

Moving to Work Research Advisory Committee

Thursday, September 1, 2016 Meeting Notes

I. Welcome

The Committee's Designated Federal Official (DFO), Laurel Davis, offered a welcome and provided logistical information for the meeting. Committee members attending the in-person meeting were:

PHA Representatives and Residents

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

Researchers

- Larry Orr, Johns Hopkins University
- Stefanie DeLuca, Johns Hopkins University
- Mark Joseph, Case Western Reserve University
- Heather Schwartz, RAND Corporation
- Jill Khadduri, Abt Associates, Inc.

HUD Staff

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

Principal Deputy Assistant Secretary of HUD's Office of Public and Indian Housing Lourdes Castro Ramírez and Assistant Secretary of HUD's Office of Policy Development and Research Katherine O'Regan gave opening remarks. PDAS Castro Ramírez thanked members of the Committee and members of the general public for joining and participating. She noted the diverse composition of the Committee and expressed her profound gratitude for making time to attend the meeting. She emphasized the need for the Committee to dig in and focus on honing the various policy changes that will be proposed for the MTW expansion. She stressed the importance of the feedback from all members of the Committee.

Assistant Secretary O'Regan began by reminding members of the Committee that we have been charged by Congress to take the MTW expansion as an opportunity to learn. She highlighted the importance of the feedback from the meeting, and encouraged the Committee to reach specifics about the policies that are the best fit for MTW and how best to evaluate them. She urged the Committee to also specify

what research question HUD should be asking, and noted that this expansion will shape housing practices for years to come.

The DFO then introduced the proposed agenda, and pointed out that two additions have been made beyond the Committee's recommendations from the July conference calls. Specifically, sponsor based housing and housing polices for target populations like ex-offenders have been put on the agenda for the Committee's reconsideration. The DFO stated that HUD wants to continue the conversation on how to provide services for ex-offenders, domestic violence victims, former foster care children, and others into families and neighborhoods. These additions were made based on reactions to the July meetings from HUD leadership and by the public comments received on those subjects.

Reviewing the agenda, the Committee raised the issue of adequate time for discussion on three important issues: mobility, encouraging work, fungibility. It was also suggested that regionalization as a topic should be discussed alongside mobility rather than as a cost-effectiveness policy. Other Committee members questioned whether fungibility should or could be a policy study, given that it might mean placing parameters on fungibility which would be at odds with the principle of MTW.

II. Review of Guiding Principles

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

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

The Committee was invited to respond to these principles. One member wanted the Committee to be cognizant of the fact that PHAs with 6,000 units are not necessarily small or rural when discussing size of PHAs. The other wanted to know where the line is when it comes to what to study as opposed to how. The DFO reiterated the point that at the end of the two-day meeting, it is her hope that the Committee would arrive at a solid recommendation to HUD. Specifically, the Committee should plan on arriving at one or more specific policies to study and how best to study those policies.

The DFO then invited the two representatives from HUD on the Committee to make remarks before the discussion commenced. MTW Director Marianne Nazzaro talked about the statutory guidelines informing the expansion from 39 to 139 MTWs and detailed the classifications based on the size of a PHA as stipulated in the statute. She stated that MTW is about simplification, learning, and applying that knowledge. She continued that each MTW agency will have both a list of optional flexibilities and the

policy that studied as part of a research cohort. She also indicated that the HUD does not have a preconceived idea of the size and number of cohorts that will be studied, and part of the purpose of the meeting will be to inform this decision.

PD&R Associate Deputy Assistant Secretary Todd Richardson invited the Committee to consider that their task is to determine what question HUD should ask and how to answer it. In particular, the Committee should look at the “basket of ingredients” specified in the expansion statute (for example, the number and size categories of PHAs, the allowance for regional PHAs, and PHAs with Rental Assistance Demonstration Portfolios). He went on to provide some insight on the question of funding. The Committee member indicated that \$10 million has been requested for the evaluation of each policy cohort, which includes money for IT costs.

In response, the Committee wanted to know how additional agencies will be selected. HUD representatives on the Committee indicated that a solicitation notice will be published per cohort to bring in the additional PHAs, with the first selection notice currently scheduled for this year, though that is an aggressive timeline. Another member had a question on timelines for designation, and a HUD representative indicated 7 years. A discussion ensued about the nature of the designation. In other words, would an MTW designation be permanent? A HUD representative on the Committee indicated that designations are not permanent; current MTW agencies operate based on contracts with HUD. Current MTW PHAs are designated through 2028. The current thinking is that PHAs newly designated as MTW will operate over a similar timeline.

