure the household is provided the necessary job training and work supports. As with the above discussion regarding work requirements, scarce public housing and voucher funds should not be a major source of funding for job training and work supports; at most they could be used to fill minor gaps in existing workforce development programs operated by other public entities.

#### Developing strategies to better utilize project-based vouchers

Waive the percentage of an MTW agency's voucher allocation that may be used to project base (PBV) vouchers from 20% to 35% if the extra 15% is used to project base vouchers in areas of high opportunity, areas that are gentrifying or are at risk of gentrifying, or if PBV preserves existing affordable housing even in other areas if that housing is at risk of leaving the affordable stock. Increasing or preserving the stock of housing affordable to extremely low income households through augmented PBV capacity can help offset the difficulty many voucher holders experience in utilizing their voucher due to landlords' reluctance or refusal to accept vouchers.

#### Using administrative flexibilities to reduce costs and improve operations, governance, and financial management

- Streamline the inspection requirements for the voucher program by allowing MTW agencies to:
  - Make initial payments to owners even if the unit chosen by a household does not pass initial inspection, as long as the inspection failure does not present life threatening conditions, and if the defects are corrected within 30 days of initial occupancy.
  - Accept for initial occupancy, inspections carried out using inspection protocols of other federal programs during the previous 24 months.
- Streamline how resident incomes are calculated and rents determined for households headed by someone who is elderly or has a disability by raising the current expense threshold for certain medical expenses and disability assistance expenses from 3% to 10%, and by raising the standard annual income deduction from \$400 to \$525, indexed to inflation.
- Streamline the interim income review process by requiring interim reviews only when a family's income drops by 10% or more, or for increases in unearned income greater than 10%.

## Regionalization

HUD should encourage or require one cohort to explore regionalization, enabling two or more PHAs to undertake regional administration the public housing and voucher programs as part of the MTW demonstration. Lifting administrative barriers for families to access housing throughout a region will allow for greater housing choice and self-sufficiency.

## **Ensuring Compliance with Other MTW Requirements**

The research and evaluation must rigorously ensure that each new MTW agency complies with the authorizing legislation by serving substantially the same number of families and maintaining a comparable mix of families, by family size, as would have been assisted prior to the PHA's MTW designation. "Substantially the same" should be defined to only include families that receive substantial on-going MTW-funded housing assistance, and HUD should set a quantitative standard for "substantially," such as a difference of less than 5%.

The evaluations should also ensure that, as required by the authorizing statute, at least 75% of the families assisted have incomes less than 50% of the area median income (AMI), and as required by QHWRRA, 75% of new voucher households and 40% of new public housing households have income less than 30% of AMI.

Furthermore, Inspector General reports have indicated that some original MTW agencies accumulated significant reserves, effectively denying housing assistance to households on long waiting lists. Therefore, all new MTW agencies should annually report reserves and explain a timeline for expenditure and intended uses.

## **Overall Research and Evaluation Recommendations**

Randomized control trials are the gold standard for rigorous program evaluation, allowing researchers to compare outcomes for people assigned to a particular policy intervention against outcomes for people who were not assigned to it, while controlling for a number of confounding factors. Where random assignment of individuals to a particular policy does not occur, random assignment of sites should be undertaken. NLIHC believes, however, that HUD's methodological considerations must extend beyond random assignment.

An informative evaluation must include long-term follow up of both the control and experimental group over three to five years for all participants, including those who voluntarily as well as involuntarily leave public housing. Replacement housing quality, affordability, location, and stability, as well as employment and income security, are outcomes for which data should be collected over an extended period of time. Short-term gains in these outcomes is desired, but long-term gains should be the high standard by which success is measured. Several potential MTW policies, such as work requirements and time limits, are ostensibly designed to encourage self-sufficiency, employment, and eventual moving-out of public housing. Leaving public housing should not be the final evaluation measure for a resident. If a policy contributes to housing instability in the either the short-run or long-run, it cannot be considered a success.

In order to effectively assess MTW policies, HUD should allow only one substantial policy demonstration per cohort. A substantial policy is one that could have significant adverse effects for residents, such as time limits, work requirements, and rents that are not tied to resident income. Evaluation of an MTW policy will be more informative if evaluators can identify which policy intervention is responsible for the outcomes they are measuring. Multiple policies implemented by the same MTW will cloud the waters.

HUD should also establish fixed implementation components for a substantial policy demonstration for each cohort. Evaluators must precisely know what the components of an implementation strategy they are evaluating. For example, the only evaluation of MTW work requirements assessed the Charlotte Housing Authority's (CHA's) policy. The University of North Carolina at Chapel Hill's Center for Urban and Regional Studies found some success in terms of higher income, as measured by the percentage of residents paying minimum rent. These results, however, cannot be generalized to all work requirement policies. CHA (rightly) gave priority to helping residents comply with the work requirement rather than to evicting residents. Also, CHA delayed implementation of work requirements for more than one year because of high unemployment in the area and staff turnover that would have made it more difficult for residents to find employment. The authors of the study assert that these steps may have been responsible for the positive findings and that it would be incorrect to conclude that just any work requirement would provide similar results. How a policy is implemented plays a significant role in its eventual success or failure.

NLIHC urges HUD to consider the suggestions offered in this comment letter. If there are any questions about the comments offered in this letter, please contact Ed Gramlich at [ed@nlihc.org](mailto:ed@nlihc.org) or 202.662.1530 x 314.

Sincerely,

A handwritten signature in cursive script that reads "Diane Yentel".

Diane Yentel  
President and CEO



NEW HAMPSHIRE HOUSING AUTHORITIES CORPORATION  
[www.nhhac.org](http://www.nhhac.org)

May 18, 2016

Moving to Work Office  
Office of Public and Indian Housing  
Department of Housing and Urban Development  
451 Seventh Street, SW.  
Room 4130  
Washington, DC  
20410-0001

Re: Docket No. FR-5932-N-01  
Request for Specific Policy Proposals and Methods of Research and Evaluation for MTW  
Demonstration Expansion

To Whom It May Concern:

Thank you for providing the New Hampshire Housing Authorities Corporation (NHHAC) this opportunity to comment on potential policy interventions and related evaluation methodologies for the Department to consider as it prepares to expand the Moving to Work (MTW) demonstration as authorized in the 2016 Consolidated Appropriations Act.

Let me first express our members' enthusiasm for this long-overdue expansion of the Moving to Work demonstration. As evidenced by the bipartisan support for MTW expressed by our state's Congressional delegation, we believe that MTW will offer the Granite State's PHAs important opportunities to explore new and better ways to meet our communities' housing and supportive services needs.

**Policy Recommendations:** We understand that, thanks to the MTW PHAs that have been experimenting with MTW's flexibilities since 2000, many policy "themes" have been explored and tested. When examining the Department's recent streamlining efforts, as well as many of the reforms included in H.R. 3700, the Housing Opportunity Through Modernization Act (HOTMA), it is clear that the Department and Congress have already learned much from MTW.

As the Department considers policies for the new MTW cohort to explore, we urge you not to be so specific in your recommendations so as to preclude further experimentation. In other words, we hope that the Department will ask the new MTW agencies to explore policies that fit into "themes" rather than proscribe narrowly defined policy interventions. As we've learned from the last sixteen years of MTW, while many MTW agencies have pursued similar outcomes through their various MTW initiatives, each has done so in their own way, in response to each community's specific needs, strengths and characteristics. MTW's effectiveness lies in its flexibility, and the Department must resist the urge to sacrifice that flexibility on the alter of administrative ease or methodological orthodoxy.

The following is a list of potential policy themes that could be pursued by new MTW agencies, with examples of specific interventions or initiatives under each theme. This list is not exhaustive, and again, we strongly urge the Department to allow new MTW PHAs to pursue initiatives by theme, rather than by requiring them to pursue any specific intervention or initiative.

### **Project Based Vouchers**

- Remove caps on the percentage of total vouchers and units per development that can be project based.
- Remove RFP requirement when project basing into PHA owned (General or Limited Partner) or managed properties.

### **Mobility**

- Set payment standards above 120% of Fair Market Rent (FMR) to encourage mobility to high opportunity neighborhoods.
- Set local and/or neighborhood payment standards.
- Replace the Department's FMRs with locally determined FMRs using more timely, local data.
- To incent opportunity moves, reduce total tenant payment (percentage of monthly or annual income) caps for households leasing in high opportunity neighborhoods and increase total tenant payment caps for households leasing in areas of concentrated poverty.

### **Rent Reform**

- Subsidy is a set value determined by bedroom size (with safety net provisions for unexpected drops in income or increases in medical or childcare expenses).
- Rents for working public housing families increase by predetermined steps over time, capping out at the ceiling rents. This model should be accompanied by a supportive services program aimed at increasing residents' income at the same pace as the rent increases.
- Subsidy for working voucher holder families decreases by predetermined steps over time, bottoming out at a percentage of payment standard by bedroom size. This model should be accompanied by a supportive services program aimed at increasing participants' income at the same pace as the subsidy declines.
- Establish public housing rents and housing choice voucher program (HCVP) subsidies based on a range of incomes (aka "income bands") rather than calculated to the penny.
- Provide HAP payments directly to voucher holders rather than to property owners.
- Eliminate deductions and exclusions and instead calculate rent in public housing and subsidy in the HCVP based on a percentage of gross income.

- Eliminate recertifications for households on fixed incomes and instead use a national index to determine anticipated change in income, allowing for hardship recertifications in cases of significant unanticipated drops in income or significant increases in medical or childcare costs.
- Establish standard medical and childcare deductions based on a range of expenses (aka “deduction bands”).

### **Housing Quality Standards (HQS)**

- Use a risk management approach for multi-unit properties or owners (e.g. inspect 10% of owned units every two or three years).
- Allow owners to self-certify reinspections (with random HQS quality assurance inspections conducted by the PHA).

