



Evaluation of the Moving to Work Flexibility Cohort:

First Year of MTW Eligibility



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Evaluation of the Moving to Work Flexibility Cohort: First Year of MTW Eligibility

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Prepared by
Tanya de Sousa, Judy Geyer, Larry Buron, Laura Peck, and Keely Stater
Abt Associates

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Foreword

Moving to Work (MTW) is a demonstration program for public housing agencies (PHAs) that provides them the opportunity to design and test innovative, locally designed strategies that use federal dollars more efficiently, help residents find employment and become self-sufficient, and increase housing choices for low-income families. MTW allows PHAs exemptions from many existing public housing and voucher rules and provides funding flexibility with how they use their federal funds. PHAs in the MTW demonstration have pioneered a number of innovative policy interventions that have been proven to be successful at the local level and subsequently rolled out to the rest of the country's PHAs. In 2016, Congress directed the U.S. Department of Housing and Urban Development (HUD) to expand the MTW demonstration by 100 agencies, with an emphasis on ensuring that the expansion included rigorous evaluation of the innovative ideas made possible by the MTW flexibilities. As of early 2023, 126 PHAs nationwide have been granted MTW designation.

This report describes the first year of MTW designation for the PHAs participating in the initial cohort of the MTW expansion. This cohort, known as the "Flexibility Cohort," includes 31 "smaller" high-performing PHAs, each administering 1,000 or fewer combined public housing and Housing Choice Voucher units. The research with this first cohort aims to understand how MTW regulatory flexibilities impact smaller PHAs and the households they serve.

This report is the second of a series of five annual evaluation reports that will track the progress of the Flexibility Cohort. The first report, titled the PHA Baseline Report, was based on data collected in Spring 2021, shortly after the PHAs had been selected for MTW agencies. It explored PHA motivations for participating in MTW and the ways in which the PHAs planned to use the flexibilities afforded through their MTW designation to improve program operations for tenants.

In this second report, based on data collected 1 year later, the PHAs share their experience of onboarding to the MTW program. They describe how they worked to right-size their ambitious plans for MTW into a reasonable set of policy priorities to tackle in their first year as an MTW agency.

The PHAs that are part of the Flexibility cohort acknowledged the challenges of navigating the multi-stepped MTW onboarding process while simultaneously continuing to run high-quality programs (and dealing with ongoing issues related to the COVID-19 pandemic). Even so, these challenges have not dampened their enthusiasm for MTW. By the end of the data collection period for this report, 11 of the 31 PHAs in the Flexibility Cohort were beginning to make use of the MTW flexibilities, setting the stage for additional study in later years. These agencies are evaluating eligibility reexamination schedules, streamlining the process for examining income, and changing the requirements calculating utility payments, among other flexibilities and policies enabled by their participation in the MTW program.

This progress is an exciting development for the Moving to Work program. Because these 31 PHA are just beginning their tenure as new MTW agencies, this report is largely descriptive in nature. Even so, it describes the exciting set of innovative ideas and sets the stage for future outcomes reports. We see a set of PHAs with big visions to improve their administrative efficacy

and meet the needs of tenants. HUD looks forward to learning from their progress in the coming years.

A handwritten signature in black ink, appearing to read "Solomon J. Greene". The signature is fluid and cursive, with a large initial "S" and "J".

Solomon J. Greene
Principal Deputy Assistant Secretary for Policy Development and Research
U.S. Department of Housing and Urban Development

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Executive Summary

Moving to Work (MTW) is a demonstration program of the U.S. Department of Housing and Urban Development (HUD) that gives public housing agencies (PHA) statutory and regulatory flexibility. MTW PHAs also get funding flexibility that allows for them to use funds provided for public housing and the Housing Choice Voucher (HCV) Programs for any allowable use under either program, as well as for local, non-traditional activities. The demonstration program aims to test whether this flexibility achieves the MTW Program’s statutory objectives, which are to increase the *cost-effectiveness* of Federal housing programs, encourage greater *self-sufficiency* of households receiving housing assistance, and increase *housing choices* for low-income families.

The MTW Demonstration was originally authorized in 1996. In 2016, the U.S. Congress directed HUD to expand the MTW Demonstration by 100 PHAs and required HUD to set aside 50 slots for “smaller” PHAs, defined as agencies administering 1,000 or fewer combined HCV and public housing units. At that time, 39 PHAs already had MTW designation, and only 1 had fewer than 1,000 units. HUD is adding the 100 new MTW PHAs to the demonstration in cohorts, with each cohort testing a different policy change.¹

MTW Flexibility Cohort. The first cohort of the MTW expansion—the subject of this report—was limited to smaller PHAs that were “high performers” under either the Public Housing Assessment System or the Section 8 Management Assessment Program on selection (and not “troubled” under either). For this cohort, HUD determined that the MTW policy focus was to observe how smaller PHAs choose to use the full array of MTW flexibilities and the impact these flexibilities have on the PHAs and the assisted households. Thus, this cohort tests the overall impact of MTW flexibility at smaller PHAs.

The evaluation of this cohort includes both a *process study* and an *impact study*. The goal of the evaluation is to answer two questions:

- How do smaller PHAs use their MTW flexibility?
- What are the impacts of MTW flexibility on smaller PHAs and their residents?

Forming the Flexibility Cohort. HUD released a selection notice for the MTW Flexibility for Smaller PHAs Cohort in October 2018. Forty-three PHAs completed the initial letter of interest process in 2018–19 and met the eligibility requirements for this first cohort of expansion PHAs. HUD randomly assigned the 43 PHAs into either a treatment group (33 PHAs) or a control group (10 PHAs). The 33 treatment PHAs were invited to apply for MTW designation. The 10 control PHAs were not offered that opportunity but were eligible to apply to future cohorts. These 43 PHAs comprise the randomized control trial (RCT) sample for the experimental impact analysis. In the experimental analysis, the control group’s outcomes will be interpreted as the outcomes the treatment group would have had in the absence of being invited to apply for MTW designation, thus the difference between the treatment and control groups’ outcomes is the impact of being offered MTW designation.

¹ See Section 239 of the Consolidated Appropriations Act, 2016 (Public Law 114-113).

By the close of the application period, 31 of the 33 treatment PHAs had completed their applications successfully. In January 2021, HUD offered MTW designation to these 31 PHAs, forming the MTW Flexibility Cohort.²

Focus of This Report (Process Study). This report focuses on those 31 Flexibility Cohort PHAs during their first year of MTW designation, detailing the administrative steps they had to follow before they could move forward with policy and programmatic changes made possible by MTW flexibility. The first step is an amendment to each PHA's Annual Contributions Contract (ACC) through which HUD provides funding for the public housing and HCV programs. That amendment makes a PHA an MTW agency and allows the PHA to use the funding streams flexibly. The PHAs can move funds authorized for public housing operating costs, public housing capital costs, HCV administrative costs, and HCV housing assistance payments (HAP) costs across those spending categories for any allowable use under either program, as well as for local, non-traditional activities. The second step is completing the MTW Supplement to the PHA's Annual Plan. The Supplement details the MTW activities the PHA proposes to implement during the following year that require MTW waivers. Following HUD approval of the Supplement, the PHA may implement those MTW activities.

This report covers the Flexibility Cohort's early plans for using MTW funding flexibility and implementing MTW activities that require MTW waivers and begins to answer the research question about how smaller PHAs use their MTW flexibility. These early findings of the process study are based on MTW Supplements for 11 PHAs that HUD had approved Supplements by the end of April 2022 and on interviews with 30 of the 31 Flexibility Cohort PHAs conducted from February through April 2022.

Outcomes in 2020 and 2021. This report also presents changes from 2020 (baseline year) to 2021 (first year of MTW eligibility) in the outcome measures that will be used to estimate impacts in future reports. Those measures are not estimates of impacts. Instead, they provide context for what might change as the Flexibility Cohort implements MTW funding flexibility and activities associated with MTW waivers. The analysis is for the full RCT sample, combining all 33 PHAs in the treatment group with the 10 PHAs in the control group.

Key Findings from This Report

Only 19 PHAs had fully executed MTW ACC Amendments in the first 6 months of 2021, but all had done so by February 2022.

A PHA officially becomes an MTW agency when the MTW ACC Amendment is fully executed. Once executed, the PHA can use the MTW funding flexibility at the start of the next month. PHA staff reported that the MTW ACC Amendment process was not difficult, but many intentionally delayed the submission of their Amendment to align their MTW designation with the start of their new fiscal year to simplify required financial reporting.

Seven PHAs reported using MTW funding flexibility since being designated MTW agencies.

PHAs reported using their MTW funding flexibility to hire an MTW coordinator to help oversee and implement MTW activities and reporting requirements, to pay outstanding bills or service

² For analytical reasons, the other two PHAs remain in the sample of treatment PHAs to be compared with control PHAs in the impact study.

debt, or to fund incentives for landlords to participate in the HCV program or for residents to meet their work goals. All but four PHAs plan to use MTW funding flexibility in the future.

Many PHAs reported that deciding what activities to seek approval for in the first year and developing the MTW Supplement took more time than expected.

PHA staff reported that narrowing their broad vision for MTW into a realistic set of activities was challenging, as was prioritizing which activities should happen before others. Some of these smaller PHAs faced limited staff capacity, staff turnover, and absences during the COVID-19 pandemic. By the end of April 2022, HUD had approved an MTW Supplement for 11 of the flexibility cohort PHAs and was reviewing MTW Supplements submitted by 7 additional PHAs.

Many PHAs plan to use MTW waivers to reduce administrative tasks and simplify program experiences for residents.

Eight of the 11 PHAs with approved MTW Supplements plan to use waivers to simplify the process for reexamining the income used to calculate a resident's share of rent by making reexaminations less frequent or increasing the dollar value of assets that can be self-certified. PHAs that do not have approved Supplements reported similar plans during interviews, as well as plans to simplify standard deductions and make alternative income exclusions.

Four PHAs with approved waivers for the first year will make changes to implementing the HCV program's housing quality standards (HQS)—for example, moving to triennial inspections for units that have a history of passing inspections, prequalifying units within 90 days of a move-in, or removing the third-party requirement for inspecting units the PHA controls. Of the 19 PHAs that were interviewed and that did not yet have approved Supplements, 11 reported plans for similar changes to the HQS process.³

Another relatively common change under way at four PHAs with approved Supplements and eight additional PHAs in the planning phase is simplifying the schedules that control the amount a resident is estimated to pay for utilities when determining the resident's share of rent. In addition, four PHAs with approved MTW Supplements will stop reimbursing residents when the costs of utilities are greater than a tenant's share of rent—a policy change that will reduce the per unit costs of the HCV program but may increase housing cost burdens for households with little or no income.

A few PHAs either have approval for or are hoping to make more fundamental changes to the design of their housing assistance programs.

Of the 11 PHAs with approved MTW Supplements, 4 have approval to implement a work requirement, typically requiring at least one nonelderly, nondisabled adult per household to work 15 hours a week. Of the 19 PHAs without approved supplements, only 1 has plans for a work requirement. However, three of these PHAs are planning to use stepped rents, a practice that gradually increases a resident's rent payment over time, even if their income does not increase. Only one PHA is planning a term limit for nonelderly, nondisabled households; under this term-limit policy, housing assistance would last 7 years, during which the PHA would provide services to help the families become self-sufficient.

³ Although the Flexibility Cohort has 31 PHAs, 1 of them was unavailable to complete an interview with the evaluation team and did not have an approved MTW Supplement as of April 2022. That PHA is not included in the analysis conducted for the process study.

Eleven of the PHAs have already converted some of their tenant-based vouchers into project-based vouchers, and 8 of the 11 PHAs plan to use their MTW flexibility to increase that practice. Another eight PHAs plan to start administering project-based vouchers in the future.

Several PHAs hope to improve the performance of their HCV Program through policies that have cost implications.

Of the 19 PHAs without approved MTW Supplements, 8 reported plans for landlord incentives. Of the 11 PHAs with approved MTW Supplements, 3 received a landlord incentive waiver. The most common incentives were paying damages for voucher households and providing a signing bonus for new landlords. For many of the PHAs, the damage payment is limited to situations in which the landlord leases the unit to another voucher household. Ten PHAs (3 with approved waivers) plan to increase the payment standard to 120 percent of fair market rent (FMR) rather than the 110 percent of FMR permitted already. One PHA plans payment standards as high as 150 percent of small area fair market rents.

Most PHAs are delaying MTW activities that are more complex and staff intensive to future years.

For example, some PHAs intend to implement new Family Self-Sufficiency programs but are delaying implementation until staff have had time to design the program and make the needed changes to administrative processes.

The main outcomes to be observed in future impact studies—cost-effectiveness, self-sufficiency, and housing choice—did not change significantly between 2020 and 2021.

The primary outcomes of interest—*PHA costs per household per month*, *average household earnings*, and *percentage of HCV households living in a low-poverty neighborhood*—did not change significantly between 2020 and 2021 for the RCT sample of 43 PHAs. In addition to comparing outcomes between treatment and control PHAs for these three confirmatory outcomes in future years, the evaluation will estimate the impacts for many other exploratory outcomes. Among the exploratory outcomes, a noticeable change was in the *employment rate* between early 2020 and late 2021. The average employment rate among adults in nonelderly, nondisabled households in the treatment and control PHAs was 63 percent in the first quarter of 2020 (the onset of the COVID-19 pandemic was at the end of this quarter). It had not recovered as of the third quarter of 2021, when it was 56 percent—a large and statistically significant difference. Because of this evaluation’s experimental and impact study design, the evaluation team will be able to estimate the impact of MTW designation irrespective of external events such as influence of the COVID-19 pandemic.

1. Introduction

Moving to Work (MTW) is a demonstration program of the U.S. Department of Housing and Urban Development (HUD) that gives public housing agencies (PHAs) statutory and regulatory flexibility to test ways to achieve the MTW program’s statutory objectives of increasing the *cost-effectiveness* of federal housing programs, encouraging greater *self-sufficiency* of households receiving housing assistance, and increasing *housing choices* for low-income families. In addition to this statutory and regulatory flexibility around practices and policies, MTW PHAs also get funding flexibility, letting them use their allocated funding for the Housing Choice Voucher (HCV) and public housing programs for any allowable use under either program, as well as for local, non-traditional activities.

The MTW Demonstration was authorized in 1996. In 2016, Congress directed HUD to expand the MTW Demonstration by 100 PHAs and required HUD to set aside 50 slots for “smaller” PHAs, defined as agencies administering 1,000 or fewer combined HCV and public housing units. At that time, 39 PHAs already had MTW designation, and only 1 had fewer than 1,000 units. HUD is adding the 100 new MTW PHAs to the demonstration in cohorts, with each cohort testing a different policy change.⁴

The first cohort of the MTW expansion—the subject of this report—is limited to smaller PHAs that were “high performers” under either the Public Housing Assessment System (PHAS) or the Section 8 Management Assessment Program (SEMAP) upon selection (and not “troubled” under either).⁵ For this cohort, HUD determined that the MTW policy focus would be to observe how smaller PHAs choose to use the full array of MTW flexibilities and the impact these flexibilities have on the PHAs and the assisted households. Thus, this cohort tests the overall impact of MTW flexibility at smaller PHAs and is referred to as the “Flexibility Cohort.”

This report covers the planning and implementation of the Flexibility Cohort’s MTW activities in the first year after being offered the opportunity to become MTW agencies in January 2021. It details the PHAs’ plans for early use of MTW flexibility. The evaluation of this first cohort will continue for another 3 years, documenting how they use their MTW flexibility as they gain experience with the program and measuring impacts after the PHAs have implemented MTW activities.⁶

The rest of this chapter provides an overview of the evaluation design and explains the status of the Flexibility Cohort PHAs at the end of April 2022. Chapter 2 describes the MTW Annual Contributions Contract (ACC) Amendments that control whether the PHAs can begin to use MTW *funding flexibility* and the PHAs’ plans for implementing that flexibility. Chapter 3 describes the Flexibility Cohort PHAs’ plans for using MTW waivers and associated activities to implement *statutory and regulatory flexibility* during the first year they have MTW authority.

⁴ Section 239 of the Consolidated Appropriations Act, 2016 (Public Law 114-113).

⁵ For more information about PHAS, see <https://www.hudexchange.info/sites/onecpd/assets/File/PHA-Lead-the-Way-Understanding-PHAS.pdf>. For more information about Section 8 Management Assessment Program, see https://www.hud.gov/program_offices/public_indian_housing/programs/hcv/semaph.

⁶ The *Baseline Report* (Geyer et al., forthcoming) documents the characteristics of the PHAs and their tenants prior to the PHAs’ designation as MTW and their participation in the evaluation. It explores PHAs’ motivations for participating in MTW. It presents baseline measures of the outcomes that will be used to measure impacts in future analyses.

The chapter highlights planned activities, both for PHAs whose plans are approved (captured in MTW Supplements) and for PHAs with Supplements still in process at the end of April 2022.

Chapter 4 presents the outcome measures for the Flexibility Cohort PHAs that the evaluation will use to estimate the effect of the intervention for the program’s three statutory objectives: cost-effectiveness, self-sufficiency, and housing choice. It presents definitions and values from the PHAs’ baseline year (pre-MTW) and from their first year of MTW participation (that is, 2020 and 2021) as context for the potential future impact of MTW designation for these smaller PHAs. Chapter 4 focuses on the study’s three confirmatory outcomes, judged to be the best single measure of whether Treatment PHAs have achieved that statutory objective. Exploratory outcomes providing a more complete picture of the potential impact of MTW are mentioned briefly in Chapter 4 and presented more fully in the appendix.

Chapter 5 provides some recommendations and lessons learned from the PHAs in their first year as MTW agencies.

1.1 Evaluation Design and Data Sources

The goal of this evaluation is to answer two questions.

- How do smaller PHAs use their MTW flexibility?
- What are the impacts of MTW flexibility on smaller PHAs and their residents?