III. Public Comments

The Committee accepted comments from in-person and call-in attendees.

1. *Georgi Banna, NARHO*: Started by stating the importance of fungibility to the process. He also asked whether there is an alternate funding plan in case Congress fails to appropriate the \$10 million that the Department has requested.
2. *Gabrielle Van Horn, Yardi*: She encouraged HUD to engage PIC on this process. She also reiterated the point that \$10 million is not enough given the enormity of the task involved, especially when it comes to software upgrades that maybe required for participating PHAs to be successful. She cited examples of cost that PHAs incur through software patches just to accommodate changes of this nature. She advised that the Committee should be cognizant of the impact of this process on both participating and non-participating agencies.
3. *James Armstrong, PHADA*: Indicated that Committee members should speak into the microphone because participants in the audience could not hear them clearly. He feels that as the conversation on this expansion progresses, MTW should remain MTW and should not be changed into a hybrid situation. He advised that contract terms governing newly designated MTWs as part of this process should be consistent across the board.
4. *Sanford Riggs, Santa Barbara Housing Authority*: Indicated that he was encouraged that the expansion and surrounding discussion included small PHAs.
5. *Will Fischer, Center on Budget and Policy Priorities*: His comment centered on the fact that a lot could be learned from existing MTW agencies on fungibility, therefore it should not be a research

cohort. Also he advised that HUD should include how money is used by existing MTWs and make the data available to the public.

6. *Nicole Barrett, CLPHA*: She feels that the Committee should take a long view at the future of public housing and MTW as it discusses this expansion. She advised that the Committee strike a balance between large and small PHAs participating in the expansion. She is supportive of the use of sponsor-based housing. She feels that PHAs with 1,000+ units are big enough for interesting research.
7. *Anthony Scott, Durham Housing Authority*: Will there be an opportunity for PHAs to collaborate with local universities? These partnerships have been used among the current MTW agencies.

Committee Reactions

Apart from their collective reaction to the comments by the general public, individual members provided answers to specific comments for which they had experience or knowledge. Specifically, a Committee member indicated that her she has experience in collaborating with local universities within their jurisdiction, and she has found it quite helpful. The Committee also discussed the importance of learning from existing MTW PHAs on the software front. A Committee member advised that software should be forward-looking and proactive. Similarly, the Committee agreed that it is critical that baseline data are put in place. A member suggested that there should be an agreement in place to share data.

The Committee was unanimous on the issue of standard flexibilities and length of participation for all MTW agencies, however, they are of the conviction that flexibility would be key for MTWs to be successful in this endeavor. One member indicated that the Committee should be cautious of the smaller PHAs, given their size and budget, and the time it takes to adjust to MTW.

IV. Policy Discussion – MTW Statutory Objective #1 and #2: Reduce Cost in Federal Expenditures and Give Incentives to Families to Become Economically Self-Sufficient

The Committee begin the discussion of specific policies that could be studied by MTW expansion cohort, continuing their conversation from the July conference calls. Although the meeting agenda organized the policies loosely by MTW statutory objective, the Committee decided to streamline their discussion by merging the objectives in some cases.

1. Simplification of the Rent Calculation

The discussion on simplification of rent calculation began with an overarching question from a Committee member. How broad should the policy be, without impacting the evaluation? One Committee member advised that testing a more specific policy will be more useful to HUD. Allowing for broad variation makes it difficult to learn what works.

Turning to the calculation of rent, the Committee discussed the extent to which HUD should use the opportunity to study the big issues that underlie MTW and housing assistance in general. In that respect, rent reform might not rise to this level, especially given that there is a current research project looking at the policy. On the other hand, the current rent reform demonstration is only

testing one model in a small number of agencies. The Committee discussed the importance of defining the outcomes of interest to measure, such as the time spent doing certain tasks.

To start to narrow the policies in question, the DFO drew the Committee's attention to the discussion that occurred in July on rent simplification and indicated that it centered specifically on tiered, flat, and stepped-up rent. The Committee discussed how tiered rents, which might be worthwhile from the perspective of administrative efficiencies, still provide a disincentive to work similar to Brooke rents. Several members recommended, therefore, using part of the 50 PHAs under 1000 units to study rent simplification policies like stepped-up rents. The Committee also discussed whether regionalization is a more worthwhile policy area for study that could promote cost-effectiveness.

With respect to flat rents, members who represented PHAs including residents supported the idea generally. For one member, knowing that any advancement in a resident's income will trigger rent increase, no matter how small the increase income, was quite difficult. In her opinion, flat rent helped her on a path to graduate school and eventually homeownership. Another member indicated that there is a real tension in many policy areas between minimizing work disincentives and providing welfare benefits, such as rental assistance or food stamps, to those who truly need them. There is a need, in his opinion, to find that balance.