### **Sponsor Based and Fixed Subsidy Programs**

- Provide shallow subsidies to homeless, re-entry, mental health and drug treatment shelter programs to stabilize and strengthen them.
- Provide fixed subsidies to housing first, re-entry, mental health and addiction housing providers to stabilize and strengthen existing programs and to provide new housing opportunities for otherwise hard-to-house individuals and families.
- Provide a fixed subsidy along with work readiness training for youth transitioning out of foster care systems.
- Project base a shallow or fixed subsidy to help developers finance development of housing for specialized populations or in areas of opportunity.

**Methods of Research and Evaluation:** We recognize the importance of learning from MTW. As mentioned earlier, there are many examples of MTW initiatives becoming national policy. Whether it be in the area of HQS reform, expanded use of project based vouchers or streamlining continued occupancy rules, many policy reforms first implemented by MTW PHAs are now available to all. As Congress intended when it created MTW, the nation’s thirty-nine MTW PHAs have demonstrated, using existing reporting tools, the effectiveness of their initiatives for almost twenty years; the Department must consider this history when developing its approach to researching and evaluating future MTW activities.

Specifically, we strongly urge the Department not to require that PHAs, particularly small ones, engage in research that they have neither the expertise nor resources to undertake, as a prerequisite for participating in MTW. New Hampshire, for example, is made up almost entirely of small PHAs that are light on finances and staff, but bursting with experience, passion and ideas. They do not, for example, have the resources or sample sizes to engage in the types of longitudinal, double-blind studies that some are likely to insist must accompany all but the most mundane MTW initiatives.



We hope that the Department will explore and pursue research models that accommodate the inherent limitations of small PHAs, and will not prevent these PHAs from pursuing bold, far reaching solutions to some of their communities most difficult challenges.

We agree that MTW outcomes should be studied, because we agree with Congress that MTW is successful and worth expanding. None-the-less, we are concerned that the Department may be inclined to restrict some PHAs' ability to explore important policy reforms in pursuit of the perfect research methodology; context and proportionality must be a central part of the Department's search for research and evaluation models.

Thank you again for this opportunity to share with you our thoughts on potential policy interventions and research methods as the Department prepares for this exciting MTW expansion. Please let us know if there is any additional information we can provide.

Sincerely yours,

A handwritten signature in blue ink, consisting of stylized initials 'JRM' followed by a long horizontal line.

Joshua R. Meehan  
Legislative Committee Chair



## **Public Housing Authorities Directors Association**

511 Capitol Court, NE, Washington, DC 20002-4937  
phone: 202-546-5445 fax: 202-546-2280 [www.phada.org](http://www.phada.org)

May 18, 2016

RE: Docket No. FR-5932-N-01  
Request for Specific Policy Proposals and Methods of Research and  
Evaluation for MTW Demonstration Expansion

Gentlepeople:

PHADA is a national organization operating in the interest of over 1,900 members all of whom are chief executives at local housing authorities and is grateful for this brief opportunity to offer comments concerning research questions and methods HUD may use for the Moving to Work program (MTW).

### **The Inadequate Comment Period**

PHADA wishes to register its objection to HUD's treatment of the comment period. The department initially published its notice providing a 30-day comment period which PHADA and others thought was inadequate. Questions and issues raised by HUD's notice are complex and deserve thoughtful, critical comments. HUD then announced that it would extend the comment period by 2 weeks. While PHADA appreciates HUD's aspiration to address concerns with the initial short time frame, extending that period by 2 weeks a few days before the first published deadline for comment submission did little to expand opportunities for individuals and organizations to prepare thoughtful comments. Those who decided that 30 days was inadequate to prepare thoughtful comments probably won't prepare feedback in a little over 2 weeks.

PHADA has also become aware of a number of HAs that will probably not submit comments due to the initial short time frame, and many of those agencies are existing MTW agencies that have the deepest insight into valuable research questions and methodologies. It seems unlikely that the added 2 weeks will do much to permit them to comment. These time frames and the processes HUD has used to publish and then extend the comment deadline will probably deprive HUD of feedback from some of the most informed agencies concerning the questions HUD has raised.

### **Inadequate Information on HUD's Plans for MTW Expansion**

Consideration of appropriate research questions and methodologies is complicated by the lack of information on HUD's implementation plans. How many new MTW agencies will HUD plan to recognize each year? What size are

those agencies? What is the anticipated inventory of those agencies? Will new agencies be located in urban, suburban or rural communities? What are the anticipated demographics of populations in communities served by those agencies? These and other characteristics will drive research questions that may be addressed and appropriate potential methodologies. Certain recent reassessments of MTO outcomes have required thousands of subjects, and that research could not have been carried out using small or medium sized HAs. Questions about mobility may not be appropriate for HAs serving smaller, more rural, less diverse and more homogenous populations. Finally, HUD has not indicated whether existing MTW agencies will be eligible to participate in research initiatives stemming from the program's expansion. If they are, there may be difficulties establishing baselines, and the length of policy implementation may complicate findings. If they are not able to participate, research may lose significant policy experiences and longer term outcomes. Either outcome should affect feedback HUD receives concerning research questions and methodologies.

### Levels of Analysis Issues

The notice poses a series of potential research questions that are mostly related to specific policy initiatives (e.g. increasing mobility, improving education outcomes, changing rent structures). The notice also poses potential research questions concerning administrative changes (e.g. efficiency improvements, streamlining admission processes) which still appear focused on outcomes concerning these specific procedural changes.

While questions at the level of analysis of specific policy or procedural changes are useful, the questions proposed in the notice fail to address agency wide impacts of MTW status. Existing MTW agencies report that some of the most significant agency changes concern changes in agencies' approaches to administering assisted housing programs that some refer to as changing their business models. There are also agency wide impacts of MTW status that may result from the aggregate impacts of a series of policy, procedural and administrative changes that questions in the notice fail to consider, and there may be impacts of MTW status relating to agencies' relationships with local stakeholders and the general public. While these program impacts may present real research challenges, they also may represent some of the most productive and important impacts of MTW status for HAs.

### Policy Research Choices

The notice appears to imply that policy choices subject to research through the MTW program expansion will be based primarily on federal priorities driven by an administration's preferences. A major advantage that MTW status has provided to agencies is their ability to craft policy and administrative alternatives suited to local community needs and preferences. The MTW

expansion should prioritize policy preferences that emerge from local agencies' determinations of program approaches appropriate to their communities. These local preferences may not be related to those of a given HUD administration.

In addition to the sources used to establish research topics for the MTW program expansion, that research should also at least include topics related to the HAs' and HUD's core mission: the development and management of assisted housing. With fewer than 1 of 4 eligible households being served by existing programs and with the growth of worst case housing needs, a significant set of questions involve the preservation and expansion of the inventory of deeply assisted project based and tenant based housing that will permit serving a larger proportion of the eligible population.

### HUD's Policy Questions

#### Improve Has' Abilities to Encourage Moving to "High Opportunity Areas"

Encouragement of mobility has been a high priority of the current administration, and there has been a significant amount of research conducted on multigenerational impacts of mobility on families' circumstances, most recently by Raj Chetty and Eric Chyn. Improving HAs abilities to encourage mobility appears to depend on available financial resources in a very straightforward way. Unless HUD believes that there are some unusual or very subtle factors influencing mobility and the results of mobility, pursuing further research on how MTW status facilitates greater mobility does not appear to offer much opportunity for new insights.

While understanding the impacts of living in "high opportunity areas" and means of encouraging moving to those neighborhoods may not offer much new information, research into the relationships between incremental costs associated with moving to "high opportunity areas" and agencies' abilities to house substantially the same number of households and assist households with similar demographic characteristics may be useful. If encouraging movement to less poor neighborhoods results in higher subsidy costs, what are the interactions among an HAs policy changes that permit it to support those higher costs while remaining in compliance with other program requirements? What are the relationships between increasing assisted households in "high opportunity areas" and local rental housing market costs? What are the relationships between housing quality and movement to "high opportunity areas?" Are households moving from comparatively high quality housing in comparatively high poverty neighborhoods to comparatively low quality housing in comparatively low poverty neighborhoods?

Finally, research into the relationships between movement from higher poverty to lower poverty neighborhoods on participants social and support networks may be helpful. Does moving to lower poverty neighborhoods increase other

cash and non-cash household costs unrelated to housing costs (i.e. transportation, health care availability)?

### Improving Education Outcomes through Partnerships

What does HUD mean by “partnerships,” and in what sort of education outcomes is the department interested: standardized test scores, grades, truancy, drop out and graduation rates?

Improving education outcomes is a laudable goal, but are there independent variables other than location to consider? Since education outcomes are possible indirect outcomes of the operation of assisted housing, research on this and similar secondary effects of MTW status should be prioritized much lower than outcomes related to core assisted housing program goals.

### Reduce Costs and Improve Operations, Governance, And Financial Management

This category of questions is core to the MTW program. HUD should make sure that discussions of costs are on a per unit basis and are contextualized in the local rental housing market and local economy. Assessments of costs should be on programmatic and agency wide basis, particularly direct costs of assisted housing programs and initiatives. Questions concerning financial management should include relationships with financial institutions, including the impact of increased flexibility on agencies’ investments of liquid assets and on agencies’ abilities to leverage their assets. HUD’s approach to treatment of assisted housing assets has been extremely risk averse. What are relationships between higher but still moderate levels of risk and agencies’ abilities to expand inventories and the proportion of the eligible population they serve?

Questions of governance are complex. Housing authority governance is usually dictated by state enabling statutes unrelated to MTW status. Changes in governance often require modifications to agencies’ charters and action by state legislatures. As a result, investments in research into HA governance changes may not produce much of interest. A related subject may be how agencies’ rebranding efforts have affected their reputations, and good will. MTW agencies have rebranded as Boulder Housing Partners or Home Forward, for example. What have been the impacts of these efforts?

On the other hand, questions concerning corporate structure and relationships may be a fruitful subject for investigation. Do MTW agencies tend to use affiliated or subsidiary corporations (for profit or non-profit) differently than non-MTW agencies? Do MTW agencies structure relationships with affiliate and subsidiary organizations differently than non-MTW agencies? Do MTW agencies use these organizational tools more or less frequently or in different ways than

non-MTW agencies? For what purposes do MTW agencies use affiliated organizations, and do those purposes differ from non-MTW agencies?

