



# Evaluation of the Moving to Work Flexibility Cohort

Year 2 Report



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# **Evaluation of the Moving to Work Flexibility Cohort: Year 2 Report**

Prepared for  
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## Foreword

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Moving to Work (MTW) is a demonstration program for public housing agencies (PHAs) that provides the flexibility to test innovative, locally designed strategies that can help PHAs 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 flexibility with how they use federal funds. In 2016, the U.S. 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 solutions the MTW flexibilities made possible.

This report is part of a multi-year research project that aims to understand how MTW regulatory flexibilities impact smaller PHAs and the households they serve. This report describes the second 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. It is the third of a series of five annual evaluation reports that will track the progress of the Flexibility Cohort. Previous reports include the *Baseline Report*, which explored PHAs’ motivations for participating in MTW and how they planned to use MTW flexibilities, and the *Year 1 Outcomes Report*, which summarized how PHAs navigated the onboarding process and provided a contextual look at the outcome measures to be used during the course of the evaluation.

In this *Year 2 Outcomes Report*, data was collected through interviews, administrative records, and secondary data sources during 2022 to assess potential progress toward achieving the three statutory objectives of MTW: cost-effectiveness, self-sufficiency, and housing choice. By the end of 2022, 26 of the 31 PHAs had approved MTW Supplements, allowing them to take advantage of the MTW flexibility. The process study details specific waivers the PHAs selected to take advantage of the MTW flexibility. In many cases, PHAs intend to use the MTW flexibilities as part of a broader plan to implement several waiver activities directed toward meeting the three statutory objectives.

In addition to the process study, this report begins examining outcome measures associated with the three statutory objectives. It is too early in the implementation stage to make conclusions regarding program impacts because many MTW activities have only been in operation for less than 6 months. However, the interim impact analysis lays the groundwork for future evaluations.

As these new MTW agencies move forward, HUD will continue to document program implementation and share what is learned about the impacts in the coming years.



Solomon Greene  
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## Executive Summary

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Moving to Work (MTW) is a HUD demonstration program that gives public housing agencies (PHAs) statutory and regulatory flexibility to test ways to achieve the program’s three 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 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 or for local, nontraditional (LNT) activities.<sup>1</sup>

The MTW demonstration was authorized by Congress 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, each testing a different policy change.<sup>2</sup>

The first cohort of the MTW expansion—the subject of this report—is limited to smaller PHAs that are designated as high performers and not troubled under either the Public Housing Assessment System (PHAS) or Section 8 Management Assessment Program at selection.<sup>3</sup> For this cohort, HUD determined that the policy focus of the MTW expansion would be to observe how smaller PHAs use the full array of MTW flexibilities and how these flexibilities affect PHAs and assist households. The primary purpose of studying this expansion cohort, referred to as the Flexibility Cohort, is to test the overall impact of MTW flexibility on smaller PHAs.

### Overview of Flexibility Cohort and Evaluation

**The Flexibility Cohort.** The selection of the 31 PHAs in the Flexibility Cohort was finalized in 2021, following a two-part application process. HUD released a selection notice for the Flexibility Cohort in October 2018. Forty-three PHAs completed the initial letter of interest process from 2018 to 2019 and met the eligibility requirements for this first cohort of the MTW expansion.

HUD randomly assigned the 43 PHAs to either a treatment group (33 Treatment PHAs) or a control group (10 Control 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.

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<sup>1</sup> MTW PHAs must also comply with five statutory requirements: (1) the Secretary must establish or approve Housing Quality Standards applied under MTW; (2) 75 percent of families served must be very low income; (3) agencies must establish a reasonable rent policy designed to encourage work and self-sufficiency; (4) agencies must continue to assist substantially the same number of families as they would have if not designated MTW; and (5) agencies must maintain a comparable mix of families by size if not designated MTW.

<sup>2</sup> Section 239 of the Consolidated Appropriations Act, 2016 (Public Law 114-113).

<sup>3</sup> 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 the Section 8 Management Assessment Program, see [https://www.hud.gov/program\\_offices/public\\_indian\\_housing/programs/hcv/semmap](https://www.hud.gov/program_offices/public_indian_housing/programs/hcv/semmap).

By the close of the application period, 31 of the 33 Treatment PHAs submitted MTW applications to HUD. In January 2021, HUD offered MTW designation to these 31 PHAs, forming the Flexibility Cohort.

**The Evaluation of the Flexibility Cohort.** The evaluation of this cohort includes both a *process* and *impact study*. This mixed-methods evaluation aims to answer two questions—

- How do smaller PHAs use their MTW flexibility?
- How does MTW flexibility impact smaller PHAs and their residents?

The process study addresses the first question, and this report uses data from MTW Supplements approved by the end of March 2023 and PHA staff interviews in February and March 2023 to share process study findings to date. The impact study addresses the second question, and this report uses HUD administrative data from 2022—the second year after being offered the opportunity to become an MTW PHA and the first full year when most of these PHAs were officially designated as MTW PHAs—to share impact study findings to date.

**Status of Flexibility Cohort PHAs at Time of This Report.** A PHA is not designated an MTW PHA until fully executing an amendment to its Annual Contributions Contract (ACC), the vehicle through which HUD provides funds for the HCV and public housing programs. Once the MTW ACC Amendment is in place, a PHA has funding flexibility starting in the following month. The funding streams that may be used flexibly are (1) public housing Operating Fund grants, (2) public housing Capital Fund grants, (3) HCV Housing Assistance Payment funds, and (4) HCV administrative fee funds. By February 2022, all 31 Flexibility Cohort PHAs had fully executed an MTW ACC Amendment.

Implementing any activities requiring MTW Waivers takes another step beyond the MTW ACC Amendment. The PHA must complete (and receive HUD approval of) the MTW Supplement to the PHA Annual Plan, describing its plans for the fiscal year. By the end of 2022, 26 of the 31 Flexibility Cohort PHAs had approved MTW Supplements, allowing them to start implementing MTW activities. However, only 13 PHAs had an approved MTW Supplement by the middle of 2022, meaning that less than half of the Flexibility Cohort PHAs had the opportunity to begin implementing their MTW activities for at least 6 months by the time outcomes were measured for this report. As a result, it is unlikely that MTW activities were operational for a sufficient length of time to lead to program impacts.

### **How Do Smaller Public Housing Agencies Use Moving to Work Flexibility?**

Although early in the implementation stage, Flexibility Cohort PHAs made robust use of MTW flexibility to make changes in their programs. All but one PHA with an approved MTW Supplement received approval for multiple MTW Waivers, with some representing substantial departures from standard procedures. Most PHAs in this cohort did not only obtain approval for minor programmatic or administrative changes but combined several MTW Waivers into an overall strategy for improving housing assistance programs.

PHAs made limited use of funding flexibility in their current strategies. Approximately one-third (11) of the 31 Flexibility Cohort PHAs used funding flexibility to support MTW activities by distributing funds among their public housing and HCV funding streams.

**Volume of Waivers.** All 31 Flexibility Cohort PHAs had MTW funding flexibility by the end of 2021 or early 2022, and 26 of the 31 PHAs had approved MTW Supplements with waivers, allowing them to conduct activities that standard PHAs cannot.

- Among the 26 PHAs with an approved MTW Supplement, 236 MTW Waivers were approved for implementation.
- The median number of MTW Waivers is 8 per PHA, with three PHAs having 20 or more approved waivers and three PHAs having 3 or fewer approved waivers.
- All but 1 of the 236 approved waivers were included in the list of 70 preapproved waivers in the MTW Operations Notice (HUD, 2020). One PHA has an agency-specific waiver.

**Cost-Effectiveness Objective.** Of the 26 PHAs with approved MTW Supplements, 24 have waivers for an administrative efficiency activity that reduces staff time, which could improve cost-effectiveness. Half of those 24 PHAs have approval for three or more such activities. Many PHAs had deliberate strategies for creating cost-savings through administrative efficiencies so that the savings could be applied to activities that increase self-sufficiency or housing choice.

- The most common activity to improve administrative efficiency—reducing the frequency of reexaminations (18 PHAs)—is a substantial change to the program that could considerably reduce the amount of staff time on reexaminations and administrative burden on assisted households, allowing households to grow their income for 2 to 3 years before their rent increases.
- The other two most common administrative efficiency activities are more modest, increasing the value of assets that can be self-certified (14 PHAs) and eliminating utility reimbursements (11 PHAs).
- Another approved administrative efficiency activity that will likely save substantial staff time is less frequent Housing Quality Standard inspections (six PHAs), including one PHA with biennial inspections and five PHAs with some units that qualify for triennial inspections. Reducing the frequency of inspections could also increase landlord willingness to participate in the program.

**Self-Sufficiency Objective.** Of the 26 PHAs with an approved Supplement, 20 PHAs have approved MTW activities addressing the self-sufficiency objective, including 12 PHAs with several such activities. The most common approved activities are—

- Less frequent reexaminations for all households (13 PHAs), including 9 PHAs with biennial reexaminations and 4 PHAs with triennial reexaminations. In addition to saving administrative costs, this policy change is intended to encourage households to grow their incomes.<sup>4</sup>
- Increasing the minimum rent (nine PHAs), including five PHAs that set the minimum rent at the MTW-waiver maximum of \$130 and one PHA that set it at \$127. A higher minimum rent is expected to encourage residents to increase earned income because the level at which

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<sup>4</sup> Other PHAs have less frequent reexaminations only for households on fixed incomes. Including those PHAs, 18 PHAs have less frequent reexaminations. Less frequent reexaminations and other activities are only counted as a self-sufficiency activity if the activity applies to nonelderly, nondisabled adults.

income affects rent is higher and some residents would need increased income to meet the rental obligation.

Other less frequent activities to encourage self-sufficiency that substantially change what a standard PHA can do include—

- A work requirement of at least 15 hours per week for nonelderly, nondisabled households (four PHAs).
- Mandatory MTW Self-Sufficiency program participation for nonelderly, nondisabled households (four PHAs).
- Financial incentives for meeting self-sufficiency goals (three PHAs), including one PHA paying a \$500 bonus to households that continuously work full time for a year.
- A stepped rent (three PHAs) that can increase rent independent of an income increase.
- A 5-year term limit for assistance, with 2 years of extension possible (one PHA).

Hardship exemptions accompanied many of these activities related to self-sufficiency. Some rent policy changes could also reduce the per-unit costs of housing assistance, potentially enabling PHAs to serve additional households.

**Housing Choice Objective.** Of the 26 PHAs with approved MTW Supplements, 19 PHAs have approved MTW activities that address the housing choice objective by either incentivizing landlords to participate or expanding the number of units available for voucher holders in the HCV program. The most commonly approved activities include—

- Financial incentives (10 PHAs) that range from \$250 to \$1,000 for a new landlord or an existing landlord renting a new unit with 2 PHAs offering \$250 or \$500 bonuses for referring new landlords to the HCV program.<sup>5</sup>
- A payment standard of 120 percent of Fair Market Rent (FMR; eight PHAs)—a higher payment standard than the maximum 110 percent of FMR permitted for standard PHAs. A higher payment standard expands the number of units available to voucher holders without increasing the tenant-paid portion of the rent. A higher payment standard also usually means that the PHA can serve fewer households in its HCV program—a tradeoff that all PHAs must make.

**Other Nonstandard Activities.** Nine PHAs have approved waivers to do nonstandard activities through short-term assistance or the LNT activities waiver categories. These waivers allow PHAs to serve either their own assisted households or other low-income households in their community separate from the standard public housing and HCV programs. Five of the PHAs approved for LNT activities seek to expand the pool of affordable housing in their community. Three PHAs have waivers to provide self-sufficiency services not otherwise permitted for non-MTW PHAs.

Examples of the planned activities are—

- Supporting development of supportive housing for youth aging out of foster care.

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<sup>5</sup> Two PHAs offer bonuses to new landlords of up to 1 month of contract rent, which could exceed \$1,000.

- Making improvements to a PHA-owned building and adding project-based vouchers to the site.
- Providing support for eight occupants of a transitional housing facility.
- Providing 12 months of emergency assistance to households experiencing homelessness.

**Changes Over Time.** As part of the MTW-designation application process, MTW Flexibility Cohort PHAs submitted a 5-year vision for how they would use MTW flexibility. In Year 2 of MTW designation, PHAs continue to wait until later years to implement the full suite of waivers they eventually hope to implement. Reasons for not implementing everything at once include needing to understand how initial changes work in practice, updating software and reporting systems to support these changes fully, and addressing staff turnover disruptions. Some PHAs may no longer plan to seek all the waivers included in their 5-year plan because of leadership changes or rethinking. Similar to Year 1 of MTW designation, PHAs often highlight the importance of starting slowly to maintain a manageable amount of change for PHA staff and residents. Although these PHAs may still be interested in implementing more complex changes, such as LNT programs or work requirements, they plan to wait until later years to pursue these activities.

**Implementation Status.** Although 26 PHAs had approved MTW Supplements during the Year 2 analysis period, not all PHAs have begun implementing approved MTW activities. PHAs also implemented their approved activities at different times rather than all at once. Only seven PHAs had at least one MTW activity operating for at least 6 months in 2022, the year in which impacts from MTW activities are measured in this report. This implementation timing is important because activities likely must be in place for some time before effects are observed. In early 2023 interviews with PHA staff, 10 additional PHAs reported that they had started implementing activities in the second half of 2022 and 5 more PHAs started in the first quarter of 2023. This timing means that 22 Flexibility Cohort PHAs will have implemented at least one activity for all or most of 2023.

### **What are the Impacts of Moving to Work Flexibility on Smaller Public Housing Agencies and Their Residents?**

As of this Year 2 (2022) impact analysis using a randomized experimental design, **the offer to apply for MTW designation did not lead to statistically significant impact on cost-effectiveness but did lead to statistically significant impacts on self-sufficiency and housing choice.** In 2022, the average annual earnings of nondisabled, nonelderly households were \$2,478 higher in Treatment PHAs than in Control PHAs, and HCV households in Treatment PHAs were 2 percentage points more likely to reside in low-poverty census tracts than those in Control PHAs. Impact findings in future years will reveal whether these effects persist, with evidence about whether the Year 2 findings are simply spurious or truly associated with MTW activities.

**Some indications show that these early findings could be due to chance.** When comparing the outcomes of the Treatment PHAs with the larger pool of 99 Comparison PHAs (selected based on their similarity in baseline characteristics to Treatment PHAs) in the quasi-experimental analysis, statistically significant differences in self-sufficiency and housing choice outcomes were no longer observed. Furthermore, although many Treatment PHAs were approved to implement activities, few had started implementing them in 2022.

The impact evaluation is slated to continue for 2 more years. Additional Flexibility Cohort PHAs will begin implementing their approved MTW activities in 2023 and 2024, and MTW PHAs that have already started will implement more activities. Thus, program impacts estimated in future evaluations will reflect a fuller implementation as more PHAs will have implemented MTW Waivers and associated activities for longer durations.

# 1. Introduction

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Moving to Work (MTW) is a HUD demonstration program that gives public housing agencies (PHAs) statutory and regulatory flexibility to test ways to achieve the program’s three 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 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 and for local, nontraditional (LNT) activities.

The MTW Demonstration Program was authorized by Congress under Section 204 of the Omnibus Consolidated Rescissions and Appropriations Act of 1996.<sup>6</sup> In 2016, Congress directed HUD to expand the MTW Demonstration Program 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 program in cohorts, with each cohort testing a different policy change.<sup>7</sup>

The first cohort of the MTW expansion—the subject of this report—is limited to smaller, high-performing PHAs under the Public Housing Assessment System (PHAS) or the Section 8 Management Assessment Program at selection (and not “troubled” under either).<sup>8</sup> 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 how these flexibilities affect PHAs and assisted households. This cohort tests the overall impact of MTW flexibility at smaller PHAs and is referred to as the “Flexibility Cohort.”

## 1.1 Content of This Report

The Year 2 Annual Report covers the planning and implementation of the Flexibility Cohort MTW activities in the second year (2022) after being offered the opportunity to become an MTW agency in January 2021. It details the early use of MTW flexibility in PHAs and estimates the short-term impact of MTW on PHA outcomes and assisted household outcomes. The evaluation of this first cohort is scheduled to continue for another 2 years, documenting how smaller PHAs use their MTW flexibility as they gain experience with the program and evaluating longer-term program impacts.

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 March 2023.

Chapter 2 describes the challenges that PHAs face in developing MTW Supplements and looks across PHAs to detail how many have received approved MTW Waivers in each category and the specific activities approved in that category. It concludes with PHA-reported lessons learned and recommendations on planning MTW activities.

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<sup>6</sup> Public Law 104-134, 110 Stat 1321.

<sup>7</sup> Section 239 of the Consolidated Appropriations Act, 2016 (Public Law 114-113).

<sup>8</sup> 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 the Section 8 Management Assessment Program, see [https://www.hud.gov/program\\_offices/public\\_indian\\_housing/programs/hcv/semmap](https://www.hud.gov/program_offices/public_indian_housing/programs/hcv/semmap).



Chapter 3 discusses how individual Flexibility Cohort PHAs combine MTW Waivers and associated activities to meet one or more of the three MTW statutory objectives.

Chapter 4 describes how Flexibility Cohort PHA plans for MTW Waivers have changed since their MTW application and summarizes recent legislation that provides additional flexibility for PHAs, even if they are not an MTW PHA.

Chapter 5 presents impact estimates of MTW flexibility for the PHAs in the second year after being offered the opportunity to become an MTW PHA. The outcomes are grouped by the three statutory objectives of the program: cost-effectiveness, self-sufficiency, and housing choice. The chapter focuses on the three *confirmatory* outcomes of the study—the outcomes judged to be the best single measures of whether the PHAs offered MTW flexibility have achieved each statutory objective. Chapter 5 briefly mentions *exploratory* outcomes, providing a more complete picture of the potential impact of MTW.<sup>9</sup>

Chapter 6 discusses the findings of the process study and impact study research questions for the Flexibility Cohort in the second year after being offered the opportunity to become an MTW agency.

## **1.2 Evaluation Design and Data Sources**

This evaluation aims to answer two questions.

- How do smaller PHAs use their MTW flexibility?
- How does MTW flexibility impact smaller PHAs and their residents?

The evaluation of the Flexibility Cohort includes both a process and an impact study to address these questions. This chapter provides a brief overview of the study samples, process study, impact study, and data sources. *Research Design / Data Collection and Analysis Plan* and *Evaluating MTW Flexibility for Smaller PHAs: Baseline Report* provide more details on these topics (Geyer et al., 2023; Turnham et al., 2021).