As much of the conversation was focusing on the complicated interaction between rent calculation and work incentives, it was agreed that the Committee should continue along these lines, potentially as part of a package of work incentives, modifying the agenda which had previously separated discussion of rent reform into two sections.

Continuing to discuss the policy specifics, different members espoused different models ranging from how to set rent without recourse to income (i.e., a totally flat rent) to an income-based rent with a high minimum. In Keene, New Hampshire, certain residents have their rents stepped up/subsidies phased out over time. The Committee discussed recent research that combined work requirement with high minimum rent in Atlanta and Augusta, Georgia. The Committee discussed the extent to which supportive services should play a role in these reforms. Committee members pointed out that PHAs do not operate in a vacuum and the local community needs play a role in what policies are feasible, making phased down subsidies a potential non-starter.

The Committee discussed whether rent bands have led to any administrative cost savings, given that PHAs still have to measure income in order to see in which band a tenant is located and to show ongoing eligibility. A PHA representative on the Committee indicated that Cambridge had indeed realized some administrative cost savings from rent bands. Other members advised that the Committee should put aside the idea that studying rent reform is of itself of value, and that we should not study rent reform for administrative cost saving. If we should study it, it should be tied to the impact it has on participants' decision making. The fact that many rent reform policies, like fewer income recertifications, are self-evidently cost effective supports this. The Committee discussed the possibility of studying rent reform, decision making of participants, and administrative cost through separate cohorts.

The Committee returned to the question of whether to study non-income based rent models. Some Committee members thought that since traditionally PHAs have done income-based rents

exclusively, this expansion provided an avenue to test the impact of non-income based rent models. It was the belief of the Committee that we need to know the impact of non-income based rent calculations, not necessarily because they are the right policy, but because we have to know its impact.

A Committee member floated the idea of allowing PHAs to innovate on rent models. This idea was supported by majority of Committee members, however, there were some disagreements. The minority's opposition was based on the grounds that making room for PHAs to innovate on rent models and testing it would amount to testing the innovative action and creative capacity of the PHA, not necessarily the specific rent model.

Next, the Committee looked at how best to study a rent reform initiative. The two main possibilities were studying different rent models within the same PHA, and testing rent models among like-size, like-capacity agencies. In the first model, tenants would be randomly assigned to two (or more) groups, with different rent models, while in the latter, the PHAs themselves would be randomly assigned. From a research standpoint, the former is highly preferable. One member indicated that it would be impractical and an administrative nightmare to test different models within the same PHA. On the other hand, two Committee members whose PHAs have different rent models within the same PHA indicated that their systems have worked quite well without the difficulty being predicted by other members. It was also emphasized that in any form of test, one group would simply be a "business as usual" or Brooke rent group, which should mitigate some of the challenges. The Committee also discussed "mixed-methods" research approaches, which might include extensive interviews and other qualitative work with housing practitioners and tenants to complement data analysis.

The Committee discussed the possibility of letting PHAs choose one of three rent models when applying for MTW status. The Committee was, overall, supportive of this idea. Noted challenges were that the limited size of each cohort might make analysis difficult if PHAs are further split into three "buckets". Additionally, such an approach might also limit the relevance of resulting research if there is selection bias, for example if an agency's motivation, energy, and leadership capacity drive outcomes more than the policy itself.

2. Work Requirements

The Committee's discussion on work requirements elicited a variety of feedback from members. Even though the general consensus was an agreement on studying work requirement, the question of what would a work requirement would entail and what would be tested was subjected to vigorous discussion. The Committee unanimously agreed that the elderly and the disabled should be excluded from all work requirements. A Committee member was of the opinion that the Committee should test something that they think might work, and not to test just for testing sake. As earlier noted, there was a general agreement to study work requirements, however, the question of method and what would constitute work requirement kept resurfacing in the Committee's deliberation on this subject. For example, a high minimum rent or phased out subsidies as already discussed also represent de facto work requirements.

With respect to how to evaluate a work requirement policy, the Committee generally agreed that within PHA randomized controlled trial would be difficult from a perspective of fairness across tenants. One member floated the idea that the Committee tests like-size and like-capacity MTW against its non MTW counterparts to determine the impact of work requirements. Another member intimated that the Committee should clearly define work requirements and also make the distinction between requirements and incentives. She cited her experience to buttress the importance of making that distinction. She indicated that she was incentivized to move from homelessness to homeownership, and not necessarily due to work requirements.