### Alternative Rent Setting Structures

PHADA has been interested in the use and impacts of alternative rent structures for decades, and believes this is one of the most productive policy elements available for study through the MTW program. However, HUD has subsumed a wide variety of policy changes under this heading, some much more interesting and innovative than others. HUD should consider prioritizing rent setting policies that reflect fundamental changes to the rent model that has been used in assisted housing programs for over 50 years. These may include uses of flat rents (based on local markets or based on coverage of expenses), of income based rents based solely on an easily measured and verified annual income, and rents modeled on the LIHTC program that sets rents on the basis of tiers of income.

Questions addressed by research on changing rent structures should include impacts on assisted households (i.e. potential hardships created, correlations of structures with changes in household incomes), impacts on agency administrative burdens, impacts on new admissions and potential changes to the population and projected population of assisted households, impacts on per unit subsidy costs and impacts on the capacity to maintain and expand agencies' assisted housing portfolios. Research should also investigate any differences in these impacts between project based and tenant based assistance models.

### Streamlining Admissions or Occupancy Policies

This is a third category of questions very appropriate to investigation through the MTW program. It is also an exceptionally broad category, and HUD highlights 3 topics in its notice; time limits on assistance, work requirements, and wait list preference alterations. The notice is not clear what the department means by wait list alterations or how MTW alterations differ from non-MTW agencies' authority to modify preferences for admission. For instance, while MTW agencies may gain authorization to establish a preference for families with higher incomes or to implement a policy similar to so called rent ranging (legitimate for all HAs in the '70s), all agencies may offer preferences for households with some earnings. Research should also consider policies that don't require families to leave after a specific period of time but encourage families to do so. Work requirements may encourage the same kinds of behaviors as work incentives. Does HUD anticipate that investigation into work requirements would include alternatives that offer incentives to work without risking families' loss of affordable housing?

Some existing MTW agencies have taken steps to encourage households to consider housing alternatives, not by establishing time limits but by increasing rents moderately over periods of time so that tenant rents in their affordable housing approach rents in their rental housing markets. It isn't obvious that HUD considers these policies as ones affecting continued occupancy.

Effects of some of these admissions and occupancy policies may have effects on other elements of the MTW program including compliance with program standards. For example, if an agency aims to increase the economic diversity of the population it serves with housing assistance (or in a more targeted way, in its public housing program), would that lead to difficulties complying with the requirement to serve families with demographic characteristics similar to those of the population served prior to admission to the MTW program?

Research concerning changes to admission and occupancy policies must include consideration of the impact of those policy changes on an agency's revenue and the agency's potential to serve more eligible households as a result. Considering these effects, research must consider that such secondary outcomes (increased revenue leading to expanded assisted housing inventories) may lag significantly.

Some existing MTW agencies have established other occupancy policies that incentivize other kinds of outcomes. For example, agencies have considered incentivizing school attendance, on-grade-level school performance, and timely graduation. Potential incentives for other non-housing behavioral outcomes may only be limited by the imagination of local agencies.

### Better Utilize Project Based Vouchers

It is unclear what the department means here by "better utilize." Research could consider the impacts of expanding the assisted housing inventory where certificate holders have difficulty using tenant based assistance, but these questions are tightly connected with agencies' local rental housing markets. Project based vouchers in certain markets may expand assisted housing available to particular and particularly vulnerable populations, and the tool may help with the deinstitutionalization of improperly institutionalized people with disabilities. These initiatives must also navigate the shoals of fair housing protections for people with disabilities. Finally, better utilizing project based vouchers may involve efforts to reposition an MTW agency's assisted housing inventory to address changing characteristics of its local rental housing market. Rapidly tightening markets may lead to shortages of housing that meets voucher cost and quality standards, and project basing may be able to overcome these market shifts, and may help overcome or sidestep political opposition to the presence of assisted housing or assisted households in certain neighborhoods. HUD may need to pay particular attention to targeting its investigation into the use of project based vouchers to alternatives that

honor local economic and political environments and that make comparisons among comparable policy alternatives.

#### Improve Health and Welfare of Elders and People with Disabilities

What does the department mean by “improve,” and by “welfare?” Why has HUD proposed policies limited to elders and people with disabilities? What comparisons does HUD anticipate that MTW agencies will pursue: comparisons among agency participants, comparisons with participants at non-MTW HAs, comparisons with unsubsidized housing residents, comparisons with a communities’ general populations, comparisons between households who move and those who stay in place, comparisons between voluntary and involuntary relocatees?

Research into health outcomes is similar in priority to that involving educational outcomes. While these impacts are certainly important, they are indirect outcomes related to housing changes, and since the MTW program is an effort to encourage innovation in housing programs, health impact should represent a secondary tier of research priorities much less important than direct housing outcomes.

#### Ending Homelessness for Families, Youth, Veterans and Chronically Homeless

Is the only question of interest the elimination of homelessness or its reduction within certain targeted populations? With whom shall these populations be compared? Research should also include consideration of the prevention of homelessness. Some time ago, a very large agency prioritized assisted housing admissions for homeless applicants. As a result, in their jurisdiction, homeless shelters became the gateways to housing assistance, placing unanticipated stress on shelters and their operators, and causing serious dislocations for applicants. Homelessness prevention includes the recapitalization of project based assisted housing and public housing, and development of the project based assisted housing inventory as appropriate in a local rental housing market.

#### Cultivating Supportive or Sponsor-Based Housing

What does HUD mean by “cultivating?” Research must include both housing under HA or an affiliate’s control with which supportive services are associated, and alternatives where housing and its assistance is managed by service providers. Research should include investigation into expanding housing assistance for underserved households using both a supportive and a sponsor based housing model

#### Other Policy Alternatives



Following are some thoughts on potential research categories for HUD and the advisory committee to consider. These suggestions hardly exhaust the possibilities but represent suggestions that seem reasonable given HUD's abbreviated comment period.

**Remedying chronic public housing recapitalization needs:** Research should consider how MTW status will facilitate overcoming the ongoing, irresponsible budget requests and appropriations for the public housing program Capital Fund. Some existing MTW agencies have successfully overcome the obsolescence of their existing stock using a variety of tools and approaches. This may be one of the most important and impactful results of MTW status for agencies, applicants, participants and communities. So far, approaches have included the conversion of obsolete stock to Project Based Rental Assistance and Project Based Housing Choice Vouchers using the Rental Assistance Demonstration and more traditional conversion, use of Low Income Housing Tax Credits in recapitalizing some public housing inventory, and the use of funding fungibility and flexibility to divert Section 8 funds temporarily for recapitalization activities. These activities have succeeded in preserving significant numbers of public housing units and bringing significant numbers of public housing units back to availability as standard housing options for low income applicants.

**Establishing less volatile HCV payment standards:** In recent years, agencies have reported that Fair Market Rents and thus locally established payment standards have become increasingly volatile, and that those FMRs tend to lag rent behavior in their local markets significantly. MTW status may be used by agencies to use alternative mechanisms to establish much less volatile reasonable limits to rents payable by tenant based assistance, reducing uncertainty for landlords and existing residents, and reducing complications for certificate holders who are searching for a unit. Less volatile payment standards can improve administrative efficiencies, improve levels of satisfaction with tenant based assistance programs among landlords, participants and certificate holders searching for housing, and stabilize ongoing housing assistance costs from one year to the next.

**Expanding project and tenant based assisted housing inventories:** In addition to reduced volatility, alternative payment standards may also facilitate expansion of tenant based and project based assisted housing inventories. Stabilizing housing assistance costs may facilitate forecasting cash requirements for assistance payments to landlords, and, coupled with other initiatives that may marginally increase rent burdens for participants, that stability may offer MTW agencies the potential to finance development and recapitalization needs more quickly.

**Diversifying populations served by assisted housing:** Although an ongoing goal for assisted housing programs has been to facilitate, "mixed income,"

communities, in many localities public housing has been resistant to reductions in poverty levels and increasing racial and ethnic diversity at specific properties. MTW status may facilitate the socio-economic diversification of project based assisted housing in some communities without jeopardizing assistance for existing participants.

**Moderating local rental housing market volatility:** In recent years, rental housing markets in many communities have become increasingly volatile, inflating at rates significantly higher than the general economy. Some MTW agencies may operate in communities where they manage or control significant proportions of rental housing. As a result, decisions about rents by these agencies may have significant market effects and help moderate that inflation, benefitting all renters, not just those in assisted housing controlled by the agencies. Research under the expansion may evaluate market effects of decisions made by MTW agencies, particularly in communities where they operate significant proportions of the rental housing inventory. These decisions can include pricing decisions, decisions concerning development of additional rental housing or recapitalization of properties that may be out of the market due to unmet capital needs.

#### Institutional Research Choices

Some of the alternative discussed above represent research at the agency level of analysis but are still focused on specific policy and procedural alternatives. Research should also consider questions that address institutional rather than policy or procedural impacts of MTW status. As indicated earlier, with the short comment period, the discussion of institutional alternatives is hardly comprehensive. Instead they represent some potential areas of interest.

a. Satisfaction with HA performance among various stakeholder groups:

With the flexibility offered by MTW status, some existing agencies and stakeholders in their communities have reported significant changes in their communities' perceptions of and satisfaction with them. While this may not appear to be a particularly strong MTW outcome, increased satisfaction with an HA and its increasing good will within its jurisdiction may be a very significant effect that allows an agency to proceed with new housing policy initiatives with local government, stakeholder, program participants', and general public support.

b. Aggregate administrative overhead of HAs:

At the agency level and across all assisted housing initiatives (federal and local) what are MTW agencies' experiences in controlling administrative overhead? The question may help measure the degree to which MTW status helps eliminate duplicative and wasteful administrative requirements, and those

lower overhead expenses may reflect more rational modes of operation than those available for non-MTW agencies.

c. Evaluating agency aggregate efficiency:

Efficiencies may develop along a number of dimensions. Those dimensions may include:

1. Overall cost per assistance unit,
2. The speed of project implementation compared with experiences of comparable non-MTW agencies, and
3. Trends in annual net income and changes in those trends following MTW designation.

d. Agency financial health

All new MTW agencies will be high performing agencies, but that performance doesn't capture every element of financial health. MTW agencies may find that they can establish sufficient working capital and replacement reserves that are more consistent with general financial accounting standards. Sufficient fund balances may open financial resources to them at lower levels of debt service than is available without MTW status, opening previously unavailable opportunities to participate in the preservation or expansion of local assisted housing inventories.