### **1.2.1 Study Sample**

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

HUD randomly assigned the 43 PHAs to 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 Cohort.

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<sup>9</sup> See appendix C for a more comprehensive picture of the impact analysis on exploratory outcomes.

A balance test comparing the baseline characteristics of the 33 Treatment and 10 Control PHAs found that the PHAs were similar in almost every observable characteristic.<sup>10</sup> Overall, the 43 PHAs in the combined Treatment and Control sample had the following characteristics—

- The average PHA size was 525 combined units (public housing and HCV units), with approximately one-fifth (20.9 percent) of the PHAs having fewer than 250 units.
- About half (51.2 percent) of PHAs operated both public housing and HCV programs; more than one-third (37.2 percent) operated only an HCV program. A small share (11.6 percent) operated only a public housing program.
- Slightly more than 30 percent of PHA headquarters were in nonmetropolitan areas.

Exhibit A-1 lists the 31 Flexibility Cohort PHAs and shows their locations, sizes, and whether in a metropolitan area designation. Exhibit A-2 shows the same information for the 10 Control PHAs.

### **1.2.2 Process Study**

The process study documents how smaller PHAs use their MTW flexibility. It focuses on the 31 Flexibility Cohort PHAs—their status as of the end of March 2023 and the challenges that they faced in completing the administrative steps needed to move forward with MTW flexibility.

The first step to obtain the flexibility that the MTW program allows is to fully execute an MTW Annual Contributions Contract (ACC) Amendment, officially designating a PHA as an MTW agency and allowing the PHA to use MTW *funding* flexibility. The second step is to complete the 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 their MTW Supplement before the PHAs may implement those activities.

The Year 2 Annual Report highlights MTW activities of the Flexibility Cohort PHAs in 2022—the second year after being offered the opportunity to become an MTW PHA and the first full year when most of these PHAs were officially an MTW PHA. It addresses the first research question about how smaller PHAs use MTW flexibility. It also reports information from Control PHAs about MTW-like activities undertaken in their standard program.

### **1.2.3 Impact Study**

The main goal of the impact study is to estimate the effects on the three statutory objectives of MTW flexibility granted to smaller PHAs.

The experimental analysis in this report compares the average of the 33 Treatment PHAs randomly assigned to the treatment group versus the average of the 10 Control PHAs randomly assigned to the control group for the outcomes of interest, based on calendar year 2022 data. This analysis assesses the impact of the opportunity to apply for MTW flexibility on outcomes that represent the statutory objectives of cost-effectiveness, self-sufficiency, and housing choice. Randomly assigning PHAs to treatment and control groups ensures that no systematic

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<sup>10</sup> Turnham et al. (2021) found that only 1 of the 20 characteristics compared was statistically significantly different at baseline, fewer households at the Treatment PHAs than at Control PHAs were using Special Purpose Vouchers (5.3 compared with 13.7 percent). Geyer et al. (2023) found that Treatment and Control PHAs were also very similar in the planned activities stated in their initial MTW applications.

differences between the groups exist, except by chance. Thus, the impact analysis with this randomized design yields unbiased estimates of the overall effect of the opportunity to apply for MTW designation on the MTW statutory objectives among smaller PHAs.<sup>11</sup>

#### 1.2.4 Data Sources

The process study findings in this report are based on PHA staff interviews and MTW Supplements. The impact study outcome measures are based on HUD administrative data and other secondary data sources.

- Interview data collected for the evaluation include—
  - Information from PHA staff interviews with 30 of the 31 Flexibility Cohort PHAs on the MTW onboarding process and planned MTW activities.
  - Interviews were conducted between February and March 2023. Only 1 of the 31 Flexibility Cohort PHAs could not complete an interview during this timeframe.
- HUD administrative data for calendar year 2022 include—
  - Data on neighborhood locations and program exits of public housing residents and voucher households from the HUD Inventory Management System/Public and Indian Housing 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 the HUD Real Estate Assessment Center.
- Data from the MTW Supplements for the 26 Flexibility Cohort PHAs with approved supplements by the end of March 2023.
- Other data sources include—
  - Earnings data from the National Directory of New Hires.<sup>12</sup>
  - Data on neighborhood poverty rates, income, and rents from the American Community Survey (ACS).<sup>13</sup>

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<sup>11</sup> 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 ability to analyze the impact of MTW for certain types of PHAs (such as those with only voucher programs). To supplement the future findings of the impact study experimental analysis, the evaluation team selected a matched group of 99 Comparison PHAs, similar in observable baseline characteristics to the Treatment PHAs, to add a quasi-experimental analysis. This Year 2 Annual Report does not present detailed results for the quasi-experimental analysis, but chapter 5 uses the results of the quasi-experimental analysis to help judge the reliability of the impact estimates generated by the experimental analysis.

<sup>12</sup> Maintained by the federal Office of Child Support Services, the National Directory of New Hires database include quarterly earnings measured by state Unemployment Insurance systems and earnings of federal, civilian, and military employees provided by various federal agencies More information is available at <https://www.acf.hhs.gov/css/training-technical-assistance/guide-national-directory-new-hires>.

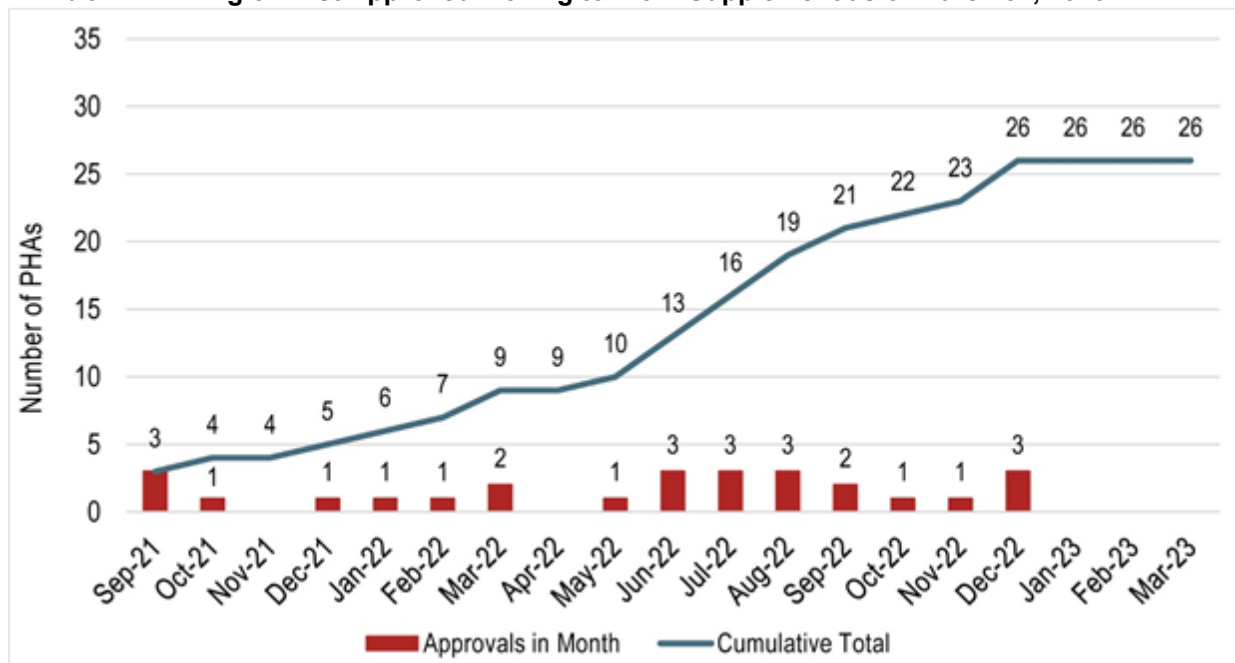
<sup>13</sup> ACS is an annual survey of more than 3 million residents that asks about household income, occupation, and housing situation. ACS 5-year estimates are available for calculating census tract-level information such as average rents, income, and poverty rate. More information is available at <https://www.census.gov/programs-surveys/acs/>.

### 1.3 Status of Flexibility Cohort Moving to Work Public Housing Agencies

HUD announced the 31 Flexibility Cohort PHAs in January 2021. By February 2022, all 31 PHAs had fully executed an MTW ACC Amendment. An MTW PHA is not designated until the PHA fully executes this amendment to its ACC, the vehicle through which HUD provides funds for the HCV and public housing programs. Once the MTW ACC Amendment is in place, a PHA funding flexibility starts the following month. MTW funding flexibility allows PHAs to use funds across the four funding streams for any activities allowed under the public housing and HCV programs, for LNT activities, or other approved MTW Waivers. The funding streams that may be used flexibly are (1) public housing Operating Fund grants, (2) public housing Capital Fund grants, (3) HCV Housing Assistance Payment (HAP) funds, and (4) HCV administrative fee funds.

Implementing any activities that require MTW Waivers takes another step beyond the MTW ACC Amendment. The PHA must complete (and receive HUD approval of) the MTW Supplement to the PHA Annual Plan, describing its plans for the fiscal year. Exhibit 1-1 shows the timing of each of the first approved MTW Supplement for Flexibility Cohort PHAs. Three PHAs had their first approved MTW Supplement in September 2021, and two more PHAs had approved MTW Supplements by the end of 2021. By the end of 2022, 26 of the 31 Flexibility Cohort PHAs had approved MTW Supplements, allowing them to start implementing MTW activities.

**Exhibit 1-1. Timing of First Approved Moving to Work Supplement as of March 31, 2023**



PHAs = public housing agencies.

Notes: Some Moving to Work (MTW) PHAs have had more than one MTW Supplement approved, but only the timing of the first approval is shown. Five of the 31 Flexibility Cohort PHAs did not have an approved MTW Supplement as of March 31, 2023. The endpoint of the graph is March 2023, when the evaluation team completed Year 2 interviews of Flexibility Cohort PHAs.

Source: Participating agencies are listed here

[https://www.hud.gov/program\\_offices/public\\_indian\\_housing/programs/ph/mtw/mtwagencies](https://www.hud.gov/program_offices/public_indian_housing/programs/ph/mtw/mtwagencies)

The impact analysis uses outcomes measured during calendar year 2022. The timing of the fully executed ACC Amendments and first approved MTW Supplements indicates that most of the

Flexibility Cohort PHAs had a full year of funding flexibility.<sup>14</sup> In addition, five PHAs had approved MTW Supplements in 2021, meaning they had all 2022 to implement and observe impacts from activities that the MTW Waivers allowed. Another eight PHAs had MTW Supplements approved by June 2022, thus having at least 6 months for their MTW activities to be effective. It is unlikely that program impacts can be observed given that less than half (13) of the PHAs in the treatment group (33) had approved MTW Waivers for at least 6 months. As chapter 2 discusses, it usually takes PHAs a few months after approval to implement activities, meaning even less time for MTW to have had an impact in 2022 (see chapter 5 for interim impact estimates).

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<sup>14</sup> The two PHAs that did not have an executed ACC Amendment in 2021 had one by February 2022 and, thus, had funding flexibility for most of the year.

## **2. Moving to Work Supplement Process and Approved Waivers Across Public Housing Agencies**

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Moving to Work (MTW) expansion public housing agencies (PHAs) are required to submit an MTW Supplement to their PHA Annual Plan to HUD annually, at least 75 days before the start of their fiscal year. The MTW Supplement describes the MTW Waivers and associated activities that the PHA seeks approval to implement during the upcoming fiscal year, including any activities approved in a previous MTW Supplement. The MTW Supplement must be reviewed and approved by the HUD field office before the PHA can begin any new MTW activities.

This chapter reviews the MTW Supplement process for Flexibility Cohort PHAs and discusses the program changes they chose to implement with MTW flexibility. Appendix B provides a detailed description of which MTW activities each PHA with an approved MTW Supplement is authorized to implement as of the end of March 2023 and background information on the PHA, including which types of programs it operates.

This chapter is based on information that PHAs provided in their approved MTW Supplements and during interviews with staff from 30 of the 31 Flexibility Cohort PHAs.<sup>15</sup> The interviews were conducted from February through March 2023 and covered PHA activities during 2022 and early 2023.

### **2.1 Overview of the Moving to Work Supplement Process**

The MTW expansion PHAs are subject to the MTW Operations Notice (HUD, 2020), which provides a preapproved menu of 70 MTW Waivers and associated MTW activities that need documenting in their yearly MTW Supplement before implementation.<sup>16</sup> The MTW Operations Notice groups the MTW Waivers in 17 categories (exhibit 2-1). PHAs may also request that HUD review agency-specific waivers not covered under the menu of preapproved waivers.

#### **Exhibit 2-1. Categories of Moving to Work Preapproved Waivers**

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<sup>15</sup> One PHA declined to participate in an interview with the evaluation team and did not have an approved MTW Supplement as of the end of March 2023. This PHA is not included in the analyses reported in this chapter.

<sup>16</sup> The MTW Operations Notice can be found at <https://www.hud.gov/sites/dfiles/PIH/documents/FinalMTWExOpsNoticePartVIWeb.pdf>.

1. **Tenant Rent Policies** allow public housing agencies (PHAs) to create stepped rents based on incremental increases in rent at predetermined times, implement tiered rents tied to income bands, or set fixed rents or subsidies. Moving to Work (MTW) Waivers and associated MTW activities in this category also allow for PHAs to increase the minimum rent up to \$130, change the tenant rent payment to be a percentage of adjusted household income, create an alternative utility allowance schedule, eliminate utility reimbursements when greater than the total tenant payment, change tenants' allowable rent burden (housing choice voucher [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** allow PHAs to increase the payment standard to reflect a different percentage of the Fair Market Rent or Small Area Fair Market Rent; conduct rent reasonableness tests for units the PHA owns, manages, or controls rather than outsourcing this activity to a third party; and 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 less 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 PBVs, 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, 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 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, Nontraditional 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>

As MTW Supplements are received, the HUD MTW Office and the PHA's local HUD field office review, and either approve or provide feedback on the PHAs' planned use of MTW Waivers and associated MTW activities. If their MTW Supplement is not initially approved, PHAs may revise and resubmit an updated MTW Supplement for further review. Once approved, PHAs can implement the MTW activities described in their MTW Supplement. PHAs repeat this process annually 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 their program.

As of March 31, 2023, 26 of the 31 Flexibility Cohort PHAs had at least one approved MTW Supplement, meaning they were authorized to implement the MTW Waivers and associated activities described in their MTW Supplement. The other five PHAs did not have an approved MTW Supplement as of March 31, 2023. Without an approved MTW Supplement, these five PHAs could use MTW funding flexibility but could not implement any adjustments to their public housing or HCV programs outside of the regular program rules and regulations or waivers previously granted by HUD outside of the MTW Demonstration Program.

Only one of the five PHAs without an approved MTW Supplement, Fayetteville Housing Authority, has yet to begin working on its first MTW Supplement. Fayetteville Housing Authority experienced significant staff turnover since receiving MTW designation and recently hired a new Executive Director in November 2022. The timeline for moving forward with the Fayetteville MTW Supplement was still under discussion at the time of data collection.

## **2.2 Public Housing Agency Experiences Completing the Moving to Work Supplement**

The process to complete the MTW Supplement requires review and input from PHA staff, approval by the PHA Board of Commissioners or equivalent body, and a public comment process, during which residents and other parties can weigh in on the proposed MTW-related activities by the PHA. As of March 2023, 30 of the 31 PHAs in the Flexibility Cohort had either begun or completed the process to submit the MTW Supplement, including 5 PHAs having had two MTW Supplements approved.<sup>17</sup> Additional PHAs had begun working on their second MTW Supplements at the time of their interview; thus, these PHAs have had the opportunity to think about which MTW Waivers and associated activities to add, remove, or revise after beginning to implement MTW activities.

Most PHAs that had worked on a second MTW Supplement reported that the overall process was easier the second time. Completing the second MTW Supplement usually required only minor adjustments to the first MTW Supplement before going through the public comment and HUD review process again. For example, one PHA said that hiring an external consultant to help work through the first MTW Supplement was instrumental to getting the task done. However, the

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<sup>17</sup> At least one PHA was preparing its third MTW Supplement.



consultant was no longer needed to complete the second MTW Supplement because the PHA already had the groundwork laid from which to build.