The evaluation of the Flexibility Cohort includes both a process study and an impact study. This chapter describes the study samples, process study, impact study, internal and external validity analysis, and data sources. The *Research Design/Data Collection and Analysis Plan* (Turnham et al., 2021) and *Baseline Report* (Geyer et al., forthcoming) provide more details on these topics.

Study Samples

HUD released a selection notice for an MTW Flexibility Cohort in October 2018. Forty-three PHAs completed the initial letter of interest process in 2018–2019 and met the eligibility requirements for this first cohort of expansion PHAs.

HUD randomly assigned the 43 PHAs into either a treatment group (33 PHAs) or a control group (10 PHAs). The 33 Treatment PHAs were invited to apply for MTW designation. The 10 Control PHAs were not offered the opportunity to apply for MTW designation under the first cohort but were offered the opportunity to apply to future cohorts.

By the close of the application period, 31 of the 33 Treatment PHAs had submitted their MTW applications to HUD. In January 2021, HUD offered MTW designation to these 31 PHAs, forming the “Flexibility for Smaller PHAs Cohort,” referred to here as the “Flexibility Cohort.” Exhibit 1-1 lists the Flexibility Cohort PHAs and shows their sizes and locations. Exhibit 1-2 provides a key to PHA sample names.

Exhibit 1-1. Map of 31 Moving to Work Flexibility Cohort Public Housing Agencies



Notes: "Combined units" is the total housing choice voucher and public housing units from 2019 Picture of Subsidized Households. Public housing agencies are labeled "metro" if in a metropolitan statistical area defined by the U.S. Census Bureau as an area with relatively high population density that is socially and economically integrated as determined by commuting patterns. For more information, see <https://www.census.gov/programs-surveys/metro-micro/about/omb-standards.htm>.

Exhibit 1-2. Key to Public Housing Agency (PHA) Sample Names

By Participation in Moving to Work (MTW)

Initial MTW PHAs. The 39 PHAs that participated in MTW prior to Congress authorizing an expansion in 2016.

Flexibility Cohort PHAs. The 31 PHAs that were designated as MTW agencies as part of the first cohort of the MTW expansion.

By Participation in the Evaluation

Treatment PHAs. The 33 PHAs that submitted letters of interest and were determined eligible for MTW, then were randomly selected to be in the group invited to apply for MTW designation as part of the first cohort of expansion agencies. This group includes the 31 Flexibility Cohort PHAs, plus the 2 PHAs that HUD invited to apply but chose not to pursue an MTW application.

Control PHAs. The 10 PHAs that submitted letters of interest and were determined eligible for MTW but were randomly selected to be in the group that was not invited to apply for MTW designation as part of first cohort of expansion agencies.

Comparison PHAs. The 99 PHAs selected to be part of a quasi-experimental design (QED) comparison group based on the similarity of observable characteristics to the treatment PHAs. Three comparison group PHAs were selected for each treatment PHA. Comparison PHAs had not applied for MTW.

Randomized Control Trial (RCT) PHAs. The 43 PHAs that submitted letters of interest and were determined eligible for MTW, then were randomly assigned to either the treatment group (33 PHAs) or the control group (10 PHAs). They are the focus of the RCT impact study.

Quasi-Experimental Design (QED) PHAs. The 132 PHAs that are among either the 33 treatment PHAs or the 99 comparison PHAs. They are the focus of the QED impact study.

During the research design phase of this evaluation in 2020, HUD and the evaluation team recognized that the small size of the control group ($n=10$) limits the impact study's ability to analyze the effect of MTW for certain types of PHAs (such as those with voucher programs only) or for subgroups of PHAs implementing the same type of program and policy changes. To supplement the findings of the impact study's experimental analysis, the evaluation team selected a matched group of 99 Comparison PHAs, similar in observable characteristics to the Treatment PHAs, to add a quasi-experimental analysis.⁷

Process Study

The process study documents how smaller PHAs use their MTW flexibility. For this report, the process study focuses on the 31 Flexibility Cohort PHAs—their status as of April 2022 and the challenges they faced in completing the administrative steps needed to move forward with MTW flexibility.

The first step to obtain the flexibilities allowed by the MTW program is full execution of the MTW ACC Amendment—which officially makes a PHA an MTW agency and allows the PHA to use MTW *funding* flexibility. MTW funding flexibility means the PHA can move funds authorized for public housing operating costs, public housing capital costs, HCV administrative costs, and HCV housing assistance payments (HAP) across those spending categories rather than using these funds only for their originally authorized purpose. The second step is completing the

⁷ A list of Control and Comparison PHAs is in Appendix A of the *Baseline Report* (Geyer et al., forthcoming). They are not named in this report because the process study part of this report focuses solely on the 31 Flexibility Cohort PHAs.

MTW Supplement to the PHA Annual Plan. In the Supplement, the PHAs describe their MTW activities planned for the coming year that require MTW waivers. HUD must approve a PHA's Supplement before the PHA may implement those activities.

This report also highlights the Flexibility Cohort PHAs' plans for MTW activities in their first year of MTW participation and begins to address the research question about how smaller PHAs use MTW flexibility. In future Annual Reports, the process study will continue to address that research question and describe changes over time. The evaluation team also will interview the Control PHAs to learn about any MTW-like activities they are undertaking in the standard program.

Impact Study

The main goal of the impact study is to estimate the effects of MTW flexibility granted to smaller PHAs on measures of cost-effectiveness, self-sufficiency, and housing choice. The Flexibility Cohort PHAs started on their MTW Supplements during 2021, but only a few Supplements had been approved by the end of the year. Therefore, few activities that depended on MTW designation had begun in 2021.

Instead of impacts, this report presents the 2020 to 2021 changes in measures of cost effectiveness, self-sufficiency, and housing choice that will be analyzed in future reports to estimate impacts. The 2020 measurements are the baseline values of the outcomes of interest. Changes in average 2020 and 2021 measurements provide context for what might change as the Flexibility Cohort PHAs implement their MTW funding flexibility and activities associated with MTW waivers.

Future reports on impacts will include two types of impact analyses:

- **Experimental Analysis.** comparing the average outcomes of the 33 Treatment PHAs randomly assigned to the treatment group with the average outcomes of the 10 Control PHAs randomly assigned to the control group. This experimental analysis using the randomized control trial (RCT) sample will assess the effect of MTW flexibility on the statutory objectives of cost-effectiveness, self-sufficiency, and housing choice based on measures of outcomes that might be affected by MTW activities. The experimental design permits unbiased estimates of the impact of MTW.
- **Quasi-Experimental Analysis.** comparing the average outcomes of the 33 Treatment PHAs randomly assigned to the treatment group with the average outcomes of a matched comparison group of 99 Comparison PHAs selected by the evaluation team. The QED analysis will supplement, but not replace, the RCT analysis. The findings from the larger QED sample will be less definitive than findings from the smaller RCT sample about whether MTW designation is the sole reason for any impact observed. The Comparison PHAs did not elect to apply for MTW, so it is possible that they are systematically different from the Treatment PHAs on unobservable characteristics. Any systematic differences could introduce bias into the estimates. This quasi-experimental analysis using the QED sample has a larger sample size than the experimental analysis, permitting analysis by subgroups of PHAs within the treatment and comparison groups.

Internal and External Validity of RCT and QED Samples

Comparing baseline characteristics of treatment and control group members is standard practice for demonstrating that random assignment achieved its intended goal of establishing groups with

no measurable systematic differences. The Flexibility Cohort treatment and control groups are statistically balanced on baseline measures (Turnham et al., 2021),⁸ including their plans for using the waivers described in their initial applications for the Flexibility Cohort (Geyer et al., forthcoming).

In addition to affirming balance in the experimental sample of Treatment and Control PHAs, the evaluation team also examined differences between the Treatment and Comparison PHAs in the QED sample, showing that these two groups also are balanced on measurable baseline characteristics (Geyer et al., forthcoming).

That the Treatment/Control and Treatment/Comparison PHA groups are balanced on baseline characteristics means that the impact evaluation will have strong “internal validity.” That is, the evaluation will generate *causal* evidence on the impacts of MTW designation. Whether the results will have “external validity”—that is, be generalizable more broadly, beyond the study samples—is a different question. On this point, Geyer et al. (forthcoming) compared the characteristics of the 43 PHAs in the RCT sample to all 2,065 smaller PHAs that appeared to be eligible to apply for this MTW Flexibility for Smaller PHAs Cohort and found that these 43 PHAs differ from the set of all 2,065 smaller PHAs in several ways.

According to Picture of Subsidized Households data from 2019, the PHAs in the RCT sample differed in that they

- Are more likely to be in metropolitan areas (70 percent of the RCT PHAs versus 47 percent of all eligible smaller PHAs).
- Are in areas with higher Fair Market Rents (an average of \$1,008 per month versus \$908 per month for a two-bedroom unit).
- Have a larger average number of total public housing and voucher units (525 versus 260 units).
- Are more likely to be either HCV-only PHAs or HCV and public housing PHAs (88 versus 58 percent) rather than public housing-only (12 versus 42 percent).
- Have higher average expenditures per unit per month (\$657 versus \$481).
- Serve a smaller share of households in which the head or cohead is aged 62 or older or has a disability (57 versus 63 percent).
- Serve a higher share of households in special-purpose voucher programs (7 versus 4 percent).

These differences suggest that the findings from this evaluation of the MTW Flexibility Cohort might not be generalizable to all smaller PHAs. Instead, the study will characterize the findings as indicating the impact for these 33 PHAs during this context and time period specifically. That said, the study will be able to offer some hypotheses regarding expected differences in direction or magnitude if all smaller PHAs were allowed to exercise MTW flexibility.

⁸ Among the 20 characteristics examined, one difference appears as statistically significant, which is no more than would be expected by chance. That one variable is the share of households in special voucher programs; the Treatment PHAs have a lower share than do the Control PHAs (5.3 versus 13.7 percent). We do not expect this variable to have a strong association with most outcome measures. The evaluation team will control for baseline values of the outcome measures in the analysis to improve the precision of the estimates (Turnham et al., 2021).

Data Sources

The process study findings in this report are based on interviews with staff at 30 of the 31 Flexibility Cohort PHAs and on our review of the 11 approved MTW Supplements as of April 2022. The 2020 and 2021 values of outcome measures are based on HUD administrative data, as well as on other secondary data sources.

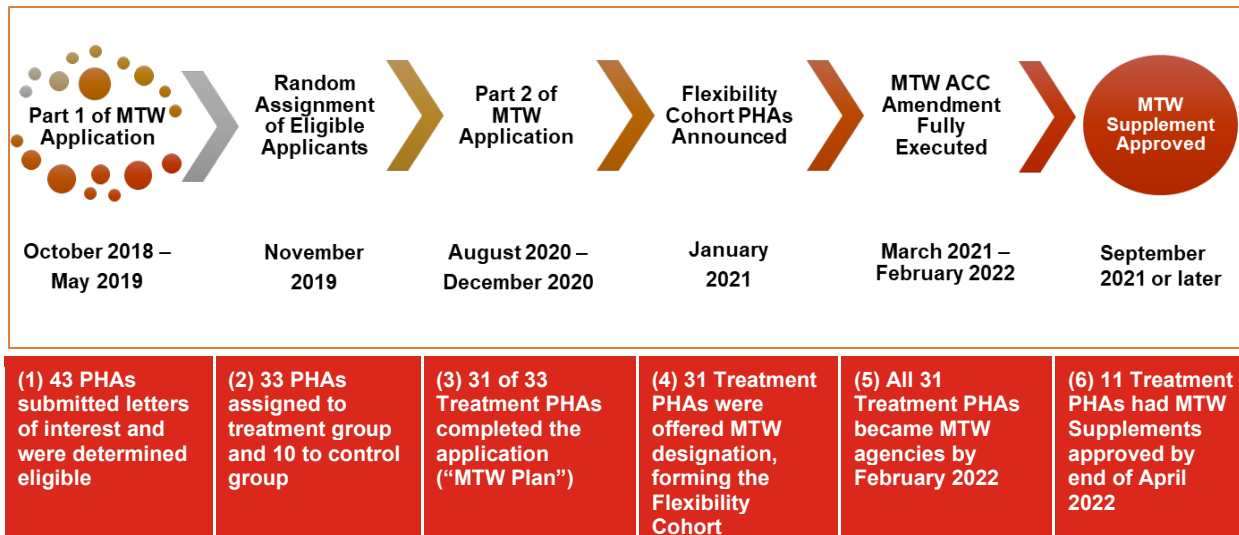
- Interview data collected for the evaluation—
 - Information from 30 staff interviews with the Flexibility Cohort PHAs on the MTW onboarding process and planned MTW activities. Interviews were conducted between February and April 2022; only 1 of the 31 Flexibility Cohort PHAs was unable to complete an interview during this timeframe.
- HUD administrative data—
 - Data on neighborhood locations and self-sufficiency of public housing residents and voucher households from HUD’s Inventory Management System/PIH Information Center.
 - PHA cost data from the Financial Data Schedule.
 - PHA voucher lease and budget data from the Voucher Management System.
 - Public housing development inspection scores from HUD’s Real Estate Assessment Center.
 - Approved MTW Supplements completed by Flexibility Cohort PHAs.
- Other data sources—
 - Earnings data from the National Directory of New Hires.
 - Data on neighborhood poverty rates, income, and rents from the American Community Survey.

1.2 Status of Flexibility Cohort Moving to Work Agencies

The MTW application process for the Flexibility Cohort started when HUD released a selection notice in October 2018.⁹ Exhibit 1-3 shows the steps PHAs took to become MTW agencies and their progress toward having their MTW Supplement approved, at which point the PHA is permitted to implement MTW activities requiring an MTW waiver.

⁹ The selection notice for this cohort is available at [PIH-2018-17MTWDemonstrationProgram.pdf](#).

Exhibit 1-3. Steps for Public Housing Agencies (PHAs) to Receive Authority to Implement Moving to Work (MTW) Flexibilities



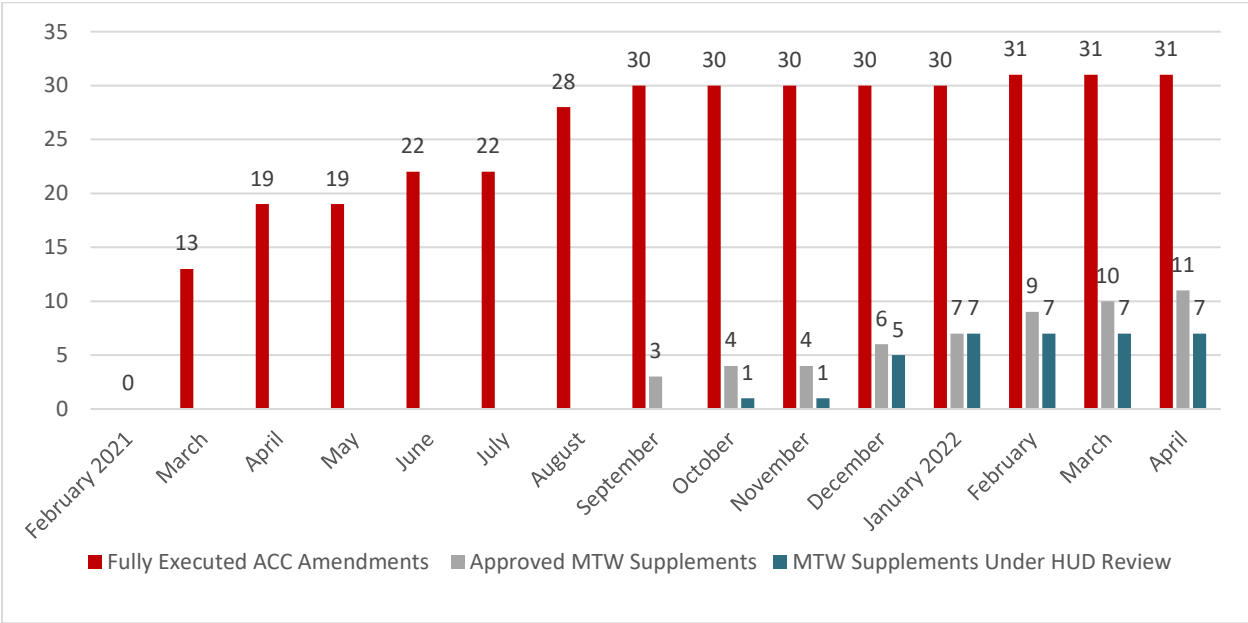
Source: Authors’ creation based on communications with HUD.

By November 2019, 43 eligible PHAs had submitted a letter of interest to be part of the first cohort of the MTW demonstration. Of the set of eligible PHAs, HUD randomly assigned 33 PHAs to the evaluation’s treatment group, meaning these 33 PHAs were invited to apply according to Part 2 of the selection notice to become an MTW agency. By December 2020, 31 of the 33 Treatment PHAs had applied under Part 2 of the selection notice, which required the submission of a preliminary plan for how the PHA would use MTW flexibility. In January 2021, HUD offered MTW designation to those 31 Treatment PHAs.

A PHA is not designated an MTW PHA until it has fully executed an MTW Amendment to its ACC, the vehicle through which HUD provides funds for the HCV and public housing programs. To implement any activities that require MTW waivers takes another step: the PHA needs to complete the MTW Supplement to the PHA Annual Plan describing its plans for the first year of MTW status.

Of the 31 Flexibility Cohort PHAs, 22 had MTW ACC Amendments fully executed by the end of June 2021 and thus had been eligible to use MTW funding flexibility for at least 6 months in 2021. Of the remaining 9 PHAs, all but 1 had a fully executed MTW ACC Amendment by the end of 2021. As of February 2022, all 31 of the Flexibility Cohort PHAs had fully executed MTW ACC Amendments and were eligible to begin using the funding streams for the programs flexibly. As of the end of April 2022, when the interviews were conducted for this report, only 11 of the 31 Flexibility Cohort PHAs had the approved MTW Supplements needed to implement MTW activities that require an MTW waiver. Only four had had approved waivers for 6 months or more (exhibit 1-4).