### Planning for Institutional and Policy Choices

PHADA is concerned with some implications of HUD's notice for the process that will inform research questions subject to study through the MTW expansion. In particular, a major strength of the existing MTW program has been its "ground up" development of policy and institutional innovations. That strength must be respected as research under the expansion get underway. HUD's notice implies a much more "top down" process than has been the case in the program since its inception and that change may have significant, distorting effects on the selection of research questions and the selection of new MTW agencies.

PHADA strongly urges HUD to establish research topics in close consultation with existing MTW agencies and any HAs that express interest in gaining that status under the expansion. That consultation needs to occur early in the process, and must be ongoing throughout the 7 years authorized for completion of program expansion and research sponsored under that expansion.

PHADA hopes that HUD will be able to offer potential MTW agencies as diverse a menu of policy options as possible in which to participate in rigorous research and evaluation. In addition, it was not clear to PHADA in HUD's

notice whether existing MTW agencies will be eligible to participate in the research component of the program expansion. Urban Institute is undertaking a retrospective MTW research project that we understand will not include new MTW agencies admitted to the program under the expansion. Permitting existing agencies to participate in research covered by these comments can only help improve the quality of research and the strength of that research's outcomes. Finally, it appears critical for the advisory committee as it prepares to make recommendations to HUD concerning broad implementation of MTW innovations among assisted housing owners and managers that experiences of existing MTW agencies be included in preparing those kinds of recommendations.

### Methodologies

In considering methodological suggestions, PHADA has been particularly concerned with a general over reliance on random assignment experimentation with control groups for a variety of reasons. The method comports very well with questions amenable to experimentation, but in social contexts the method can become problematic and may produce disappointing findings. Problems develop from an assumption that experimentation can successfully control variables not pertinent to the study, or that all control variables can even be identified. Problems are complicated in research involving human subjects who must be informed in order to provide proper consent to participate. Adequately informing subjects can bias their behaviors and distort outcomes. Informed participation can introduce a series of selection biases that distort findings, and experimental set ups may be unfair to subjects. All of these issues arose in one way or another in the Moving to Opportunity initiative. Eric Chyn's recently published paper concerning outcomes for relocatees at the Chicago Housing Authority offered a refreshing approach, identifying a natural experiment using households relocated from a public housing property and successfully overcoming many of the selection bias problems of MTO.

PHADA urges that HUD and the advisory include multiple methodologies in research conducted through the MTW expansion:

- a. Natural experimentation.
- b. Quasi experimental designs.
- c. Qualitative research approaches.

Chyn's work points toward creative research approaches that can produce robust findings to inform policy making and that avoid many of the pitfalls of research using more traditional experimentation such as the MTO project.

A second methodological concern PHADA wishes to raise is that HUD should respect research outcomes it finds from its work. It has appeared that the department has spent years seeking explanations for MTO "failures" when outcomes weren't failures but findings with which HUD disagreed. With

whatever limitations researchers identify in connection with their work under the MTW expansion, HUD should respect the outcomes produced.

Throughout these projects, it is critical for research to respect the central importance of agency and community context. For instance, “mobility” may be an inappropriate topic for investigation where an HA owns or manages a significant proportion of the rental housing inventory in a community. Whatever constitute “high opportunity areas” in some communities may simply not have rental housing opportunities available. “Diversity” may be inappropriate in less urban, less diverse, more homogenous communities and populations.

Matched sample comparisons should be a common method for many questions that arise in MTW expansion research, and those comparisons beg the question, “Comparisons with whom?” The question is complex and may involve comparisons internal to a participating agency, between residents at several MTW agency, between MTW agencies and non MTW HAs, between HAs chartered by states and agencies authorized by HUD to run an HCV program, between MTW agencies and non-public assisted housing owners/managers (both non-profit and for profit), and between MTW HAs and general rental properties and landlords. Each set of comparisons may very well produce worthwhile and very different findings.

#### Research Advisory Committee

PHADA has submitted comments concerning HUD’s notice announcing the Moving to Work Advisory Committee on May 11, 2016. HUD’s document describing the committee’s size, membership, qualifications, selection standards and charter are very helpful. The association would be pleased to see its staff or members serve on the committee to make sure that the committee hears viewpoints of PHADA members. Members of other industry groups should also serve on the committee for similar reasons. PHADA understands that committee meetings will be public and available remotely which is very helpful. Hopefully, the committee and HUD will be open to comments concerning the committee’s deliberations on an ongoing basis.

#### Timing and Size of Cohorts of New MTW Agencies

In addition to concerns with details of expansion implementation expressed early in these comments, PHADA has come to understand that:

1. A list of possibly 4 or 5 research topics and their schedule will be available to agencies interested in MTW status in 2016.
2. A first cohort of new MTW agencies may be selected in 2017.
3. Each cohort of 20 to 25 new MTW agencies must agree to participate in the research problem to be addressed with their cohort.

The anticipated characteristics of each cohort (size, inventory characteristics, location, urban and rural characteristics) are not currently known. Characteristics of these cohorts are critical in developing research questions for investigation and their order. For example, PHADA understands that Chetty's research required assessment of outcomes for approximately 4,000 subjects. It will be difficult to carry out projects requiring that number of subjects in a randomly assigned experiment. Cohort sizes, locations and demographics may become significant determinants of potential research questions and research methods appropriate for each cohort.

Finally, PHADA wants to point out that existing MTW agencies have reported that it has generally taken them more than 1 year for planning and to come to an understanding of the flexibilities available due to MTW status. Thus they do not really begin to use MTW flexibility effectively until the second year of their participation at the earliest. Thus if the last cohort is selected in the 6<sup>th</sup> year of expansion implementation with only 1 year for the final research project, that time frame may be inadequate to complete research and develop meaningful findings concerning the question addressed by that cohort.

PHADA appreciates the opportunity to comment on research questions and methodologies to be used in connection with the MTW program expansion taking place between 2016 and 2022. The project is very complicated and PHADA hopes that the department and the advisory committee are successful in thoughtfully implementing research tasks that can help resolve a number of thorny policy questions that have arisen over the years concerning this program. HUD, the advisory committee, and researchers can certainly take advantage of work already completed or under way under auspices of the Urban Institute, the Public and Assisted Housing Research Center, and Abt Associates. The association remains available to assist in this project in any appropriate way.

Sincerely,

A handwritten signature in black ink, appearing to read "James P. Armstrong". The signature is fluid and cursive, with a long horizontal stroke at the end.

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May 18<sup>th</sup>, 2016

Moving to Work Office, Office of Public and Indian Housing  
Department of Housing and Urban Development  
451 Seventh St, SW., Room 4130  
Washington DC 20410-001

**Docket No. HUD-2016-0030**

**Request for Specific Policy Proposals and Methods of Research and Evaluation for MTW Demonstration**

To Whom It May Concern,

Please find comments from the Public and Affordable Housing Research Corporation at HAI Group (PAHRC) on research questions and methods to be considered when admitting new agencies to the Moving to Work (MTW) Demonstration. PAHRC is a 501c3 research organization with the mission to provide independent research and relevant data to support the efforts of the public and affordable housing industry and its stakeholders. Specifically related to the MTW Demonstration, PAHRC sponsored and managed the [MTW Innovations Study](#) and ongoing MTW Performance Indicators Evaluation study conducted by Abt Associates. PAHRC is also working with The Center for Urban and Regional Studies at the University of North Carolina, Chapel Hill to produce a guide for new MTW applicants using best practices research.

We suggest the following research objectives for new entries into the MTW program. These suggestions are based on discussions that took place during our own MTW research efforts and our general experience developing measures to capture the aggregate impact of the MTW program on agency and resident outcomes.

**Increasing Housing Choice**

Given the housing affordability crisis currently impacting the US, the MTW program's mandate to find innovative ways to increase housing choice could provide critical insight into how to address this need. However, because housing choice is a multi-faceted concept, additional research is needed to provide consensus on how to measure it and empirically demonstrate that MTW tools are increasing housing choice. For example in our research on the MTW program, we found that some agencies interpret increasing housing choice as increasing the number of units available to low-income families, while others interpret this concept as expanding housing choice geographically, particularly to areas of opportunity and diversity. Both interpretations are valuable and contain multiple components to be measured. New

research is needed to help standardize how to measure the components of this concept to best capture the benefits the MTW program brings to communities.

***Research Objective: Explore how and how much MTW flexibility increases the amount of affordable housing units through new development, the preservation of units at risk of being lost, and additional voucher units added through bringing new landlords and housing-related service providers into the voucher program.***

While this research objective would essentially provide a standard method to count MTW units upon entering the program and to benchmark changes each year, it also provides a way to project how preservation has increased future units counts and how MTW funding flexibilities have increased the number of units able to be developed. The following measurement suggestions might help operationalize the multiple dimensions of this concept.

- Create a standard MTW-informed definition for counting units of assistance that includes hard units, tenant vouchers, and non-traditional MTW assistance.

The number of units of assistance MTWs provide to their community has been a contested issue. Since units are usually tracked through HUD systems and MTW flexibility may change how units flow through these systems, aggregate data on MTW agency unit counts using HUD systems, such as VMS, differ from those that are able to capture units no longer tracked through traditional HUD systems. Creating a shared methodology to measure units of MTW assistance would be helpful in better understanding the impact of the program on increasing housing choice. Most importantly, it would capture families served in non-traditional ways. According to preliminary data from our study, conducted by Abt Associates, MTW agencies have been able to use their flexibilities to increase the number of units of housing they provide in their community as well as serve additional families through non-traditional assistance. The MTW community has come to some agreement about how to measure non-traditional assistance, such as single stay residents, but more work could be done to make such indicators consistent across agencies and at the federal level.