The Committee discussed work requirements on their own vs. studying work requirements in conjunction with time limits. Some members hinted that based on their experience, time limits for residents are not helpful. A member made the point that incentive programs usually lead residents to self-sufficiency instead of time limits. Another member posited that time limits imposes enormous stress on residents, who, usually are poor and lack the tools to meet time limit deadlines. She vehemently opposed the consideration of time limits. With the exception of a few, most members considered time limits unhelpful and believed that if residents are given the right support, they chart their own path to self-sufficiency instead of time limits. The majority of Committee members who opposed time limits were of the opinion that we cannot have a conversation about time limits without discussing the other things that make a person get to the stage where they can exit the program successfully. Other members raised the possibility of letting agencies choose whether they would apply time limits as part of other models, and not study time limits as a cohort on its own. This led to a discussion on the value of flexibility in MTW.

3. MTW Flexibility as a Cohort

Based on a recurring theme in many of the policy discussions, the Committee discussed the possibility of creating a new cohort that measures the impact of MTW flexibility itself. In this approach, HUD would solicit applications to MTW, and randomly select from those agencies who qualify. Over time, then, outcomes for the new MTW agencies would be compared to those agencies that were not selected. There was unanimous support for this idea of measuring the effects of MTW on small agencies. One benefit of this research approach would be that there would be fewer administrative costs compared to a household-level randomized controlled trial that required an ad hoc survey or tracking. Additionally, the effect of MTW flexibilities on small agencies is currently unknown as most current MTW agencies are medium-sized or large. The question that lingered was whether agencies that were not selected had any incentive to participate as control group for this particular cohort. The Committee deliberated about the number of PHAs that would be needed for an adequate evaluation of this cohort. After extensive deliberation, the Committee agreed to settle on 30 PHAs instead of the initial 50 proposed to study the impact of MTW. The possibility of agencies that are not selected for the initial cohort to re-apply for later cohorts was also discussed, with the Committee supporting allowing for this by keeping the “control group” sufficiently large.

4. Regionalization

The Committee discussed regionalization among PHAs and its potential as a research cohort. Some Committee members indicated that regionalization will be a difficult thing to do, and PHAs must be given time to cooperate and to decide which area of the statutory objective on which they would

regionalize. The question that permeated the discussion on regionalization is the extent to which agencies must cooperate to merit the designation ‘regionalize?’. In essence, what is regionalization for purposes of this expansion program? Even though a specific definition is not available due to the ambiguities in the statute, the Committee decided that regionalization could be thought of as a cohort for purposes of today’s meeting. One member wanted the Committee to focus on the link between regionalization and all the statutory objectives of MTW, including housing choice. It became clear to the Committee upon deliberation that regionalization needed more information.

In terms of evaluation methods, it was agreed that there was no way to randomly vary the policy change. Instead, a mixed methods or process study could be used. A Committee member also proposed studying regionalization by using comparative interrupted time series, in which the pre and post intervention trends are compared among agencies. This proposed methodology was approved by other members on the Committee as a competent tool for a regionalization study. However, the Committee noted that feasibility should be given prime consideration when agencies are trying to regionalize for this program.

5. Fungibility

The discussion on fungibility started with a member of the Committee asserting that we can study fungibility by studying the first 39 MTW PHAs. However, another member indicated that fungibility is core to MTW and we cannot study the MTW expansion without fungibility. The Committee agreed that fungibility is not a simple thing to study due to actual conditions that prevail on the ground. The DFO inquired of the Committee if we are studying fungibility separately or given that it is core to MTW we will study it as part of the previously proposed “effects of MTW” research cohort? A HUD representative on the Committee indicated that the existing MTW program was not set up to measure how funds are used, therefore, it is important we do that through this expansion process. Other members raised concerns about studying fungibility due to, in their opinion, the bias that exists among some that there is a “right way” for PHAs to spend money.

V. Public Comments

1. *David Nash, Ashville Housing Authority*: Spoke about the incentives of the current rent calculation, specifically that a minimum wage job will increase the required rent even though a tenant’s net pay from such a job will be very small.
2. *Gabrielle Van Horn, Yardi Systems*: She feels that grants are going to be critical when it comes to software because the money being mentioned as allocated for the program is woefully inadequate.
3. *James Armstrong, PHADA*: Talked about his misunderstanding of what constitutes regionalization. However, he appreciated the fact that regionalization was not discussed within the context of consolidation. Also he was of the opinion that assisted housing is in crisis and it is critical that MTW expansion is focused on housing principally and nothing else.
4. *Will Fischer, Center on Budget and Policy Priorities*: Feels that a cohort on MTW in general would be difficult as it is hard to make “apples to apples” comparisons.
5. *Nicole Barrett, CLPHA*: Feels that the Committee should look forward to the future of housing and look at housing as a connector of opportunities.
6. *Georgi Banna, NAHRO*: Supports considering place-based initiatives, and agrees that regionalization is not just about consolidation.