Exhibit 1-4. Timing of Approved Moving to Work (MTW) Annual Contributions Contract Amendment and MTW Supplement as of April 30, 2022



Notes: Status as of April 30, 2022, for 31 PHAs offered the opportunity to become MTW agencies in January 2021. One PHA's MTW Supplement was conditionally approved in February 2022 but had not received final approval as of the end of April 2022. It is included in the Supplements Approved MTW Supplements count for February 2022.
 Source: Authors' communications with HUD.

Because 9 of the PHAs had MTW funding flexibility for less than half of 2021 and only 6 PHAs had approved MTW activities by the end of 2021, there was very little opportunity for Flexibility Cohort PHAs to use their MTW funding flexibility or implement MTW activities requiring waivers in 2021. Thus, this report does not estimate impacts of MTW, but instead presents the 2-year trend in the outcome measures for the 43 RCT PHAs from 2020 to 2021.

2. Getting the Moving to Work Annual Contributions Contract Amendment Fully Executed and Using Moving to Work Funding Flexibility

This chapter summarizes public housing agencies' (PHAs') experiences signing the Moving to Work (MTW) Annual Contributions Contract (ACC) Amendment, their use of MTW funding flexibility in the first year, and their future plans for using MTW funding flexibility.

2.1 The Moving to Work Annual Contributions Contract Amendment

The MTW Amendment to the ACC between a PHA and HUD establishes the PHA's MTW designation and permits the PHA to use funding streams for the public housing and Housing Choice Voucher (HCV) programs flexibly. The proposed Amendment must be accompanied by a resolution signed by the PHA's Board of Commissioners or equivalent body. To help PHAs through the process, HUD provided a sample MTW ACC Amendment and Board Resolution that PHAs could tailor to their own agency.

Despite the time it took for some PHAs to get an approved MTW ACC Amendment (exhibit 1-3), staff from 21 of the 30 PHAs interviewed said the process did not take longer than expected. Some PHA staff reported intentionally delaying the submission of their MTW ACC Amendment to align their MTW designation with the start of their new fiscal year. Delaying this way sometimes reflected confusion about when HUD would require PHAs to change their financial reporting to correspond with MTW reporting requirements. Some PHAs believed they would have to switch to MTW-compliant financial reporting in the Financial Data Schedule (FDS) beginning the month after the MTW ACC Amendment was fully executed; they did not want to be bound to two different financial reporting requirements within the same fiscal year. However, that requirement applies only when PHAs begin to use their funding flexibility immediately after the MTW ACC Amendment is signed. HUD later released an *MTW Amendment to the ACC and Financial Reporting FAQ(s)* document clarifying that PHAs may wait to begin using MTW funding flexibility until the start of their new fiscal year or calendar year to relieve concerns about adjusting their financial reporting in the FDS mid-year.¹⁰

Staff from five of the other nine PHAs interviewed said that the MTW ACC Amendment process took longer than expected because of problems obtaining the Board Resolution. Among these five PHAs, HUD requested additional language or a change to the resolution's format from three PHAs; one PHA waited several months for its next Board meeting; and one PHA noted health issues that delayed PHA leadership in working with the Board. Staff from the remaining four PHAs did not have an opinion on the timing or did not know whether the process took longer than expected because the person who was most involved in the process was no longer at the PHA.

None of the PHAs described the MTW ACC Amendment process as difficult, but some suggested that additional guidance from HUD would have been helpful around the timing of the MTW ACC Amendment and associated changes in reporting requirements. In response, in mid-

¹⁰ Regardless of when PHAs begin to use MTW funding flexibility, Flexibility Cohort PHAs are required to begin using the MTW-specific fields in the Voucher Management System the month after their MTW ACC Amendment is fully executed. See <https://www.hud.gov/sites/dfiles/PIH/documents/MTWACCAmendmentFAQ.pdf>.

2. THE MTW ACC AMENDMENT AND FUNDING FLEXIBILITY

2021, HUD produced a frequently asked questions document to answer common questions from expansion cohort PHAs on MTW-related financial reporting requirements.¹¹

2.2 Public Housing Agency Plans to Use Moving to Work Funding Flexibility

MTW funding flexibility allows PHAs to use funds across the four funding streams for the public housing and HCV programs for any activities allowed under either program, as well as for local, non-traditional activities or other approved MTW waivers and associated activities described in chapter 3.¹² The funding streams that may be used flexibly are (1) public housing Operating grants; (2) public housing Capital Fund grants; (3) HCV housing assistance payment (HAP) funds; and (4) HCV Administrative Fee funds. Some HUD programs and their funding streams are not covered by MTW, and funds for those programs may not be used flexibly by MTW PHAs without a waiver that permits them to be included (see exhibit 2-1 for more detail).

Staff from 7 of the 30 Flexibility Cohort PHAs interviewed reported that they had already used MTW funding flexibility since gaining MTW status. Three of the seven PHAs used their flexibility to hire an MTW coordinator to help oversee MTW activities and implement reporting requirements. Two used their flexibility to pay outstanding bills or to service debt. For example, one PHA used some of its HCV HAP funds to support public housing utility payments, which were higher than anticipated and could not be covered with their public housing budget. Two PHAs used their flexibility for resident or landlord incentives as described in section 3.2.

All but four of the PHAs interviewed said they planned to use MTW funding flexibility in the future. Uses include landlord incentives and staff to coordinate MTW activities and oversee reporting. Other planned uses relate to public housing capital improvements, legal and administrative fees associated with Rental Assistance Demonstration (RAD) conversions and activities associated with other, non-RAD, capital improvements. PHAs also mentioned gap financing to support affordable

Exhibit 2-1. Programs Covered and Not Covered by the Moving to Work Demonstration

Programs covered by the MTW demonstration:

- Public housing.
- Housing Choice Vouchers (including project-based HCV and HCV used for homeownership programs).

Programs not part of the MTW demonstration (without a waiver from HUD's voucher office to include them):

- Mainstream vouchers for nonelderly people with disabilities.
- Renewals of Section 8 Moderate Rehabilitation contracts.
- HUD-Veterans Affairs Supportive Housing (HUD-VASH) Vouchers.
- Nonelderly Disabled (NED) Vouchers for people with disabilities.
- Family Unification Program vouchers.

Under the Rental Assistance Demonstration (RAD) program, PHAs may convert public housing to Project-Based Vouchers (PBVs) or Project-Based Rental Assistance (PBRA). The former are covered by MTW, but the latter are not.

¹¹ Document is available at <https://www.hud.gov/sites/dfiles/PIH/documents/MTWACCAMendmentFAQ.pdf>.

¹² Under the rules of the MTW program, as outlined in the MTW Operations Notice, MTW agencies are required to “continue to assist substantially the same total number of eligible low-income families as would have been served absent the MTW demonstration.” For more information about this requirement, see the MTW Operations Notice <https://www.hud.gov/sites/dfiles/PIH/documents/FinalMTWExOpsNoticePartVIWeb.pdf>.

2. THE MTW ACC AMENDMENT AND FUNDING FLEXIBILITY

housing development and costs associated with supporting new housing developments that will include project-based vouchers.

Only four PHAs did not have plans to use MTW funding flexibility in the future. Staff from two of these PHAs explained that their public housing units were in decent shape and well supported by rents, or that they had already converted their public housing using RAD. The two other PHAs were waiting to see what their needs would be once further along with MTW. However, none of the four PHAs ruled out using funding flexibility.

I don't really foresee [using MTW funding flexibility] anytime soon—there could be something that comes up, but at this point we are going to continue just using the funding normally.

– PHA Executive Director

Among the PHAs that are not currently using MTW funding flexibility but plan to do so, most were still working out their plans. According to these PHAs, future use will depend on:

- **Realizing cost savings.** Some PHAs said they wanted to realize cost savings from other MTW initiatives such as alternative recertification schedules or streamlining utility allowances before using MTW funding flexibility.
- **Implementing other MTW activities.** Other PHAs described plans to use MTW funding flexibility in connection with landlord incentives or resident programs and supportive services that required MTW waivers not approved by HUD or not yet implemented.
- **Adjusting to other MTW-related changes.** Some PHAs described their hesitancy to use MTW funding flexibility out of the gate as a new MTW agency.

I'm kind of scared to [use funding flexibility] considering we've been in housing for so long and now knowing that we can combine [funds] I am kind of scared to do that. I feel like I need more training on the accounting part to make sure I am doing this right.

– PHA Executive Director

Several PHAs said that additional training would be helpful on how and when MTW funding flexibility can be applied and how it should be accounted for in financial reporting.

3. Plans to Use Moving to Work Waivers

Each year a Moving to Work (MTW) expansion agency must submit the MTW Supplement to its Annual PHA Plan describing any MTW activities that depend on an MTW waiver that the PHA would like to implement during the next fiscal year. The MTW office at HUD must review and approve the MTW Supplement before those MTW activities may be started. This chapter focuses on how the Flexibility Cohort PHAs developed their MTW Supplements and the program changes and activities they chose for their first year operating with MTW flexibility.

This chapter is based on information PHAs provided in their approved MTW Supplements and interviews with staff from 30 of the 31 Flexibility Cohort PHAs.¹³ The interviews were conducted from February through April 2022 and covered PHAs' activities during 2021 and early 2022.

3.1 Applying for Moving to Work Waivers and Associated Moving to Work Activities

The MTW expansion agencies are subject to the MTW Operations Notice that provides a menu of nearly 70 MTW waivers and associated MTW activities that are preapproved but need to be documented in each year's MTW Supplement before they can be implemented (see exhibit 3-1). The MTW Operations Notice groups the MTW waivers into 17 categories.¹⁴ PHAs may also request that HUD review agency-specific waivers that are not covered under the menu of preapproved waivers.

As MTW Supplements are received, HUD's MTW office reviews and either approves or provides PHAs feedback on their planned use of MTW waivers and associated MTW activities. If not initially approved, PHAs may revise and resubmit an updated MTW Supplement for rereview. Once the MTW Supplement is approved, PHAs are free to implement the MTW activities contained in that document. PHAs repeat this process each year to receive continuing approval to implement previously approved MTW waivers and associated MTW activities, request approval for any new MTW waivers and associated MTW activities they plan to implement, and provide information that allows HUD to monitor and evaluate the program.

¹³ The Township of Neptune Housing Authority (NJ-048) was unavailable to complete an interview with the evaluation team and did not have an approved MTW Supplement as of April 2022. This PHA is not included in the analyses reported in this chapter.

¹⁴ The MTW Operations Notice can be found at <https://www.hud.gov/sites/dfiles/PIH/documents/FinalMTWExOpsNoticePartVIWeb.pdf>. Some of the other expansion cohorts limit the waivers that can be approved so as not to confound analysis of impacts from a specific policy change tested by that cohort.

Exhibit 3-1. Moving to Work Preapproval Waivers

- 1. Tenant Rent Policies** allow public housing agencies (PHA) to create stepped rents based on set incremental increases in rent at predetermined times, implement tiered rents tied to income bands, or set fixed rents or subsidies. MTW waivers and associated MTW activities in this category also allow for PHAs to increase minimum rent up to \$130, change the tenant rent payment as a percentage of adjusted household income, create an alternative utility allowance schedule, eliminate utility reimbursements when they are greater than the total tenant payment, change the tenant's allowable rent burden (housing choice voucher, or HCV), impute income based on hours worked per week, eliminate deductions, institute a single standard deduction, or set alternative inclusions or exclusions in the income used to calculate rent.
- 2. Payment Standards and Rent Reasonableness** allows PHAs to increase the payment standard to reflect a different percentage of the fair market rent or small area fair market rent; also allows PHAs to conduct rent reasonableness tests for PHA-owned units, manages, or controls rather than outsourcing this activity to a third party; and allows PHAs to develop a local process for determining rent reasonableness that differs from traditional program requirements.
- 3. Reexaminations** allow tenants to self-certify their assets up to \$50,000 and PHAs to change the tenant reexamination schedule to permit biennial or triennial reexaminations.
- 4. Landlord Leasing Incentives** allow PHAs to pay tenant damage claims to landlords, offer vacancy loss payments, or provide other landlord incentives such as signing bonuses.
- 5. Housing Quality Standards** allow PHAs to conduct inspections for units that PHAs own, manage, or control rather than hire a third party; change inspection schedules; offer prequalifying inspections to landlords before tenants are identified; and levy penalties on landlords that fail inspections.
- 6. Short-term Assistance** allows PHAs to offer short-term housing assistance for specific populations, such as people experiencing homelessness.
- 7. Term-Limited Assistance** allows PHAs to limit the length of housing assistance to specific timeframes no shorter than 4 years.
- 8. Increase in Elderly Age** allows PHAs to raise the age at which a head of household is considered elderly from 62 to 65.
- 9. Project-Based Voucher (PBV) Program Flexibility** allows PHAs to limit portability for project-based vouchers, increase rent payments to owners beyond the HCV payment standard, extend the length of PBV contracts, expand the types of housing that qualify for PBVs, increase the total number of PBVs a PHA can offer, increase the cap on the number of PBVs that can be in one housing development, and change the selection process for PBV units.
- 10. Family Self-Sufficiency (FSS) Program with MTW Flexibility** allows PHAs to change how increases in family income affect rent or escrow or savings, use alternative selection criteria for families entering the program, change the program coordinating committee, eliminate or change a family's contract of participation, or entirely waive operating a required FSS program.
- 11. MTW Self-Sufficiency Program** allows PHAs to set new policies for handling increases in family income that affect rent or savings and gives PHAs the ability to use alternative selection criteria for families entering existing or successor (non-FSS) self-sufficiency or training programs that a PHA operates.
- 12. Work Requirements** allow PHAs to implement work requirements as a condition for program participation—up to 15 hours per week for nonelderly, nondisabled adults or 30 hours for qualifying households.

13. Public Housing as an Incentive for Economic Progress provides the ability to allow households that are above income thresholds to retain housing assistance for longer periods.

14. Moving-On Policy allows PHAs to align rent and utility payments with partner agencies, accept income calculations from partner agencies, and waive initial housing quality standards inspection for households transitioning out of permanent supportive housing.

15. Acquisition Without Prior HUD Approval provides flexibility in the timeline for HUD approval when acquiring a new site.

16. Deconcentration of Poverty in Public Housing allows PHAs to create their own policy to address the deconcentration of poverty in public housing.

17. Local, Non-traditional Activities allow PHAs to adopt unique localized programs to develop new housing units, provide resident services, or provide alternative rental subsidy programs.

Source: *Moving to Work Operations Notice*.

<https://www.hud.gov/sites/dfiles/PIH/documents/FinalMTWExOpsNoticePartVIWeb.pdf>

PHAs used their MTW application as a springboard for preparing their first MTW Supplement. Although Part 2 of the MTW application contained the PHA's preliminary, long-term vision for the MTW program in its community, the initial MTW Supplement includes only the MTW waivers and associated MTW activities the PHA plans to implement in its first year as an MTW agency.

Staff at 13 of the 30 Flexibility Cohort PHAs interviewed said that it was a challenge to narrow their broad vision to a realistic set of activities and prioritize which activities should happen before others. As they began planning, it became evident how many steps implementing certain activities would entail. They wanted to be realistic about the challenges to implementing complex or numerous activities immediately, given that they worked in smaller agencies.

We started out wanting to do all of this stuff, and we realized we needed to take it in smaller steps. We whittled it down from what our dreams were to what we submitted. This was partly because of how many steps and approval processes there are, so we had to make sure that what we started with was doable.... We realized early on we needed to take a step back and look at just what was accomplishable in the first year. As we start planning forward, maybe a year, 2 years out, we can look at [additional waivers].

– PHA Executive Director

3.1.1 Deciding on First-Year Moving to Work Activities

PHA leaders worked with their staff and reviewed residents' and community members' feedback from the MTW application process to identify the most pressing issues facing their residents and their agencies. Many agencies held recurring staff meetings during which they discussed their key goals and explored the implications of activities requiring significant administrative changes or staff time. Agencies also explored implications for residents' well-being, including potential negative consequences such as increasing the financial burden on residents. Some PHAs sought advice from other Flexibility Cohort PHAs or from Initial MTW PHAs on which activities were easier or harder to implement. A few PHAs hired an external consultant to help them.

Trading off what they considered more complex issues versus ease of implementation, PHAs selected MTW waivers and associated MTW activities for the first year that would do one or more of the following:

- Be easy to implement or require limited changes to program operations or PHA costs (15 PHAs).
- Alleviate administrative burdens or streamline processes for staff (13 PHAs).
- Simplify or improve the program experience for their residents (10 PHAs).
- Promote work or self-sufficiency among residents (7 PHAs).

In the first year, to get our feet wet, we want to streamline our processes, so staff have time and energy to devote to supporting our residents to become self-sufficient.
– PHA Executive Director

Ten of the 11 PHAs with approved MTW Supplements reported that they expect their MTW activities will yield cost savings and staffing efficiencies. They noted that the money and staff-time savings that these MTW activities are expected to generate could be used to support more complicated or costly activities later. Ten PHAs were hoping to improve housing choice—for example, several PHAs plan to offer landlord incentives or increase payment standards to encourage new landlords to participate in their HCV programs and provide a wider range of options for voucher holders. Nine of the 11 PHAs reported they expect their MTW activities will improve resident self-sufficiency—for example, one PHA is planning to implement a suite of MTW activities that include stepped rents, minimum rents, and asset-building classes.

3.1.2 Challenges Public Housing Agencies Experienced During the Moving to Work Supplement Process

In addition to deciding on feasible first year MTW activities, PHA staff noted other challenges.