- Create a measure of resources leveraged due to MTW flexibility.

MTW flexibilities can also help leverage additional capital for development. A measure that captured the additional units developed due to dollars leveraged in addition to agency funds would empirically demonstrate this important strength of the MTW program. Such a measure



could take into account local development costs versus the amount of additional capital added to the MTW agency dollars directed toward development.

- Create a measure of years of life added to housing stock through preservation efforts.

Similarly, a measure of the years of life added to preserved units would help demonstrate the impact of MTW flexibilities on increasing housing choice. Using construction industry research, standard lifetimes of buildings and extended life timeframes based on the types of improvements made could be used to create such a measure. This measure would help empirically demonstrate the value of preservation.

- Incorporate a measure of unique families served over time or percentage of community low-income families served over time to understand trade-offs associated with serving more families versus serving families more deeply.

Recent [PAHRC research](#) on housing assistance waiting lists demonstrates that nearly 9.5M households would be waiting for a Housing Choice Voucher and 2M households for a public housing unit if many housing agency waiting lists were not closed due to lack of resources. Moreover, it shows that the length and wait time associated with a waiting list varies by location. This trend suggests in some communities, housing assistance is scarcer than others. Some MTW agencies have chosen to open opportunities for assistance to more families either by reducing subsidy amounts or creating time limits for able-bodied families. While many families will continue to need assistance, especially in high-cost areas, there may be some places where these and other programs can better spread this scarce resource across the community. This policy trade-off should be empirically investigated to help agencies make such decisions. Such policies are generally paired with case management services to ensure that residents losing subsidy or reducing subsidy amounts would not fall back into poverty. Thus evaluation would focus on resident outcomes (income growth, labor market capital like education, savings growth) in addition to tracking additional families served or a reduction in wait times for housing. The research would also need to track families well after exiting the program to ensure that economic gains are upheld (see [Smith et al., 2015](#) on program leavers).

## **Promoting Self-Sufficiency**

***Research Objective: How does MTW flexibility improving the economic potential of residents?***

Much research evidence, including PAHRC's work, shows that without significant labor market investments and or savings, many able-bodied working age residents will never be able to

comfortably afford market rate housing. Many MTW programs have focused on promoting savings and providing financial counseling as well as providing avenues for education and job training. Evidence seems to suggest that these efforts have largely proven successful with proper case management. Our MTW study's preliminary findings suggest that MTW agencies tend to show larger increases in (able-bodied, working age) resident household income than do similar non-MTW agencies. However, current measures of self-sufficiency, which include changes in income and employment, might be expanded to better tap the concept of economic potential and earning power. Increases in income and employment may be circumstantial and not necessarily sustainable given the labor market capital of the residents. Below are several suggested measurement strategies to tap how MTW flexibilities allow agencies to improve resident labor market capital and earning power (in addition to increases in income and employment).

- Create a measure of labor market capital that can measure changes in a resident's future economic opportunities and earning power.

While this measure might be seen as measuring outputs rather than outcomes, these outputs serve as markers that the resident would be better positioned to weather a job loss or financial setback. Measures would include education and labor market investments made by adults in the household such as a GED or college degree, certifications, or job training course completion. The addition of these critical markers of labor market capital would signify increases in earning power rather than simple increases in income.

- Improving health and reducing health care costs for elderly and disabled residents

For elderly residents that are no longer in the workforce, improvements in health and reductions in medical costs can serve to increase their financial flexibility and allow them to be more self-sufficient. Standard health outcome measures such as those found in the recent [HHS](#) and [CORE](#) studies should help demonstrate such improvements.

## **Increasing Cost Effectiveness**

***Research Objective: Understand how partnerships improve resident outcomes and increase families served more cost-effectively.***

Current MTW agencies have demonstrated success in partnering with local service providers, local government agencies, and local businesses. Partners that share clients have been particularly successful in improving resident outcomes, such as in San Bernardino.

- Develop a metric for funds saved or value added through partnerships. For example, staff time and agency resources from partner agencies minus any payments to these agencies could be used to generate cost estimates. These costs could also be tied to the specific resident outcomes on which the partnership is focused, such as number of families served or increases in income.

A measure of partnership success would be useful to agencies in evaluating their own partnerships and also looking for new partners. Additionally, such a measure might be transferable to other non-MTW agencies and encourage partnerships outside of the MTW program, since some of these partnerships would not necessarily necessitate MTW regulatory exemptions.

Please contact us with any questions regarding these suggestions. Thank you for your consideration and the opportunity to provide comments on this important topic.

Sincerely,

Keely Jones Stater, PhD  
Manager of Research and Industry Intelligence  
Public and Affordable Housing Research Corporation at HAI Group



J. Wayne Felton, Executive Director

**Email** [mtw-info@hud.gov](mailto:mtw-info@hud.gov) In response to HUD's published Notice soliciting feedback on the policy proposals and methods of research and evaluation on the expansion of the MTW demonstration.

**Raleigh Housing Authority (RHA) submits the following comments:**

While Raleigh Housing Authority is currently not a Moving To Work(MTW) agency, RHA has watched the demonstration and looks forward to participating during its expansion. Since 1996 MTW agencies have been able to design policy and develop communities with a focus on local needs and promoting resident self-sufficiency. These demonstrations across the country with housing authorities implementing different plans which are often changed or revised annually create challenges for HUD to monitor and evaluate with specific rigorous research that supports the housing authority's claims of successful execution. While uniformity is easier to monitor and evaluate, I believe the demonstration has successfully shown agencies need the ability to be more responsive to local conditions and priorities which is often impossible when federal program requirements limit the opportunity for variation. This demonstration has the capacity to bring about positive reform not only in the federal housing programs but also in the ability of residents and Section 8 participants to stabilize their households and in the end achieve self sufficiency.

**Increase moves of low income families to high-opportunity**

**neighborhoods:** The innovative approaches to programming of MTW demonstration encourages residents to work. It is only through work an applicant or resident reaps the benefits of opportunities afforded to those who live in high opportunity neighborhoods. A Housing Authority (HA) cannot expect to see the full benefits of a new or redeveloped community without implementing work criteria. By combining the two, a HA can over time remove negative perceptions of low income housing within the community. This enables the HA to positively influence the community around them and become a catalyst in the development of businesses.

**Improve education outcomes through housing partnerships:** Education is a valuable tool to the MTW demonstration. Referring residents to programs already offered in the city by partnering with community colleges and faith-based or civic organizations provides the needed education, life skills and job readiness training for residents. Communities whose residents are engaged in using their time and energies toward achieving their self sufficiency goals see lower crime rates. Access to good schools and a healthy neighborhood enables a child to concentrate on their studies because just like his parent, the child is relieved of the tensions and social issues typical of a high crime neighborhood. To properly influence a community on the benefits of work, children living in subsidized housing should not be overlooked. Quickly connecting children to early childhood education initiatives, mentoring classes and after-school tutorial programs have proven to be the motivation for families to pursue higher education. Higher education equates to better jobs and increased household incomes.

**Use administrative flexibility to reduce costs, improve operations, governance and financial management:** A working community is the key to a lot of issues that plague HA and social issues within some of its cities. Just as a resident working is the key to achieving their goals, a working community can improve the overall financial situation of a HA. With an increase in a resident's income as a result of work and subsequent increase in their rent amount, a HA could overcome the reductions in their budgets due to funding proration.

A community of working families not only pays higher rents but statistics have also revealed there is less wear and tear on the units. This results in less maintenance costs and unit turn costs for HA at vacancy. A well maintained property allows for the flexibility in the number of Inspections conducted and more time for cost saving preventative maintenance duties. Each household in a community can be offered a basic needs assessment evaluation at move-in and recertifications. With this information HA staff can make the appropriate referrals to assist residents in maintaining their independence and the ability to age in place. Referrals are given to programs such as jobs skills training, Medicare savings, utility assistance, the SNAP program, healthy cooking, skilled care, faith based and civic organizations. The HA must be careful to not lose sight of their mission which is to house families in need. Administrative costs should not increase in order to offer services which could be handled by existing service providers in the cities in which they serve.

**Structuring alternative rent-setting methods:** The development of efficient methods of the recertification process is another example of improving overall operations. HA can reduce the number of annual recerts conducted for elderly/disabled residents whose fixed incomes rarely change. HA can also choose to no longer count the income from assets, excess financial aid or child support. Agencies could reduce the number of Interims a family must report if the change to the income is not within a certain percentage of the rent previously determined during the family's most recent recertification. All of these cost savings improve the efficiency of an agency's overall housing program without negatively affecting the residents. Speculation for years has been that recipients of subsidies do not work because their rent will go up. MTW programs quickly began to adopt a number of rent-setting methods that reduce the rate of monthly rent a working resident pays. A better approach should be to work with the family so they quickly realize just like their rent has increased, so does the amount of disposable income. Not only are higher rents fiscally important to a HA who is only partially funded, but it is also important to properly prepare a family for self sufficiency. It is imperative residents on the path to self-sufficiency begin to pay the calculated or flat rent appropriate for their income. Our opinion is that by only offering a reduced rate or sliding scale the HA does nothing to prepare a family for the monthly rents they will be expected to one day pay for market-rate rents or a mortgage.

**Streamline Admissions:** Agencies should consider moving to a site-based application process specific to the individualized occupancy policy of that site. Properly advertised application procedures with waitlist preferences applied correctly will streamline the process of admission. Some waitlist preferences that can be applied are; applicants must work and/or live in the county in which the HA serves, an elderly/disabled preference and a minimum work requirement of no less than 15 to 35 hour per week for all able bodied applicants. HA should especially encourage applicants while on the waitlist for their Housing Choice program to work with ready to rent programs. Programs such as this prepare families for the qualifications landlords will be expecting from them even with a Housing Choice voucher.