PHAs generally reported feeling that the training provided by HUD left them prepared to complete their MTW Supplement, yet still reported facing numerous challenges in gaining approval. The most common challenges for PHAs, for either their first or their second MTW Supplement, were—

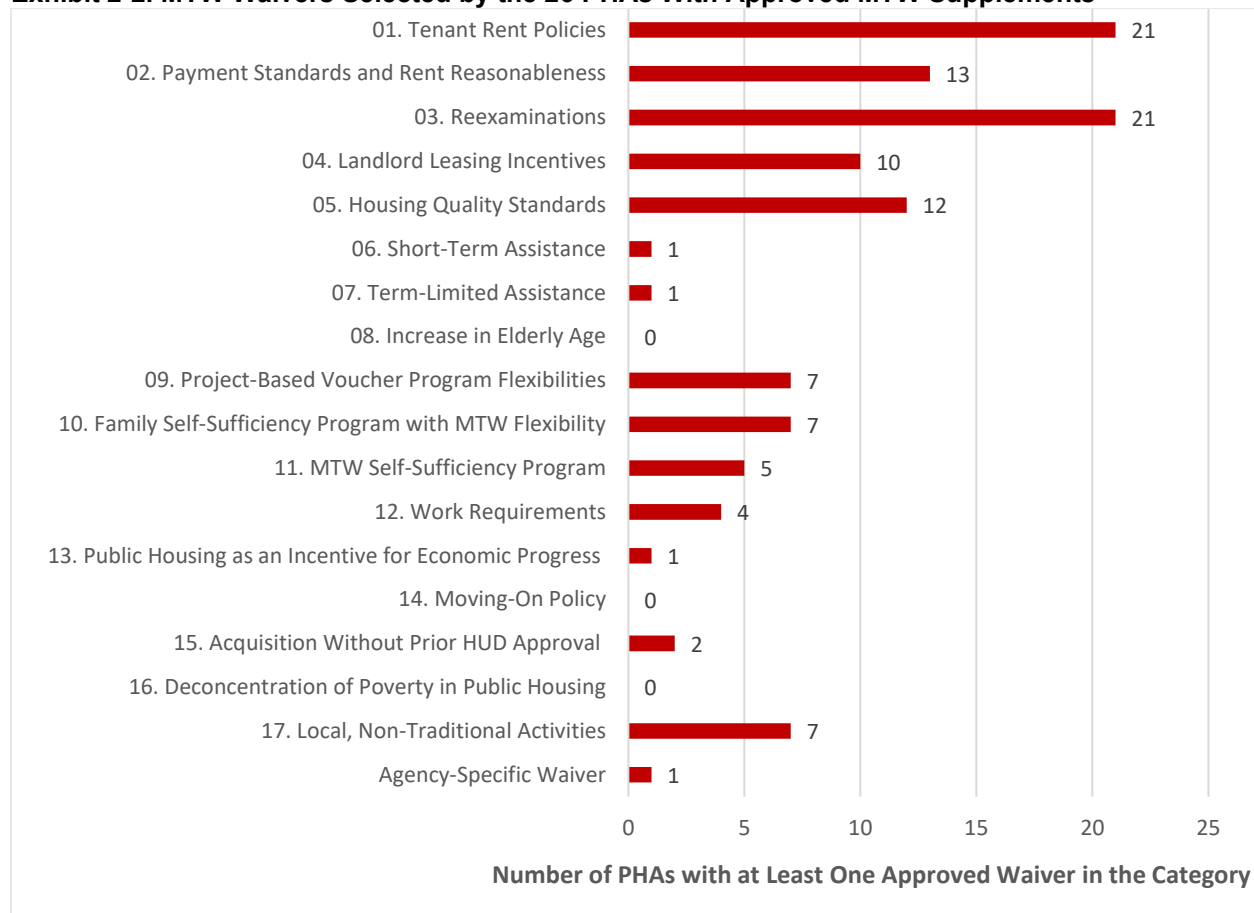
- **Delays in the HUD Review and Approval Process.** PHAs reported significant delays in the MTW Supplement review process. For example, a few PHAs said that by the time their first MTW Supplement was approved, it was only a few weeks or months before they needed to submit their MTW Supplement for the next fiscal year. Some PHAs attributed this delay to staff turnover at the HUD field office or the field office not being fully read into the MTW Demonstration Program expansion.
- **Inconsistencies in the HUD Review Process.** One PHA said staff turnover at the HUD field office resulted in inconsistent and conflicting guidance on completing the MTW Supplement. Another PHA said the HUD review process and criteria differed for the second MTW Supplement. For example, HUD returned the second MTW Supplement from a PHA requesting additional detail, even though the PHA had used the same level of detail that it did in its first approved MTW Supplement.
- **Limitations of PHA Staff.** PHAs reported that the MTW Supplement process could be cumbersome. It could be challenging for a smaller PHA to complete all required steps and impact analyses because their workloads were already at or over capacity. Completing the impact analyses and ensuring that the PHA retrieved the correct or similar data were also challenging for PHAs where staff turnover had occurred since completing the first MTW Supplement. At one PHA, the current MTW coordinator had taken over the position from a former staff member who did not share documentation on extracting data for the figures in the impact analysis. Therefore, trying to recreate those figures for the second impact analysis was time intensive. Similarly, among PHAs with staff turnover in the MTW role, getting up to speed on the submission process was time-consuming. Some staff said finding the most relevant training resources on the HUD website could be challenging.
- **Challenges with Technology.** PHAs experienced technological issues with the online MTW Supplement form, such as being unable to print a copy of the submission, making it hard to proofread. Moreover, one PHA said the printed copy of the form did not display changes made in the online form. Issues with the user interface were also reported, such as not allowing users to save a draft of the MTW Supplement unless an entire section was complete. The system also did not have a “back” or “previous” button after the first two pages, which meant the user could not go back to edit or copy and paste similar content from a previous section.
- **Difficulty Getting Agency-Specific Waivers Approved.** One PHA expressed frustration about difficulties in getting agency-specific waivers approved. The PHA had gone through multiple rounds of back-and-forth with HUD on the waivers, and the PHA eventually agreed to remove them from its MTW Supplement because getting the agency-specific waivers approved was taking too much time.

In light of these challenges, PHAs recommended that HUD offer more interactive, ongoing training—especially for new staff—that sets aside enough time for questions and answers or allows questions via a chat feature. New staff said a step-by-step process checklist would help orient them to the MTW Supplement submission requirements and timeline. Some Flexibility Cohort PHAs formed self-directed collaboratives to help one another navigate the MTW process.

### 2.3 Approved Moving to Work Waivers and Activities Across Public Housing Agencies

This section describes the MTW Waivers and associated activities selected by the 26 PHAs with approved MTW Supplements as of March 31, 2023.<sup>18</sup> The section begins with an overall description of approved activities in each waiver category described in the MTW Operations Notice (exhibit 2-2), the goals for PHAs using the waivers, and the anticipated costs and outcomes for common waivers. Exhibit 2-3 explains when MTW Waivers apply to Special Purpose Vouchers (SPVs). For specific information about the waivers and activities each PHA is approved to implement, see appendix B.

**Exhibit 2-2. MTW Waivers Selected by the 26 PHAs With Approved MTW Supplements**



MTW = Moving to Work. PHA = public housing agency.

Notes: See appendix I of the Operations Notice for more information on these waivers (HUD, 2020), which are numbered in the exhibit to align with their number in the Operations Notice. Of the 31 Flexibility Cohort PHAs, 26 had an MTW Supplement approved as of March 31, 2023. Of these 26 PHAs, 13 operate both public housing and Housing Choice Voucher (HCV) programs, 10 operate only an HCV program, and 3 operate only a public housing

<sup>18</sup> Section 2.5 describes and compares the planned activities for PHAs without an approved MTW Supplement.

program. Some of the waivers represented have multiple activities that fall under that waiver. The exhibit aggregates them so that any PHA approved to implement one or more of the activities under a waiver category is represented only once per category.

Sources: MTW Supplements; interviews conducted from February through March 2023 with PHA staff from the 26 Flexibility Cohort PHAs with approved MTW Supplements

### Exhibit 2-3. Applying Moving to Work Flexibility to Special Purpose Vouchers

In addition to providing housing assistance through the public housing and Housing Choice Voucher (HCV) programs, some public housing agencies (PHAs) receive funding to provide Special Purpose Vouchers (SPVs). SPVs are distinct from regular HCVs and are usually designated to serve specific populations. Examples of SPVs include—

- **Emergency Housing Vouchers (EHVs)**, which are provided based on a memorandum of understanding between the PHA and the local Continuum of Care to households currently experiencing or at risk of experiencing homelessness, fleeing or attempting to flee a domestic violence (or similar) situation, or having recently experienced homelessness or a high risk of housing instability.
- **Family Unification Program (FUP) vouchers**, which are provided to (1) youth aged 18–24 who left foster care at age 16 or older and are experiencing or at risk of experiencing homelessness, and (2) families for whom a lack of adequate housing will result either in the placement of their child(ren) in out-of-home care or a delay in discharging their child(ren) from out-of-home care.
- **Foster Youth to Independence (FYI) vouchers**, which are provided to youth aged 18–23 who have left or will leave foster care within 90 days and are experiencing or at risk of experiencing homelessness.
- **HCV Community Choice demonstration vouchers**, which are provided to families with children and include mobility services to help families access housing in opportunity (typically low-poverty) areas.
- **HUD-Veterans Affairs Supportive Housing (VASH) vouchers**, which provide housing, case management, and clinical services to veterans experiencing homelessness.
- **Mainstream vouchers**, which provide assisted housing to families with at least one member aged 18–61 who has a disability.
- **Nonelderly Disabled (NED) vouchers**, which provide assisted housing to families whose head of household, spouse, or co-head of household is younger than the age of 62 and has a disability.

SPV funding cannot be used as a part of MTW funding flexibility; however, all Moving to Work (MTW) Waivers and associated activities included in an approved MTW Supplement can be applied to SPVs without seeking HUD approval, with two exceptions. First, MTW Waivers and activities cannot be applied to FUP, FYI, HCV Community Choice demonstration, Mainstream, or NED vouchers if the MTW-related changes are inconsistent with the 2016 Consolidated Appropriations Act that authorized the MTW expansion or requirements of the Notice of Funding Availability for the SPV program. Second, MTW Waivers and activities cannot be applied to EHV or HUD-VASH vouchers if the MTW-related changes conflict with the authorizing language or other HUD-VASH or EHV operating requirements; however, if a conflict exists and the PHA would still like to apply the MTW flexibilities, the PHA may submit a request to its local HUD field office to apply the MTW flexibilities to the HUD-VASH or EHV vouchers.

Of the 26 Flexibility Cohort PHAs, 19 said they operate SPVs. Among these PHAs, 13 said they planned to extend or had already begun extending MTW Waivers and associated activities to at least some of their SPVs. PHAs that chose not to apply MTW Waivers and activities to their SPVs did so because either the waivers being implemented would not apply to residents served with the SPVs (that is, elderly and disabled residents exempt from the MTW-related activities) or the populations served by the SPVs were seen as vulnerable, and the primary goal for serving those populations was stabilizing their living situation.

Notes: Tenant Protection Vouchers (TPV) are a type of HCV designed to prevent hardship as the result of a conversion of a PHA public housing property, Multifamily Housing portfolio, or Moderate Rehabilitation property. TPVs are not considered SPVs, but similar policies for applying MTW flexibility to TPVs exist. According to HUD guidance, MTW PHAs may apply funding flexibility “to replacement TPV funds (including enhanced vouchers, set-aside TPVs, and regular TPVs funded as replacement TPVs) once the initial funding increment is renewed but not

during the initial funding increment.” MTW flexibility cannot be applied to relocation TPVs. MTW Waivers and associated activities may be applied to TPVs only if the actions do not infringe on the protections TPVs grant. Sources: MTW Supplements; interviews conducted from February through March 2023 with PHA staff from the 26 Flexibility Cohort PHAs with approved MTW Supplements; MTW and SPV Frequently Asked Questions, <https://www.hud.gov/sites/dfiles/PIH/documents/SpecialPurposeVouchersFAQ.pdf>; communications with HUD

Changes to tenant rent policies and the reexamination process continued to be the most common activities for which PHAs requested approval. More than 80 percent of PHAs with approved MTW Supplements are approved for one or both waivers. Implementing payment standards and rent reasonableness waivers was also a popular change, selected by 50 percent of PHAs with an approved MTW Supplement.

### 2.3.1 Tenant Rent Policies

Twenty-one PHAs are authorized to implement changes to their tenant rent policies. Exhibit 2-4 lists the types of tenant rent policy adjustments these PHAs are approved to implement and how many PHAs are approved to implement each specific activity.

**Exhibit 2-4. Approved Activities to Adjust Tenant Rent Policies**

Tenant Rent Policy Activity	# of PHAs Approved to Use MTW Activity (n = 21)
Utility Reimbursements	11
Minimum Rent	10
Alternative Utility Allowance	9
Elimination of Deduction(s)	8
Alternative Income Inclusions or Exclusions	8
Initial Rent Burden	5
Tenant Payment as a Modified Percentage of Income	4
Standard Deductions	3
Stepped Rent	3

MTW = Moving to Work. PHA = public housing agency.

Notes: Of the 31 Flexibility Cohort PHAs, 26 had an MTW Supplement approved as of March 31, 2023. Of these 26 PHAs, 13 operate both public housing and HCV programs, 10 operate only a Housing Choice Voucher (HCV) program, and 3 operate only a public housing program. HUD divides tenant rent policy waivers between public housing residents and HCV residents. The exhibit aggregates them so that any PHA approved to implement one or more activities under the tenant rent policy waiver category is represented only once per category. Activities for which no PHA has approval are not listed.

Sources: MTW Supplements; interviews conducted from February through March 2023 with PHA staff from the 26 Flexibility Cohort PHAs with approved MTW Supplements

Among the 21 PHAs approved to implement changes to their tenant rent policies, the approved changes include—

- Utility Reimbursements.** This activity allows PHAs to eliminate utility reimbursements when the utility allowance is greater than the *total tenant payment*—the amount of rent a public housing or HCV resident is responsible for paying. PHAs tended to implement utility reimbursements for one of two reasons. The first reason was administrative. PHAs were sending out reimbursement checks, sometimes for only a few dollars, and the checks often went uncashed by residents. The administrative work to write, mail, track, reissue, or cancel the reimbursement checks was time consuming and did not return notable benefits for the residents. The second reason was to encourage self-sufficiency. PHAs said that removing utility reimbursements would require residents to make enough income to pay at least some portion of rent. This activity has been cost-positive for PHAs, with expected savings of

\$4,000 to \$25,000 a year. This policy is generally limited to nonelderly and nondisabled or work-capable households and includes a hardship policy.<sup>19</sup>

- **Minimum Rent.** Under this activity, PHAs can increase the minimum rent from what is allowed under current statutes and regulations (typically \$25 to \$50 a month) to as much as \$130 a month. Half of the PHAs selecting this change (five PHAs) plan to or have already increased the minimum rent to \$130, the maximum allowable amount under the waiver. PHAs selected this activity, sometimes in tandem with eliminating the utility reimbursement activity, to reduce the number of residents paying a “negative rent.” Negative rents happen when a resident receives more rental assistance from the PHA than they are required to pay in rent. The change is expected to support self-sufficiency by encouraging residents to work and acclimate them to paying a portion of their rent each month. Across all PHAs, this policy is limited to nonelderly and nondisabled households and includes a hardship policy.
- **Initial Rent Burden.** This activity allows PHAs to increase the initial limit on how much of a household’s monthly adjusted income can be put toward paying rent if rent is above the payment standard.<sup>20</sup> The waiver allows the maximum initial rent burden to increase from 40 percent of a household’s adjusted monthly income to as much as 60 percent. PHAs reported selecting this waiver to improve resident housing choice. HCV recipients had difficulty finding affordable rental units of the desired size or standards in high-cost rental markets. Since implementing this activity, some PHAs have reported increased voucher lease-up success rates, even when the initial rent burden cap increased to 45 or 50 percent rather than the full 60 percent allowed under the waiver.
- **Tenant Payment as a Modified Percentage of Income.** Under this activity, PHAs are allowed to modify the percentage of income used to calculate the resident total tenant payment (TTP)—the minimum amount a resident is required to pay for rent and utilities. Under standard program regulations, TTP must not exceed 30 percent of a household’s monthly adjusted income.<sup>21</sup> Under MTW, PHAs can decrease or increase this threshold. If increasing, the maximum TTP may be set at 32 or 35 percent of a household’s monthly adjusted income, depending on whether other adjustments to tenant rent policies are also approved for implementation.<sup>22</sup> Among the four PHAs approved to implement this activity,

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<sup>19</sup> Certain MTW Waivers require a hardship policy. Under the hardship policy, the PHA specifies who may be eligible for an exemption from the MTW activity and under what circumstances; for example, a household experiencing a decrease in income or a considerable increase in expenses due to changed circumstances.

<sup>20</sup> If a household selects to rent a unit where the rent is above the payment standard, the household must make up the difference between the payment standard and the gross rent. Under the maximum initial rent burden, the household cannot pay more than a set amount of the monthly adjusted income for rent when the household moves initially into the rental unit or signs the first lease for the unit. The initial rent burden is composed of the portion of rent above the payment standard plus 30 percent of the household’s monthly adjusted income for rent up to the payment standard.

<sup>21</sup> TTP is calculated as the greater of 30 percent of monthly adjusted income, 10 percent of monthly gross income, welfare rent from a public agency, or the PHA minimum rent. For this activity, the adjustments are made to the first criterion on the list: 30 percent of monthly adjusted income. For more information on calculating TTP, see the HCV Program Guidebook to Calculating Rent and Housing Assistance Payments [https://www.hud.gov/sites/dfiles/PIH/documents/HCV\\_Guidebook\\_Calculating\\_Rent\\_and\\_HAP\\_Payments.pdf](https://www.hud.gov/sites/dfiles/PIH/documents/HCV_Guidebook_Calculating_Rent_and_HAP_Payments.pdf).

<sup>22</sup> The waiver activity caps TTP at 32 percent of a household’s monthly adjusted income if the PHA also uses MTW activities to change deductions, income inclusions, or exclusions. If the PHA uses waiver activities to adjust deductions, income inclusions, or exclusions, TTP can be increased to as much as 35 percent of a household’s monthly adjusted income.

three PHAs are using the waiver to decrease TTP from 30 to 27 or 28 percent of monthly adjusted income. PHAs are lowering TTP to reduce the financial burden on residents that other adjustments to tenant rent policies to alleviate PHA administrative burden may impose, such as eliminating deductions. Conversely, one PHA is increasing the TTP to 35 percent to encourage employment further and promote self-sufficiency. The TTP increase is also expected to lower Housing Assistance Payment (HAP) costs for that PHA, which can be reinvested to serve more households. Across all MTW PHAs, this policy is limited to nonelderly and nondisabled households and includes a hardship policy.

- **Stepped Rent.** A stepped rent model increases a household rent payment on a fixed schedule and by a fixed amount, regardless of household income changes. The shared goal among PHAs for implementing a stepped rent schedule is to promote self-sufficiency by gradually increasing a household’s share of rent until they can fully pay for their housing without a subsidy. Across all PHAs, this policy is limited to nonelderly and nondisabled households and includes a hardship policy. For details on how each PHA defined its stepped rent schedule, see the PHA profiles for Ruston Housing Authority (LA-054), Rockville Housing Enterprises (MD-007), and Robeson County Housing Authority (NC-084) in appendix B.
- **Other Waivers.** PHAs also selected the activities to set alternative utility allowances, eliminate deductions, establish alternative income inclusions or exclusions, and move to standard deductions to streamline the processes and increase staff capacity. PHAs said that maintaining multiple utility allowances that could vary based on unit type, size, and utility source was burdensome for staff and confused residents. To address this problem, PHAs opted to adopt streamlined utility allowances, such as one that only varies by bedroom size. Similarly, PHAs chose to eliminate certain deductions—such as medical or unreimbursed childcare expenses—because they often made rent calculations difficult and time intensive for PHA staff and burdened residents to keep track of expenses and receipts. Some residents frequently requested interim reexaminations if they recently had a large medical expense. Eliminating certain deductions or revising standard deductions is expected to free up PHA staff capacity and make the process easier for residents to understand.