Moving to Work Research Advisory Committee

Friday, September 2, 2016 Meeting Notes

I. Welcome

HUD Secretary Julián Castro offered welcoming remarks on Day 2 of the in-person meeting. He stated that he looks forward to the Committee's recommendations and stressed the real world importance of the Committee's work in informing policies that improve people's lives.

PHA Representatives and Residents

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

Researchers

- Larry Orr, Johns Hopkins University
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- Mark Joseph, Case Western Reserve University
- Jill Khadduri, Abt Associates, Inc.
- Heather Schwartz, RAND Corporation

HUD Staff

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

II. Recap of Day 1

Marianne Nazzaro gave a recap of day 1 of the meeting. She thought that much of the discussion was productive, especially with respect to addressing the tensions within MTW and thinking creatively about how to design a selection cohort. She noted the Committee's support for looking at a rent reform policy while recognizing the desire for studying something substantial given the current demonstration. The Committee had arrived at a proposal to look at tiered rents, stepped up rents, or flat rents. The Committee discussed, but was less committed to, work requirements or time limits, either on their own or in conjunction with rent reform policies. In policies related to self-sufficiency, she reiterated the Committee's belief that incentives seemed more feasible than requirements. She noted the Committee's focus on determining outcomes to study, and how for a given policy there may be more than 1 unrelated outcome, like the effects on families vs. the cost efficiency to the PHA. She reviewed the discussion of evaluation techniques, including random assignment of households within a PHA vs.

the random assignment of PHAs themselves. She discussed the proposal to look at the effect of MTW status itself on small PHAs and the Committee's support for this idea. She noted the many outstanding questions with respect to regionalization and the difficulty in comparing like regions. On the subject of fungibility, she described the possibility of a study across all agencies, documenting what money is used and why.

Designated Federal Official Laurel Davis invited the Committee to react to the recap with their thoughts on the previous meeting's highlights. The possibility of a follow up call, since this is the last scheduled meeting of the advisory Committee, was also raised.

In responding to the comments on fungibility, the Committee noted the importance in being able to examine opportunity costs. The Committee also discussed how qualitative analysis, longitudinal work, and interviews were mentioned as important evaluation techniques. The Committee stressed the importance of locality, especially in determining an agency's ability to adopt potentially controversial policies. Also with respect to work requirements and time limits, even though they would not be right for many agencies, there was the belief that they should still be available. The Committee noted that these policies are frequently proposed by policy makers and that might make them worthwhile research subjects. One Committee member asked what current policies were in place in these areas and any research, and the Committee discussed the Abt Innovations report. The Committee discussed the need for a proactive posture from HUD in making a research mandate and having a careful research design, especially in cases where there are control groups.

III. Policy Discussion – MTW Statutory Objective #2: Give Incentives to Families to Become Economically Self-Sufficient

1. Strategies for the Reintegration of Individuals to their Family or Household

The Committee began by discussing what the research question would be on re-integration. Is the Committee going to ask if it is prudent to allow ex-offenders to come back to public housing? A majority of the Committee members were of the opinion that it would be better to formulate a research question that captures all people that fall in the category of re-integration. Singling out one specific group, in their opinion, was not helpful.

A resident representative on the Committee cited programs she had knowledge of (Prop 46) in California where ex-offenders are allowed to change their felonies to misdemeanors, and encouraged that Committee to pursue re-integration due to its numerous benefits. Further, it was noted that reunification is an important subject because it is part of the reality facing many families, whether it is allowed under current policy or not. The Committee discussed the extent to which MTW is the appropriate medium to study re-integration, that is, what MTW flexibilities are required. Some potential policies are short-term housing, housing with service requirements, sponsor-based housing, and waitlist policies. The Committee also asked what specific population would be studied. Are we studying ex-offenders, homeless vets, victims of domestic abuse, or the elderly? The Committee weighed the options of studying these populations together or separately, and deliberated on the pros and cons of either option. The Committee noted that there may be very different research questions and corresponding research designs depending on the population. Some members posited that the Committee's purpose will be better served if they studied how to

use public housing as a vehicle for educational and healthcare access as opposed to these populations identified. The Committee upon further deliberation unanimously agreed that re-integration is not a high-priority research cohort.