**Streamline Occupancy:** The ultimate goal of the MTW demonstration was to create an environment that will cultivate resident self- sufficiency. To achieve this, HAs in this program should conduct needs assessments of residents. These needs can be matched with community agencies the HA has developed relationships with. From these resident referrals, the networking agencies can track successes and work to develop resident leaders/mentors within their own community. Positive influences within

their own communities do more to motivate others because more residents will strive for similar outcomes. A resident who feels the pride and self confidence from achieving a goal will catapult themselves into higher wages and career advancement. Once a certain income level is achieved the resident becomes self sufficient and accustomed to that lifestyle. The likelihood of that family returning to subsidized housing is greatly reduced.

**Improve the health and well-being of elderly/disabled:**

While the mission of the HA is to provide safe, quality affordable housing, giving special consideration to senior and disabled residents, there also needs to be an intentional effort to improve the quality of resident life. This can be done by the HA staff also serving as a referral base for the housing population. The HA staff must cultivate relationships with organizations and services available in their community. This will ensure there are on-site services and partnerships with area agencies which will link current residents with valuable quality-of-life resources and services. There should also be the consideration and understanding there will be some dynamics that no amount of service will affect change.

**Achieve the goal of ending homelessness:** Under the HOPE VI grant, this agency implemented both a work requirement and a 10 year time limit.

This time limit combined with a minimum work requirement of 15 to 35 hours per week with the expectation of increasing and maintaining fulltime work hours throughout occupancy. The implementation of a work requirement combined with a time limit is also a motivation to a family to ensure the security of rent based on income does not become a crutch or hold back the family from leaving the subsidized housing program.

The ultimate success is to see the family exit the program and achieve renting without subsidy or even home ownership. This enables the HA to assist more families and reduce the number of homeless in their community. Without the development of additional affordable housing programs, the homeless issue is much larger than what the HA can provide to end homelessness.

**Evaluations:** In developing the framework for the MTW expansion, HUD should now be able to balance the deregulation desired by the industry with the need for a strong evaluation component. Due to performance scores it is safe to assume not all housing agencies can successfully operate outside of the traditional regulatory structure and thus some version of the program should be regulated. MTW should continue to only be permitted for high performers.

The vision for the MTW expansion should be to learn from MTW innovative programming in order to improve the delivery of federally assisted housing and promote self-sufficiency for low-income families across the nation. Congress can no longer ignore and continue to inadequately fund a program that under its original model resulted in generational housing. There is a responsibility to recognize the obvious flaws and injustices which fail to motivate the able bodied family to find work and build a path to self sufficiency while living in federally subsidized housing.



May 12, 2016

Moving to Work Office  
Office of Public and Indian Housing  
Department of Housing and Urban Development  
451 Seventh Street SW, Room 4130  
Washington, DC 20410-0001

RE: Federal Register Vol. 81, No. 64, Monday, April 4, 2016 [Docket No. FR-5932-N-01]

Dear Ms. Lourdes Castro Ramirez &  
Ms. Katherine M. O'Regan:

The San Diego Housing Commission (SDHC) is submitting comments in response to the 60-day notice of proposed information collection concerning the *Request for Specific Policy Proposals and Methods of Research and Evaluation for MTW Demonstration Expansion*. SDHC continues to streamline administration of program and develop innovative solutions to assist our families with housing choice and self-reliance. We have also made great strides in our efforts to address local issues like homelessness by using our flexibility to provide opportunities while working with the community.

SDHC offers fifteen policy recommendations for HUD-approved MTW activities which have proven successful in San Diego. Recommendations according to the categories contained in the notice are as follows:

1. Increasing moves of low-income families to high-opportunity neighborhoods

**Choice Communities**, SDHC's poverty deconcentration effort, is a four-pronged approach to encouraging Housing Choice Voucher (HCV) households to move from high/medium-poverty areas to low-poverty areas of opportunity. The incentives utilized by the MTW activity include:

- A zero interest security deposit loan program with low payments;
- Increased payment standards in low-poverty areas;
- Mobility counseling; and
- A 50 percent rent burden.

Additionally, SDHC is also actively involved in the "Creating Moves to Opportunity" working group with the objective of exploring potential implementation of the lessons from the academic research in housing choice voucher programs to increase opportunity for our families.

2. Improving education outcomes through housing partnerships

The **Monarch School Housing Program** serves homeless families with children attending the Monarch school dedicated in the education of homeless youth. SDHC provides rental assistance using a streamlined

rent calculation methodology while the parents engage in work readiness services at SDHC's Achievement Academy.

The **Guardian Scholars Program**, a partnership with SDHC and a local university, provides housing subsidy to students exiting the foster care system, wards of the court, unaccompanied homeless youth etc. attending San Diego State University. SDHC provides a guaranteed annual grant of \$200,000. The university has an opportunity to raise an additional \$400,000 in philanthropic funds, which SDHC will match 1:1, for a maximum annual grant of \$600,000. SDSU provides a holistic support program to help these students achieve their goal of a college degree

SDHC is actively engaged with the national Campaign for Grade-Level Reading to ensure that more children in low-income families succeed in school and graduate prepared for college, a career, and active citizenship. We are currently developing a program with partners and are expected to launch it this summer.

3. Using administrative flexibilities to reduce costs and improve operations, governance, and financial management

A **Biennial Reexamination** schedule is utilized for the MTW HCV households.

SDHC implemented an activity to **Eliminate Assets** entirely from the rent calculation and verification process. Assets are only considered if the asset is considered a source of stable and predictable annual income.

The **50 Percent Rent Burden Policy** replaces the 40 percent threshold. A household can choose to lease a unit where the initial rent burden will be a maximum of 50 percent.

The **Local Income Inclusion** incorporates Adoption Assistance Payments, Foster Care Payments, and KIN-GAP as income for purposes of the rent calculation.

The **Local EIV Policy** eliminates the requirement to perform an EIV review during interim adjustments to income and household composition. An EIV review is completed only at full reexaminations.

The **Simplified Utility Allowance** standardizes utility allowances according to unit size and utility responsibility.

4. Structuring alternative rent-setting methods

**Path to Success** is SDHC's comprehensive rent reform initiative. Path to Success separates households into Work-Able and Elderly/Disabled. A separate rent calculation methodology is applied to each population.

The Work-Able calculation utilizes the following elements:

- Hard minimum rents according to the number of work-able adults in the household;
- Tiered rent structure where the rent portion is calculated at the lower edge of an income band; and
- A 30 percent Total Tenant Payment (TTP).

The Elderly/Disabled calculation utilizes the following elements:

- A \$0 minimum rent;
- Uses adjusted annual income; and
- A 28.5 percent TTP.

Rent calculation elements applied to both populations include:

- Elimination of the Earned Income Disallowance;
- Elimination of deductions and allowances with the exception of the utility allowance and the child care expense deduction; and
- Medical expenses and disability expenses combined into one expense and placed into expense bands. The three percent medical expense threshold is also eliminated.

*Note: SDHC's Achievement Academy is available to **all** households subject to Path to Success, both work-able and elderly/disabled. The Achievement Academy ensures work-able households subject to the minimum rents can access an array of resources to increase work readiness skills and obtain employment.*

5. Developing strategies to better utilize project-based vouchers

SDHC implemented a variety of **Local Project-Based Voucher (PBV) Policies** to increase the effectiveness of utilizing PBV. The local PBV strategies include:

- Committing PBV to 100 percent of the units within a development;
- Flexibility to designate over 20 percent of SDHC's voucher allocation as PBV;
- Utilizing site based waitlists administered by the property management group;
- Committing PBV to SDHC-owned developments without a competitive process;
- Requiring 24 months of tenancy before residents become eligible for a tenant-based voucher;
- Restricting moves with a tenant-based voucher if the moves result in high levels of vacancy rates within the development;
- Requiring developers to ensure the provision and availability of supportive services within a PBV development;
- Allowing lower contract rents for non-assisted units in an SDHC-owned development containing PBV units; and
- Using SDHC-approved exception payment standards in PBV developments exceeding 120 percent of the published Fair Market Rents.

6. Achieving the goal of ending homelessness for families, veterans, youth, and the chronically homeless

**Transitional Project-Based Subsidies for the Homeless** is an interim housing program where homeless individuals reside until more appropriate housing solutions are identified. Each designated interim unit must be occupied at least 25 days in a given month to receive a predetermined flat subsidy.

The **Flat Housing Subsidy Program for Transitional Aged Youth** program is a three year program providing a flat housing subsidy to transitional aged youth. During the youth's tenure in the program, a partnering agency must provide supportive services and work readiness services to ensure participants obtain and increase income in order to maintain housing stability.

SDHC has proposed the **Moving On Program** which provides rental assistance to participants graduating from permanent supportive housing programs and no longer requiring intensive supportive services to sustain housing creating a system of flow enabling service providers to serve more households.

7. Cultivating supportive or sponsor-based housing policies

The **Sponsor-Based Subsidy Program for the Homeless** is a program providing housing assistance payments to partnering agencies delivering supportive services to homeless individuals. The partner administers the program while SDHC performs auditing functions.

SDHC strongly recommends a requirement to create holistic approach with local partners to focus on eliminating homelessness. Homelessness effects cities throughout the United States, thus agencies should be required to utilize MTW flexibility to address this pervasive issue. As mentioned in items two, six, and seven of this letter, SDHC uses a variety of strategies to address homelessness in San Diego using MTW authority – this is in addition to an array of non-MTW efforts focusing on preventing and combating homeless. Requiring MTW agencies to adopt and implement similar strategies will not only satisfy the requirements of the MTW expansion, but also allow for leveraging of existing agency efforts with new resources to solve the issue of homelessness.

Thank you for reviewing and considering SDHC's comments related to the MTW expansion. If you have any questions concerning SDHC's comments, please contact me directly at [jeffd@sdhc.org](mailto:jeffd@sdhc.org) or (619) 578-7606.