Limited Staff Capacity. In many cases, the Executive Director or other management staff were fitting the MTW Supplement into their daily workload. Some PHAs explained that their staff were implementing other large projects, such as building a new development or leasing Emergency Housing Vouchers (EHV).¹⁵ One PHA noted that completing the required impact analyses and hardship policies associated with some of the MTW activities was difficult for a smaller PHA with a generalist staff.¹⁶

Staff Turnover. Five PHAs described losing key staff members such as their executive directors and having to read new staff into MTW or start their MTW planning over. The COVID-19

¹⁵ The EHV program was funded under the American Rescue Plan Act of 2021 to provide up to 70,000 housing choice vouchers to PHAs across the United States to help households experiencing or at risk of homelessness, fleeing or attempting to flee domestic violence, or recently homeless to find permanent housing. Six Flexibility Cohort PHAs received EHV's ranging in award size from 15 to 78 vouchers.

¹⁶ Some MTW activities require PHAs to complete an “impact analysis” that outlines how the MTW activity will affect the agency and its residents. For more information about impact analyses and hardship policies, see the MTW Operations Notice <https://www.federalregister.gov/documents/2018/10/11/2018-22158/operations-notice-for-the-expansion-of-the-moving-to-work-demonstration-program-republication-and>.

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pandemic also affected staff capacity, as staff at some PHAs had long periods of medical or family leave.

Slow Feedback from HUD. During MTW onboarding, HUD moved the main point of contact for Flexibility Cohort PHAs from the MTW Program office within HUD headquarters to HUD field offices. PHAs could still direct questions to a general email monitored by staff in the MTW Program office. Some PHAs noted that getting timely or consistent feedback from their HUD field office or the MTW office slowed their progress. HUD field offices sometimes were learning the special requirements of the MTW Program along with the PHA.

MTW Supplement Interface. A third of PHAs in the Flexibility Cohort had difficulty entering information into the online MTW Supplement form. Staff said that the tool’s interface made it difficult to correct errors, save progress, or return to previous screens. In contrast, five PHAs reported that the process was easy.

3.2 Planned Moving to Work (MTW) Activities for PHAs with Approved MTW Supplements

This section describes the MTW waivers and associated MTW activities selected by the 11 PHAs with approved MTW Supplements as of the end of April 2022. Section 3.3 then describes plans for the PHAs that did not yet have approved MTW Supplements. The discussion of planned activities is organized by the number of PHAs with plans in each category described in the MTW Operations Notice (exhibit 3-2). The discussion focuses on the most common waivers and those that will reflect fundamental changes to the program.

Exhibit 3-2. Moving to Work (MTW) Waivers Selected by the 11 Public Housing Agencies (PHA) with Approved MTW Supplements

MTW Waiver Category	PHAs Approved to Use MTW Waiver (#)
MTW waivers that apply to both the HCV and Public Housing Programs	
Tenant rent policies	9
Reexaminations	8
Local, non-traditional activities	4
Work requirements	4
MTW Self-Sufficiency Program	3
Family Self-Sufficiency Program with MTW flexibility	2
Short-term assistance	1
Term-limited assistance	1
Increase in elderly age	0
Moving-On policy	0
MTW waivers that apply only to the HCV Program	
Payment standards and rent reasonableness	5
Housing Quality Standards	4
Landlord leasing incentives	3
Project-Based Voucher Program flexibility	1

3. PLANS TO USE MTW WAIVERS

MTW Waiver Category	PHAs Approved to Use MTW Waiver (#)
MTW waivers that apply only to the public housing program	
Acquisition without prior HUD approval	1
Deconcentration of poverty in public housing	0
Public Housing as an incentive for economic progress	0

Notes: See Appendix I of the Operations Notice for more information on these waivers. Of the 31 Flexibility Cohort PHAs, 11 had an MTW Supplement that was approved or conditionally approved as of the end of April 2022. Of these 11 PHAs, 5 operate both public housing and HCV Programs, 4 operate only an HCV Program, and 2 operate only a public housing program. Some of the waivers represented in the table have multiple activities that fall under that waiver. The exhibit aggregates them so that any PHA reporting plans to request one or more of the activities under a waiver category is represented only once per category.

Source: MTW Supplements and interviews conducted from February through April 2022, with PHA staff from the 11 Flexibility Cohort PHAs with approved MTW Supplements

Tenant Rent Policies. Among the 9 PHAs¹⁷ that plan to implement changes to their tenant rent policies, the most common changes are:

- **Increasing minimum rents.** Five PHAs are planning to increase the minimum rent for their nonelderly and nondisabled residents to between \$50 and \$130 monthly, depending on the PHA.¹⁸ PHAs expect this change will bring in additional revenue for the PHA that can be used to support additional services while promoting work and self-sufficiency among residents. Following MTW requirements, PHAs will establish a hardship policy for residents who cannot afford the higher minimum rent.
- **Alternative utility allowances.** Four PHAs are planning to implement an alternative utility allowance within their HCV and public housing programs. These PHAs will use a single utility allowance schedule based on bedroom size, rather than schedules tailored for both housing type and bedroom size. PHAs anticipate this simplified schedule will result in administrative efficiencies and be easier for residents to understand.

¹⁷ Nine PHAs are approved to implement MTW activities related to tenant rent policies, but seven of the nine are approved for more than one such policy. The seven are Sheffield Housing Authority (AL), City of Pomona Housing Authority (CA), Ruston Housing Authority (LA), Rockville Housing Enterprises (MD), Washington County Community Development Agency (MN), South Sioux City Housing Agency (NE), and Rosenberg Housing Authority (TX). The PHAs approved to implement stepped rents—Ruston Housing Authority and Rockville Housing Enterprises—are also approved to increase minimum rents and other activities (Ruston elimination of income deductions; Rockville waived initial rent burden maximum and change income inclusions or exclusions for total tenant payment calculations). PHAs that implement the minimum rent or stepped rent waiver activity are required to submit an annual impact analysis to HUD to document how effective the activity will be (or is, once implemented) and any unintended consequences or hardships that affected residents might experience. The two PHAs approved to implement one-tenant rent policy activity are Ripley County Housing Authority (MO), which increased minimum rents, and Housing Authority of Cheraw (SC), which set an alternative utility allowance.

¹⁸ Two PHAs reported a waiver for a minimum rent of \$50, which is allowable for PHAs without MTW designation. One PHA is using the waiver to formalize its minimum rent policy even though standard program regulations already allow for it. The other PHA is combining the minimum rent waiver with the utility reimbursements waiver so that if the utility reimbursement is greater than the \$50 minimum rent, the household will not receive the (full) utility reimbursement; thus, every household pays at least the \$50 minimum rent. The other three PHAs are using the waiver to implement a minimum rent that is above the standard \$50 minimum.

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- **Stepped rents.** Two PHAs plan to implement stepped rents in their HCV or public housing programs. Stepped rents gradually increase a household's share of rent by a set percentage over time, even if the household's income does not increase (see exhibit 3-3). The PHAs expect this policy will help reduce the households' need for a housing subsidy and eventually move them off the program.
- **Utility reimbursements.** Four PHAs will eliminate utility reimbursements paid to HCV and public housing residents if the utility allowance is greater than the total amount the household would be required to pay for rent (the total tenant payment). PHAs anticipate that eliminating these utility reimbursements will result in time and cost savings for the PHA that can be repurposed to support other programs or program participants.

Exhibit 3-3. A Closer Look at Stepped Rents

Three public housing agencies (PHA) (two with and one without approved Supplements) noted that in their first year they were planning to implement a stepped rent in which nondisabled, nonelderly tenants were to receive a set rent increase at predetermined increments of time, instead of receiving rent increases as their income rises.

The goal of stepped rents is to encourage tenant wage gains by ending the disincentive that 30 percent of any increased household income must be used for a corresponding increase in household rent. Without an immediate rent increase when their incomes rise, tenants with wage gains can save the money they would have paid in rent and prepare to pay market rents over time. The automatic increase in rent whether or not the household has increased income provides a further incentive to increase earnings.

Each PHA planning to implement stepped rents has developed a slightly different plan for setting initial rents and increasing them over time.

- Rockville Housing Enterprises (with an approved Supplement) plans to increase rents on recertification by the greater of the standard rent increase associated with a household's income gains— 5 percent each year for families with annual recertifications or 10 percent every third year for families with triennial recertifications.
- Ruston Housing Authority (with an approved Supplement) plans to increase tenant rents every 2 years at recertification. In the first year, tenant rent would be set at 20 percent of gross income. In the third year, rent would be set at 20 percent of gross income plus an inflation adjustment of 4 percent of fair market rent (FMR). In the fifth year, rent would increase to 25 percent of gross income plus 4 percent of FMR. In the seventh and final year, rent would rise to 32 percent of gross income plus 4 percent of FMR. The PHA is also increasing the minimum rent to \$130, and the household pays the higher of this stepped rent or the minimum rent.
- A third PHA (with a Supplement still under review) plans to increase rents for working-age nondisabled households by 4 percent each year until they reach a maximum amount of rent to be determined by the PHA.

Each PHA plans to implement stepped rents as part of larger resident self-sufficiency programs. Sometimes these programs will be voluntary; other times, they will be required for all nonelderly, nondisabled families who do not receive a hardship exemption. For example, at Ruston Housing Authority, stepped rents will be a part of a Steppingstone program, which will pair budgeting and asset-building classes with financial incentives to work, such as stepped rents, term limits, and a minimum rent. Ruston Housing Authority plans to invite all nonelderly, nondisabled tenants to join its self-sufficiency program within 30 days of it starting its MTW activities but not require participation until each tenant's next recertification. Staff at Ruston Housing Authority said that its approach will give tenants extra time to build their labor market skills, save money, or address other necessary work supports, such as childcare, before the stepped rent begins.

Reexaminations. Among the eight PHAs¹⁹ that obtained waivers to modify their reexamination process, the planned changes are as follows:

- **Alternative reexamination schedule.** Seven PHAs plan to formalize an alternative reexamination schedule for their HCV or public housing programs so reexaminations will be less frequent (for example, moving from annual to biennial or triennial). Some PHAs plan to continue annual recertifications for certain populations such as households with little or no reported income. Three PHAs plan to limit the biennial or triennial recertifications to elderly or disabled households or households on a fixed income.²⁰ PHAs will allow for interim certifications, which may occur between scheduled reexaminations, if a household’s income decreases or family composition changes. Many PHAs plan to waive interim examinations for increases in income. Both PHA staff and residents are expected to see a reduction in burden to document and review income, and PHAs believe that less frequent reexaminations will encourage residents to find employment, work more hours, or seek higher wages.
- **Self-certification of assets.** Seven PHAs are changing their self-certification limits, which is the level an HCV or public housing resident is permitted to attest to (“self-certify”) their assets without third-party verification. These PHAs will allow tenants to self-certify up to \$50,000 in assets, instead of the \$5,000 allowed by regulations for standard PHAs. PHAs said this change will free up PHA staff time for other work and reduce the burden on residents to acquire and submit information on their assets.

Local, Non-traditional Activities. Four of the 11 PHAs²¹ are planning to implement a local, non-traditional (LNT) activity. Such activities are allowable uses of funds that are outside of the HCV and public housing programs. Examples of LNT activities include rental subsidy programs, service provision, and housing development. Two PHAs are planning to provide services to residents under an LNT waiver. For example, one PHA plans to offer up to 20 families in its public housing or HCV program with a history of a year or more of full-time employment a one-time incentive of \$500 as encouragement to continue their work toward self-sufficiency. The PHA also plans to allocate up to \$12,000 toward youth activities, such as financial assistance with after-school activities, field trip costs, college application fees, and college tours. The other

¹⁹ The eight PHAs that obtained approvals for modifying their reexamination policy are Sheffield Housing Authority (AL), City of Pomona Housing Authority (CA), Ruston Housing Authority (LA), Rockville Housing Enterprises (MD), Washington County Community Development Agency (MN), South Sioux City Housing Agency (NE), Maryville Housing Authority (TN), and Rosenberg Housing Authority (TX). All but Washington County Community Development Agency are approved to implement alternative reexamination schedules. All but South Sioux City Housing Agency are approved to allow for self-certification of assets at a higher threshold.

²⁰ Current regulations already allow for all PHAs to conduct triennial reexaminations for households with 90 percent or more of their adjusted income from fixed income sources, with a “streamlined” reexamination each year between full reexaminations. The MTW waiver allows PHAs to implement a biennial or triennial reexamination policy without streamlined reexaminations in the in-between years, but it must include the option for tenants to request an interim reexamination at least once per year. For more information on streamlined reexaminations, see HUD’s Public Housing Occupancy Guidebook (https://www.hud.gov/sites/dfiles/PIH/documents/PHOG_Reexaminations_FINAL.pdf) and Housing Choice Voucher Program Guidebook (https://www.hud.gov/sites/dfiles/PIH/documents/HCV_Guidebook_Reexaminations.pdf).

²¹ The four PHAs approved to implement local, nontraditional activities are Sheffield Housing Authority (AL), City of Pomona Housing Authority (CA), Rockville Housing Enterprises (MD), and Housing Authority of Cheraw (SC).

four PHAs are planning to support housing development programs under the LNT waiver, including permanent housing for people leaving homelessness.

Work Requirements. Four PHAs²² have approved work requirement waivers. Under this waiver, PHAs are allowed to set work requirements—or a substitute, such as education requirements—for all adult, nonelderly, nondisabled residents. These requirements can be set at either the individual or the household level. Specific policies and exemptions vary by PHA, but all four PHAs plan to require tenants to work at least 15 hours per week (or some combination of hours in training, education, or community service programs). Some exemptions would be for full-time students, primary caregivers, live-in aides, and pregnant women. Residents who did not meet the minimum work requirement within a set timeframe will not have their lease or HCV renewed by the PHA. PHAs anticipate these changes will contribute to cost savings from lowered HAP costs for the PHA and increased self-sufficiency among residents.

MTW Self-Sufficiency Program and Family Self-Sufficiency Program with MTW Flexibility. Four PHAs²³ are approved for MTW activities under these waivers, both of which allow PHAs to make changes to new or already existing self-sufficiency programs. The main differences between the two waivers are whether the self-sufficiency program is a HUD-funded Family Self-Sufficiency (FSS) program or is original to the PHA. Across both waivers, 4 PHAs plan to establish alternative family selection procedures to require most if not all nonelderly, nondisabled residents to participate in the self-sufficiency program. One PHA would also use the waiver to address increases in family income, so that all income increases are disregarded until the next scheduled reexamination. PHAs said these changes will foster self-sufficiency among residents.

Short-Term Assistance. One PHA²⁴ is approved to set aside 10 HCVs for short-term housing assistance with supportive services for people experiencing homelessness. Residents in this program will have 12 months to meet a standard relating to need for services that would allow them to move into the regular HCV program.

Term-Limited Assistance. One PHA²⁵ is approved to offer term-limited assistance to all nonelderly, nondisabled public housing households that participate in its self-sufficiency program. Households will be expected to exit public housing within 5 years, with the possibility of annual extensions for an additional 2 years. Once residents are in the public housing program for a total of 7 years (consecutive or not), they will no longer be able to apply for public housing assistance from the PHA. As part of this waiver, the PHA will offer services to help households attain self-sufficiency as they transition out of public housing.

²² The four PHAs approved to implement work requirement activities are Sheffield Housing Authority (AL), Ruston Housing Authority (LA), Ripley County Housing Authority (MO), and South Sioux City Housing Agency (NE).

²³ The four PHAs approved to implement changes to FSS or start an MTW FSS program are Sheffield Housing Authority (AL), Ruston Housing Authority (LA), Hibbing Housing Authority (MN), and Ripley County Housing Authority (MO).

²⁴ Ripley County Housing Authority (MO) has approval for short-term assistance activity.

²⁵ Ruston Housing Authority (LA) is approved for term-limited assistance.

Payment Standards and Rent Reasonableness. Five PHAs²⁶ are approved to change their payment standard—which is the maximum rent subsidy a PHA can pay for a voucher holder—or change their rent reasonableness procedures. For non-MTW PHAs, payment standards are typically set between 90 and 110 percent of the fair market rent (FMR). FMRs are generally set at the 40th percentile of rents for standard-quality units for metropolitan areas or groups of nonmetropolitan counties and vary by bedroom size.²⁷ PHAs in metropolitan areas are permitted to use FMRs based on ZIP Code—Small Area FMRs (SAFMRs)—rather than metropolitan-wide FMRs. Rent reasonableness refers to the process by which PHAs validate that rent charged to an HCV tenant is comparable to the rent for similar rental units in the area. The PHA must compare the rent for the voucher unit to rents for similar market rental units.

Three PHAs with approved supplements are planning to increase some or all of their payment standards to 120 percent of FMR. Staff expect this activity will increase the per-unit cost of a voucher, but they view the increase in the payment standard as an opportunity to expand housing choice, improve voucher utilization rates, and help prevent current voucher holders from being displaced from their residence by increased rents or new and current voucher holders being priced out of the local housing market.

Two PHAs²⁸ plan to remove the requirement to have a third-party perform rent reasonableness determinations for properties owned or managed by the PHA. They anticipate that the elimination of this requirement will streamline operations and generate some cost savings.

Housing Quality Standards. Four PHAs²⁹ are approved to change their Housing Quality Standards (HQS) schedule. All PHAs that implement an HCV program must comply with HQS, which ensure that units being rented by HCV residents meet the minimum criteria established for health and safety. Under HQS, all units need to be inspected before being rented by a new voucher holder and annually thereafter. Using waivers permitted during the COVID-19 pandemic, some PHAs had switched to biennial inspections. Of the four PHAs that are approved to adjust the HQS, one would move to triennial inspections for units or residents who have a history of passing inspection. One PHA will permit prequalifying units if the inspection is conducted within 90 days of the voucher holder moving into the unit. Two PHAs will remove the third-party requirement so they can conduct HQS inspections themselves for units that they own, manage, or control. PHAs said these changes will result in cost efficiencies, reduced administrative burden for the PHAs, and reduced burden on tenants.

Landlord Leasing Incentives. Three PHAs³⁰ are approved to offer leasing incentives to increase landlords' willingness to participate in the HCV program.

²⁶ Five PHAs approved to implement activities related to payment standards and rent reasonableness are Rockville Housing Enterprises (MD), Washington County Community Development Agency (MN), Ripley County Housing Authority (MO), South Sioux City Housing Agency (NE), and Maryville Housing Authority (TN).