### 2.3.2 Payment Standards and Rent Reasonableness

Thirteen PHAs are approved to implement activities to adjust the payment standards or rent reasonableness process. Payment standards represent the HUD-defined standard rent expected for a moderately priced rental unit and are typically set at 90 to 110 percent of the area’s Fair Market Rent (FMR). The rent reasonableness process validates that the rent charged to an HCV resident is comparable with similar rental units in the local market. Exhibit 2-5 lists the types of adjustments to payment standards and rent reasonableness the cohort PHAs are approved to implement and how many PHAs are approved to implement each specific activity.

**Exhibit 2-5. Approved Activities to Adjust Payment Standards and Rent Reasonableness**

Payment Standards and Rent Reasonableness Activities	# of PHAs Approved to Use MTW Activity (n = 13)
Payment Standards—Fair Market Rents	9
Rent Reasonableness—Third-Party Requirement	4
Rent Reasonableness—Process	2

MTW = Moving to Work. PHA = public housing agency.

Notes: Of the 31 Flexibility Cohort PHAs, 26 had an MTW Supplement approved as of March 31, 2023. Of these 26 PHAs, 13 operate both public housing and HCV programs, 10 operate only a Housing Choice Voucher (HCV)

program, and 3 operate only a public housing program. Payment standards and rent reasonableness waivers apply only to HCV programs. Activities for which no PHA has approval are not listed.

Sources: MTW Supplements; interviews conducted from February through March 2023 with PHA staff from the 26 Flexibility Cohort PHAs with approved MTW Supplements

Among these 13 PHAs, the approved changes include—

- **Payment Standards and Fair Market Rents.** This activity allows PHAs to set payment standards between 80 and 120 percent of FMR. All but one of the PHAs approved for this activity opted to increase payment standards to 120 percent of FMR for at least some unit sizes. The other PHA increased payment standards from 100 to 110 percent of FMR.<sup>23</sup> PHAs selected this activity to make more units in the community affordable to HCV recipients, thus improving housing choice for residents. The need for higher payment standards was driven partly by general challenges in finding affordable units in areas with a high cost of living or an expensive rental market; however, some PHAs said that coming out of the COVID-19 pandemic, they saw landlords increase rents at a rate that did not match adjustments to FMRs. Raising the payment standards was one way for HCV recipients to compete with residents seeking units at market price. This activity increases costs for a PHA by increasing the PHA's HAP for HCV residents. PHAs anticipated making up for the increase in cost through cost savings from other activities planned in combination with this change.
- **Rent Reasonableness Third-Party Requirement.** This activity allows a PHA to conduct the rent reasonableness process on project-based voucher (PBV) units that it owns, manages, or controls. PHAs opted to implement this waiver to build efficiency and streamline the process by allowing one party—typically the PHA—to conduct all rent reasonableness determinations, regardless of who owns the unit. This change saves the PHA time and money by not having to coordinate with and pay an external party to complete the task.
- **Rent Reasonableness Process.** Under this activity, PHAs can create a local process for determining rent reasonableness that differs from the mandated process. The local process must still have a way to determine if the rent charged for an HCV unit is comparable with similar units in the area. PHAs selected this activity to increase efficiency within the PHA or to simply formalize with HUD's MTW Office their existing processes for determining rent reasonableness. The change is not expected to have a cost impact on either the PHAs or their residents.

### 2.3.3 Reexaminations

Twenty-one PHAs are approved to implement activities to adjust the reexamination process. Under both the public housing and the HCV program, residents must complete reexaminations to verify their continued eligibility for the program. Exhibit 2-6 lists the changes PHAs are approved to implement and how many PHAs are approved to implement each specific activity.

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<sup>23</sup> This waiver was approved as part of the MTW Supplement, but in practice, this is not a change from what a PHA can do without an MTW Waiver. Non-MTW PHAs can increase the payment standard to 110 percent of FMR under regular HCV program regulations.

**Exhibit 2-6. Approved Activities to Adjust the Reexamination Process**

Reexamination Process Activities	# of PHAs Approved to Use MTW Activity (n = 21)
Alternative Reexamination Schedule for Households	18
Self-Certification of Assets	14

MTW = Moving to Work. PHA = public housing agency.

Notes: Of the 31 Flexibility Cohort PHAs, 26 had an MTW Supplement approved as of March 31, 2023. Of these 26 PHAs, 13 operate both public housing and HCV programs, 10 operate only a Housing Choice Voucher (HCV) program, and 3 operate only a public housing program. HUD divides reexamination policy waivers by public housing and HCV residents. The exhibit aggregates them so that any PHA approved to implement one or more of the activities under the reexamination’s waiver category is represented only once per category. Activities for which no PHA has approval are not listed.

Sources: MTW Supplements; interviews conducted from February through March 2023 with PHA staff from the 26 Flexibility Cohort PHAs with approved MTW Supplements

The activities under the reexamination’s waiver fall into two categories:

- Alternative Reexamination Schedule for Households.** The alternative reexamination schedule allows PHAs to change the frequency of reexaminations. Under regular program rules, reexaminations often happen annually; with the waiver, PHAs can opt to conduct reexaminations biennially or triennially. Increasing cost efficiency related to staff time and streamlining operations was the primary motivation for PHAs in selecting this activity. Improving self-sufficiency among residents was the other motivation. PHAs said that reducing the frequency of reexaminations would free up PHA staff time to do other activities. They also said less frequent reexaminations were beneficial for residents who experience an income increase because that income would not be reported to the PHA until the next reexamination. As such, residents will not see an increase in their share of rent until their next reexamination, which could be 1 or more years away from when the increase in income occurred. PHAs expect that residents will be encouraged by this policy to find and keep employment. This change also allows residents to save more of their income, which is expected to improve residents’ self-sufficiency.

PHAs varied in whether the alternative reexamination schedule policy depended on household composition or annual income. For example, at one PHA, households with fixed incomes (often elderly or disabled households) were moved to a triennial reexamination schedule because their income is not expected to change much year over year. Working households were moved to a biennial schedule. Some PHAs chose to keep households with an annual income below a certain limit on an annual reexamination schedule. PHAs said they believed this would encourage those households to find employment so they could move to a biennial reexamination schedule, which is less burdensome for the residents and PHA staff. The most common challenge with this change was adjusting the PHAs’ software to track the new reexamination schedule and flag when households would be due for their next reexamination.<sup>24</sup>

Across all PHAs, this activity includes a hardship policy, which typically allows households to request an interim reexamination if they have a decrease in income or a change in household composition. Exhibit 2-7 details how each PHA implements the alternative reexamination schedule.

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<sup>24</sup> See exhibit 2-15 for a discussion on how software reporting issues have affected implementing this waiver.



- **Self-Certification of Assets.** Household assets are considered when establishing how much rent a public housing or HCV resident is responsible for paying. This waiver allows residents to self-certify up to \$50,000 in assets, meaning residents do not need to obtain or submit substantiating documentation of their assets. PHAs selected this activity primarily to reduce the burden on PHA staff and residents and promote cost efficiency. Requiring documentation of assets can cause delays in approving new residents or making payments to landlords because PHAs need to wait for banks to complete and return certification forms. The certification process also caused hardships for residents because some banks charge a nonreimbursable fee to verify statements or complete certification forms. Some PHAs said they also saw this activity as promoting self-sufficiency by encouraging residents to build their assets without imposing additional paperwork requirements. PHAs typically applied this new policy to all assisted households and did not report any significant challenges in implementing the change.

### Exhibit 2-7. Implementing Alternative Reexamination Schedules

Public housing agencies (PHAs) implementing biennial or triennial reexamination schedules have taken various approaches to rolling out this change. Among the approaches taken to stagger which households start on the updated reexamination schedule are—

- **Alphabetical by last name:** Households are divided into two or three groups (depending on whether the switch is to biennial or triennial) based on last name. For example, if moving to biennial, households with last names falling between A and M switch to biennial after their reexamination in the year of implementation. Households with last names falling between N and Z switch to biennial after their reexamination the following year.
- **By public housing building:** One PHA is assigning biennial reexamination schedules by public housing building. For example, all households in one or two developments switch to biennial reexaminations after their current reexamination, then households in the remaining buildings switch to biennial the next cycle.
- **By month of reexamination:** One PHA is rolling out biennial reexaminations based on which month the household is scheduled for a reexamination. Households scheduled to have their reexamination in odd months (for example, January, March, May) switch to a biennial schedule after the current reexamination. Next year, households with a reexamination scheduled during even months (for example, February, April, June) switch to biennial.

Most PHAs highlighted the importance of staggering the reexamination schedule so that staff workloads are balanced. These approaches are intended to allow case managers to split reexaminations near evenly across 2 or 3 years.

Sources: MTW Supplements; interviews conducted from February through March 2023 with PHA staff from the 26 Flexibility Cohort PHAs with approved MTW Supplements

### 2.3.4 Landlord Leasing Incentives

Ten PHAs are approved to implement landlord leasing incentives to encourage landlord participation in the HCV program. Exhibit 2-8 lists the number of PHAs approved to implement each specific landlord leasing incentive. The primary goal of implementing landlord leasing incentive activities is to expand housing choice for HCV residents. Although landlord incentives represent increased expenditures for PHAs, PHAs said they believed the opportunity to expand landlord participation in the HCV program was worth the expense. Many PHAs also chose to implement landlord incentives with other activities that decrease PHA expenditures or increase PHA revenue to help offset the increased cost.

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Getting landlords involved has been a challenge, so we're throwing as much money as possible at them to get them involved. ... The ability to access additional funds above what we can pay for Fair Market Rent is probably the biggest driver [for increased

landlord participation]. With 14-17 percent inflation on property maintenance increases after COVID[-19], it's been hard to keep up [and be competitive] with Fair Market Rents.

—PHA interviewee

**Exhibit 2-8. Approved Activities to Implement Landlord Leasing Incentives**

Landlord Leasing Incentive Activities	# of PHAs Approved to Use MTW Activity (n = 10)
Other Landlord Incentives (HCV—Tenant-Based Assistance)	10
Damage Claims (HCV—Tenant-Based Assistance)	5
Vacancy Loss (HCV—Tenant-Based Assistance)	4

HCV = housing choice voucher. MTW = Moving to Work. PHA = public housing agency.

Notes: Of the 31 Flexibility Cohort PHAs, 26 had an MTW Supplement approved as of March 31, 2023. Of these 26 PHAs, 13 operate both public housing and HCV programs, 10 operate only an HCV program, and 3 operate only a public housing program. Landlord leasing incentive waivers are exclusively for the HCV program. Activities for which no PHA has approval are not listed.

Sources: Moving to Work (MTW) Supplements; interviews conducted from February through March 2023 with PHA staff from the 26 Flexibility Cohort PHAs with approved MTW Supplements

The specific landlord incentives include—

- **PHA-Defined “Other” Landlord Incentives.** This activity allows PHAs to define and implement landlord incentives that do not fall under the damage claims or vacancy loss activities. These incentives are usually financial bonuses to increase landlord participation in the program. Exhibit 2-9 details how PHAs define this activity.
- **Damage Claims.** This activity allows PHAs to compensate landlords participating in the HCV program for any damages beyond normal wear and tear—or what would be covered by a security deposit—if a resident leaves the unit damaged. The damage claim cannot exceed the lesser of the cost of repairs or 2 months of contract rent. PHAs said they saw this activity as a way to increase or maintain housing options for HCV residents by incentivizing landlords to participate in the HCV program by reducing their risk of monetary loss. To further encourage continued landlord participation in the program, some PHAs have stipulated that the damage claim payment will be paid only when a new HAP contract is executed, meaning a new HCV recipient occupies the vacated unit.
- **Vacancy Loss.** Vacancy loss incentives allow PHAs to pay a landlord as much as 1 month of contract rent to keep a unit available while another housing choice voucher (HCV) recipient is identified and completes the paperwork required to occupy the unit. The goal of this activity is to increase the retention of current program landlords in the HCV program. A larger pool of landlords participating in the HCV program is also expected to help HCV recipients lease up more quickly.

## Exhibit 2-9. How Public Housing Agencies Use Other Landlord Leasing Incentives Waivers

Ten public housing agencies (PHAs) are approved to implement PHA-defined “other” landlord incentives within their Housing Choice Voucher (HCV) programs. The Moving to Work (MTW) Operations Notice stipulates that these incentives should be designed to encourage new landlords to join the HCV program. The incentives cannot be greater than 1 month of contract rent and can be paid only on execution of a new Housing Assistance Payment (HAP) contract. Among the 10 PHAs with approval to implement this activity, the “other” landlord incentives are defined as—

- **New Unit Payments.** Five PHAs offer landlords an incentive of as much as 1 month’s rent for each unit not previously rented through the HCV program leased to an HCV recipient. The definition of a new unit varies by PHA. Some PHAs consider a new unit as one that an HCV recipient has not leased for at least 12 months. Other PHAs define a new unit as a unit that an HCV recipient had never leased. At least one PHA varies the incentive amount depending on whether the unit is completely new to the HCV program or is returning after not being leased by an HCV recipient for at least 1 year. The PHA may cap total payments to a single landlord under this program to one payment a year or a maximum monetary amount. The COVID-19 waivers to HCV program rules that have since expired previously authorized this activity. At least one PHA selected to implement this activity under MTW because of the success it saw when implemented under the COVID-19 waiver. The goal of this incentive is to increase housing choice and HCV use by increasing landlord participation in the HCV program.
- **New Landlord Incentives.** Four PHAs offer incentives to new landlords to participate in the HCV program. The PHAs all defined a new landlord as one that has never participated in the HCV program before. It is typically a one-time incentive payment that varies by PHA from \$250 to \$500 to a full month of contract rent. The goal of this incentive is to increase housing choice and HCV use by attracting more landlords to the program.
- **Referral Incentives.** Two PHAs offer landlord referral bonuses of \$250 to \$500. Both PHAs provide the bonus to landlords who refer another landlord to the PHA resulting in the execution of a new HAP contract for an HCV recipient with the referred landlord. The PHAs differ in their eligibility criteria, however. One PHA restricts the incentive to referred landlords that have no prior experience renting to HCV recipients, and the other restricts it to landlords who have not leased to an HCV recipient in the past 5 years. Like other incentives, the goal under this waiver is to expand landlord participation in the HCV program, increase housing choice for residents, and move more families from the HCV waiting list.
- **Other Incentives.** Three PHAs implement additional incentives under this waiver. One PHA offers a \$25 property maintenance bonus and an initial \$50 Housing Quality Standards (HQS) bonus to landlords if the unit being rented passes the HQS inspection on the first visit. Another PHA offers security deposit assistance of up to 1 months’ rent under this activity. The third PHA offers a one-time \$250 signing bonus for each new HAP contract executed, with the goal of increasing owner participation in the HCV program.

PHAs notify landlords of these new incentives through newspaper advertisements, landlord events, word of mouth, flyers, working with realtors, and social media. However, the initial success of these activities varied by PHA. One PHA had been implementing the incentive for new landlords for more than a year and had seen only two or three new landlords join the HCV program. The PHA attributed the lack of success to landlords being able to make more profit from renting to market-rate renters and the perceived stigma of renting to HCV recipients. Another PHA had been implementing the new unit payments for more than 2 years (including when the incentive was authorized under the COVID-19 waiver) and reported issuing one to two new unit incentive checks a month.

Sources: MTW Supplements; interviews conducted from February through March 2023 with PHA staff from the 26 Flexibility Cohort PHAs with approved MTW Supplements

### 2.3.5 Housing Quality Standards

Twelve PHAs are approved to implement Housing Quality Standards (HQS) process changes. These policies apply only to the HCV program and do not change the HQS inspection standards defined in the program regulations. Exhibit 2-10 lists which HQS adjustments these PHAs are approved to implement and how many PHAs are approved to implement each specific activity.

**Exhibit 2-10. Approved Activities to Adjust Housing Quality Standards Processes**

Housing Quality Standards (HQS) Activities	# of PHAs Approved to Use MTW Activity (n = 12)
Alternative Inspection Schedule	6
Third-Party Requirement	5
Prequalifying Unit Inspections	3

MTW = Moving to Work. PHA = public housing agency.

Notes: Of the 31 Flexibility Cohort PHAs, 26 had an MTW Supplement approved as of March 31, 2023. Of these 26 PHAs, 13 operate both public housing and Housing Choice Voucher (HCV) programs, 10 operate only an HCV program, and 3 operate only a public housing program. HQS waivers are exclusively for the HCV program. Activities for which no PHA has approval are not listed.

Sources: MTW Supplements; interviews conducted from February through March 2023 with PHA staff from the 26 Flexibility Cohort PHAs with approved MTW Supplements

The three activities being undertaken via the HQS waivers include—

- Alternative Inspection Schedule.** This activity allows PHAs to set a local inspection schedule for all or a portion of its HCV units. Under the waiver, inspections must occur at least once every 3 years, and residents must be allowed to request an interim inspection. Although all PHAs said they adopted this change to promote staff efficiencies to free up staff time for other activities, implementation of this activity varies by PHA. Three of the six PHAs are imposing restrictions on which units qualify for less frequent HQS inspections. For example, one PHA uses the policy to move HQS inspections from annual to biennial but only for units that have passed at least the past two consecutive inspections. Another PHA is shifting from biennial to triennial HQS inspections but also limits the policy to units that passed the HQS during the first inspection (that is, no major issues were found, and no reinspection was needed). The only challenge reported in implementing this waiver was delays in updating the PHA’s software to track units on the alternative inspection schedule.
- Third-Party Requirement.** Under this activity, the PHA is allowed to conduct HQS inspections on PBV units that it owns, manages, or controls. PHAs say they selected this change to streamline operations and increase efficiency.

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[As] a smaller jurisdiction ... securing a qualified, reliable third-party inspection can prove to be costly or time-consuming to execute. Without a reliable third-party inspection, families face delays in occupancy.

—PHA interviewee

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The cost and delays associated with partnering with a third-party agency should be eliminated by shifting the responsibility to PHA staff.

- Prequalifying Unit Inspections.** This activity allows PHAs to prequalify or preinspect units as many as 90 days before an HCV recipient occupies the unit to ensure the unit meets HQS. HCV participants must also be allowed to request an interim inspection. The preinspection length varies from 30 to 90 days across the three PHAs approved for this waiver. One PHA said that the waiver will be particularly helpful when inspecting new projects or complexes that become available because all units could be inspected at once.

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We didn’t see a negative to expanding the period of time between unit turnover and lease-up. If a unit passed inspection and is sitting empty, what new issues are going to come up?