Sincerely,  
Jeff Davis  
Executive Vice-President and Chief Operating Officer  
San Diego Housing Commission



Davis, Laurel L

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**From:** Suzy Ageton <suzyageton@yahoo.com>  
**Sent:** Monday, May 02, 2016 12:48 PM  
**To:** mtw-info  
**Subject:** FR-5932-N-01 Request for Specific Policy Proposals and Methods of Research and Evaluation for MTW Demonstration Expansion

As a long-time resident of Boulder, Colorado, I am familiar with our public housing authority, Boulder Housing Partners' (BHP) and its role as a Moving to Work (MTW) agency. I am also aware of Bringing School Home, the national, research demonstration program being developed by BHP along with its co-sponsor, the Affordable Housing Institute. This program will leverage an existing, strong MTW agency by expanding its capacity to engage its families and the local schools to close the academic achievement gap for low-income children.

I urge HUD to encourage this type of innovative program and others focused similarly by adopting as a MTW policy priority, in each of the seven years of the proposed MTW expansion, creative proposals for improving education outcomes through housing partnerships.

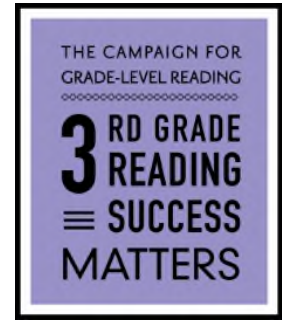
Thank you.

Sincerely, Suzanne Ageton

Sent from my iPad

TO: **Lourdes Castro Ramírez,**  
*Principal Deputy Assistant Secretary  
Public and Indian Housing.  
The Department of Housing and Urban Development*

**Katherine M. O'Regan,**  
*Assistant Secretary  
Policy Development and Research  
The Department of Housing and Urban Development*



From: **Ralph Smith**  
*Managing Director  
The Campaign for Grade Level Reading*

Date: May 17, 2016

RE: **FR-5932-N-01 Request for Specific Policy Proposals and Methods of Research and  
Evaluation for MTW Demonstration Expansion**

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The **Campaign for Grade-Level Reading** respectfully submits the following comments for the expansion of **Moving to Work** in the specific policy area of **improving educational outcomes** through housing partnerships.

More than **one million children from birth to age 8** are housed by the nation's 3,200 housing authorities. Many of these children often start school with such a reading deficit that they have little hope of achieving proficiency by the end of third grade, a key predictor of high school graduation. In fact, children who are not reading on grade level by the end of third grade are **four times more likely to not graduate from high school**, which significantly constrains their chances for success. These children start school in some cases so far behind that they won't catch up. They miss so much school that they fall further behind during the school year because their learning is interrupted and disrupted by chronic absence, whether the absence is due to a suspension, family crisis or illness. Finally, these kids fall behind every summer and return to school every September further behind than when they left in June. Alone, any of these three factors could be disabling. But in combination they dramatically increase the chances that children will miss the third-grade reading benchmark. Only 24/7/365 support and intervention will likely make a difference for children, the kind not available in schools alone. Public housing, however, operates 24 hours a day, 7 days a week, all year round and can therefore serve as a

platform and support to help children read on grade level by the end of third grade and significantly increase their chances of graduating from high school, entering the workforce and, overall, being successful in life.

Because of the nexus between housing and education, the Campaign for Grade-Level Reading and HUD have entered into an MOU to ensure that at least 25 PHAs are actively engaged with the GLR Campaign and are working to ensure that kids living in public housing are reading proficiently by the end of third grade. In addition to many other strategies to make progress in the areas of readiness, attendance and summer learning loss, PHAs must engage parents and use data to make and track progress. Secretary Castro has identified the work in this MOU as an important pillar in the Department's education efforts.

The flexibility afforded to PHAs under MTW makes them particularly adept at implementing some of the interventions identified in the MOU. In fact, of the 38 MTW sites, 17 are in GLR Campaign communities. The Campaign for Grade-Level Reading thus suggests that the Department include the HUD/GLR Campaign MOU framework in selecting new MTW sites.

**Specifically, the PHA should be required to commit to develop and implement a plan that includes working with partners (e.g., local school districts, libraries) to address the critically important components to third-grade reading success — school readiness, regular attendance and summer learning. For example, that plan could include any and all of the following:**

- Launch a multi-pronged messaging campaign and outreach effort to ensure that **public housing-affiliated parents, caregivers, child care providers and early educators** have ready access to the information, **tools and supports that can help build essential competencies that promote early literacy and the healthy development of the children in their care**. This is because we know parents and caregivers are critical stakeholders in assuring that young children are healthy and ready for school. This may include:
  - Engaging in nurturing and affirming “back and forth” interaction necessary for healthy brain development;
  - Enriching their children's vocabulary and promoting a love for reading;
  - Tracking and assessing progress toward early developmental milestones;
  - Engaging children in enriching summer activities at home or in the community;



- Raising awareness about the connection between chronic absence in the early years and lower levels of achievement in reading;
  - Using technology to facilitate ongoing learning, especially during the summer months; and
  - Encouraging, supporting and modeling healthy eating and fitness during the summer.
- Launch a multi-pronged community-wide **attendance awareness campaign** using anchor events such as Attendance Awareness Month, parent/teacher conferences, PTA meetings and back-to-school nights to help parents and caregivers understand and own the importance of good attendance, and to nurture a culture and cultivate the habits of excellent attendance and establish an expectation and a plan for daily school attendance.
  - Support the development of **early warning and rapid response systems** to reduce and prevent chronic absence and strategies to identify and ameliorate the **health challenges** that are the major contributors to chronic absence, so that parents and caregivers can recognize and address health needs and environmental hazards in the home and seek intervention and support at the earliest signs of attendance issues.
  - Participate in **data-sharing agreements** with local public sector agencies including school districts, health departments and other partners to track attendance and early childhood benchmarks such as prenatal care; primary preventive health care, including dental and mental health; and asthma management.

By using the HUD/GLR Campaign MOU approach suggested above, HUD can maximize the impact on educational outcomes in the MTW demonstration and expansion. We thank you for the opportunity to provide comments.

**From:** Jan Yost <jyost@hfcmm.org>  
**Sent:** Wednesday, May 04, 2016 8:59 AM  
**To:** mtw-info  
**Subject:** FR-5932-N-01 Request for Specific Policy Proposals and Methods of Research and Evaluation for MTW Demonstration Expansion

On behalf of The Health Foundation of Central Massachusetts, a HUD stakeholder, I am pleased to respond to HUD's request for comments regarding the expansion of MTW and hereby submit the following policy recommendation to address the **statutory objective of self-sufficiency** and rationale for the recommendation.

**Specific Policy Proposal Recommendation: Streamlining admissions and/or occupancy policies (i.e., work requirements, time limits, waitlist preference alterations) and encouraging job training and educational attainment.**

The Worcester Housing Authority (WHA) has purposefully expanded its role as landlord to include comprehensive support services in order to enable residents to achieve economic self-sufficiency and move out of public housing. Since 2011, The Health Foundation of Central Massachusetts has provided \$2.8 million to the WHA to develop, pilot and implement the "A Better Life" program, which aims to help residents further their educational and employment status, thereby breaking the persistent cycle of poverty and reliance on public housing.

In just these few short years, "A Better Life" has assisted residents and their children in transforming their lives. Key factors in creating the successful results have been providing residents with Family Life Coaches to assist them in overcoming barriers and to connect them to resources, while also allowing residents to escrow their increased earnings to apply toward buying a car or obtaining housing in the private sector.

Importantly, the promising results have been well documented. The WHA engaged researchers, led by Dr. Emily Rothman at Boston University, to help design "A Better Life" and then provide a gold standard evaluation by comparing program participants' progress to that of similarly situated residents who do not participate in the program.

Preliminary findings as of December 2015 indicate:

- More than 70% of current participants are employed vs. 42% at enrollment - an increase of 67%.
- Almost 60% of current participants are employed full time vs. 22% at enrollment - an increase of 173%.
- Average annual wages have increased by more than 45% (\$25,625 vs. \$17,505).
- More than 45% of current participants are enrolled in educational endeavors vs. 12% at enrollment - an increase of 375%.
- Clients have seen an increase of 596% in personal savings.

Impressed by "A Better Life's" very early results, the Massachusetts legislature and Governor approved in July 2014 "An Act to Foster Economic Independence" which included a provision that required the Massachusetts Dept. of Housing & Community Development (DHCD) to allow the WHA to operate "A Better Life" in its state-subsidized housing properties, which represent about 20% of its units. In April 2015, DHCD approved the administrative details to implement a work/education requirement. Based on the WHA's experience, we recommend that the specific policy change that the MTW expansion should focus on is the work requirement policy, and we would also propose that the work requirement be defined to include attending educational/job training programs to gain credentials that will enable residents to enter career ladder and higher wage positions.

"A Better Life" returns public housing to its original intent – to provide a hand in helping families transition from needing public assistance to becoming independent and reaching for their American dream. The program interrupts what has become for far too many families intergenerational dependency. Moreover, research over the decades has indicated that factors, such as education, income, housing and neighborhood environment, have a powerful influence on health and well-being.

Thus, the WHA has already earned distinction among the thousands of public housing authorities across the country for taking on the enormous challenge of changing a system so that it may indeed provide a valued service to the residents and to society. The WHA looks forward to the opportunity to apply for MTW designation in the impending demonstration expansion, so that the WHA can expand "A Better Life" to its federal properties. The Foundation would wholeheartedly endorse their application.

If you would like additional information, please do not hesitate in contacting me.

**Janice "Jan" B. Yost, Ed.D.**

President

The Health Foundation of Central Massachusetts, Inc.

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**Margery Austin Turner**  
Senior Vice President for  
Program Planning and Management

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May 6, 2016

Moving to Work Office  
Office of Public and Indian Housing  
Department of Housing and Urban Development  
451 Seventh Street, SW., Room 4130  
Washington, DC 20410-0001  
Email at [mtw-info@hud.gov](mailto:mtw-info@hud.gov)

Dear Ms. Castro Ramírez and Dr. O'Regan,

The Moving to Opportunity Demonstration (MTW) provides a tremendous opportunity to explore and evaluate the impact of housing policies aimed at increasing self-sufficiency and housing choice (as well as increasing efficiency and reducing PHA costs). As HUD expands MTW to an additional 100 PHAs, we urge the department to adopt a rigorous but flexible evaluation framework that generates lessons for policymakers, practitioners, advocates, and researchers working to develop the next generation of housing policy and programs.