²⁷ For more information on how payment standards are set for PHAs that are not in the MTW Demonstration, see https://www.hud.gov/sites/dfiles/PIH/documents/HCV_Guidebook_Payment_Standards.pdf.

²⁸ Rockville Housing Enterprises and Washington County Community Development Agency.

²⁹ The four PHAs approved to implement changes to their housing quality standards schedule are Sheffield Housing Authority (AL), Rockville Housing Enterprises (MD), Washington County Community Development Agency (MN), and Rosenberg Housing Authority (TX).

³⁰ The three PHAs approved to offer landlord leasing incentives are Sheffield Housing Authority (AL), City of Pomona Housing Authority (CA), and Maryville Housing Authority (TN). Sheffield Housing Authority and City

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- **Damage claims.** Two PHAs are approved to offer damage claims to landlords. Both PHAs would offer to pay for damages caused by an HCV tenant (up to 1 month's contract rent or up to \$2,500), but only if the landlord leased to another voucher holder.
- **Vacancy loss.** One PHA is approved to offer landlords a payment of up to 1 month's rent if an HCV tenant breaks their lease or abandons the unit, or if the PHA terminates the voucher holder's contract mid-lease. However, the PHA would be responsible for making the payment only if the landlord leased the unit to another voucher holder.
- **Other landlord incentives.** All 3 PHAs also are approved to implement additional landlord incentives. One PHA will offer an incentive of up to \$500 for landlords that rent a new unit (one not previously rented to a voucher household) to an HCV tenant. Another PHA will offer a signing bonus of up to \$500 to each new landlord that signs a HAP contract. The third PHA will provide all landlords a \$250 signing bonus for each new HAP contract signed.³¹

A PHA can select not to implement an approved MTW activity included in their approved Supplement if the agency later decides the time is not right, staff capacity is a concern, or implementation would be more difficult than expected.

3.2.1 Cost Implications of Approved Moving to Work Activities

As part of the MTW Supplement, PHAs must classify whether the MTW activity is expected to have a positive, negative, or neutral effect on costs.

Ten of the PHAs with approved MTW Supplements reported MTW activities with cost implications. They include savings to HCV HAP costs or operating subsidies from eliminating utility reimbursements, and administrative savings from decreasing the frequency of reexaminations. Eight PHAs reported activities expected to increase costs—for example, higher payment standards and landlord incentives.

of Pomona Housing Authority are approved to offer damage claims. Sheffield Housing Authority also is approved to offer vacancy loss payments.

³¹ A June 2022 Notice (PIH2022-18) states that PHAs can use regular Administrative Fees for landlord incentives (Administrative Fee Eligible Uses Notice <https://www.hud.gov/sites/dfiles/PIH/documents/PIH2022-18.pdf>). Standard PHAs were previously allowed to use administrative fee reserves and other non-HAP funding for landlord incentives prior to this notice.

Several PHAs explained that they plan to rely on cost savings from streamlining agency activities to fund MTW activities that incurred additional costs. Others plan to use MTW funding flexibility—for example, dipping into HAP funds or administrative fees to cover the costs of landlord incentives. Others noted they have external funds or in-kind contributions from partners that will support activities that use MTW waivers. For example, some PHAs are relying on local nonprofit partners to provide wellness or asset-building classes for residents in their self-sufficiency programs. Another PHA said it had received a grant from its city to implement skills-development classes. Exhibit 3-4 describes external funding options that PHAs may use to support MTW implementation.

Exhibit 3-4. External Funding to Support Moving to Work Implementation

Seventeen public housing agencies (PHA) reported they are currently planning or hoping to use external funding to support their MTW activities. Several PHAs said they are exploring or have already set up a nonprofit arm to steer additional fundraising activities. External funding sources range from philanthropic grants to local government funding awards to in-kind services that community partners provide. Some PHAs also are seeking funds from other Federal programs.

Local Government. Eight PHAs discussed tapping into local government funding sources, including grants and direct allocations of local funds, to support resident services or development efforts. For example, two PHAs are using city grants to provide the Ready to Rent program to tenants and community members. The program helps renters prepare for leasing units and gives landlords assurance that future renters will be informed tenants. Other PHAs explained that their cities or counties provide money to fill funding gaps in development projects or donate land to help PHAs build new affordable housing units. Another group of PHAs plan to use local government funds to support their current and proposed self-sufficiency programs.

Community Partners. Twelve PHAs described their current and planned partnerships with local nonprofit or community organizations to provide grants or in-kind resident programming. One PHA works with a local bank to provide residents classes on financial basics. Another works with a local university to provide residents with classes promoting preventative health measures and activities to improve wellbeing. Several PHAs have been granted funds from local foundations to support services for residents, such as scholarships or self-sufficiency programs. Other PHAs plan to begin fundraising to support similar programs.

Federal Programs. Three PHAs use various Federal funds and programs to support their programs. One PHA has been granted Community Development Block Grant (CDBG) funds by its city to provide landlord incentives. Another received CDBG funds to support the development of new units. The third PHA received an AmeriCorps volunteer to help lay much of the groundwork for setting up and planning for its MTW activities. The volunteer spent a year at the PHA working with residents and community partners, supporting the MTW application and planning process, and helping to train the new MTW coordinator who was hired once the PHA was designated a MTW agency.

3.2.2 *Timing of Implementation of Approved Moving to Work Activities*

Four of the 11 PHAs with approved MTW Supplements had begun implementing some of their year-1 approved MTW activities by the end of January 2022. Others were scheduled to start by July 2022.

3. PLANS TO USE MTW WAIVERS

Three PHAs described waiting until HUD’s new data collection system, the Housing Information Portal (HIP), is released before implementing some or all their MTW activities.³² HIP will be a substantial upgrade to the Public and Indian Housing Information Center system that PHAs currently use for collecting information on households, units, and tenant payment calculations. The three PHAs that have been delaying implementation of some MTW activities until implementation of HIP understood that any interim changes PHAs made to tenant records would need to be reentered into the HIP site when HUD releases the new system.

3.3 Planned Moving to Work (MTW) Activities for PHAs Without Approved MTW Supplements

As of April 2022, 20 Flexibility Cohort PHAs did not yet have approved MTW Supplements. Some PHAs were still in the planning stages of their overall MTW program, were currently in the process of completing the MTW Supplement, or had an MTW Supplement pending HUD review. Information in this section describes the MTW activities that are planned by the 19 PHAs interviewed who did not yet have an approved MTW Supplement. The evaluation team chose to report the plans of these 19 PHAs separately from PHAs with approved MTW Supplements because the MTW waivers and associated MTW activities ultimately requested and approved might be different from the plans PHAs reported in interviews. Nonetheless, the plans described in the interviews conducted in the spring of 2022 provide further evidence of how Flexibility Cohort PHAs are likely to use MTW flexibility to make policy and program changes.

Exhibit 3-5 shows which waivers these 19 Flexibility Cohort PHAs are planning to seek approval for in their first MTW Supplement. Again, the discussion of planned activities is ordered by the number of PHAs with plans in each category described in the MTW Operations Notice.

Exhibit 3-5. Moving to Work (MTW) Waivers Selected by PHAs Without Approved MTW Supplements

MTW Waiver Category	PHAs Planning to Use MTW Waiver (#)
MTW Waivers that apply to both the HCV and Public Housing Programs	
Tenant rent policies	16
Reexaminations	16
Family Self-Sufficiency Program with MTW flexibility	4
Local, non-traditional activities	3
Work requirements	1
MTW Self-Sufficiency Program	1
Term-limited assistance	1
Short-term assistance	0

³² The HIP includes modules for what was formerly contained in HUD’s Inventory Management System/Public and Indian Housing Information Center database.

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MTW Waiver Category	PHAs Planning to Use MTW Waiver (#)
Increase in elderly age	0
Moving-On policy	0
MTW waivers that apply only to the HCV Program	
Housing Quality Standards	11
Payment standards and rent reasonableness	9
Landlord leasing incentives	8
Project-Based Voucher Program flexibility	3
MTW waivers that apply only to the public housing program	
Acquisition without prior HUD approval	1
Deconcentration of poverty in public housing	0
Public Housing as an incentive for economic progress	0

Notes: See Appendix I of the Operations Notice for more information on these waivers. Of the 31 Flexibility Cohort PHAs, 1 PHA did not complete the Year-1 interview with the evaluation team and, therefore, cannot be included in this table because the researchers are unaware of which waivers it plans to pursue in its first MTW Supplement. Of the 19 PHAs interviewed, 9 operate both public housing and HCV Programs, 9 operate only an HCV Program, and 1 operates only a public housing program. Some of the waivers represented in the table have multiple activities that fall under that waiver. They are aggregated so that any PHA reporting plans to request one or more of the activities under a waiver category is represented only once per category.

Source: Interviews conducted from February through April 2022 with PHA staff from 19 of the 20 Flexibility Cohort PHAs without approved MTW Supplements as of April 30, 2022.

Tenant Rent Policies. Among the 16 PHAs that are planning to request waivers to their tenant rent policies, the most popular activities are *increasing minimum rent* (9 PHAs) and *creating an alternative utility allowance* (8 PHAs). One PHA plans to request approval to implement *stepped rents*. The policies and intended goals for these three MTW activities are similar to those of PHAs with approved MTW Supplements.

- **Elimination of deductions.** Six PHAs are planning to eliminate certain deductions such as individualized medical or childcare deductions or all deductions from tenants' income calculations when determining tenant rent for public housing or the tenant share of the HCV rent payment. PHAs reported that this change would free up staff time and reduce errors that are common when calculating deductions.
- **Alternative income inclusions or exclusions.** Six PHAs are planning alternative income inclusions or exclusions when determining tenant rent. Most common is excluding income from rent calculations to help households afford the costs of postsecondary education. Some PHAs plan to exclude all income of students aged 18–24 to help them pay for college. Others are planning a phased exclusion, with all income from college students excluded in the first year. A decreasing portion of their income would be excluded from the second year on until the exclusion is completely phased out.

Reexaminations. All 16 PHAs that are planning to request waivers to modify their existing reexamination schedule. Eleven PHAs also plan to request waivers to allow tenants to self-certify their assets during reexaminations. Unlike the PHAs with approved MTW Supplements, some of the PHAs without approved Supplements are capping asset self-certifications at \$25,000 rather than \$50,000.

Family Self-Sufficiency (FSS) Program with MTW Flexibility. Four PHAs plan to seek an FSS program waiver. The plans for these activities are similar to those of PHAs with approved MTW Supplements.

Local, Non-traditional Activities. Three PHAs are planning LNT activities. Two of them are planning to seek approval to operate LNT programs to provide supportive and self-sufficiency services. Programs include services to people experiencing homelessness and incentive payments to residents who set employment or earnings goals and achieve them. A third PHA is seeking an LNT waiver to create a separate nonprofit arm of the PHA to help finance housing development programs. Under the LNT waiver, a PHA can also choose to implement activities such as a “Ready to Rent” program designed to promote landlord participation in the HCV Program (see exhibit 3-6).

Exhibit 3-6. Using Local, Nontraditional Programs to Promote Landlord Participation in the Housing Choice Voucher (HCV) Program

A Flexibility Cohort public housing agency (PHA) without an approved Supplement seeks HUD's approval to implement a local, non-traditional program to offer residents up to \$1,000 on completion of a 6-week Ready to Rent course. The Ready to Rent course teaches participants about the rental process; prioritizing housing needs; housekeeping skills; how to search for housing; and how to communicate with landlords, create a budget, repair credit, and accept responsibility for past rental issues. The financing for the incentive would come from a one-time grant from the city and would involve annual reapplication.

The PHA currently struggles with landlord participation in the HCV Program and anticipates that if more voucher holders completed the Ready to Rent program, landlords would be more willing to rent to them. Residents who complete the course would also get priority status on the PHA's HCV Program waitlist.

The PHA also might expand the Ready to Rent program to area residents who are not a part of the HCV Program, but who also struggle to find housing.

Work Requirements. One PHA plans to request a waiver to implement a work requirement. The PHA plans to phase in the work requirement slowly over time, with the first year used to simply inform voucher holders that the work requirement will start the following year. The PHA plans to ask for approval to require that nonelderly, nondisabled households work a minimum of 10 hours per week and to increase the requirement by 5 hours each year—to 15 hours, then 20 hours, and up to 30 hours per week. If a household did not meet these requirements, the PHA would include the equivalent level of income at the minimum wage when determining the household's share of rent. Households unable to afford rent at that level would have their voucher terminated unless they requested a hardship exemption.

MTW Self-Sufficiency Program. One PHA plans to request a waiver related to FSS. The plan for the activity is similar to those of PHAs with approved MTW Supplements.

Housing Quality Standards. Of the 11 PHAs without approved Supplements that would like to adjust the HQS, 7 would implement alternative inspection schedules to continue biennial inspections allowed under the COVID-19 waivers or to switch to triennial inspections. Some PHAs would limit the triennial inspection schedule to units that passed during the first round of inspection or to landlords with a history of maintaining their properties well. These PHAs would allow tenants to request interim inspections if needed. PHAs said these changes would result in cost efficiencies, reduced administrative burden for the PHAs, and reduced burden on tenants.

Payment Standards and Rent Reasonableness. Eight of the nine PHAs planning to seek waivers under this category would like to adjust the payment standards. Seven would increase the payment standard to 120 percent of FMR to give tenants more options in tight or high-cost rental markets. One PHA would use SAFMRs and increase the payment standard to up to 150 percent of the SAFMR for higher-cost neighborhoods. One PHA would use the waiver to eliminate the requirement for a third party to conduct rent reasonableness determinations for PHA-owned or managed units.

Landlord Leasing Incentives. Among the eight PHAs planning to implement landlord leasing incentives—

- **Damage claims.** Four PHAs would offer damage claims to landlords if an HCV resident caused significant damages to a unit (beyond normal wear and tear). Most PHAs would limit the damage claim to a certain amount, such as \$2,500, and would include a stipulation that required the landlord to accept another HCV participant.
- **Vacancy loss.** Three PHAs plan to request waivers that would allow them to make vacancy payments to landlords when a unit that was being rented by an HCV holder turned over. Under this policy, landlords would receive up to 1 month's rent to hold the turnover unit while the PHA processed the paperwork to move another HCV holder into the unit.
- **Other landlord incentives.** Seven PHAs are planning other landlord incentives. Examples are incentive payments to landlords that are newly participating in the HCV program and doubling the security deposit paid by the MTW agency for tenants who have a poor rental history.

Project-Based Voucher (PBV) Program Flexibility. Three PHAs are planning to request waivers to modify the current regulations regarding the PBV program. Exhibit 3-7 describes how PHAs currently use PBVs.

3. PLANS TO USE MTW WAIVERS

- **Increase the PBV project cap.** Two PHAs plan to request waivers to increase the project cap so that more units within a certain development could be project-based.
- **Limit portability of project-based vouchers.** Two PHAs plan to request a waiver to eliminate the ability of a household using a project-based voucher to leave that project and use one of the PHA's tenant-based vouchers for at least 2 years.
- **Increase the PBV program cap.** Two PHAs plan to request to increase the PBV program cap to allow more vouchers to be project-based. One of these PHAs plans to set aside extra PBVs for extremely low-income residents (that is, those with incomes at 30 percent or less of the area median). The other plans to increase the number of one-bedroom units that are project-based, because of high demand but limited supply in the area.

Exhibit 3-7. How Public Housing Agencies (PHA) Currently Use Project-Based Vouchers

Project-based vouchers (PBVs) are housing choice vouchers (HCV) that a PHA sets aside to be used in a specific housing development. PHAs are limited to setting aside no more than 20 percent of total authorized units (vouchers) as project-based (or up to 30 percent if for certain types of households or neighborhoods). This maximum percentage is known as the *program cap*. MTW waivers allow PHAs to increase the program cap up to 50 percent of either their total authorized units or annual budget authority. MTW waivers also allow PHAs to raise the limit on the number of PBV units within a given housing development, known as the *project cap*, from the greater of 25 units or 25 percent of units in a project for standard PHAs up to 100 percent for MTW Flexibility Cohort PHAs.

Prior studies of MTW (Buron et al., 2017; Galvez et al., 2021) found that PBV use increases under MTW, but these studies did not gather information on the reasons PHAs select to use project-based for more of their authorized units. This evaluation collected information on the purpose of current use of PBV and will collect information on any expansion of PBV by the PHAs in this study.

Within the MTW Flexibility Cohort, 11 of the 30 interviewed treatment PHAs already use PBVs as part of their HCV Program or through a Rental Assistance Demonstration (RAD) conversion of their public housing stock. Another PHA has a PBV project under development. The PHAs' purposes, including purposes for different projects to which they committed vouchers, are—

- Eight PHAs use PBVs to offer voucher holders more options in tough housing markets with high-market rents and limited availability of affordable units. As one PHA representative described it, “We need to build on setting aside some units for families who are having a difficult time. The [tenant-based] vouchers out there are competing against each other, so we are flooding the market with voucher holders for a limited number of units out there. Many vouchers expire during search time.”
- Six PHAs use PBVs to serve target populations that may be difficult to house or need special services, such as people who are elderly or have disabilities, those experiencing unsheltered or chronic homelessness, or survivors of domestic violence. One PHA's PBVs are limited to veterans who receive a tenant-based housing voucher through the HUD-Veterans Affairs Supportive Housing, or HUD-VASH, program.
- Six PHAs reported at least some of their PBV units were created through partnerships with housing developers looking to use financing incentives for affordable housing development, such as the Low-Income Housing Tax Credit. For two of the PHAs interviewed, this incentive was the sole reported reason for using PBVs.
- Six PHAs converted some or all their public housing units to PBV under RAD.^a

Of the 11 Flexibility Cohort PHAs that actively use PBVs, 8 plan to expand PBV use under the MTW program, and 4 plan to do so within the first year of implementing MTW. One PHA, Rockville Housing Enterprises (MD), has approval to implement several MTW-related changes to its PBV program, including expanding the program cap from 20 to 50 percent and project cap from 25 to 100 percent. Eight additional PHAs plan to begin using PBVs at some point during their time as an MTW agency.