2. Health and Education

The Committee shifted its focus to discussing housing as a platform for access to health and education. The Committee discussed the experience of the Tacoma Housing Authority in a program designed to reduce school turnover. A member indicated that there isn't much information on the subject of housing as a platform for access to health and education. She therefore advocated that the Committee focus on capturing placed based initiatives. The DFO proceeded to open the floor for public comments.

IV. Public Comments

1. *Leslie Schmeltzer, Akron Metropolitan Housing Authority*: Feels the policy discussion so far has been too prescriptive in what it will allow MTW PHAs to do. Also would like to know the schedule for the rollout as soon as possible.
2. *David Nash, Asheville Housing Authority*: Indicated that rent reform is necessary due to the current disincentives of work in the current calculation. We are taxing our residents at 30% for getting a job. The kids are learning how to manage this social system. To change it we have to change the structure.
3. *Gabrielle Van Horn, Yardi Systems*: Atlanta does a third party referral in their work requirement program. They have automated incentives for work requirement; residents meet their work requirement are allowed to recertify biannually. This is an incentive. Separately, rent reform is rarely one single policy, it is frequently a basket of changes.
4. *James Armstrong, PHADA*: The Committee should keep incentives on rent reform on the table instead of work requirements. He inquired if MTW really is the right platform to address re-integration. In his opinion, the Committee should focus on new knowledge.
5. *Anthony Scott, Durham Housing Authority*: Made an observation that not a whole lot has been said about what MTWs have done this far. Has the success of MTW been factored into this discussion?
6. *Georgi Banna, NAHRO*: We should look at some of the things that HUD is doing to take housing to the next level through flexibility, such as vouchers to homeownership.
7. *Nicole Barrett, CLPHA*: Encouraged the Committee to include housing as a platform for accessing health and education.

Committee Reactions

The Committee addressed the comments by the general public; however, it noted that even though all questions were worthy, it was focusing on those that intrinsically affect MTW given the limited size of the expansion. With respect to the comment on the prescriptive nature of the policies, HUD clarified that new MTW PHAs will receive other flexibilities beyond the specific policies of a research cohort. The Committee made it clear that it agrees HUD should highlight the successes of MTW.

V. Policy Discussion – MTW Statutory Objective #3: Increasing House Choice

1. Project-Based Vouchers (PBV)

A majority of the Committee members were of the opinion at the outset of discussion that PBV would be interesting to study. A member of the Committee intimated that PBV is a good cohort idea under two circumstances; either the Committee is trying to preserve housing stock or providing housing for underserved population. In describing how MTW agencies are currently using PBV flexibilities, a member indicated that PBV has allowed PHAs to place families in high opportunity neighborhoods where tenant based vouchers cannot compete. Similarly, PBV use can be a tool in creating affordable housing by making Low Income Housing Tax Credit applications more competitive for developments with committed PBVs. To Committee members who are representatives of PHAs, PBV is an important tool that needs to be studied. The goal is to provide affordable housing (PBV) throughout a community. The Committee believes that cities are changing fast and PBV is a platform for PHAs to keep families in those neighborhoods before they are priced out. The Committee also deliberated on the impacts on tenant based vouchers in areas that are increasingly becoming PBV.

The Committee also discussed the idea of lifting PBV cap and the effect that would have on housing. The Committee took a holistic view on PBV including preserving housing choice, opportunity areas, and responding nimbly to changing neighborhoods. The Committee noted that there might be distinct research questions with respect to the cap on overall vouchers in a PHA's portfolio and the site-specific cap. Although these are the major MTW flexibilities, there is also the ability for administrative streamlining such as waiving requests for proposals when creating new development.

A member advised that the Committee should also consider studying what communities choose to use PBV and why? The discussion on whether to make PBV a cohort failed to produce a unanimous agreement. Those who opposed PBV as a cohort were of the conviction that MTW expansion is not the appropriate medium for studying PBV. The Committee also discussed making the effect of PBV flexibility a cohort. The Committee discussed the difficulty of structuring an evaluation framework to look at project-based vouchers, since the outcomes of interest (such as number of affordable units) occur at the community level, making comparisons across time and geographic location difficult. An approach would be PHAs to apply with a specific proposal for PBV flexibility providing some form of a baseline to evaluate. Overall, the Committee agreed that studying PBV is important but the research question to study it needs to be better defined.

2. Sponsor Based Housing

The question of sponsor based housing as a cohort was previously discussed by the Committee in its July meeting, and the Committee continued that discussion. The Committee indicated that their concern with sponsor based housing was premised on the capacity of small PHAs to do sponsor based housing, especially as newly designated MTW agencies. Members of the

Committee who have experienced sponsor based housing took time to brief other members and the general public on the different types of sponsor based housing programs they run at their respective agencies.