At HUD's request, the Urban Institute is offering specific policy proposals to help inform HUD's MTW research advisory committee (Docket No. FR-5932-N-01). Below we recommend a set of "universal" policy changes that a whole cohort of PHAs could implement and rigorously evaluate. In addition, we recommend a set of "pilot" initiatives, to be adopted by smaller sub-groups of PHAs, to explore big ideas using non-experimental or quasi-experimental methods.

*Universal policies to be adopted by all MTW sites in a cohort*

As highlighted in the public notice, HUD is requesting ideas for specific policy proposals that an entire cohort of MTW sites can adopt. This would facilitate evaluation by comparing outcomes for PHAs that adopted a policy to a comparison group that did not (either using matched pairs or a cluster randomized design). We believe these proposals represent policies that have universal application and that PHAs can implement at a low-cost.

1. Adopt a set of "mobility friendly" policies based on promising practices that PHAs have been using to increase moves to opportunity neighborhoods. These policies create an environment that helps increase housing choices for voucher holders:

2100 M Street NW  
Washington DC 20037

[urban.org](http://urban.org)

- Offer security deposit grants or loans for participants who move to high opportunity neighborhoods.
  - Provide more (and better) information about choice and mobility in standard briefing and move materials.
  - Allow extended search time (120 days).
  - Align voucher policies with PHAs in neighboring jurisdictions and develop MOUs to remove administrative barriers to portability.
  - Set appropriate exception rents for high opportunity areas or adopt small area FMRs.
  - Train HQS inspectors to systematically apply the neighborhood conditions questions on HQS.
2. Adopt a set of “landlord friendly” policies that increase landlord participation in the Housing Choice Voucher program. Landlords often cite poor performance, red tape, and long waiting times as barriers to their participating in the housing voucher program. These policies offer the potential to make the voucher program more attractive to landlords:
- Cross-train HA staff to conduct HQS inspections, so that delays can be minimized.
  - Waive inspections for units that were inspected within the previous six months
  - Provide the first month’s HAP payment prior to completion of all paperwork.
  - Make HAP payments through electronic transfer.
3. Instead of leaving it to PHA discretion, set uniform screening criteria that increase access to publically assisted housing for people with criminal backgrounds. Barriers to entering publically assisted housing for persons with criminal backgrounds can be high. These policies have fair housing implications and, because they separate families, may undermine family stability and self-sufficiency. Uniform screening criteria could include, for example, disregarding convictions that are more than five years old, disregarding non-violent drug offenses, and applying different standards for juvenile versus adult offenses. An evaluation would focus such outcomes as family unification, tenant rent contribution, and safety in the unit and the development.

*Pilot initiatives adopted by smaller sub-groups of PHAs in a cohort*

MTW offers an opportunity to explore new frontiers in housing policy by pilot testing innovative approaches on a small scale. PHAs should test these “big ideas” in conjunction with strong outcomes studies or quasi-experimental studies, including estimates of costs and benefits.

1. Alternative rent subsidy with stepped rents and time limits for young families. One of the biggest challenges of the housing voucher program is how to shape the program so that it removes any work disincentives. We propose pilot testing an alternative rent structure that de-



links income from rent increases, instead predictably increasing the tenant's share of rent over time.

2. Car ownership/sharing program that promotes mobility and access to jobs. In many U.S. metropolitan areas, researchers have found that car ownership is among the most important determinants of employment and earnings, and research from the FSS program indicates that participants often use their escrow funds for car repairs. We propose a small pilot that tests how access to a car sharing program impacts neighborhood and employment outcomes.
3. Financial incentives for landlords in opportunity areas. We know that landlord participation significantly affects voucher access to opportunity neighborhoods, yet we know very little about how landlords would respond to financial incentives for participating in the housing voucher program. We recommend a set of experiments that would test different financial incentive (e.g., signing and retention bonuses) to increase landlord participation.

Urban Institute researchers are available to talk through these policy proposals, including different methods to evaluate them. In addition, we will be launching a blog series dedicated to opportunities for testing housing policy innovations through MTW; we hope that you will read along.

Thank you for the opportunity to provide feedback on this critical initiative.

Sincerely,  
Margery Austin Turner

**From:** Corrales, Alex <corrales@worchester-housing.com>  
**Sent:** Wednesday, May 04, 2016 12:28 PM  
**To:** mtw-info  
**Subject:** WHA FR-5932-N-01 Request for Specific Policy Proposals and Methods of Research and Evaluation for MTW Demonstration Expansion V2

The Worcester Housing Authority respectfully submits this policy proposal to HUD's request for comments regarding the expansion of MTW in an effort to address the statutory objective of self-sufficiency and rationale for the recommendation.

### **A Better Life**

The WHA believes our country is headed in the wrong direction. By increasing numbers, our poorest families are becoming less educated, less employed and more reliant on government services and support. A system of assistance that was designed as a temporary helping hand has become a permanent way of life.

Alarming, reliance on public assistance has become a sort of perverse legacy handed down from one generation to the next. In the same way that children, with hard working parents, model the behavior of their role models, so too children who know only public assistance follow the path shown to them. At the WHA, the average family's tenancy is over 17 years with numerous families going back 5 generations of public housing.

Convinced that our system of providing public benefits was actually hurting the families who received them, the WHA set out to change this system in order to break the persistent cycle of poverty and public housing reliance, as well as transform the lives of its residents. The WHA implemented a program with comprehensive wrap-around services that promote and sustain a strong and self-sufficient family unit. Aware that its HUD-based Family Self-Sufficiency (FSS) program suffered from limited resources and services, the WHA, thanks to generous support and funding from The Health Foundation of Central Massachusetts (THFCM), dedicated two and a half years to carefully planning and testing a one-of-a-kind self-sufficiency model rooted in intensive case management. This intensive and service-rich program was appropriately named "A Better Life: Helping Families Find Their Way." (ABL)

ABL has been in existence since 2012 and has enjoyed tremendous success. We can help residents to change their lives by becoming self-sufficient, once they who have accepted our services. We have doubled the number of residents attending school and more than doubled the number working. However, we can report that we have learned several important lessons.

For a wide range of reasons, most residents will not seek out the help we offer - they are willing to stay right where they are. We marketed our new program to approximately 1,200 families. Unfortunately, we struggled to find 30 families willing to voluntarily join the program and do the hard work necessary to participate.

### **Requirement**

The WHA quickly came to the conclusion that the only way that this program will work is if residents are required to participate. Yes, it is hard and in many cases the odds are stacked against those residents willing to do the difficult work required to become self-sufficient. But, it should not be acceptable for people to say that they won't even try. The current system not only lets them sit on the sidelines, it encourages it.

Impressed by "A Better Life's" very early results, the Massachusetts legislature and Governor approved in July 2014 "An Act to Foster Economic Independence" which included a provision that required the Massachusetts Dept. of Housing & Community Development (DHCD) to allow the WHA to operate "A Better Life" in its state-subsidized housing properties, which represent about 20% of its units. In April 2015, DHCD approved the administrative details to implement a work/education requirement.

As a result, the WHA quickly expanded the program to include a “preference” for all applicants who said that they would be willing to participate in the program. This preference put the applicant and his/her family at the very top of our extensive waiting lists. But, it also required them to meet the demands of the program or face a loss of housing benefits.

### **Program Components**

The ABL program encourages, motivates and requires residents to either go back to school to further/complete their education, to go into the work force on a full-time basis, or some combination of school and work equal to full-time. The following program requirements apply:

#### ***1. Expanded FSS/Case Management Program***

All residents who must fulfill the work/school requirement are also required to participate in mandatory case management. This program is an expanded, intensive version of the existing FSS (HUD Family Self Sufficiency) program. This case management starts with a comprehensive five-part personal/family assessment including assessment of their finances/financial literacy; health; education level; occupational history and readiness; and personal/family challenges.

#### ***2. Life Skills 101 Training Program***

All adult residents are required to participate in a comprehensive training program designed to help them gain the skills they need to improve their lives and to become a constructive member of the larger community. Training includes computer competency, financial literacy, domestic violence, conflict resolution, parenting and other topics.

#### ***3. Work/School Requirements***

All able-bodied, adult public housing residents, under the age of 55, who agree to participate in this program are required to go to work or attend school full time to continue to receive housing benefits. This includes the head of household and other adult members within the household. Those residents who refuse to participate will be subject to lease enforcement. After making a sincere effort to find employment, any resident who is unable to do so will be offered community service at the Worcester Housing Authority while their job search continues.

### **Results**

The results of our program so far speak for themselves, but have also been documented, evaluated and researched by Dr. Emily Rothman of Boston University. For over 4 years, Dr. Rothman has compared program participants’ progress to similar residents in the WHA community who are not participating in the program.

We have more than doubled the number of adults employed (35 percent to 75 percent). We have tripled the number of participants attending school/training. We have increased wages and savings dramatically. Our program is working.

### **Proposal**

As evident of our experience over the past several years with the ABL program, the WHA recommends that the specific policy change that the MTW expansion should focus on is the work requirement policy, and we would also propose that the work requirement be defined to include attending educational/job training programs to gain credentials that will enable residents to enter career ladder and higher wage positions.

The WHA has seen firsthand the transformation of lives in our public housing communities each day. Residents are obtaining their first job, single parents are going back to school, and children are seeing inspiring role models. A large number of our residents are facing challenges in their lives, whether it’s mental health challenges, disabled children, or being a victim of domestic violence. For many, these challenges would be enough reason to quit participating in the ABL program.



However, with strong support, community resources and, most importantly, the work requirement as a condition of their housing, these families stay involved and find a way to get into work and move themselves and their families forward. They are hardworking, resourceful and, most importantly, determined to break their cycle of dependency on public assistance.

If they can work through the challenges that they face and succeed, then every recipient of public assistance should at least make an effort, and we should help them.

**Alex Corrales**

Assistant Executive Director

Worcester Housing Authority

32 Great Brook Valley Avenue, Suite 6

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