For information on PBV regulations, see <https://www.hud.gov/sites/dfiles/PIH/documents/PIH-2017-21.pdf>.

^a Ten PHAs in the Flexibility Cohort reported undergoing partial or full (also known as a “portfolio”) RAD conversions. During the RAD conversion process, a PHA can convert public housing units to either PBVs or project-based rental assistance units. Six of the 10 PHAs converted to PBVs during the RAD process.

Special Waivers and Other Requests for Flexibility. Only 2 of the 19 PHAs without approved MTW Supplements plan to request agency-specific waivers or special requests for flexibility not included in the list provided in the MTW Operations Notice. One PHA plans to request from HUD’s voucher office permission to implement specific flexibilities allowed by MTW in the regular HCV or public housing programs in some of its special programs—for example, the HUD-Veterans Affairs Supportive Housing (HUD-VASH) program, Mainstream vouchers, Family Unification Program (FUP) vouchers, or Non-Elderly Disabled (NED) vouchers.³³ Another PHA is considering seeking approval to apply alternative income exclusions to the elderly and disabled residents of the PHA’s public housing developments. The waiver in the Operations Notice for alternative income exclusions does not apply to such households.

The timeline for PHAs to begin implementing these MTW waivers and associated MTW activities depends on when their MTW Supplement is submitted to and approved by HUD. Most of these PHAs plan to implement the MTW activities either as soon as their MTW Supplement is approved or at the start of their new fiscal year. When asked to consider what factors might delay their implementation plans, PHAs said that the largest challenges they might encounter relate to software updates. PHAs will need to update their internal software packages to be able to track or account for some of the changes they are planning or metrics they plan to track. Some PHAs had already begun this process with their software vendor in anticipation of starting the new activities. All PHAs were still awaiting updates to HIP.

3.4 Planned Moving to Work (MTW) Activities for Year 1 Compared with Initial MTW Plans

Flexibility Cohort PHAs’ plans for the first year of MTW implementation reflect a narrowing of focus compared to their initial MTW plans, as reported in Part 2 of the MTW application and the baseline year interviews. Most PHAs are focusing their first year on MTW activities that seem easier to implement and would be viewed positively by HCV or public housing residents.

I don’t think I had any preconceived notion that it would be a fast process. I could have gone faster, but we intentionally slowed it down to get our ducks in a row so we could be realistic about what changes we could make. We figured out a lot of waivers would be too much too soon.

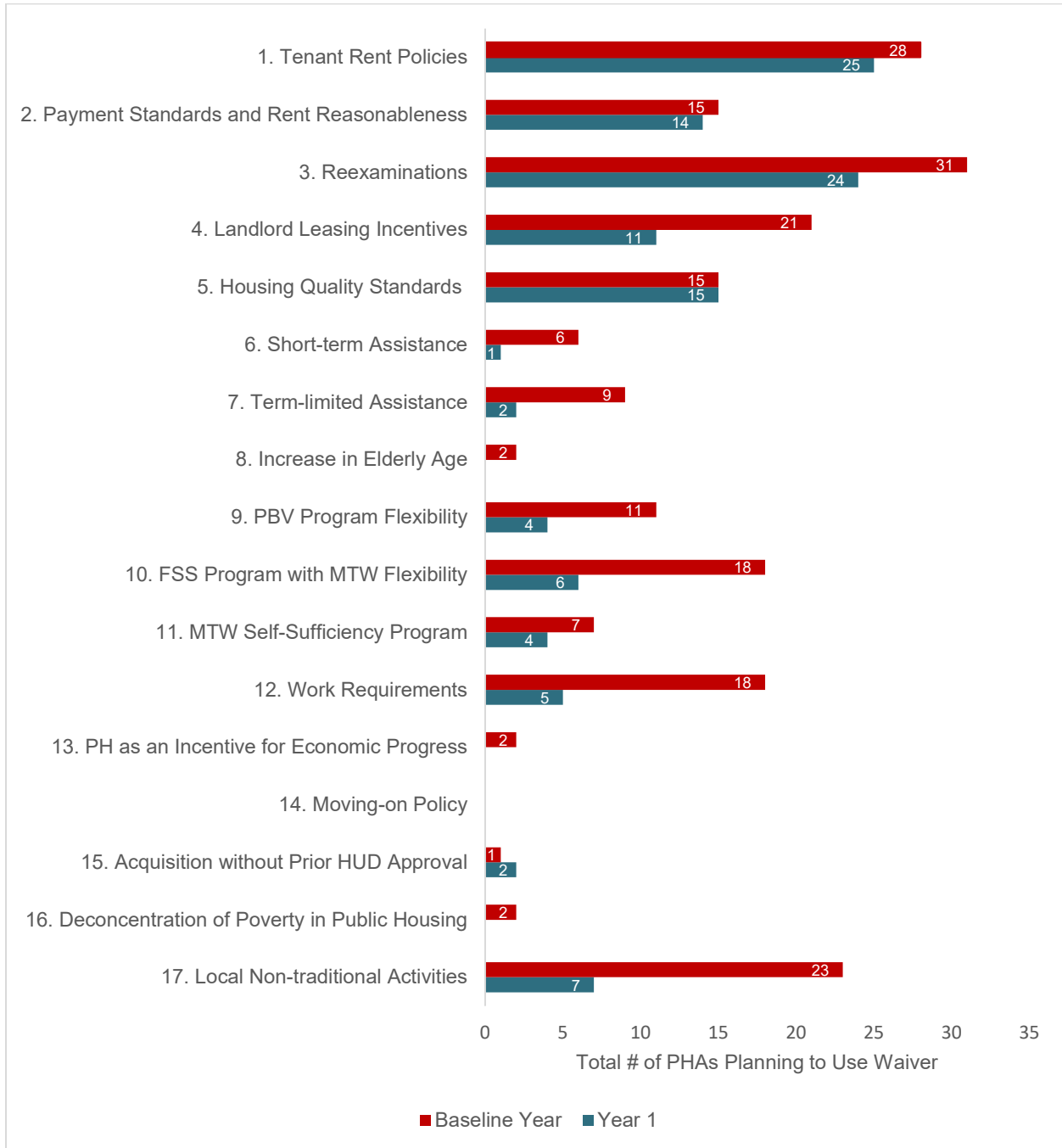
– PHA Executive Director

Most PHAs plan to wait to implement more complex changes, such as LNT activities, work requirements, and changes to their Family Self-Sufficiency programs, until later years. Exhibit 3-8 shows the difference between the number of PHAs that described their plans for an MTW activity that would require a waiver when interviewed in 2021 (the baseline year) and the immediate plans they told the evaluation team about during interviews in 2022 (plans for year 1).

³³ Special-purpose vouchers are not included in the MTW program. Approval for activities similar to those covered by MTW waivers would need to come from HUD’s voucher office, which has the authority to waive some of the provisions of regulations and notices. However, HUD cannot permit the funding for these programs appropriated for special purposes to be used interchangeably with other HCV or public housing funding streams.

3. PLANS TO USE MTW WAIVERS

Exhibit 3-8. Changes in Flexibility Cohort Public Housing Agencies' (PHAs) Plans for Moving to Work (MTW) Waiver Use over Time (Baseline Versus Year 1)



FSS = Family Self-Sufficiency Program. PBV = project-based voucher. PH = public housing.

Notes: See Appendix I of the Operations Notice for more information on these waivers. Of the 31 Flexibility Cohort PHAs, 1 PHA did not complete the Year-1 interview with the evaluation team and, therefore, cannot be included in this table because the researchers are unaware of which waivers it plans to pursue during its first year of MTW implementation. Of the 31 Flexibility Cohort PHAs, 15 operate both public housing and Housing Choice Voucher (HCV) Programs, 13 operate only an HCV Program, and 3 operate only a public housing program. Some of the waivers represented in the table have multiple activities that fall under that waiver. The exhibit aggregates them so that any PHA reporting plans to request one or more of the activities under a waiver category is represented only once per category.

Sources: MTW Supplements; interviews conducted from February through April 2022 with PHA staff at 30 of the 31 Flexibility Cohort PHAs; responses to Part 2 of the MTW application; baseline interviews in March 2021 with PHA staff from the 31 Flexibility Cohort PHAs

Staff from the PHAs noted several reasons for waiting to implement some of these more challenging MTW waivers and associated MTW activities. For example, they wanted to have a better understanding of MTW and how initial changes are working in practice; they wanted more time to think through the impact analyses and hardship policies that some MTW activities require; they needed more time for change management for PHA staff and residents; and they were waiting for the economic and staffing impacts of the COVID-19 pandemic to pass or lessen. Some PHAs have decided not to pursue some of the waivers they had planned during the baseline year, even in the future. These decisions were driven by changes in PHA leadership or changes in staff mindsets about which waivers to pursue.

3.5 Influence of COVID-19 Waivers and COVID-Related Funding on Public Housing Agencies Plans for Moving to Work

Shortly after the COVID-19 pandemic emerged in the United States in the spring of 2020, HUD issued all PHAs a series of COVID-19 waivers to ensure the health and safety of PHA staff and tenants.³⁴ These waivers granted PHAs flexibility to reduce in-person interactions and allow PHAs and tenants more schedule flexibility while dealing with the health crisis. As vaccination rates went up and health and safety concerns lessened, the COVID-19 waivers started to expire. By the end of 2021, all of the COVID-19 waivers had expired.

More than one-third of Flexibility Cohort PHAs (11) plan to request MTW waivers and implement associated MTW activities to extend expiring COVID-19 waivers. These PHAs would like to continue to modify the income verification protocols (i.e., forgo third-party verification of tenant income), have greater flexibility in reexamination schedules, provide longer voucher extensions for housing searches, forgo some tenant documentation requirements, have more flexibility in the timing of HQS inspections, conduct reexaminations and other business over the phone, allow application submissions online, provide landlord incentives, and have extended 50058 reporting deadlines.³⁵ PHA staff said these flexibilities had benefited their agencies, allowing staff more flexibility to do their jobs, reducing red tape for tenants, and providing more housing options for voucher holders. For small PHAs, some of which serve large geographic areas, the ability to flex deadlines and to conduct business over the phone was important. It was also helpful to tenants, who often lacked transportation and had trouble meeting strict deadlines for meetings or providing paperwork.

In addition to the waivers HUD issued during the pandemic, PHA staff mentioned other pandemic-related funding, including CARES Act funds and Emergency Housing Vouchers, which had directly supported or informed the development of their MTW activities. Several PHAs plan to use MTW waivers and associated MTW activities to continue to provide landlord

³⁴ The Coronavirus Aid, Relief, and Economic Security (CARES) Act provided HUD the authority to waive or modify statutory and regulatory requirements for the public housing and HCV programs. HUD implemented a number of modifications and waivers (which we refer to as “COVID-19 waivers”) beginning in April 2020 and continued to issue additional waivers throughout the pandemic. Many of these COVID-19 waivers were in place through the end of 2021. A full list of the COVID-19 waivers and alternative requirements for public housing and HCV programs can be found on HUD’s website: <https://www.hud.gov/sites/dfiles/PIH/documents/PIH2021-14.pdf> and https://www.hud.gov/program_offices/public_indian_housing/covid_19_resources/navigating_waiver_expiration.

³⁵ Under traditional program rules, no requirement exists for PHAs to conduct reexamination activities in person. However, some PHAs reported plans to continue policies created during the COVID-19 pandemic to conduct aspects of the reexamination process and other activities over the phone rather than in person.

3. PLANS TO USE MTW WAIVERS

incentives they had implemented with CARES Act funds or Emergency Housing Vouchers. Another PHA used CARES Act funds to hire a consultant to support the development of its MTW application and MTW Supplement. One PHA used an AmeriCorps volunteer to support its MTW application and MTW Supplement development.

4. Outcome Measures to Be Studied in Future Impact Reports

As discussed in Section 1.1, this first-year report does not present impacts of Moving to Work (MTW) because 2021 was an onboarding year during which most of the Flexibility Cohort public housing agencies (PHAs) had not yet started any MTW activities. Instead, the evaluation team analyzed data from 2021 to ensure that the study's data collection and analysis procedures are ready and complete for future years.

Baseline values of the outcome measures the evaluation team will use to estimate the impact of MTW flexibility were presented in the *Baseline Report* (Geyer et al., forthcoming). This chapter updates that presentation, showing the definitions and average values for the 43 randomized control trial (RCT) PHAs at baseline (2020) and in 2021. Two points in time are not sufficient to identify broad trends. This chapter presents the definitions and estimates for the confirmatory outcomes only. Exploratory outcomes are also discussed, but those results are reported in the appendix.

Comparing values at the beginning of the study with values in 2021 shows how much these outcomes can change from one year to the next before MTW activities have a chance to influence them. This 2-year analysis also coincides with the economic disruption from the COVID-19 pandemic, which started in March 2020. For people in public housing or using a Housing Choice Voucher in 2020, the evaluation team has earnings data from the first quarter of 2019, so earnings trends could be analyzed from 2019 through 2021 to understand how much the pandemic economy affected earnings of people using housing assistance.

4.1 Change in Outcome Measures, 2020–2021

The *Research Design/Data Collection and Analysis Plan* prespecified one confirmatory hypothesis test for each of MTW's statutory objectives: *cost-effectiveness*, *self-sufficiency*, and *housing choice* (Turnham et al., 2021).³⁶ Prespecification avoids bias that can occur if evaluators select what to present only after reviewing the results, some of which may be due to random chance (Type II errors). All other hypothesis tests will be considered exploratory.

This chapter first presents the study's three confirmatory outcomes, followed by those

Exhibit 4-1. Conformity and Explanatory Outcomes

This report does not report the effects of the MTW program, but still identifies confirmatory and exploratory outcomes because the distinction is important in the evaluation.

Confirmatory outcomes are those judged to be *the best single measure* of whether treatment public housing agencies (PHA) have achieved that statutory objective. A statistically significant finding from the confirmatory hypothesis test provides definitive evidence that MTW flexibility has a nonzero impact on that objective.

Exploratory outcomes provide a *more complete picture* of the potential impact of MTW on the objective. These outcomes can be alternative measures of the confirmatory outcome, outcomes measured for portions of PHAs' programs or participants served, or components of a multipart confirmatory outcome measure. A statistically significant finding from an exploratory hypothesis test provides suggestive, but not definitive, evidence that MTW flexibility has a nonzero impact on that objective.

³⁶ The confirmatory hypothesis test will provide the best single measure of whether Treatment PHAs have achieved that statutory objective. The exploratory hypothesis tests will provide a more complete picture of the potential impact of MTW on the objective.

exploratory outcomes for which the change between 2020 and 2021 passed a test of statistical significance (see exhibit 4-1).

4.1.1 Confirmatory Outcomes

The main takeaway from this chapter is that between 2020 and 2021, there was no significant change in the three confirmatory outcome measures at the 43 RCT PHAs, as shown in exhibit 4-2.

Exhibit 4-2. Comparison of Baseline and Year-1 Confirmatory Outcomes of Randomized Control Trial Public Housing Agencies (PHA)

Confirmatory Outcome	Baseline (2020)	Year 1 (2021)	Change	p-Value
Total operating, administrative, and housing assistance payment expenditures per household, per month	\$630	\$672	+\$42	.273
Nonelderly, nondisabled household earnings in year	\$16,673	\$16,436	-\$237	.695
Housing choice voucher households living in low-poverty census tracts ^{HCV}	34.7%	34.2%	-0.5 p.p.	.252

^{HCV} Means are estimated using only PHAs with voucher programs (38 PHAs).

p.p. = percentage point.

Notes: This sample includes 43 PHAs (33 treatment PHAs, 10 control PHAs). No changes are statistically significant, as all p-values are greater than .01. Sample size is 43 randomized control trial PHAs (33 Treatment PHAs and 10 Control PHAs). The means reported are the average of PHA-level values. During this period, inflation as measured by the Consumer Price Index for Urban Wage Earners and Clerical Workers was 7.81 percent. The change in average total operating, administrative, and housing assistance payment expenditures per household increased 6.67 percent (+\$42). Household earnings tracks average earnings of households receiving housing subsidies in a given year, thus households that exited during that year are not included and households that entered during that year are included. A “low-poverty” census tract is defined as a census tract with a poverty rate of less than 10 percent or a poverty rate in the lowest quartile of census tract poverty rates for the PHA’s jurisdiction.

Source: HUD’s Financial Data System (PHA annual fiscal reports through March 2022); HUD household-level data from the Housing Information Portal through December 31, 2021; 2019 5-year American Community Survey.

All measures are calculated as means of PHA-level data. Program costs and the proportion living in a low-poverty census tract are calculated at the PHA level; earnings are initially calculated at the household level and then turned into PHA-level measures with each of the 43 PHAs given equal weight.

Details of these measures are as follows:

Total Operating and Administrative Expenditures per Household, per Month. The MTW statutory objective related to cost-effectiveness is “to reduce cost and achieve greater cost-effectiveness in Federal expenditures.”³⁷ For the purpose of this evaluation, the primary question related to the cost-effectiveness objective is whether MTW PHAs can provide a similar level of housing assistance at a lower cost than do non-MTW PHAs, a question best evaluated by comparing PHA expenditures per household per month. Operating and administrative expenditures are the PHA’s annual costs for HCV administrative services and housing assistance payments (HAP), plus the PHA’s annual public housing operating expenses. To finalize the measure, total expenditures are divided by the total number of unit months leased for the PHA’s HCV and public housing programs. The data source for both total expenditures and the number of unit months leased is the annual PHA income statement in HUD’s Financial Data Schedule.

³⁷ Section 204 of the Omnibus Consolidated Rescissions and Appropriations Act of 1996 (1996 Act).