PHAs anticipate that the policy change will streamline the lease-up process, expand the use of HCV, and reduce inspection costs by reducing costs for reinspection related to the timeliness of the inspection.

### **2.3.6 Short-Term Assistance**

One PHA is approved to implement a short-term assistance program. The MTW Operations Notice specifies that such a program should be designed for specific populations, such as those who are hard to house or those who are at risk of or experiencing homelessness. The PHA approved for this waiver provides 12 months of emergency assistance to households experiencing homelessness that are certified by a local support agency. The PHA expects to serve 10 households through this program each fiscal year. The PHA said the goal behind this program was two-fold. The PHA has an elderly preference for its HCV program's waiting list. Because of this, the PHA found that other populations needing housing assistance were not making it off the waiting list. This short-term assistance program helps the PHA serve other vulnerable populations. Secondly, the PHA anticipates this program to help promote self-sufficiency among the households served. Households served through this program are offered the opportunity to transition to the HCV program if they meet certain criteria. After entering the short-term assistance program, nonelderly, nondisabled households must obtain employment within 6 months (per the PHA's work requirement) and enter the PHA's Family Self-Sufficiency (FSS) program. After 12 months of stability, households are eligible to transition to the HCV program (subject to availability).

### **2.3.7 Term-Limited Assistance**

One PHA is approved to impose term-limited assistance for public housing residents. The PHA implements this activity with other activities in what the PHA calls its Steppingstone program for nonelderly, nondisabled households. All households are limited to 5 years of public housing assistance. Households can apply for a maximum of two 1-year extensions, capping their total time in public housing to 7 years (regardless of consecutiveness). At that point, the household cannot reapply for the PHA's public housing program. Households receive supportive services as they prepare to graduate from the public housing program. The PHA's goal for this activity is to encourage residents to become self-sufficient. The first cohort of residents is expected to reach the 5-year term limit in November 2026.

### **2.3.8 Project-Based Voucher Program Flexibilities**

Seven PHAs are approved to implement changes to their PBV program.<sup>25</sup> PBV units are rental units available only to HCV recipients. Households issued PBVs do not need to search for rental units on the open market (as households issued a tenant-based voucher would need to) because PBV units are available. Exhibit 2-11 lists which PBV program changes these PHAs are approved to implement and how many PHAs are approved to implement each specific activity.

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<sup>25</sup> As de Sousa et al. (2023) reported, as of April 2022, of the 30 interviewed Treatment PHAs, 11 already use PBVs as part of their HCV program or through a Rental Assistance Demonstration (RAD) conversion of their public housing stock. Another PHA had a PBV project under development.

**Exhibit 2-11. Approved Activities to Implement Project-Based Voucher Program Flexibilities**

Project-Based Voucher (PBV) Program Activities	# of PHAs Approved to Use MTW Activity (n = 7)
Increase PBV Project Cap	5
Elimination of PBV Selection Process for PHA-Owned Projects Without Improvement, Development, or Replacement	5
Increase PBV Program Cap	4
Limit Portability for PBV Units	4
Alternative PBV Selection Process	1
Alternative PBV Unit Types (Shared Housing and Manufactured Housing)	1
Increase PBV HAP Contract Length	1
Increase PBV Rent to Owner	1

HAP = Housing Assistance Payment. MTW = Moving to Work. PHA = public housing agency.

Notes: Of the 31 Flexibility Cohort PHAs, 26 had an MTW Supplement approved as of March 31, 2023. Of these 26 PHAs, 13 operate both public housing and HCV programs, 10 operate only an HCV program, and 3 operate only a public housing program. PBV program flexibility waivers are exclusively for the HCV program.

Sources: MTW Supplements; interviews conducted from February through March 2023 with PHA staff from the 26 Flexibility Cohort PHAs with approved MTW Supplements

The activities approved under the PBV program flexibility waivers include—

- Increasing PBV Project Cap and Increasing PBV Program Cap.** Under these two activities, PHAs can (1) increase the share of PBV units within a housing development to as much as 100 percent and (2) increase the cap on the share of project-based units to as much as 50 percent of either the PHA’s total authorized units or its annual budget authority. Although these two activities are distinct, the motivation for PHAs to select them was similar. Several of the PHAs approved to implement one or both of these activities selected the activities to support future development goals, such as new affordable housing developments tied to tax credits, upcoming Rental Assistance Demonstration (RAD) conversions to allow the PHA to convert public housing developments into PBV units, or upcoming renovation and preservation projects, with the goals of offering more housing choices to program participants and to preserve existing affordable housing.

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[PBVs] serve as an option to help finance new affordable housing projects and to financially stabilize struggling affordable housing projects.

—PHA interviewee

- Eliminating the PBV Selection Process for PHA-Owned Projects Without Improvement, Development, or Replacement.** Under regular program regulations, PHAs must select PBV proposals through a competitive process (or based on a prior competition). This activity allows PHAs to eliminate that selection process when the PHA awards PBVs to nonpublic housing properties it owns. Under the activity, PHAs are also not required to engage in an initiative to improve, develop, or replace a public housing property or site when awarding PBVs to PHA-owned properties. PHAs were motivated to select this activity to

support future development goals, such as new affordable housing developments tied to tax credits, upcoming RAD conversions, or upcoming renovation and preservation projects. One PHA selected this activity because it has historically received very limited responses to the PBV selection process and hoped eliminating the selection process would allow it to develop a strong relationship with a single, reliable developer. The goal of the activity is to expand housing choice for program participants and preserve existing affordable housing.

- **Limiting Portability for PBV Units.** This activity allows PHAs to waive the requirement to provide a tenant-based voucher if requested by a PBV household after residing in a PBV unit for 12 months. All four PHAs approved to implement this activity have increased to 24 months, the threshold to qualify for obtaining a tenant-based voucher. PHAs said they selected this activity to help address issues related to the shortage of affordable housing within their jurisdictions, which means that PBV households trying to move with a tenant-based voucher are not likely to be successful. This activity has the potential to decrease the administrative burden on PHA staff. Some PHAs report that it might also increase housing stability and strengthen residents' ties to a community.
- **Establishing Alternative PBV Selection Process.** Under this activity, a PHA may establish an alternative competitive process for awarding PBVs owned by nonprofits, for-profit housing entities, or the PHA (excluding public housing). The PHA that selected this activity said it did so to increase the opportunity to acquire PBV units in the future to expand housing choice for residents.
- **Incorporating Alternative PBV Unit Types (Shared Housing and Manufactured Housing).** This waiver allows PHAs to attach and pay PBV assistance to shared housing or manufactured housing units. The PHA using this policy incorporates existing shared housing situations into the PBV program to increase housing options for veterans experiencing homelessness.
- **Increasing PBV HAP Contract Length.** The PHA approved for this policy change uses it to extend the length of the PBV HAP contract to as many as 50 years, including extensions. The PHA said the goal of this activity is to ensure the longer term viability of PBVs and improve housing choice for residents.
- **Increasing PBV Rent to Owner.** Under this activity, PHAs can develop a local process to determine PBV rent to owner. The PHA said it selected this change to promote a sustainable, affordable housing market while *“improving housing standards by allowing owners better cashflow to improve their existing property.”*

### **2.3.9 Family Self-Sufficiency Program with Moving to Work Flexibility**

Seven PHAs are approved to implement changes to their FSS program. The FSS program promotes increased earnings and savings among families in public housing or HCV programs by working with residents to set and achieve education and employment goals. FSS participants are provided case management, supportive services, and a financial incentive in the form of savings paid to an escrow account to offset rent increases that result from higher earnings. On successful completion of the program, participants receive full access to escrow funds, which can be used for any purpose. Exhibit 2-12 lists which adjustments these PHAs are approved to implement and how many are approved to implement each specific activity.

**Exhibit 2-12. Approved Activities to Adjust the Family Self-Sufficiency Program**

Family Self-Sufficiency Program Activities	# of PHAs Approved to Use MTW Activity ( <i>n</i> = 7)
Waive Operating a Required FSS Program	4
Modify or Eliminate the Contract of Participation	2
Policies for Addressing Increases in Family Income	2

MTW = Moving to Work. PHA = public housing agency.

Notes: Of the 31 Flexibility Cohort PHAs, 26 had an MTW Supplement approved as of March 31, 2023. Of these 26 PHAs, 13 operate both public housing and HCV programs, 10 operate only an HCV program, and 3 operate only a public housing program. FSS program with MTW flexibility waivers can be applied to the public housing or HCV program. Activities for which no PHA has approval are not listed.

Sources: MTW Supplements; interviews conducted from February through March 2023 with PHA staff from the 26 Flexibility Cohort PHAs with approved MTW Supplements

The three approved activities include—

- Waiving Operating a Required FSS Program.** This waiver allows PHAs statutorily required to operate an FSS program to waive the requirement. Three of the four PHAs approved for this activity said they requested it because their FSS programs were already inactive and wanted to remove the requirement. The fourth PHA had only one mandated participant in its FSS program and wanted to remove the requirement to operate the program because the current participant was not engaging with the program or meeting set goals. None of these four PHAs sought approval to replace their FSS program with an MTW self-sufficiency program.
- Modifying or Eliminating the Contract of Participation.** Under this activity, PHAs may modify the terms of or eliminate the FSS Contract of Participation and replace it with a local form.<sup>26</sup> Both PHAs said they use the waiver to make the program more favorable for FSS participants. One PHA now considers the graduation from the program requirement as being met if any adult in the household is employed, not only the head of household, and removing the requirement to be off Temporary Assistance for Needy Families (cash assistance). The other PHA has shifted from an escrow model to a goal rewards model that provides cash incentives for meeting certain goals related to income, finance, education, health, employment, and other areas. Participants may opt to receive the incentive immediately or have it deposited into a PHA-managed savings account on their behalf. By switching from the escrow to the goal rewards model, the PHA said it anticipates more program participants will be encouraged to complete their goals.

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FSS is one of the best programs HUD has developed, but if someone was already working when they came into the program, there were few incentives to participate.

—PHA interviewee

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- Setting Policies for Addressing Increases in Family Income.** Under this activity, PHAs are allowed to set new policies for whether increases in FSS participants' income are recognized for purposes of increasing rent or changing the amount of funds moved to escrow through the FSS program. One of the PHAs approved for this change also has shifted to a triennial reexamination schedule. Under this policy, the PHA allows households in the FSS program

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<sup>26</sup> The Contract of Participation is a HUD form that describes the FSS participant's (the head of household) rights and responsibilities when engaging with the program and the administering PHA's rights and responsibilities.



to request an annual reexamination if their income increases by 10 percent or more. The goal is to allow these households to have income increases recognized so households can change the amount of funds placed in the escrow through the FSS program. The other PHA approved for this waiver has shifted from an escrow model to a goal rewards model, under which increases in income are not considered and do not contribute to an increase in escrow.

### 2.3.10 Moving to Work Self-Sufficiency Program

Six PHAs are approved to implement an MTW Self-Sufficiency program. The MTW Operations Notice defines MTW Self-Sufficiency programs as any “existing self-sufficiency and training programs, and any successor programs.” PHAs can use the activities under this waiver category to be exempt from certain HUD program requirements. Exhibit 2-13 lists which MTW Self-Sufficiency program components these PHAs are approved to implement and how many PHAs are approved to implement each specific activity.

**Exhibit 2-13. Approved Activities to Implement a Moving to Work Self-Sufficiency Program**

Moving to Work (MTW) Self-Sufficiency Program Activities	# of PHAs Approved to Use MTW Activity (n = 5)
Alternative Family Selection Procedures	4
Policies for Addressing Increases in Family Income	2

PHA = public housing agency.

Notes: Of the 31 Flexibility Cohort PHAs, 26 had an MTW Supplement approved as of March 31, 2023. Of these 26 PHAs, 13 operate both public housing and Housing Choice Voucher (HCV) programs, 10 operate only an HCV program, and 3 operate only a public housing program. MTW Self-Sufficiency program waivers can be applied to the public housing or HCV program. Activities for which no PHA has approval are not listed.

Sources: MTW Supplements; interviews conducted from February through March 2023 with PHA staff from the 26 Flexibility Cohort PHAs with approved MTW Supplements

The two approved activities include—

- **Alternative Family Selection Procedures.** This activity allows PHAs to develop their own recruitment and selection process for their MTW Self-Sufficiency programs, requiring participation from all nonelderly and nondisabled households. All four PHAs said they use this activity to make participation in their self-sufficiency programs mandatory. Three PHAs apply the policy to all nonelderly, nondisabled adults; one PHA restricts the mandate to nonworking, nonelderly, nondisabled household members. They said these program changes aim to promote self-sufficiency and provide residents with the tools needed to graduate from public housing or HCV program successfully. This activity includes a hardship policy across all four PHAs.
- **Policies for Addressing Increases in Family Income.** Under this activity, PHAs set policies for handling income increases related to rent increases or changes in the amount of funds moved to an escrow or savings account during participation in the MTW Self-Sufficiency program. One PHA uses this waiver to allow residents entering the MTW Self-Sufficiency program to be exempt from the minimum rent requirements for up to 1 year. The program also mirrors FSS program escrow policies to encourage employment. The other PHA has disregarded income increases for the purpose of increasing rent until the next scheduled reexamination. At that point, income increases phase-in over the next 2-year period (between reexaminations); however, to qualify for the Earned Income Disregard, any increase in income must be reported within 30 days. The goal of this program is also to support self-sufficiency and encourage households to obtain and maintain employment.

### 2.3.11 Work Requirements

Four PHAs are approved to implement a work requirement.<sup>27</sup> This waiver allows PHAs to require public housing or HCV residents who are at least 18 years old and neither elderly nor disabled to work or engage in an acceptable substitute for work, as defined by the PHA, such as education, job training, work readiness programs, volunteer work, or life-skills courses. Some PHAs further restricted eligibility for the work requirement to exempt live-in aides, individuals who are the primary caretakers for a child younger than 6, and pregnant women. Under the policy, the maximum requirement allowed is 15 hours of work or another productive activity per week if applied to all eligible household members or 30 hours per week if applied to the entire household. All four PHAs opted to implement the work requirement at the maximum allowed. The waiver also requires that residents of a household subject to the work requirement be given 6 months to meet it before terminating participation in the public housing or HCV programs for noncompliance.

The goals for selecting this waiver among the PHAs were similar and intended to encourage residents to work, become financially independent, and graduate from the housing assistance program. As one PHA noted: *“This activity will move participant families toward self-sufficiency and financial independence.”* To help residents succeed, some PHAs couple the work requirement with supportive services, such as onsite job training and job placement services offered by local partners or community colleges.

Three of the four PHAs began implementing the work requirement, but not without challenges. Two PHAs said that some residents had voluntarily left the public housing or HCV program once the work requirement went into effect, or they requested to port their voucher to another PHA that does not have MTW or a work requirement. This activity requires a hardship policy so that people who cannot work for an approved reason can be exempted. All three PHAs have received hardship requests (two to seven per PHA). The PHAs said the hardship requests were often filed after residents applied for disability and were conditionally approved, pending the final disability status determination.

### 2.3.12 Public Housing as an Incentive for Economic Progress

One PHA is approved to implement this waiver. Under this waiver, the PHA allows households to remain in public housing while being “over income”—earning more income than is allowed to qualify for public housing assistance—for up to 3 years.<sup>28</sup> However, residents are notified that they are over-income at least 1 year before the end of the grace period to remain in public housing. At the end of the 1-year notification period, the household may opt to remain in public housing for an additional year, but the monthly rent will be adjusted to be the greater of the applicable FMR or the amount of the monthly subsidy the PHA pays for the unit through public

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<sup>27</sup> Among the four PHAs approved to implement a work requirement, two PHAs operate only HCV programs, one operates only a public housing program, and one operates both a public housing and an HCV program. The PHA operating both applies the work requirement to residents in both programs.

<sup>28</sup> Under PIH Notice 2019-11(HA) (available here <https://www.hud.gov/sites/dfiles/PIH/documents/PIH-2019-11.pdf>), all PHAs are permitted to allow households to remain in public housing while their income exceeds 120 percent of the area median income (AMI) for 2 consecutive years. Per the Notice, “a PHA must terminate the family’s tenancy within 6 months of the second income determination or charge the family a monthly rent equal to the greater of (1) the applicable FMR; or (2) the amount of monthly subsidy for the unit, including amounts from the operating and capital fund, as determined by regulations.”

housing Operating and Capital Funds. The PHA has not yet had to apply this policy to residents but anticipates that doing so supports the eventual self-sufficiency of residents as they adjust to paying the full cost of rent.

### 2.3.13 Acquisition Without Prior HUD Approval

Two PHAs are approved to acquire housing sites without prior HUD approval to expedite the process of obtaining property to redevelop existing public housing. Among other requirements, under this activity, PHAs must submit materials for full HUD review within 30 days of acquisition.<sup>29</sup> Neither PHA had implemented this activity but sought approval because it saw it as “an excellent tool to have when we look at future development.” One of these PHAs seeks to develop a nonprofit affiliate, allowing the PHA to act like a private housing developer, providing it more flexibility when acquiring property on the private market and seeking additional outside funding to support development.

### 2.3.14 Local, Nontraditional Activities

Seven PHAs are approved to implement local, nontraditional (LNT) activities. The MTW Operations Notice authorizes PHAs to use the LNT waivers to “provide a rental subsidy to a third-party entity to provide housing and supportive services to eligible low-income participants and to contribute MTW Funding to the development of affordable housing.”<sup>30</sup> Exhibit 2-14 lists which LNTs these PHAs are approved to implement and how many PHAs are approved for each specific LNT activity.

**Exhibit 2-14. Approved Activities to Implement Local, Nontraditional Activities**

Local, Nontraditional Activities	# of PHAs Approved to Use MTW Activity (n = 7)
Housing Development Programs	5
Service Provision	3
Rental Subsidy Programs	0

MTW = Moving to Work. PHA = public housing agency.

Notes: Of the 31 Flexibility Cohort PHAs, 26 had an MTW Supplement approved as of March 31, 2023. Of these 26 PHAs, 13 operate both public housing and Housing Choice Voucher (HCV) programs, 10 operate only an HCV program, and 3 operate only a public housing program. Local, nontraditional waivers can be used by public housing and HCV programs.