A member of the Committee suggested a research question to be studied under this cohort. Does sponsor based housing provide resources (services) that would otherwise have been provided by other local entities? The value of a sponsor itself came up for discussion. In other words, what difference does a sponsor make in the transaction between an agency and a client?

The Committee discussed the methodology to use to study sponsor based housing if it were to be a cohort. A Committee member suggested comparing sponsored participants to regular vouchers to see if there are any differences. The Committee discussed the possibility of using participants who were unable to be placed in sponsor's care as the control group. The deliberation on methodology led the Committee to consider possible ethical issues that may arise if those on waiting list are used as control, because essentially they would have to be denied entry in order to have a stable control group. Logistical issues of actually monitoring non-participants were also discussed. There was a proposal that homeless individuals who receive services from an MTW PHA could be compared against individuals from non-MTW PHAs who operate in the same Continuum of Care area, using that program's administrative database.

The Committee was split in opinion on the idea of sponsor based housing emerging as a cohort, and a majority were of the opinion that sponsor based housing is being done by non-MTW PHAs and as such would not be prudent use of resources.

3. Landlord Incentive Programs

The next policy discussion was on landlord incentive programs. The Committee debated whether to study landlord incentives in isolation or it should be studied as a part of another cohort. The discussion centered on how to deal with Housing Quality Standard (HQS) issues and still incentivize landlords to enter and stay in voucher programs. A member of the Committee shared her experience on how her PHA used tiered HQS programs to incentivize landlords to enter and stay in the program. If a landlord gets an excellent score in HQS, inspection at that home is done every other year. The Committee discussed the extent to which landlord-PHA relationships matter independent of policy reforms, and how many small landlords want to participate in the Voucher program if they feel like they are receiving adequate service and responses to their needs.

Similarly, the Committee deliberated on Fair Market Rent (FMR) and its impact on accessing high opportunity areas. The Committee deliberated on landlord incentives within the context of Small Area FMR (SAFMR). MTW PHA representatives discussed their experience using alternate payment standards. A member of the Committee proposed that the conversation should be steered away from SAFMR because there is already a demonstration on it. He proposed that the Committee focused on the following areas:

- Payment Standards (flexibility)
- Tiered HQS
- Signing on Bonus

- Housing Search Support/Mobility Counseling
- Mini Loan for Landlords
- Improved Customer Service to Landlords

The Committee discussed the option of bundling these policies and studying them together. The Committee deliberated on whether to allow PHAs to choose a set of bundles they prefer or the Committee should require that all the identified elements be present in the bundle. The Committee agreed unanimously on landlord incentive programs as a cohort and also agreed that agencies would be allowed to select their preferred bundle to study, though there was also support for making sure that mobility counseling was tested if it did not otherwise emerge as a policy that agencies adopt.

4. Rental Assistance Demonstration (RAD)

The Committee discussed the potential for a cohort based on RAD. This was raised because of the requirement in the expansion statute that 5 PHAs selected in to the MTW Demonstration also have a portfolio RAD award. However, it is not immediately clear what the statute means, i.e. must an agency have a portfolio that is fully converted or still in the pipeline? The Committee agreed that RAD is not to be selected as a cohort as part of this MTW expansion. Instead, it is likely that the statute can be satisfied through selecting agencies with RAD into the other cohorts.

VI. Public Comments

1. *Lisa Sloane, Tech Assistance Collaborative*: Feels it is important to consider Fair Housing concerns in sponsor-based housing. Disabled tenants should not be forced to waive or otherwise lose protections.
2. *James Armstrong, PHADA*: Indicated that choice should be the focus. We must be cognizant of the fact that mobility is different from choice. The process of consulting with the Committee should be ongoing beyond this meeting. What is regionalization and what is sponsor based housing, and which model would fit? The idea of mashing out regionalization and mobility should not go beyond this room.
3. *Anthony Scott, Durham Housing Authority*: wanted to underscore the importance of landlord incentives. However, the process is a disincentive and should be addressed. How do we get landlords to be part of this process and stay?
4. *Andrea Juracek, Housing Choice Partners*: Feels that apart from the reasons already discussed, regionalization could be studied as an avenue for Affirmatively Furthering Fair Housing. Landlord incentives and payment standard flexibilities are also important. It is important to consider housing quality when looking at payment standards.
5. *Nicole Barrett, CLPHA*: Hopefully the Committee stays in contact and continues the discussion beyond the meeting.
6. *Georgi Banna, NAHRO*: Supports the idea of studying MTW flexibility via a cohort, however, also feels that not all the small PHAs should be selected. The policies should be done initially and then the methodology can be mapped out with time.