Household Earnings in Year. The MTW statutory objective related to self-sufficiency is “to give incentives to families with children where the head of household is working, seeking work, or is preparing for work by participating in job training, educational programs, or programs that assist people to obtain employment and become economically self-sufficient.”³⁸ For this evaluation, in keeping with our understanding of the MTW waivers designed to encourage employment and earnings, the confirmatory outcome focuses on self-sufficiency outcomes among nondisabled persons in nonelderly, nondisabled households. Nonelderly, nondisabled households are households in which neither the head of household nor the spouse or cohead is aged 62 or older or has a disability. Earnings for all working-age persons³⁹ in these households are added up to create household earnings. Household earnings are averaged for all nonelderly, nondisabled households within a PHA to create the PHA-level outcome measure. The data source for earnings is the National Directory of New Hires (NDNH), which provides quarterly wage information on individual employees from state workforce agency and federal agency records.

Percentage of HCV Households Living in Low-Poverty Census Tracts. The MTW statutory objective related to housing choice is “to increase housing choices for low-income families.”⁴⁰ For the purposes of this evaluation, the evaluation team associates housing choice with living in higher quality neighborhoods (defined as “low poverty”), thus the confirmatory outcome is computed by dividing the number of HCV households in low-poverty census tracts by the number of all HCV households in that PHA. A “low-poverty” neighborhood as one where the poverty rate is in the lowest quartile of poverty rates within the PHA’s jurisdiction, or where the poverty rate is less than 10 percent.⁴¹

Exploratory Outcomes

The analysis of changes in exploratory measures between 2020 and 2021 revealed a few that were statistically significant (appendix). With so many exploratory measures, some spurious findings can be expected, but a few of the changes are noteworthy. First, the average HAP expenditures per household, per month increased by \$20, from \$617 to \$637 (exhibit A-1). This increase is consistent with the average increase of \$20 in the national HCV program from \$803 in December 2020 to \$824 in December 2021 (HUD, 2022a).

³⁸ 1996 Act.

³⁹ For this measure, “working age” is considered aged 14 (the minimum set by the Fair Labor Standards Act) to aged 61 (inclusive) at the end of 2021, the year NDNH data are available for this report.

⁴⁰ 1996 Act.

⁴¹ For this evaluation, the definition of “low poverty” is based on the neighborhood poverty rate because it is a readily available measure that is associated with children’s future outcomes (Galster et al., 2007). To estimate the PHA’s lowest quartile of poverty rate, we first identify the census tracts in its jurisdiction. We include all census tracts where at least 2 percent or five or more (whichever is smaller) of a PHA’s households live, as well as all census tracts neighboring those census tracts. This definition of “jurisdiction” is changed since the *Research Design/Data Collection and Analysis Plan*; the previous definition used only the 2 percent inclusion threshold for the first set of census tracts; we now add the “or five or more” inclusion threshold, which permits the inclusion of more census tracts for PHAs with more than 250 households. To select the lowest quartile of poverty rate, we do not give equal distributional weight to each census tract. Because we want to learn whether renters are in the lowest quartile of poverty rates *for renters in that jurisdiction*, we weight the distribution of the census tracts’ poverty rates by the number of households in that census tract that rent (rather than own) their residence. This choice results in a better reflection of the neighborhood choices for renters for that jurisdiction.

Second, utilization appears to be decreasing in the public housing and HCV Programs from 2020 to 2021.

- A 1.6 percentage point decrease in the percentage of authorized vouchers that are under lease, from 87.7 percent to 86.1 percent (exhibit A-4).
- A 3.8 percentage point decrease in average public housing occupancy rate, from 93.8 percent to 89.9 percent (exhibit A-4).

These decreases are consistent in size with slight decreases at the national level (HUD, 2022a; HUD 2022b).⁴² Despite these slight declines, the average number of households served per month at the 43 RCT PHAs stayed constant at approximately 540, reflecting counteracting changes of an average decrease of six households served in public housing per month and an increase of almost seven households served in the HCV program.⁴³

4.2 Employment and Earnings During the COVID-19 Pandemic

This section offers insights on how employment and earnings changed for assisted households for a somewhat longer period, from the first quarter of 2019 through the third quarter of 2021.⁴⁴ Our data source is the NDNH earnings data, which provide average quarterly employment and earnings for nondisabled adults who were receiving housing assistance from the RCT PHAs on December 31, 2020, and who were aged 18 to 62 on that date. Because these adults are in the study’s baseline dataset, the study has quarterly information for all of 2019.

4.2.1 Employment

Unlike the change in the confirmatory outcome measure presented in section 4.1, this section focuses on how each adult’s employment changed during the start of the public health emergency created by the COVID-19 pandemic. Therefore, the analysis presents the average of all adults in the sample, with each adult contributing the same weight toward the average.⁴⁵

As of the third quarter of 2021, the employment rate in the 43 PHAs that make up the RCT sample had not recovered to 2019 levels. Exhibit 4-3 displays the trend in average quarterly employment (defined as “nonzero earnings” in the quarter). The average employment rate among adults in nonelderly, nondisabled households in the Treatment and Control PHAs was 63 percent in the first quarter of 2020 (the onset of the COVID-19 pandemic was at the end of this quarter). It had not recovered as of the third quarter of 2021, when it was 56 percent—a large and

⁴² At the national level, leasing utilization was 88.0 percent in December 2020, and 87.0 percent in December 2021. Public housing occupancy was 94.7 percent in December 2021, a slight decrease from 95.0 percent when first reported in the Data Dashboard in June 2021.

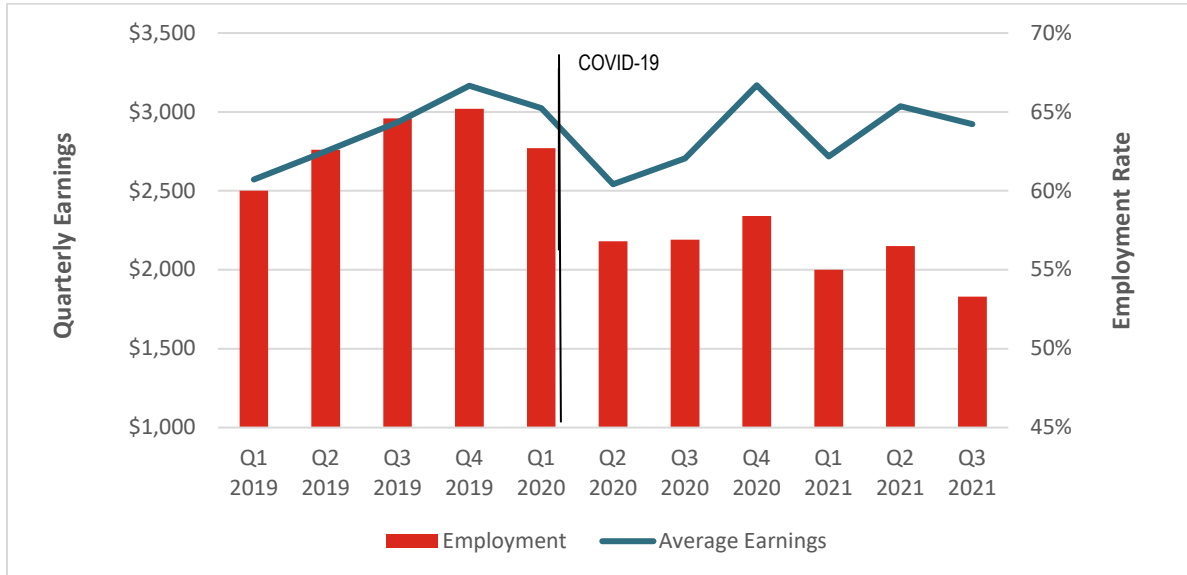
⁴³ In addition to calculating the 2020–2021 changes in these key outcomes for the RCT sample, the team also analyzed changes for the 99 Comparison PHAs that are part of the QED sample (results not shown). A larger number of differences are statistically significant for the Comparison PHAs, likely because of the larger sample size (99 QED Comparison PHAs compared with 43 RCT PHAs). Generally, in magnitude, the 2020–2021 changes in the QED sample are very similar to the 2020–2021 changes in the RCT sample. A few of the comparisons have opposite directions (positive for one sample versus negative for the other). Given the slightly wider confidence intervals in the RCT sample, however, the switch in direction is not necessarily meaningful.

⁴⁴ As of this writing, quarterly data are available through the third quarter of 2021.

⁴⁵ By contrast, the Change in Outcome Measures, 2020–2021 section presented averages of PHA-level average outcomes because the evaluation will study the impact of MTW designation on PHA-level outcomes.

statistically significant difference.⁴⁶ Because of this evaluation’s experimental and impact study design, the evaluation team will be able to estimate the impact of MTW designation irrespective of external events such as influence of the COVID-19 pandemic.

Exhibit 4-3. Employment Rate and Average Earnings of Nondisabled Adults Receiving Housing Assistance at Randomized Control Trial Public Housing Agencies (2019–2021)



Note: Sample is adults in nonelderly, nondisabled households receiving housing assistance as of December 31, 2020 (14,720 adults across the 43 randomized control trial public housing agencies).

Sources: National Directory of New Hires earnings data through the third quarter of 2021; HUD household-level data from the Housing Information Portal through December 31, 2021

4.2.2 Earnings

Like employment levels, average quarterly earnings also dropped in the second quarter of 2020. Unlike employment levels, average quarterly earnings rebounded quickly by the fourth quarter of 2020. Coupled with the employment data, the earnings data imply that the people who were working either worked more hours or received higher wages from the third quarter of 2020 through the third quarter of 2021.

Unemployment insurance cushioned temporary declines in earnings. The sum of average earnings plus average unemployment insurance payments increased steadily during this analysis period. Exhibit A-3 illustrates the steady increase in the sum of earnings plus unemployment insurance payments. It also shows that the proportion of adults in the 43 RCT PHAs receiving unemployment insurance payments increased from 4 percent in the first quarter of 2020 to 19 percent in the second quarter of 2020, then declined to remain at 11 percent at the end of the third quarter of 2021.

⁴⁶ NDNH data include only earnings reported to the Unemployment Insurance System and federal government earnings tracked by the Office of Personnel Management. Self-employment earnings and informal employment arrangements, or “under the table” earnings, are not included.

5. Recommendations and Lessons Learned in Year 1

The timeframe covered in this report—from early 2021 through early 2022—captures the period in which the Moving to Work (MTW) Flexibility Cohort public housing agencies (PHAs) took their first concrete actions toward using MTW flexibility. In our interviews in February–April 2022, PHA staff noted many changes that occurred between starting the application process in 2018 and becoming designated as MTW agencies, including changes in PHA leadership, staffing, and a global pandemic that significantly altered PHA operations, timelines, and agency objectives for many PHAs. The first year of MTW designation was also a learning year. Throughout early 2021, PHAs completed a series of training webinars hosted by HUD, became officially designated as MTW agencies, received authorization to begin using MTW funding flexibility, and planned or completed their MTW Supplements. Some began to implement MTW waivers and associated MTW activities.

The big [lesson learned] I think is just us not realizing how much time and preparation this takes.... We thought we could just implement everything in our upcoming fiscal year, but we are realizing there is really a lot more preparation we need to do—we need to make sure the financial piece and all of the trainings are in place. The trainings from the MTW Office and the cohort have been super helpful. Financial tracking, the management piece, and the program design piece have taken longer than we thought.

– PHA Executive Director

5.1 Public Housing Agency Recommendations on Moving to Work Onboarding

As part of the onboarding process, HUD offered Flexibility Cohort PHAs a series of onboarding webinars starting in January 2021. Of the 30 PHAs interviewed, 17 reported this training was helpful in understanding MTW and the steps needed to move forward with MTW designation and activities. PHA staff also appreciated that the webinars were recorded and posted online so they could go back to them later as the need arose or to help onboard new staff. Some of these interviewees noted that the MTW Collaborative was also helpful in thinking through their initial plans for MTW and preparing their MTW Supplements.⁴⁷ PHAs also pointed to the usefulness of establishing regular communication with their HUD field office to get questions answered.

Twenty-one PHAs, more than one-half of those interviewed, including some that viewed the training positively, said that additional training, resources, or technical assistance would have been helpful. PHAs suggested—

- More direct guidance from HUD during the onboarding process, such as one-on-one training, an instruction manual and checklist to accompany the training webinars, and sample MTW Supplements and associated hardship policies and impact analyses to reference while drafting their own. This guidance could also help PHAs onboard new staff as PHA staff or leadership turn over.

⁴⁷ The MTW Collaborative is a nonprofit organization founded in 2019 that brings together and advocates for current and future MTW agencies.

5. RECOMMENDATIONS AND LESSONS LEARNED

- Direct contact with the MTW office at HUD headquarters until HUD field staff were fully trained and knowledgeable about the policies and regulations applicable to the Flexibility Cohort.
- Training webinars that break down the MTW process more, provide step-by-step guidance on each stage of the process and the timelines for required actions, and are offered “just in time” as PHAs would need to implement the topics covered in the trainings, not all at once during onboarding.
- Additional training webinars that cover changes in finance reporting, budgeting, and how reporting to other systems such as the Voucher Management System would be affected by the MTW Program.
- A simplified version of the MTW waivers and more examples of changes that could be applied under the waivers could be provided during the application and onboarding processes to help explain the allowed changes to PHA staff, the community, and residents.
- HUD-facilitated connections with Initial MTW or fellow Flexibility Cohort PHAs, such as a listserv for all new MTW agencies, so they can easily communicate with one another to brainstorm and troubleshoot issues.

The training we received at beginning of [2021], we were new to it, we hadn't even seen an MTW Supplement, didn't know what to ask, because we had never gone through the process. We've gone back and watched the training multiple times. It wasn't in depth or detailed. Just snapshots of what you need to know. We couldn't ask questions because we didn't know what questions to ask! I think training [scheduled for] when we start [MTW activities and reporting] would be helpful so that we know what we need clarification on.

– PHA Executive Director

5.2 Lessons Learned in First Year of Being a Moving to Work Agency

One of the most common lessons PHAs said they learned was that implementing MTW requires a lot of focused staff time to understand the program rules and plan for implementation. Staff from many of these PHAs recommended starting slow, being patient, and creating a long-term plan.

I would tell them to take it day by day. Do not try to be the first one to do everything. Appreciate the webinars, tutorials, don't just assume you know what you want. Get a good group of tenants to see how each waiver would affect them. Go into it slowly, don't try to be the top one—it's not a race. Everyone is driving their own boat. Just slow down, absorb it, ask questions, do your homework.

– PHA Executive Director

Staff from a few PHAs said that the name of the program, Moving to Work, caused confusion among tenants and others in the community about what the program was about. They recommended HUD consider rebranding the program to focus on the flexibility MTW provides to PHAs to adjust program operations to local needs. One PHA rebranded the program as

5. RECOMMENDATIONS AND LESSONS LEARNED

“Moving to Wellness” when communicating publicly to reduce confusion and concern among residents about what the program would entail.

Staff from 18 of the PHAs interviewed explained that implementing MTW was challenging for them as a smaller PHA because they have limited capacity to take on additional tasks. Some PHA staff said that they wished they had not taken on other significant projects such as applying for and administering the Emergency Housing Voucher program at the same time as starting MTW activities. Staff turnover at smaller agencies was also a challenge, especially among PHAs with only three or four staff members. Leadership positions turned over at a few PHAs, which resulted in the loss of the one person who had been doing most of the planning work for MTW implementation.

Several PHA executive directors described the benefit of bringing on an additional staff member or consultant to help plan and implement MTW. Staff from other PHAs said they would have liked to hire a dedicated staff person, such as an MTW coordinator, to oversee the day-to-day activities and answer questions that come up but lacked the finances to do that. They noted that as a smaller agency, they could not hire someone if they had not already planned and budgeted for the position as part of their long-term strategy.

The hard part was devoting the time to figuring out how to do everything. I always have so many little fires to put out, so it’s never easy to devote a chunk of time to reading the policy and figuring out how to do it.

– PHA Executive Director

Despite these challenges, at least seven PHAs reported benefiting from their smaller size. They said that the small staff and fewer outside entities such as special interest groups made it easier to get buy-in for MTW. Some PHA staff also reported that they appreciated the opportunity that MTW gave them to refocus on their programs and think innovatively about how their programs can be improved, both to implement more efficiently and to better serve tenants.

It’s been good for us to refocus. I’ve been here a long time and we get set in our ways, but this gave us an opportunity to look at how we were doing things and to see if we could do them better.

– PHA Executive Director

Appendix. Changes in Outcome Variables from Baseline to Year 1 for Randomized Control Trial Public Housing Agencies

This appendix includes 2020 and 2021 outcomes for all the confirmatory and exploratory outcome measures for the 43 public housing agencies (PHAs) (33 Treatment PHAs and 10 Control PHAs) in the randomized control trial sample.

Exhibit A-1. Changes in Average Levels of Public Housing Agency (PHA) Cost (Dollars per Household per Month)

Outcome	Baseline (2020)	Year 1 (2021)	Change	p-Value
Confirmatory				
Total operating, administrative, and housing assistance payment (HAP) expenditures (\$)	630	672	42	.273
Exploratory				
Public housing operating expenses minus utilities ^{PH} (\$)	477	467	- 9	.729
Housing choice voucher (HCV) and local, non-traditional programs' administrative and tenant services expenditures ^{HCV} (\$)	74	84	10	.351
HCV HAP expenditures ^{HCV} (\$)	617	637	20	.000***
Total federal funding of MTW-eligible programs (\$)	546	552	5	.124
Total revenue of MTW-eligible programs (\$)	724	722	- 2	.849
Cash reserves (\$)	158	210	52	.117

*** indicates statically significance at the $p < .10$, $p < .05$, and $p < .01$ levels, respectively.

^{PH} Where indicated, means are estimated using only PHAs with public housing programs (27 PHAs).

^{HCV} Where indicated, means are estimated using only PHAs with voucher programs (38 PHAs).

MTW = Moving to Work.