Sources: MTW Supplements; interviews conducted from February through March 2023 with PHA staff from the 26 Flexibility Cohort PHAs with approved MTW Supplements

- Housing Development Programs.** This activity allows PHAs to use MTW funding flexibility to acquire, renovate, or build affordable housing units (excluding public housing) for low-income families. Per the MTW Operations Notice, this funding may take the form of gap financing for the development of affordable housing, PBV units, or tax-credit partnerships. A PHA cannot use more than 10 percent of its HAP budget to support this activity, and the families served must be at or below 80 percent of the area median income. All PHAs that applied for this waiver said they did so to increase the supply of affordable housing in their jurisdictions, often in response to a shortage of affordable units for

<sup>29</sup> Under this waiver, MTW PHAs must also comply with and have documentation that the project is in compliance with local zoning, commission an independent appraisal of the site, and conduct an environmental assessment. See 24 CFR 905.608(e) and 24 CFR 905.608(f) for more details.

<sup>30</sup> The MTW Operations Notice can be found at <https://www.hud.gov/sites/dfiles/PIH/documents/FinalMTWExOpsNoticePartVIWeb.pdf>.

households with very low incomes or specific populations. One PHA plans to use this waiver to improve a building it already owns, adding PBVs to the site for larger households needing affordable three- or four-bedroom units, which are in short supply in the region. A second PHA plans to use the LNT waiver to acquire an old hotel converted to efficiency suites that the PHA believes it could manage and maintain better. Another PHA plans to use the LNT waiver to support the development of supportive housing for youth aging out of foster care.

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Utilizing up to 10 percent of HAP dollars for housing development will provide much-needed acquisition funds as well as “match” or “leverage” dollars to competitive funding applications. Utilizing funds in this way will generate more units of housing for low and very low-income households. This activity contributes to a strategic goal of [Randolph County Housing Authority], which is to expand the affordable housing stock in its jurisdiction.

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—MTW Supplement for Randolph County Housing Authority

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- **Service Provision.** Under the LNT waiver, PHAs can use MTW funding flexibility to provide HUD-approved self-sufficiency or supportive services not otherwise permitted under public housing and HCV regulations. PHAs may also extend these services to low-income individuals not in the PHA’s public housing or HCV programs. The three PHAs approved for this LNT took varying approaches—
  - Brighton Housing Authority has allocated as much as \$145,000 in HAP funding to support activities that may include a housing navigation service, a career and college launch program, support to a domestic violence emergency shelter, food assistance (meals delivery) to PHA residents who are elderly, a technology library program, case management services to voucher households, COVID-19 vaccine clinics, and a youth tutoring program. The PHA plans to serve approximately 1,400 people through these LNT services to support resident needs, education goals, and eventual homeownership.
  - The Housing Authority of Newnan is approved to provide support services to as many as eight occupants at a time at a transitional housing facility for low-income residents not in the public housing or HCV program. The PHA plans to partner with local service agencies to provide housing and other supportive services for the households residing in these units.
  - The Housing Authority of Cheraw has implemented self-sufficiency and support services for its public housing and HCV residents. The first is a one-time (per fiscal year) \$500 incentive payment to as many as 35 households that maintained 1 year of full-time employment, with no more than a 2-week gap in employment. A lottery selects households if more than 35 qualify. The PHA also provides financial assistance for residents with children or youth to subsidize their participation in after-school activities, such as cheerleading, dance, or football. The PHA requests documentation of the fee for the activity and either pays the program fees directly or reimburses residents after receiving their payment receipt. The PHA has implemented the activities for more than a year and said the response from residents has been very positive.
- **Rental Subsidy Programs.** This LNT waiver allows PHAs to use MTW funding flexibility to provide a rental subsidy to third-party entities (excluding landlords or tenants) that manage

the implementation of the subsidy program. No PHAs are currently approved for this activity.

### **2.3.15 Agency-Specific Waiver**

One PHA—the Washington County Community Development Agency—is approved to implement an activity through an agency-specific waiver. Under this waiver, the PHA allows landlords to self-certify that a unit rented through the HCV program has no life-threatening deficiencies on the move-in date. The PHA completes a physical unit inspection within 60 days of move-in. As stated in the approved MTW Supplement, the agency’s goals for this waiver are to allow it to:

[1] complete calculations and issue contracts with the landlords [in a] timely [manner], [2] potentially cut administration expenses of the program, and [3] allow tenants to move into units more rapidly and [prevent tenants from] incurring additional rent burden (Washington County, 2022).

The policy also allows the PHA to incorporate move-in inspections in the annual inspection schedule, saving PHA staff travel time.

### **2.4 Use of Funding Flexibility to Support Moving to Work Activities**

Funding flexibility is one of the first actions PHAs could take after receiving MTW designation because its use is not contingent on having an approved MTW Supplement. Of the 31 Flexibility Cohort PHAs, 11 reported using funding flexibility for a range of activities. Three PHAs described using funding flexibility to help pay for new MTW administrative costs, such as partial salary for an MTW coordinator, consultant fees, or software upgrades. Seven PHAs said they use their public housing Operating Fund, public housing Capital Fund, HAP allocations, and HCV administrative fees (including HCV reserves) to support MTW activities directly. These funds support landlord incentives, housing navigation, tenant security deposits, employment services and other resident enrichment programs, and further subsidization of tenant rents exceeding payment standards. Four PHAs use funding flexibility to support development or redevelopment activities in their housing portfolio.

Of the 31 Flexibility Cohort PHAs, 16 reported that they plan to use funding flexibility in the future to support resident services, administrative efforts, landlord incentives, or development activities. Most of these PHAs are waiting to implement funding flexibility until they have more experience with MTW administration, have realized savings from other MTW efforts, implemented more MTW activities, observed the maturation of current MTW activities, or completed new development projects. Among the PHAs that said they were waiting to realize cost savings before using funding flexibility, some said they rely on increased voucher use or increases in tenant rent to drive the anticipated cost savings. PHAs have continued to be cautious about implementing funding flexibility until they understand the process and its potential challenges more clearly.

Three Flexibility Cohort PHAs reported that they did not plan to use funding flexibility, primarily because their current funding sources were adequate.<sup>31</sup> Two of these PHAs administered only a public housing or HCV program.

## **2.5 Public Housing Agencies Without an Approved Moving to Work Supplement**

Five Flexibility Cohort PHAs have not yet received final approval for their first MTW Supplement. Three of these PHAs are drafting their MTW Supplement and have not yet submitted it to HUD. HUD is reviewing one PHA's MTW Supplement. One PHA's MTW Supplement was returned for additional public feedback.

PHAs reported that these delays were related primarily to staff turnover among key positions at the agency. One PHA also had undergone software upgrades, making establishing concrete implementation plans for MTW activities more difficult. Others said they were working to narrow down or further specify their proposed activities after discussions with their field office or HUD MTW Office.

Several delayed PHAs said they hope to implement more than five different MTW activities, spanning cost-effectiveness, housing choice, and self-sufficiency in their first year of MTW. Proposed activities to promote cost-effectiveness include self-certification of assets, alternative recertification schedules, elimination of utility reimbursements, and HQS inspection schedule streamlining. Activities to support greater housing choice include landlord incentives, a greater initial rent burden, and increased payment standards. Activities to promote self-sufficiency include establishing a minimum rent, implementing a tiered rent structure, supplementing an FSS program, and instituting a work requirement. The overarching goals behind the PHA's selection of these programs did not vary much from the reasons PHAs with approved MTW Supplements gave (as section 2.3 discusses).

## **2.6 Lessons Learned and Recommendations**

Many PHAs described lessons learned in planning and implementing MTW activities. PHAs said that they learned to “take it slow” or “not take on too much” with the level of staff capacity available at a small PHA. They explained that this lesson involved educating staff across the organization about new MTW practices and procedures, ensuring that they align with new MTW goals. It also involves reserving enough time to think fully through the possible repercussions of each activity on residents, staff, agency processes, and reporting needs. Updating procedures, communicating changes to residents, training staff, and aligning data systems takes additional time that must be built into implementation. PHAs said that implementing too much too quickly could mean missing important details or alienating staff and residents.

Some PHAs with limited staff capacity emphasized the importance of outside help. Several PHAs said that it was necessary to hire a consultant to help them address the complexity of MTW planning. PHAs also mentioned that good communication with the HUD field office and MTW Office provided important feedback on their plans that helped them better prepare to implement MTW activities. Connections with other MTW PHAs and the MTW Collaborative

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<sup>31</sup> The funding flexibility status for one PHA is unknown because it did not complete an interview with the evaluation team.

also provided essential guidance, example policies, and implementation strategies.<sup>32</sup> To help address these challenges, one PHA recommended that HUD adjust the MTW Supplement process to occur biennially instead of annually, especially if the PHA is not seeking approval for additional activities.

In addition to staffing limitations, software system alignment was an ongoing frustration. Several PHAs said they would have planned activities differently if they had known that collecting and transmitting information through the new Housing Information Portal (HIP) would be difficult (exhibit 2-15). Implementing activities not yet aligned with HIP created an additional staff burden. Beyond HIP, other PHAs said the case management software they used to record resident services data did not interface well with other PHA systems. These challenges in implementation affirmed the need to “not take on too much” and expect unforeseen challenges that add time to implementation.

Most PHAs agree that MTW designation would be beneficial after activities are implemented and given time to take effect. They reported that the MTW process had encouraged creativity and innovation, allowing them to align resources at their agency better and gain more control over activities.

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<sup>32</sup> The MTW Collaborative is a nonprofit organization founded in 2019 that brings together and advocates for current and future MTW agencies.

## Exhibit 2-15. Challenges in Transitioning to the New Housing Information Portal

At the same time HUD is expanding Moving to Work (MTW), it is releasing a new data collection system named the Housing Information Portal (HIP). HIP will replace the Inventory Management System/PIH Information Center (IMS/PIC) that public housing agencies (PHAs) currently use to report information on households, units, and tenant payment calculations. These and other data are collected via Form HUD-50058.

The expectation was that HIP would be released before Flexibility Cohort PHAs began implementing any approved MTW Waivers or associated activities. However, releasing HIP has been delayed indefinitely. The delay caused confusion among PHAs about whether to begin implementing some MTW Waivers and activities, and if so, how to report data for affected households to HUD. In late December 2022, HUD issued guidance to the Flexibility Cohort PHAs that provided several options for moving forward with implementing activities that cannot be reported in IMS/PIC until the release of HIP—

- **For households MTW activities do not affect:** No changes to processes is required. PHAs can continue submitting data to IMS/PIC using Form HUD-50058.
- **For households an MTW activity affects that does not conflict with fields on Form-50058:** PHAs may implement the MTW activity and continue submitting data to IMS/PIC using Form HUD-50058.
- **For households an MTW activity affects that conflicts with fields on Form-50058:** PHAs may implement the MTW activity if they can track the activity in their internal software system. PHAs were advised not to submit those actions to HUD in IMS/PIC using Form HUD-50058 until HIP is released with an updated Form HUD-50058 for PHAs in the MTW expansion demonstration program.

MTW activities currently approved among Flexibility Cohort PHAs that PHAs said they could not report in IMS/PIC are—

- Most activities under the Tenant Rent Policies category, including utility reimbursements, minimum rent, elimination of deductions, alternative income inclusions or exclusions, initial rent burden, tenant payment as a modified percentage of income, standard deductions, and stepped rent.
- Alternative reexamination schedules.

Of the 26 PHAs with approved MTW Supplements, at least 12 delayed implementing at least one approved MTW activity because they cannot report new rent schemes or reexamination schedules in the current version of IMS/PIC.

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It's disappointing. I helped build [our updated software program over] all these nights and weekends ... so it's disappointing to have [our ability to report on clients] not work because HUD is not ready.

—PHA interviewee

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Among the PHAs that have moved forward with implementing MTW activities that cannot be reported in IMS/PIC, they reported the delay in HIP has caused them to have to create manual workarounds or new systems to track client data. The magnitude of the issue varies by PHA, depending on which activities are implemented and how many households are affected. PHAs reported that the changes range from affecting fewer than a dozen households to affecting all households served. Although PHAs have been working with their own software vendors to account for many of these changes, the vendors are limited in what they can release to PHAs until HIP and updated Form HUD-50058 for MTW Expansion PHAs are deployed. That limitation caused additional administrative work for these PHAs, partially offsetting the administrative efficiencies they were working toward with many of their MTW activities.

Source: Interviews conducted from February through March 2023 with PHA staff from the 26 Flexibility Cohort PHAs with approved MTW Supplements



### 3. Approved Moving to Work Activities by Targeted Moving to Work Objectives

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This chapter examines how individual Flexibility Cohort public housing agencies (PHAs) combine Moving to Work (MTW) Waivers and associated activities to meet one or more of the three MTW statutory objectives. By looking at the approved waivers and activities through the lens of the MTW objectives, this chapter provides a holistic and tangible picture of how the Flexibility Cohort PHAs use MTW flexibility.

The chapter starts with an overview of the number of approved MTW Waivers for each of the 26 Flexibility Cohort PHAs with approved MTW Supplements.

The next three sections consider the combinations of MTW Waivers and associated activities approved for each of the 26 PHAs, classified by the MTW statutory objective targeted: *cost-effectiveness*, *self-sufficiency*, or *housing choice*. The classification was based on which MTW objectives the PHAs listed in their MTW Supplements for the particular activity. Different PHAs sometimes had different MTW objectives for the same activity. For example, four PHAs have an approved waiver for a work requirement; two PHAs listed their objective as cost-effectiveness and self-sufficiency, and two PHAs listed only self-sufficiency as a goal. In those situations, discretion was used to classify under which MTW objectives to put that waiver.<sup>33</sup> The start of each section lists which approved waivers were associated with that objective. Appendix B provides PHA profiles that list every MTW activity that each of the 26 PHAs was approved to implement and which MTW objectives they reported targeting with that activity.

The final section of this chapter discusses the implementation timeline of MTW activities by PHAs with approved waivers.

#### 3.1 Number of Approved Waivers by Public Housing Agency

As the Year 1 Annual Report describes (de Sousa et al., 2023), many PHAs highlighted the importance of starting slow but not all did so. Nearly half of the Flexibility Cohort PHAs with approved MTW Supplements (12 of 26) had six or fewer approved waivers, and three PHAs had three or fewer approved waivers.<sup>34</sup> On the other hand, 7 of the 26 PHAs had 11 or more approved waivers in their first year, including 3 PHAs with 20 or more approved waivers (exhibit 3-1).<sup>35</sup>

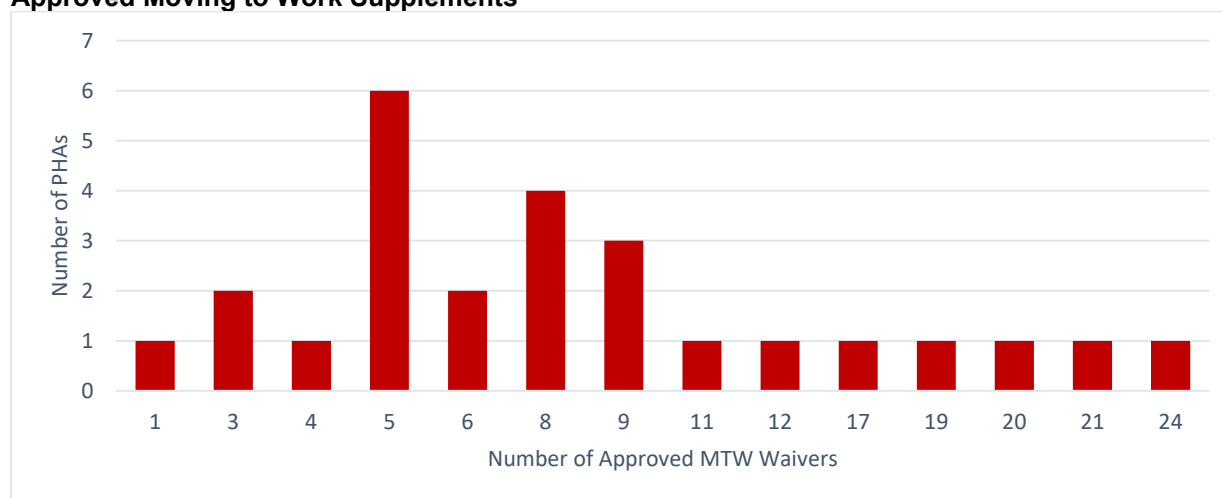
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<sup>33</sup> In that example, work requirement waivers were classified under self-sufficiency, with a discussion about how such a waiver might affect costs included in section 3.2.

<sup>34</sup> Sheffield Housing Authority, the Housing and Redevelopment Authority of Hibbing, and McLeod County Housing and Redevelopment Authority.

<sup>35</sup> Housing Alliance and Community Partnerships, Bristol Redevelopment and Housing Authority, and Harrisonburg Redevelopment and Housing Authority.

**Exhibit 3-1. Number of Moving to Work Waivers Among the 26 Public Housing Agencies With Approved Moving to Work Supplements**



MTW = Moving to Work. PHA = public housing agency.

Source: MTW Supplements from the 26 Flexibility Cohort PHAs with approved MTW Supplements

The number of MTW Waivers approved by each PHA does not show how individual PHAs use their MTW flexibility. The following sections provide that picture by showing the combination of activities that individual PHAs selected—some of which include tweaks to standard program rules and more fundamental changes to others.

### **3.2 Approved Public Housing Agency Activities to Promote Cost-Effectiveness**

Waivers for cost-effectiveness can reduce costs by reducing PHA staff time needed for an activity, reducing the amount of money needed for Housing Assistance Payments (HAP), and eliminating third-party payments. Any savings can be used to increase the provision of standard PHA activities, fund other MTW activities, or assist more households.

Activities chosen by Flexibility Cohort PHAs that reduce staff time needed for an activity include—

- Reducing the frequency of reexaminations.<sup>36</sup>
- Reducing the frequency of Housing Quality Standards (HQS) inspections.
- Changing standard deductions for the adjusted income calculation.
- Eliminating deductions that are labor-intensive to verify.
- Increasing the value of assets that can be self-certified.
- Ignoring assets in calculating rent.
- Increasing the time a voucher household must remain in a Project-Based Voucher (PBV) unit before being eligible for a tenant-based voucher.
- Waiving operating a required Family Self-Sufficiency (FSS) program.
- Streamlining a utility allowance schedule.
- Eliminating a utility reimbursement.<sup>37</sup>

<sup>36</sup> Some MTW activities, such as less frequent reexaminations (self-sufficiency incentive) and less frequent inspections (landlord incentive), are also counted as targeting one of the other statutory objectives.