7. *Kate Bennett, Boston Housing Authority:* there are a lot of PHAs that are waiting for the MTW door to open. The ability to get more agencies through the door as early as possible is important. Early designation will be a welcoming idea.

VII. Committee Policy Prioritization Summary

The Committee closed its meeting by reviewing its discussions and framing them as recommendations to HUD, preparing the following list of policies, methods, and rankings of importance. The following table summarizes the recommendations.

<u>Policy to Test</u>	<u>Research method</u>	<u>Sense of the Committee</u>
MTW Flexibility for PHAs with fewer than 1,000 combined units	For the cohort, invite PHAs under 1,000 combined units to apply for MTW flexibility. Of those agencies that meet the program requirements (such as high performing), randomly select 30. Compare those 30 to the likely 30 or more agencies that met the qualifications but were not selected.	Number one priority cohort; all Committee members supported as a cohort
<p>Rent Reform. Under this cohort, MTW agencies would be given three rent structures to choose from that they would be willing to have studied: stepped-up rents, flat rents, or income based tiered rents. They would also be allowed to include time limits or work requirements provided they had a viable service strategy.</p> <p>Work Requirement and/or Time Limits Only. As part of the discussion, the Committee discussed having a cohort evaluate only work requirements and/or time limits (with no alternative rent options)</p>	Agencies would be required to randomly assign among the target population(s) those receiving the new rent structure and those continuing to receive the Brooke Rents.	<p>Second priority cohort(s); not all committee members supported this (residents). Significant concerns about time limits and work requirements in particular.</p> <p>Some Committee members expressed interest in a cohort studying work requirements only (with no alternative rent policy); most Committee members were <u>not</u> in favor of studying time limits only.</p>

<p>Landlord Incentives. If granted MTW authority agencies would agree to utilize MTW flexibilities that might increase landlord participation. Agencies could propose some combination of payment standard flexibility, case incentives to landlords, less frequent inspections, or similar.</p>	<p>Similar to the small agency study. This cohort would be available to 20 PHAs. Of all the PHAs that apply and offer acceptable proposals, 20 will be selected randomly with the other agencies not selected serving as a control group.</p>	<p>All Committee members supported this for a cohort. No priority rank.</p>
<p>Project Based Voucher Flexibility. For non-MTW agencies there are very significant limitations on use of PBV. Providing greater flexibility has large policy implications.</p>	<p>Local market dynamics make this a difficult intervention to study impacts; but at a minimum HUD should improve the data it is collecting related to it for both new and existing MTW PHAs.</p> <p>It seems likely that the Urban Institute will be studying PBV flexibility among the existing PHAs.</p>	<p>Important, but research needs to be better defined, and could be evaluated using data from the existing 39 MTW PHAs. All Committee members supported as a priority, either by studying the existing 39 MTW PHAs or as a cohort. No priority rank</p>
<p>Sponsor Based Housing.</p>	<p>Given the challenges in identifying a specific population and method of sponsor basing, this currently only has data collection and case studies as a viable research strategy. There is not yet a defined impact evaluation.</p>	<p>Important, but research needs to be better defined. Committee members split on this as a cohort.</p>
<p>Regionalization (as defined in the 2016 Appropriations Act).</p>	<p>Statute requires regionalization to address housing choice and efficiencies. Many questions remain: (i) how HUD might implement the regionalization requirements in the statutory language; (ii) how one defines regionalization – working together vs. merging operations completely; and (iii) to what extent is regionalization already occurring?</p>	<p>The Committee felt this to be an important policy requiring additional information from HUD.</p>
<p>Mobility</p>		<p>The Committee felt this to be an important policy requiring further discussion. Researchers raised this as a cohort of interest.</p>

<p>Place Based Models</p>		<p>The Committee felt this to be an important policy requiring further discussion. PHAs expressed interest in a cohort on place-based strategies if there is a cohort on mobility</p>
<p>RAD. The FY16 appropriations act requires 5 of the new MTW PHAs to have portfolio-wide RAD awards. The Committee discussed the need to have a cohort specifically for these PHAs.</p>		<p>The Committee felt that there should not be a cohort specifically for portfolio-wide RAD PHAs; rather, these PHAs could be included throughout the cohorts.</p>

The recommendation for examining place-based policies was a point raised during the discussion on mobility. The Committee felt overall that more time was needed to examine this as a potential policy intervention.