Notes: Sample size is 43 randomized control trial PHAs. The means reported are the average of PHA-level values. The confirmatory measure excludes utility payments from public housing operating expenses. Utilities are excluded from public housing operating costs to allow for a more consistent comparison between PHAs. Some PHAs pay utilities directly, so the cost shows on the Financial Data Schedule (FDS) as operating expenses (These PHAs collect more total tenant [rent] payment because no utility allowance is provided for tenants); other PHAs do not pay these costs directly so it does not show on the FDS as operating expenses (but collect less in total tenant payment because the PHAs provide a utility allowance). Versions of this exhibit in future Annual Reports will also report on local, non-traditional HAP expenditures. These expenditures are not reported at baseline because no PHA was eligible to have local, non-traditional HAP expenditures at baseline. Appendix C of the *Baseline Report* exhibit C-1 provides details on the construction of the measures in the above exhibit (Geyer et al., forthcoming).

Sources: HUD's Financial Data System (PHA annual fiscal reports through March 2022); quarterly data from the Voucher Management System

APPENDIX. CHANGES IN OUTCOME VARIABLES

Exhibit A-2. Changes in Average Levels of Household Employment and Earnings in Nonelderly, Nondisabled Households

Outcome	Baseline (2020)	Year 1 (2021)	Change	p-Value
Confirmatory				
Nonelderly, nondisabled household earnings in year ^a	\$16,673	\$16,436	– \$237	.695
Exploratory				
Percentage of nonelderly, nondisabled households with any earnings in third quarter	66.9	62.1	– 4.8	.019**
Among nonelderly, nondisabled households that exited in year, household earnings in third quarter	\$24,626	\$24,245	– \$381	.762
Among nonelderly, nondisabled households that exited assistance in 2020, percentage with household earnings in third quarter equivalent to 2.5 times or more of the local fair market rent	37.2	33.5	– 3.7	.052*

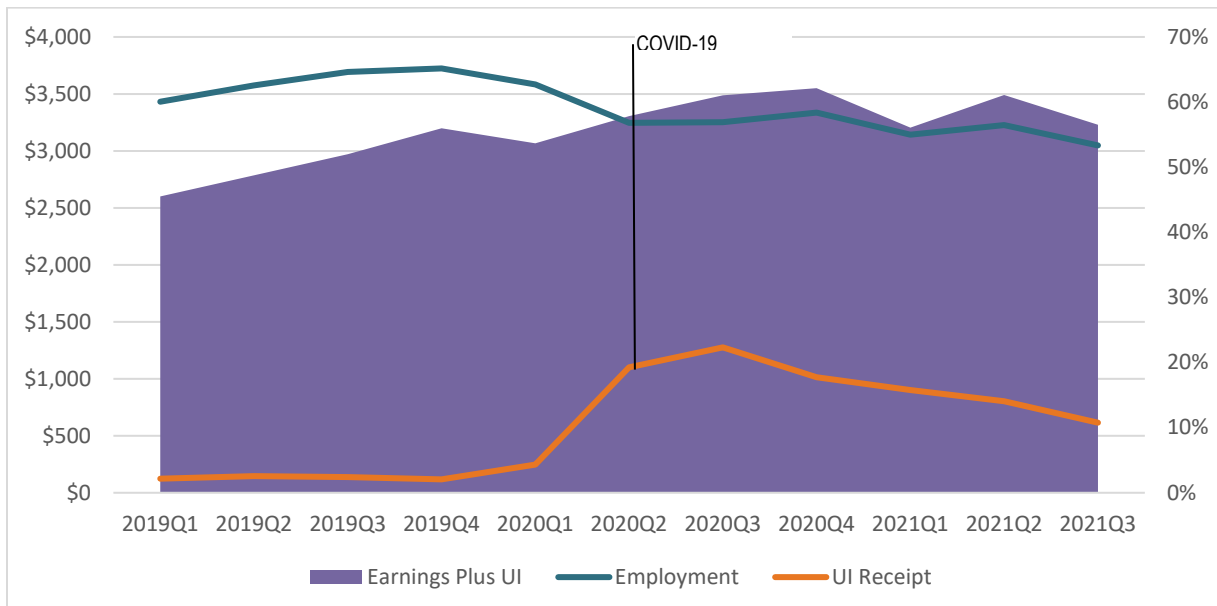
*/**/**** indicates static significance at the $p < .10$, $p < .05$, and $p < .01$ levels, respectively.

^a Annual earnings for Baseline 2020 are calculated as the sum of the first, second, third, and fourth quarters of 2020. Annual earnings for Year 1 are calculated as the sum of the fourth quarter of 2020 and the first, second, and third quarters of 2021.

Notes: Sample size is 43 randomized control trial public housing agencies (PHA). The 2020 analysis has 7838 households, and the 2021 analysis has 8069. The means reported are the average of PHA-level values. Appendix C of the *Baseline Report* exhibit C-2 provides details on the construction of the measures in the above exhibit (Geyer et al., forthcoming). Household earnings are the sum of earnings of all household members aged 14 and up as of December 31 of the analysis year. Households with only nonelderly and nondisabled household heads, spouses, and coheads are included.

Sources: National Directory of New Hires earnings data through the third quarter of 2021; HUD household-level data from the Housing Information Portal through December 31, 2021

Exhibit A-3. Earnings and Unemployment Insurance Receipt of Nondisabled Adults in Nonelderly, Nondisabled Households at Randomized Control Trial Public Housing Agencies



Note: Sample is adults in nonelderly, nondisabled households receiving housing assistance as of December 31, 2020 (14720 adults across the 43 randomized control trial public housing agencies).

Sources: National Directory of New Hires earnings data through the third quarter of 2021; HUD household-level data from the Housing Information Portal through December 31, 2021

Exhibit A-4. Households’ Housing Choice: Changes in Average Low-Poverty Neighborhood Location

Outcome	Baseline (2020)	Year 1 (2021)	Change	p-Value
Confirmatory				
Percentage of housing choice voucher (HCV) households living in low-poverty census tracts ^{HCV}	34.7	34.2	- 0.400	.252
Exploratory				
Percentage of HCV households living in census tracts with less than 10 percent poverty rate ^{HCV}	26.3	25.7	- 0.600	.123
Percentage of HCV households living in census tracts with a poverty rate lower than the 25th percentile poverty rate for the public housing agency’s (PHA) jurisdiction ^{HCV}	27.1	26.7	- 0.400	.220
Percentage of HCV households living in census tracts with a poverty rate below the median for the PHA’s jurisdiction ^{HCV}	53.5	53.0	- 0.500	.340
Percentage of HCV households with children living in low-poverty census tracts ^{HCV}	35.5	34.2	- 1.300	.041**
Percentage of HCV households with children living in census tracts with a poverty rate below the median for the PHA’s jurisdiction ^{HCV}	55.0	54.2	- 0.800	.342
Percentage of public housing households living in low-poverty census tracts ^{PH}	20.6	20.6	- 0.100	.613
Percentage of public housing households with children living in low-poverty census tracts ^{PH}	16.3	16.3	0.000	.993

*/**/*** indicates statically significance at the $p < .10$, $p < .05$, and $p < .01$ levels, respectively.

^{HCV} Means are estimated using only PHAs with voucher programs (38 PHAs).

^{PH} Means are estimated using only PHAs with public housing programs (26 PHAs, with one PHA missing data).

Notes: Sample size is 43 randomized control trial PHAs. The means reported are the average of PHA-level values. A “low-poverty” census tract is defined as a census tract with a poverty rate of less than 10 percent or a poverty rate in the lowest quartile of census tract poverty rates for the PHA’s jurisdiction. Appendix C of the *Baseline Report* exhibit C-3 provides details on the construction of the measures in the above exhibit (Geyer et al., forthcoming).

Source: HUD administrative data, American Community Survey (ACS); HUD household-level data from the Housing Information Portal through December 31, 2021; 2019 5-year ACS

APPENDIX. CHANGES IN OUTCOME VARIABLES

Exhibit A-5. Households' Housing Choice: Changes in Supply of Quality, Affordable Housing Levels

Outcome	Baseline (2020)	Year 1 (2021)	Change	p-Value
Total number of households served through public housing and Housing Choice Voucher (HCV) Programs in average month	539.6	540.1	0.5	.917
HCV unit utilization rate ^{HCV} (%)	87.7	86.1	- 1.6	.002***
HCV budget utilization rate ^{HCV} (%)	98.4	96.5	- 1.9	.129
Public housing occupancy rate ^{PH} (%)	93.8	89.9	- 3.8	.016**
Number of unique HCV landlords (by TIN/SSN) per 100 voucher households ^{HCV}	34.4	33.4	- 1.1	.027**
Public housing units scoring 90 or above on most recent physical inspection ^{PH} (%)	84.5	84.5	0.0	N/A
Economic useful life of public housing units (measured as ratio of total capital assets net of depreciation, excluding land, and total capital assets including accumulated depreciation) ^{PH}	24.3	26.1	1.8	.465

*** indicates statically significance at the $p < .10$, $p < .05$, and $p < .01$ levels, respectively.

^{HCV} Means are estimated using only public housing agencies (PHA) with voucher programs (38 PHAs).

^{PH} Means are estimated using only PHAs with public housing programs (27 PHAs).

N/A = not applicable.

Notes: Sample size is 43 randomized control trial PHAs. The means reported are the average of PHA-level values. Appendix C of the *Baseline Report* exhibit C-4 provides details on the construction of the measures in the above exhibit (Geyer et al., forthcoming).

Sources: HUD household-level data from the Housing Information Portal through December 31, 2021; 2019 5-year American Community Survey (ACS); HUD administrative data, ACS

Exhibit A-6. Households' Housing Choice: Changes in Hard-To-House Population Levels

Outcome	Baseline (2020)	Year 1 (2021)	Change	p-Value
Percentage of households served that have a nonelderly family member with a disability	30.5	30.3	- 0.2	.505
Percentage of households served that have three or more minors	5.0	4.7	- 0.3	.010***
Percentage of households served that were homeless at the time of admission	5.3	5.9	0.6	.029**

*** indicates statically significance at the $p < .10$, $p < .05$, and $p < .01$ levels, respectively.

Notes: Sample size is 43 randomized control trial public housing agencies (PHAs). The means reported are the average of PHA-level values. Appendix C of the *Baseline Report* exhibit C-5 provides details on the construction of the measures in the above exhibit (Geyer et al., forthcoming).

Source: HUD household-level data from the Housing Information Portal through December 31, 2021

APPENDIX. CHANGES IN OUTCOME VARIABLES

Exhibit A-7. Other Tenant Outcomes: Changes in Households Served Levels

Outcome	Baseline (2020)	Year 1 (2021)	Change	p-Value
Proportion of newly admitted households with income at or below the greater of 30 percent of area median income or the Federal poverty level				
Overall	89.4	92.4	3.0	.269
Public housing ^{PH}	89.6	89.9	0.7	.770
Housing choice vouchers ^{HCV}	90.3	93.3	3.3	.297
Number of households served in Moving to Work-eligible programs				
Overall	539.6	540.1	0.5	.917
Public housing ^{PH}	158.8	152.7	-6.0	.003***
Housing choice vouchers ^{HCV}	380.8	387.4	6.6	.127
Percentage of households with at least one child aged less than 18				
Overall	38.6	37.2	-1.4	.000***
Public housing ^{PH}	34.9	32.8	-2.1	.008***
Housing choice vouchers ^{HCV}	39.7	38.2	-1.5	.000***
Percentage of households whose head of household, spouse, or cohead is aged less than 62 and has a disability				
Overall	28.6	28.3	-0.2	.450
Public housing ^{PH}	25.1	25.1	0.1	.977
Housing choice vouchers ^{HCV}	30.5	30.2	-0.3	.409

*/**/*** indicates static significance at the $p < .10$, $p < .05$, and $p < .01$ levels, respectively.

^{PH} Means are estimated using only public housing agencies (PHA) with public housing programs (27 PHAs).

^{HCV} Means are estimated using only PHAs with voucher programs (38 PHAs).

Notes: Sample size is 43 randomized control trial PHAs. The means reported are the average of PHA-level values. Appendix C of the *Baseline Report* exhibit C-6 provides details on the construction of the measures in the above exhibit (Geyer et al., forthcoming).

Sources: HUD household-level data from the Housing Information Portal through December 31, 2021; 2019 5-year American Community Survey.

Exhibit A-8. Other Tenant Outcomes: Changes in Households Exit

Outcome	Baseline (2020)	Year 1 (2021)	Change	p-Value
Percentage of households ending participation in past 12 months				
Overall	10.3	11.0	0.7	.293
Public housing ^{PH}	11.9	14.3	2.4	.133
Housing choice vouchers ^{HCV}	9.1	9.5	0.4	.414
Percentage of households ending participation in past 12 months with household income exceeding 2.5 times fair market rent at most recent recertification				
Overall	2.0	2.5	0.5	.140
Public housing ^{PH}	1.9	1.7	-0.2	.697
Housing choice vouchers ^{HCV}	2.0	2.7	0.7	.053*

*/**/**** indicates static significance at the $p < .10$, $p < .05$, and $p < .01$ levels, respectively.

^{PH} Where indicated, means are estimated only using public housing agencies (PHA) with public housing programs (27 PHAs).

^{HCV} Where indicated, means are estimated only using PHAs with voucher programs (38 PHAs).

Notes: Sample size is 43 randomized control trial PHAs. The percentages are percentages of any household assisted in the calendar year 2021. The means reported are the average of PHA-level values. Appendix C of the *Baseline Report* exhibit C-7 provides details on the construction of the measures in the above exhibit (Geyer et al., forthcoming).

Sources: HUD household-level data from the Housing Information Portal through December 31, 2021; 2019 5-year American Community Survey.

APPENDIX. CHANGES IN OUTCOME VARIABLES

Exhibit A-9. Other Outcomes: Changes in Rent Burden in Public Housing

Outcome	Baseline (2020)	Year 1 (2021)	Change	p-Value
Average rent burden in public housing^a				
Overall	32.0	31.3	- 0.7	.408
Household with children	34.2	32.9	- 1.2	.366
Households headed by person aged ≥ 62	28.1	28.6	0.5	.077*
Households headed by person aged < 62 with a disability	28.7	29.0	0.3	.442
Percentage of households in public housing with rent burden above 30 percent^b				
Overall	12.5	10.1	- 2.4	.257
Household with children	13.0	11.3	- 2.3	.269
Households headed by person aged ≥ 62	0.8	1.3	0.5	.261
Households headed by person aged < 62 with a disability	1.1	1.3	0.1	.827
Percentage of households in public housing with rent burden above 40 percent				
Overall	6.8	5.5	- 1.3	.280
Household with children	11.6	9.8	- 1.8	.298
Households headed by person aged ≥ 62	0.5	0.9	0.4	.227
Households headed by person aged < 62 with a disability	0.9	1.1	0.2	.741
Percentage of households in public housing with rent burden above 50 percent				
Overall	6.0	4.9	- 1.100	.341
Household with children	10.3	8.9	- 1.400	.409
Households headed by person aged ≥ 62	0.5	0.8	0.400	.257
Households headed by person aged < 62 with a disability	0.8	1.1	0.300	.602

*/**/*** indicates statically significance at the $p < .10$, $p < .05$, and $p < .01$ levels, respectively.

^a Rent burden is calculated as the ratio of 12 times the total tenant payment to the household's unadjusted (gross) annual income, top coded at 1 (100 percent). Appendix C of the *Baseline Report* exhibit C-8 provides details on the construction of the measures in the above exhibit (Geyer et al., forthcoming).

^b Two-thirds of household with a rent burden above 30 percent pay \$50 or less in rent, thus are likely paying the minimum rent.

Notes: Sample size is 27 randomized control trial public housing agencies (PHA) with public housing programs. The means reported are the average of PHA-level values.

Sources: HUD household-level data from the Housing Information Portal through December 31, 2021; HUD administrative data

APPENDIX. CHANGES IN OUTCOME VARIABLES

Exhibit A-10. Other Outcomes: Changes in Rent Burden in Housing Choice Voucher

Outcome	Baseline (2020)	Year 1 (2021)	Change	p-Value
Average rent burden in the Housing Choice Voucher (HCV) Program^a				
Overall	31.2	32.2	0.9	.000***
Household with children	31.6	32.8	1.2	.000***
Households headed by person aged ≥ 62	28.5	28.7	0.2	.110
Households headed by person aged < 62 with a disability	29.0	29.3	0.3	.139
Percentage of households in the HCV Program with rent burden above 30 percent				
Overall	9.4	10.4	1.1	.001***
Household with children	8.4	10.1	1.6	.001***
Households headed by person aged ≥ 62	1.1	1.0	- 0.1	.768
Households headed by person aged < 62 with a disability	1.6	2.0	0.4	.190
Percentage of households in the HCV Program with rent burden above 40 percent				
Overall	5.2	6.5	1.2	.000***
Household with children	7.2	8.9	1.7	.000***
Households headed by person aged ≥ 62	0.6	0.8	0.2	.324
Housing choice vouchers ^{HCV}	1.4	1.7	0.4	.247
Percentage of households in the HCV Program with rent burden above 50 percent				
Overall	4.8	5.9	1.2	.000***
Household with children	6.4	8.0	1.6	.000***
Households headed by person aged ≥ 62	0.5	0.8	0.3	.174
Households headed by person aged < 62 with a disability	1.3	1.6	0.4	.205

*/**/*** indicates static significance at the $p < .10$, $p < .05$, and $p < .01$ levels, respectively.

^a Rent burden is calculated as the ratio of 12 times the total tenant payment to the household's unadjusted (gross) annual income, top coded at 1 (100 percent). Appendix C of the *Baseline Report* exhibit C-8 provides details on the construction of the measures in the above exhibit (Geyer et al., forthcoming).

Notes: Sample size is 38 randomized control trial public housing agencies (PHA) with voucher programs. The means reported are the average of PHA-level values.

Source: HUD household-level data from the Housing Information Portal through December 31, 2021

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Office of Policy Development and Research
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