<sup>37</sup> Eliminating utility reimbursements reduces HAP payments, but in the interviews, PHAs reported that the major benefit of eliminating utility reimbursements is saving staff time in cutting and mailing the checks, canceling lost checks, and tracking down uncashed checks.

- Eliminating an Earned Income Disregard.

This section focuses on the administrative efficiency part of cost-effectiveness, but other types of activities can also increase cost-effectiveness. Some additional PHA self-sufficiency activities (discussed in section 3.3) can reduce the amount of HAP subsidy needed. For example, increasing the minimum rent increases the tenant-paid portion of the rent for some households, thus reducing the HAP subsidy. Other self-sufficiency activities, such as a work requirement, can increase the work effort of assisted households, thus increasing their income and reducing the PHA's HAP payment; however, administrative costs to track whether households meet the work requirement may increase. Cost-effectiveness depends on whether the amount that the HAP subsidy decreases is greater or less than the cost of tracking work requirement compliance.

PHAs can also reduce costs by obtaining waivers to eliminate third-party rent reasonableness verification and HQS inspection of properties that the PHA owns, manages, or controls. With these waivers, PHAs conduct the rent reasonableness verification and HQS inspection instead of hiring a third party. Four PHAs eliminated both third-party requirements, and one PHA eliminated the HQS third-party inspection requirement.

The rest of this section focuses on cost-effectiveness activities that increase administrative efficiency on an ongoing basis (rather than a one-time savings) by reducing staff time needed for an activity.<sup>38</sup>

Of the 26 PHAs with approved MTW Supplements, 24 have an approved activity related to administrative efficiency. The most common activity to improve administrative efficiency—reducing the frequency of reexaminations (18 PHAs)—is a substantial change to the program and considerably reduces the amount of staff time spent on reexaminations and the administrative burden on assisted households, allowing households to grow their income for 2 to 3 years before their rent increases. The other two most common administrative efficiency activities are more modest, increasing the value of assets that can be self-certified (14 PHAs) and eliminating utility reimbursements (11 PHAs).

Of those 24 PHAs, 12 have approval for a combination of three or more administrative efficiency activities. Of the 12 PHAs, 10 have an MTW activity that reduces the number of reexaminations or HQS inspections and other administrative efficiency activities. The other two PHAs focused on simplifying the income calculation for determining rent.

Three PHAs tie for the most administrative efficiency activities with six activities: (1) New Smyrna Beach Housing Authority, (2) Bristol Redevelopment and Housing Authority, and (3) Harrisonburg Redevelopment and Housing Authority. At least half of the activities for all three PHAs relate to simplifying rent determinations, and all three eliminated utility reimbursements. New Smyrna Beach and Bristol also changed to triennial inspections. Bristol and Harrisonburg

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<sup>38</sup> Changing the selection process for PBVs is an example of an approved waiver expected to result in one-time or infrequent staff time savings. Five PHAs have such a waiver to eliminate the requirement that PHA properties selected for PBVs must have an initiative to improve, develop, or replace a public housing site and two PHAs have approval to choose an alternative to a competitive process for choosing PBVs. Another waiver example allows for the acquisition of public housing sites without prior HUD approval, which increases efficiency in acquiring the property but is likely to be infrequent; then the PHA must provide all required documents to HUD within 30 days of the acquisition. Two PHAs have this waiver approved.

also increased the time a PBV household must stay in their unit (from 1 year to 2 years) before being eligible for a tenant-based voucher (exhibit 3-2).

**Exhibit 3-2. Administrative Efficiency Activities to Promote Cost-Effectiveness for Public Housing Agencies (PHAs) With Three or More Approved Activities (n = 12)**

PHA	Administrative Efficiency Activities
Pomona Housing Authority (CA) (HCV-only PHA)	<ul style="list-style-type: none"> <li>• Streamlined utility allowance schedule.</li> <li>• Eliminated utility reimbursements.</li> <li>• Biennial reexaminations.</li> <li>• Standard deductions for adjusted income calculation.</li> <li>• Self-certification of assets up to \$50,000.</li> </ul>
Brighton Housing Authority (CO) (HCV-only PHA)	<ul style="list-style-type: none"> <li>• Streamlined utility allowance schedule.</li> <li>• Eliminated utility reimbursements.</li> <li>• Triennial reexaminations for elderly and disabled households.</li> <li>• Self-certification of assets up to \$25,000.</li> <li>• Households must remain in project-based voucher (PBV) units for 2 years before tenant-based voucher eligibility.</li> </ul>
New Smyrna Beach Housing Authority (FL)	<ul style="list-style-type: none"> <li>• Streamlined utility allowance schedule.</li> <li>• Eliminated utility reimbursements.</li> <li>• Eliminated income deductions for nonelderly, nondisabled households for dependents, unreimbursed childcare costs, and disability assistance.</li> <li>• Eliminated Earned Income Disregard.</li> <li>• Self-certification of assets up to \$25,000.</li> <li>• Triennial Housing Quality Standards (HQS) inspections.</li> </ul>
Housing Alliance and Community Partnerships (ID)	<ul style="list-style-type: none"> <li>• Streamlined utility allowance schedule.</li> <li>• Eliminated utility reimbursements.</li> <li>• Eliminated income deductions for dependents and unreimbursed childcare costs.</li> <li>• Triennial reexaminations for elderly and disabled households.</li> <li>• Biennial HQS inspections for units with good inspection histories.</li> </ul>
Ruston Housing Authority (LA) (PH-only PHA)	<ul style="list-style-type: none"> <li>• Triennial reexaminations for elderly and disabled households, biennial for other households.</li> <li>• Eliminated income deductions for dependents and unreimbursed childcare costs.</li> <li>• Self-certification of assets up to \$25,000.</li> </ul>
Rockville Housing Enterprises (MD)	<ul style="list-style-type: none"> <li>• Eliminated Earned Income Disregard.</li> <li>• Triennial reexaminations, except for households that have zero income or pay minimum rent.</li> <li>• Self-certification of assets up to \$25,000.</li> <li>• Households must remain in PBV units for 2 years before tenant-based voucher eligibility.</li> </ul>
South Sioux City Housing Agency (NE)	<ul style="list-style-type: none"> <li>• Streamlined utility allowance schedule.</li> <li>• Eliminated utility reimbursements.</li> <li>• Biennial reexaminations for elderly and disabled households.</li> </ul>

PHA	Administrative Efficiency Activities
Housing Authority of Travis County (TX) (HCV-only PHA)	<ul style="list-style-type: none"> <li>Streamlined utility allowance schedule.</li> <li>Eliminated income deductions for dependents and unreimbursed childcare costs.</li> <li>Biennial reexaminations.</li> <li>Self-certification of assets up to \$25,000.</li> <li>Triennial HQS inspections.</li> </ul>
Rosenberg Housing Authority (TX) (HCV-only PHA)	<ul style="list-style-type: none"> <li>Eliminated utility reimbursements.</li> <li>Eliminated all allowances and deductions from income.</li> <li>Triennial reexaminations for elderly and disabled households, biennial reexaminations for working households, and annual reexaminations for households with no earnings.</li> <li>Asset income not used in calculating rent.</li> <li>Eliminated a required Family Self-Sufficiency program.</li> </ul>
Bristol Redevelopment and Housing Authority (VA)	<ul style="list-style-type: none"> <li>Eliminated utility reimbursements.</li> <li>Eliminated income deductions for unreimbursed childcare expenses and medical expenses.</li> <li>Standard medical deduction for elderly and disabled families and standard childcare deduction for each child for working families.</li> <li>Triennial reexaminations except for households with zero income.</li> <li>Self-certification of assets up to \$25,000.</li> <li>Households must remain in PBV units for 2 years before tenant-based voucher eligibility.</li> </ul>
Harrisonburg Redevelopment and Housing Authority (VA) (HCV-only PHA)	<ul style="list-style-type: none"> <li>Streamlined utility allowance schedule.</li> <li>Eliminated utility reimbursements of less than \$20.</li> <li>Eliminated deduction for unreimbursed childcare expenses.</li> <li>Eliminated Earned Income Disregard.</li> <li>Self-certification of assets up to \$25,000.</li> <li>Households must remain in PBV units for 2 years before tenant-based voucher eligibility.</li> </ul>
Randolph County Housing Authority (WV) HCV-only PHA	<ul style="list-style-type: none"> <li>Streamlined utility allowance schedule.</li> <li>Standard deduction of \$2,000 for medical expenses for elderly and disabled households.</li> <li>Self-certification of assets up to \$50,000.</li> </ul>

HCV = Housing Choice Voucher. PH = public housing.

Sources: Moving to Work (MTW) Supplements; interviews conducted from February through March 2023 with PHA staff from the 26 Flexibility Cohort PHAs with approved MTW Supplements

### 3.3 Approved Public Housing Agency Activities to Promote Self-Sufficiency

MTW Waivers for activities encouraging self-sufficiency can either be implicit or explicit incentives. Implicit self-sufficiency activities eliminate or reduce the association of income and total tenant payment so that changes in earnings have no effect on total tenant payment (TTP) or change it less than the standard 30-percent adjusted income calculation. Explicit waivers either require or directly incentivize work or require self-sufficiency training.

Implicit self-sufficiency activities chosen by the Flexibility Cohort PHAs include<sup>39</sup>—

- Raising the minimum rent, which eliminates the relationship between income and rent for a larger range of incomes than the standard maximum minimum rent of \$50.<sup>40, 41</sup>
- A stepped rent structure that changes the TTP independent of income.
- Less frequent reexaminations that allow income gains for multiple years without changing TTP.
- Exclusions of some earnings from income are used in the rent calculation so that some increases in earnings do not affect TTP.
- Exclusion of asset income from the rent calculation so that increasing asset income does not affect TTP.
- A time limit for assistance, which implies the household must be able to afford market rent on their own after that time.

Explicit self-sufficiency activities chosen by Flexibility Cohort PHAs include—

- Work requirements.
- Mandatory participation in an MTW Self-Sufficiency program.
- Incentive payments for meeting work or other self-sufficiency milestones.

Of the 26 Flexibility Cohort PHAs with approved MTW Supplements, 20 have an approved waiver for an activity encouraging self-sufficiency.

Of the 20 PHAs, 8 are approved only for one self-sufficiency activity. However, 6 of those 8 PHAs have a substantial activity that impacts their entire nondisabled, nonelderly population.

- Four PHAs' only self-sufficiency activity is conducting less frequent annual reexaminations for nondisabled, nonelderly households.<sup>42</sup>
- One PHA's only self-sufficiency activity is mandating MTW Self-Sufficiency program participation.
- One PHA's only self-sufficiency activity is instituting a work requirement.

All 12 PHAs with multiple self-sufficiency activities have one or more activities that substantially impact most of the PHA's nonelderly, nondisabled households (for example, less frequent reexaminations or work requirements). Exhibit 3-3 shows the self-sufficiency activities

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<sup>39</sup> Elimination of utility reimbursements can also be thought of as implicit incentive to encourage earnings, because a household that gets a utility reimbursement could earn a little more without increasing its TTP; however, the activity is not included here because the range of incomes this affects and the amount that earnings can increase is very small.

<sup>40</sup> Raising the minimum rent is counted only as one activity, even if the PHA received separate waivers to increase the minimum rent for public housing and for HCV households. Unless otherwise stated, the activity includes all households the PHA serves (HCV, public housing, or both). This caveat also is true for other activities that have the same activity available for HCV and for public housing households but require two waivers.

<sup>41</sup> For one PHA, the approved activity stated the minimum rent increased from \$50 to 30 percent of monthly income (based on their annual reported income) for nonelderly, nondisabled households with an annual adjusted income of \$2,000 or higher. This waiver was approved as part of the MTW Supplement, but in practice, is not a change in policy. A household with \$2,000 or less in annual adjusted income would pay the minimum rent of \$50 and a household with more than \$2,000 would pay 30 percent of their income (as their TTP is above \$50). It is not counted as an activity to encourage self-sufficiency.

<sup>42</sup> Less frequent reexaminations are only counted as a self-sufficiency activity if applied to nondisabled, nonelderly households.

of the 12 PHAs approved to implement multiple self-sufficiency activities. The Ruston Housing Authority and the Harrison Redevelopment and Housing Authority have the most activities, with six each.

**Exhibit 3-3. Self-Sufficiency Activities for Public Housing Agencies (PHAs) With Multiple Self-Sufficiency Activities (n = 12)**

PHA	Self-Sufficiency Activities
Ozark Housing Community (AL)	<ul style="list-style-type: none"> <li>• Work requirement of 15 hours per week.</li> <li>• Minimum rent increased to \$130 in public housing.</li> </ul>
New Smyrna Beach Housing Authority (FL)	<ul style="list-style-type: none"> <li>• Minimum rent increased to \$130.</li> <li>• Triennial reexaminations.</li> </ul>
Housing Authority of Newnan (GA)	<ul style="list-style-type: none"> <li>• Minimum rent increased to \$130, except for households identified as full-time students.</li> <li>• Biennial reexaminations.</li> </ul>
Housing Alliance and Community Partnerships (ID)	<ul style="list-style-type: none"> <li>• Minimum rent increased to \$127.</li> <li>• Percentage of income in total tenant payment (TTP) reduced to 27 percent.</li> <li>• Excluded earnings for rent calculations for youth aged 18 to 21 and full-time students aged 18 to 24 who are not heads, co-heads, or spouses of heads of household.</li> <li>• Financial incentives for meeting goals in Moving to Work (MTW) Self-Sufficiency program or help paying education, training, or employment costs.</li> </ul>
Ruston Housing Authority (LA) (PH-only PHA)	<ul style="list-style-type: none"> <li>• Stepped rent.</li> <li>• Minimum rent increased to \$130.</li> <li>• Biennial reexaminations.</li> <li>• Assistance limited to 5 years (with 2 years of extension possible).</li> <li>• Mandatory participation in MTW Self-Sufficiency program.</li> <li>• Work requirement of 15 hours per week or 780 hours per year.</li> </ul>
Rockville Housing Enterprises (MD)	<ul style="list-style-type: none"> <li>• Stepped rent with TTP to be stepped up by a minimum of 5 percent each year for families on annual reexaminations and 10 percent every 3 years for families on triennial reexaminations.</li> <li>• Minimum rent increased to \$130.</li> <li>• Income used for educational costs excluded for full-time students.</li> <li>• Triennial reexaminations, except for households with zero income or that pay minimum rent.</li> </ul>
Ripley County Public Housing Agency (MO) (HCV-only PHA)	<ul style="list-style-type: none"> <li>• Mandatory participation in MTW Self-Sufficiency program.</li> <li>• Work requirement of 15 hours per week.</li> </ul>
Robeson County Housing Authority (NC)	<ul style="list-style-type: none"> <li>• Stepped rent of 4 percent of Fair Market Rent each year.</li> <li>• Triennial reexaminations.</li> <li>• Mandatory participation in MTW Self-Sufficiency program for any household member not working.</li> </ul>
Dover Housing Authority (NH)	<ul style="list-style-type: none"> <li>• Income from assets not counted for rent calculation.</li> <li>• Biennial reexaminations.</li> </ul>
Housing Authority of Travis County (TX)	<ul style="list-style-type: none"> <li>• Minimum rent increased to \$75.</li> </ul>

PHA	Self-Sufficiency Activities
(HCV-only PHA)	<ul style="list-style-type: none"> <li>• TTP reduced to 28 percent of adjusted income.</li> <li>• Biennial reexaminations.</li> </ul>
Rosenberg Housing Authority (TX) (HCV-only PHA)	<ul style="list-style-type: none"> <li>• Minimum rent increased to \$100.</li> <li>• Percentage of income in TTP reduced to 27.5 percent.</li> <li>• Income from assets not counted in rent calculation.</li> <li>• Biennial reexaminations for working families and annual reexaminations for families with no earnings.</li> </ul>
Harrisonburg Redevelopment and Housing Authority (VA) (HCV-only PHA)	<ul style="list-style-type: none"> <li>• Minimum rent increased to \$100.</li> <li>• TTP increased to 35 percent of adjusted income.</li> <li>• School grants and funding excluded from income.</li> <li>• Earnings from dependents aged 20 and younger excluded from income.</li> <li>• Triennial reexaminations.</li> <li>• MTW Self-Sufficiency program pays cash incentives for meeting self-sufficiency goals.</li> </ul>

HCV = Housing Choice Voucher. PH = public housing.

Notes: Unless stated otherwise or relevant only to the HCV program, activities apply to public housing and HCV households if the PHA serves both. Minimum rent, work requirements, term limits, and mandatory MTW Self-Sufficiency participation are for nonelderly, nondisabled households.

Sources: MTW Supplements; interviews conducted from February through March 2023 with PHA staff from the 26 Flexibility Cohort PHAs with approved MTW Supplements

The Ruston Housing Authority, a public housing-only PHA, has made the most fundamental changes for assisted households of any Flexibility Cohort PHA, with a work requirement, a stepped rent, and a 5-year term limit for assistance. Ruston PHA is only one of four Flexibility Cohort PHAs approved to implement a work requirement, one of three PHAs with a stepped rent, and the only PHA with a term limit.<sup>43</sup>

The Harrisonburg PHA, a housing choice voucher (HCV)-only PHA, has six self-sufficiency activities. Although the activity changes are more modest than the Ruston PHA, they appear to be chosen to work together. The most substantial change is switching to triennial reexaminations, allowing households 3 years to grow their income without an increase in rent and saving significant PHA staff time. Harrisonburg PHA also increased the minimum rent to \$100 and increased the minimum TTP to 35 percent of adjusted income. These changes reduce HAP costs and may offset some of the foregone decreases in HAP for households that do not have to report income increases until their next triennial reexamination. This PHA made some income exclusions for students and workers younger than 20 that could affect a targeted group of households and changed from an FSS program with escrow accounts to an MTW Self-Sufficiency program with cash rewards for meeting self-sufficiency goals.

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<sup>43</sup> The South Sioux City Housing Agency (NE) has a work requirement, but it is not shown in exhibit 3-4 because it has approval for only one self-sufficiency activity.



### 3.4 Approved Public Housing Agency Activities to Promote Housing Choice

Flexibility Cohort PHAs sought to increase housing choice for assisted households by providing incentives to increase landlord willingness to participate in the HCV program or directly expanding the number of units available to voucher holders.

Landlord incentive activities chosen by Flexibility Cohort PHAs to increase landlord willingness to rent to voucher holders include—

- Offering financial incentives, such as bonus payments to new landlords.
- Offering to pay damage claims or security deposits.
- Offering to pay for vacancy loss between renting to two voucher holders.
- Allowing prequalifying HQS inspections.
- Having less frequent HQS inspections.

Activities chosen by Flexibility Cohort PHAs to expand the number of units available to voucher holders include—

- Increasing the payment standard.<sup>44</sup>
- Increasing the allowable initial rent burden.
- Adding PBV units.

Of the 26 Flexibility Cohort PHAs with an approved MTW Supplement, 19 have an approved waiver for an activity encouraging housing choice. Of those 19 PHAs, 5 have approval for both landlord incentive and expanding the number of units available to voucher holder activities; 9 PHAs have approval for only a landlord incentive activity; and 9 PHAs have approval for only an activity to increase the available of units to voucher holders.

Exhibit 3-4 shows the 14 PHAs with an approved landlord incentive activity. Of the 14 PHAs, 10 offer a substantial bonus for new landlords or landlords renting new units that have not previously been rented to an HCV recipient. The bonuses range from \$250 to \$1,000 (with two PHAs offering bonuses of up to 1 month of rent, which could be more than \$1,000). Although standard PHAs can offer landlord bonuses, they can only pay these incentives using administrative fees and other non-HAP funding. MTW PHAs have funding flexibility and can use HAP and public housing funding for landlord bonuses.<sup>45</sup> The next most common landlord incentives involve substantial changes to the standard program: less frequent inspections (six PHAs) and paying up to 1 or 2 months of rent for damage claims (five PHAs) or up to 1 month of rent for vacancy loss (four PHAs).

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<sup>44</sup> Increases in payment standards could lead to more landlord participation, but this activity is in the expanded number of units category because theoretically the landlord with units only available at the higher payment standard was willing to rent to voucher holders but could not because the voucher holder could not pay the rent.

<sup>45</sup> Standard PHAs can offer landlord incentives but have less flexibility than MTW PHAs on which funds can be used for this purpose. Standard PHAs were previously allowed to use administrative fee reserves and other non-HAP funding for landlord incentives. The June 2022 Notice (PIH2022-18) now allows PHAs to use regular administrative fees for landlord incentives and HUD communication indicates PHAs were encouraged to use administrative fees for landlord incentives in 2020. Source, HUD communications on May 26, 2022, and Administrative Fee Eligible Uses Notice (<https://www.hud.gov/sites/dfiles/PIH/documents/PIH2022-18.pdf>). With MTW funding flexibility, MTW PHAs can also use HAP and public housing funding for landlord incentives.

**Exhibit 3-4. Landlord Incentive Activities for Public Housing Agencies (PHAs) to Promote Housing Choice (n = 14)**

PHA	Landlord Incentive Activities
Sheffield Housing Authority (AL)	<ul style="list-style-type: none"> <li>• Bonus of as much as \$500 for new units leased to housing choice voucher (HCV) households.</li> </ul>
Pomona Housing Authority (CA) <sup>a</sup>	<ul style="list-style-type: none"> <li>• Damage claim of as much as 1 month's rent.</li> <li>• Bonus of \$250 for new Housing Assistance Payment contracts in the city of Pomona.</li> </ul>
Solano County Housing Authority (CA)	<ul style="list-style-type: none"> <li>• Vacancy loss of as much as 1 month's rent.</li> <li>• Damage claim of as much as 2 months' rent.</li> <li>• Bonus of 1 month's rent if an HCV household has not occupied the unit in the previous 12 months.</li> <li>• Allowed prequalifying inspections valid for 90 days.</li> </ul>
New Smyrna Beach Housing Authority (CA)	<ul style="list-style-type: none"> <li>• Triennial inspections.</li> </ul>
Housing Authority of Newnan (GA) <sup>a</sup>	<ul style="list-style-type: none"> <li>• Damage claim of as much as \$1,000.</li> <li>• Bonus of as much as \$1,000 for renting units not previously occupied by voucher households.</li> </ul>
Housing Alliance and Community Partnerships (ID) <sup>a</sup>	<ul style="list-style-type: none"> <li>• Vacancy loss of as much as 1 month's rent.</li> <li>• Damage claim of as much as 1 month's rent.</li> <li>• Bonus of \$300 for renting new units to households off the waiting list.</li> <li>• Biennial inspection for units with good inspection history.</li> </ul>
Washington County Community Development Agency (MN)	<ul style="list-style-type: none"> <li>• Agency-specific waiver that allows landlords to self-certify that units do not have any life-threatening emergencies for move-ins (Housing Quality Standards inspection must be scheduled within 60 days of moving in).</li> </ul>
Housing Authority of Cheraw (SC) <sup>a</sup>	<ul style="list-style-type: none"> <li>• Bonus of \$500 for up to 10 new landlords in the HCV program.</li> </ul>
Maryville Housing Authority (TN)	<ul style="list-style-type: none"> <li>• Bonus of as much as \$500 for new landlords.</li> </ul>
Housing Authority of Travis County (TX) <sup>a</sup>	<ul style="list-style-type: none"> <li>• Bonus of as much as 1 month's rent for landlord that has never participated in the HCV program.</li> <li>• Less frequent inspections but no less frequent than every 3 years.</li> </ul>
Rosenberg Housing Authority (TX) <sup>a</sup>	<ul style="list-style-type: none"> <li>• Triennial inspections if unit passes initial inspection and first biennial inspection on first visit (PHA will switch to biennial inspections and then move to triennial inspections for qualifying units).</li> </ul>
Bristol Redevelopment and Housing Authority (VA) <sup>a</sup>	<ul style="list-style-type: none"> <li>• Vacancy loss of as much as 1 month's rent.</li> <li>• Bonus of \$500 for first-time lease up.</li> <li>• Bonus of \$200 for retention.</li> <li>• Bonus of \$500 for referring landlords who have not participated in the program during the past 5 years.</li> <li>• Bonus of \$25 for property maintenance and \$50 for passing inspection on the first visit.</li> <li>• Triennial inspection if unit passes biennial inspection on the first visit (PHA is already on a biennial inspection schedule).</li> </ul>
Harrisonburg Redevelopment and Housing Authority (VA) <sup>a</sup>	<ul style="list-style-type: none"> <li>• Vacancy loss payment of as much as 1 month's rent.</li> <li>• Damage claims of as much as 1 month's rent.</li> </ul>

PHA	Landlord Incentive Activities
	<ul style="list-style-type: none"> <li>• Bonus of \$250 for landlords who have never rented to an HCV household.</li> <li>• Bonus of \$250 for referring a new landlord.</li> <li>• Security deposit of as much as 1 month's rent (limited to once per household).</li> <li>• Prequalifying inspection valid for up to 60 days.</li> </ul>
Brattleboro Housing Authority (VT)	<ul style="list-style-type: none"> <li>• Triennial inspections.</li> </ul>

<sup>a</sup> This PHA also has waivers for multiple self-sufficiency incentives.

Notes: Less frequent reexaminations for fixed-income tenants are counted as administrative efficiency (cost-effectiveness objective) but not reported in this exhibit. One PHA not in this exhibit excluded 25 percent of earnings of tenants aged 18 to 30 who are not heads of household in calculating income for the rent determination.

Sources: Moving to Work (MTW) Supplements; interviews conducted from February through March 2023 with PHA staff from the 26 Flexibility Cohort PHAs with approved MTW Supplements.

Bristol Redevelopment and Housing Authority and Harrisonburg Redevelopment and Housing Authority have the most landlord incentive activities, with six activities each. Bristol PHA's landlord incentives focus on financial incentives, with four of the activities being different types of cash bonuses to landlords<sup>46</sup> and another being vacancy loss payments. Bristol PHA complemented these financial incentives to try to increase landlord participation by reducing the burden for landlords participating in the program for multiple years with triennial inspections if the unit passed the previous inspection on the first visit.

Harrisonburg PHA has a \$250 cash bonus for new landlords or for the referral of a new landlord, but the rest of their activities make renting to a voucher holder less risky: Prequalifying inspections so that a landlord does not have to risk a unit being rejected from the program and losing their renter during the lease-up process; security deposit and damage claims to financially ensure against the risk of renters damaging the units; and vacancy loss payments that reduce the risk of a unit being vacant payment between two voucher household renters.<sup>47</sup>

Raising the payment standard is the most common MTW activity for directly expanding the number of available units for voucher holders. Eight PHAs have approval to raise the payment standard to 120 percent of the Fair Market Rent (FMR).<sup>48</sup> Standard PHAs cannot raise the payment standard above 110 percent of FMR.<sup>49</sup> This activity makes additional units available to voucher holders—units renting between 110 and 120 percent of FMR—without the voucher

<sup>46</sup> Some of these separate financial incentive activities are covered under the same waiver (Other Landlord Incentives for HCV: Waiver 4.c).

<sup>47</sup> Harrisonburg tied for being the PHA with the most self-sufficiency activities. Including Harrisonburg, seven of the PHAs with landlord incentive activities also had multiple self-sufficiency activities (indicated by [<sup>a</sup>] in exhibit 3-4).

<sup>48</sup> One additional PHA with an approved waiver that increased payment standards to 110 percent of FMR was not included in this count because standard PHAs can raise the payment standard to 110 percent.

<sup>49</sup> Standard PHAs can establish a payment standard of up to 120 percent of FMR for a household with a person with a disability if necessary for reasonable accommodation. Standard PHAs can apply to HUD for an exception payment standard up to 120 percent of rent for some of their service area. All PHAs can also change to Small Area Fair Market Rents (SAFMRs) and set the payment standard up to 110 percent of SAFMR, which may be higher than FMR in some areas and lower in others. For more detail on payment standards, see

[HowToSeekHigherPaymentStandards.pdf \(nhlp.org\)](https://www.nhlp.org/HowToSeekHigherPaymentStandards.pdf).

household's rent burden exceeding 30 percent of their adjusted income.<sup>50</sup> The PHA pays the difference between rent and 30 percent of income for units not exceeding the payment standard and meeting HQS and rent reasonableness requirements.

PHAs can also make more units available to new voucher holders by increasing the allowable initial rent burden to more than 40 percent. This increase makes more units available to voucher households, but the voucher holder pays the full difference between the payment standard and the rent, increasing the financial strain on these families. Families may be willing to make this trade-off. Five PHAs have approval to implement this activity, with allowable initial rent burdens increased to 45 percent at one PHA, 50 percent at three PHAs, and 60 percent at one PHA. None of the PHAs raised both the payment standard and the allowable initial rent burden.

Adding PBV units can also expand the number of units available to voucher holders by adding to the supply of units that meet the HCV program requirements. Increasing the cap on the share of units in a building that can be PBV units could make previously unavailable housing available to voucher holders. Increasing the cap on how many tenant-based vouchers the PHA can make project-based overall could make units available in a rental market with a scarcity of affordable housing or make units available for individual households having a hard time finding a landlord willing to rent to them or needing accessible units or housing linked to supportive services. On the other hand, converting tenant-based vouchers to PBVs may eliminate some potential benefits of the HCV program for deconcentrating assisted housing locations, depending on PBV development locations.

Four of the Flexibility Cohort PHAs obtained approval to increase their PBV project cap from 25 percent to 100 percent and their PBV program cap from 20 to 50 percent. One PHA received approval to increase only its PBV project cap. One additional PHA obtained approval to allow shared housing in a PBV unit, expanding the housing available for veterans exiting homelessness.<sup>51</sup>

### **3.5 Timeline for Implementing Activities**

The timeline for implementing MTW Waivers varies by PHA, but most PHAs with approved MTW Supplements started some of their MTW activities by the time of the interviews in early 2023. Many PHAs implemented their approved activities at separate times rather than all at once. Some PHAs said they were unsure when certain activities would go live because of software delays or other unique circumstances.

Exhibit 3-5 depicts the implementation timeline of the first activities for PHAs with approved waivers. Three PHAs reported implementing their first MTW activities in 2021, and four additional PHAs implemented their first activity in the first half of 2022. Seven PHAs had at least one MTW activity operating for at least 6 months in 2022, the year in which impacts from MTW activities are measured in this report. This timing is important because activities likely need to be in place for some time before effects can be observed. PHAs continued to implement

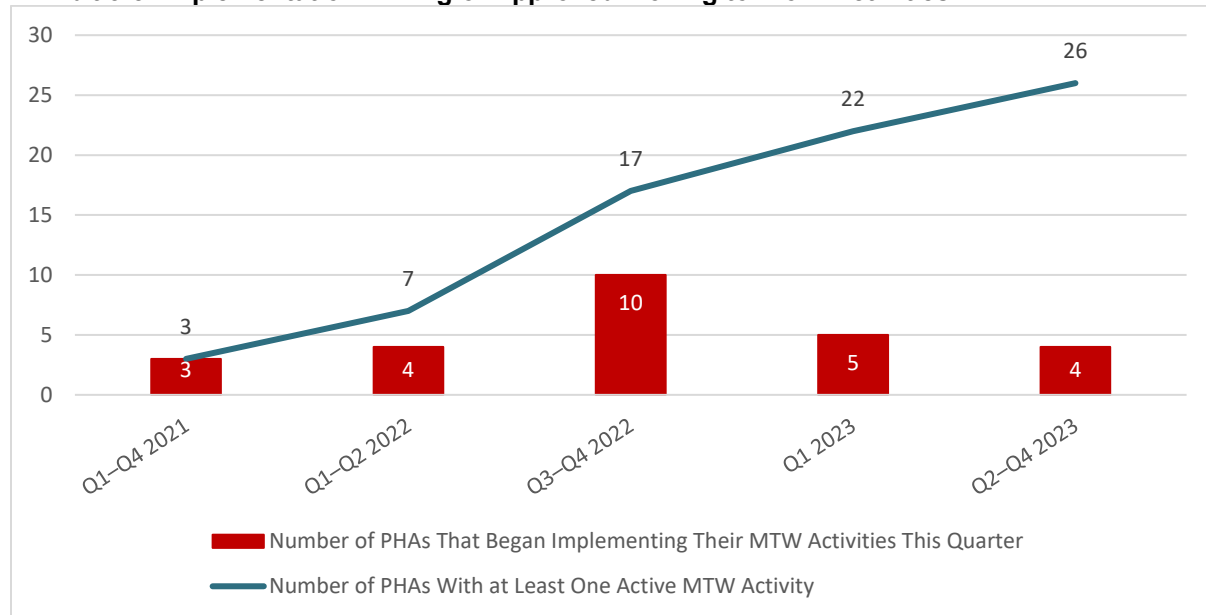
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<sup>50</sup> For PHAs that have alternative rent structures, their TTP may not be 30 percent of adjusted income but increasing the payment standard makes more units available at the standard rent policy for that PHA.

<sup>51</sup> Waivers to implement LNT activities can expand the number of units available to voucher holders. For example, if an LNT activity supports development of affordable housing, presumably some of the units will be available to voucher holders but not necessarily in the short term. LNT activities are not included here. See exhibit 2-14 and the discussion that follows in section 2.3.14 for more information on LNT activities.

MTW activities in late 2022 and early 2023. Ten additional PHAs implemented their first activity in the second half of 2022, and five additional PHAs started implementing activities in the first quarter of 2023. The other four PHAs with approved MTW Supplements plan to start implementation later in 2023.

**Exhibit 3-5. Implementation Timing of Approved Moving to Work Activities**



MTW = Moving to Work. PHAs = public housing agencies. Q1 = first quarter. Q2 = second quarter. Q3 = third quarter. Q4 = fourth quarter.

Sources: Moving to Work (MTW) Supplements; interviews conducted from February through March 2023 with PHA staff from the 26 Flexibility Cohort PHAs with approved MTW Supplements

Nearly all PHAs reported that the implementation of approved MTW activities had been delayed compared with their original timeline. Delays were due to longer than expected timeframes for MTW Supplement submission and approval, more effort needed than expected to lay the groundwork for implementing activities, and problems aligning software systems that support required reporting. Delays in the MTW Supplement submission and approval process were mainly due to a lack of staff capacity during the pandemic, a need to clarify and whittle down proposed activities, a desire by PHAs to align their MTW designation timing with their fiscal year, and technical issues with the submission portal. These delays are discussed in more detail in the Year 1 Report (de Sousa et al., 2023). PHAs also reported that more time was needed to fully understand the ripple of changes to be addressed in PHA processes when MTW activities went live. New processes need to be designed, manuals rewritten, staff retrained, communications sent to partners and residents, and new tracking systems need to be designed. These issues seemed to multiply as PHAs came closer to implementation and took greater staff capacity and lead time than anticipated. Section 2.6 discusses these issues in more detail. At the same time, many PHAs were transitioning to new software platforms that would help them interface as MTW agencies with the Housing Information Portal (HIP). This transition was responsible for many of the implementation delays. Exhibit 2-15 further details delays due to HIP and software transitions.

## 4. Changes Over Time, Control Group Activities, and Significant Legislation

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This chapter describes how current Year 2 activities of the Flexibility Cohort public housing agencies (PHAs) differ from what was planned originally during their first year of implementation when they first applied for Moving to Work (MTW) designation. It then discusses how PHAs assigned to the control group are moving forward their own goals to improve cost-effectiveness, self-sufficiency, and housing choice within traditional program regulations or through non-MTW-related waivers issued by HUD. The chapter concludes with a discussion of recent policy changes that are expected to take effect in 2024 and how those changes may affect both Flexibility Cohort and control group PHAs.

### 4.1 Summary of Planned Activities Compared with Earlier Moving to Work Plans

Flexibility Cohort PHAs outlined their long-term vision for using MTW flexibility in their initial MTW plans, as reported in Part 2 of the MTW application and the baseline year interviews conducted by the evaluation team. The evaluation team collected updated information on what activities PHAs were approved to, or sought to, implement during Year 1 of their MTW designation by reviewing the PHAs' approved MTW Supplements and conducting interviews with staff from 30 of the 31 Flexibility Cohort PHAs.<sup>52</sup> This section compares PHAs' initial long-term plans for MTW with their approved or planned activities in Year 1 of MTW designation (2021–22) and Year 2 of MTW designation (2022–23). This discussion draws from the approved waivers and activities as reported in approved MTW Supplements for 26 of the 31 Flexibility Cohort PHAs and includes information on which waivers and associated activities 4 of the 31 Flexibility Cohort PHAs plan to include in their first MTW Supplements.<sup>53</sup>

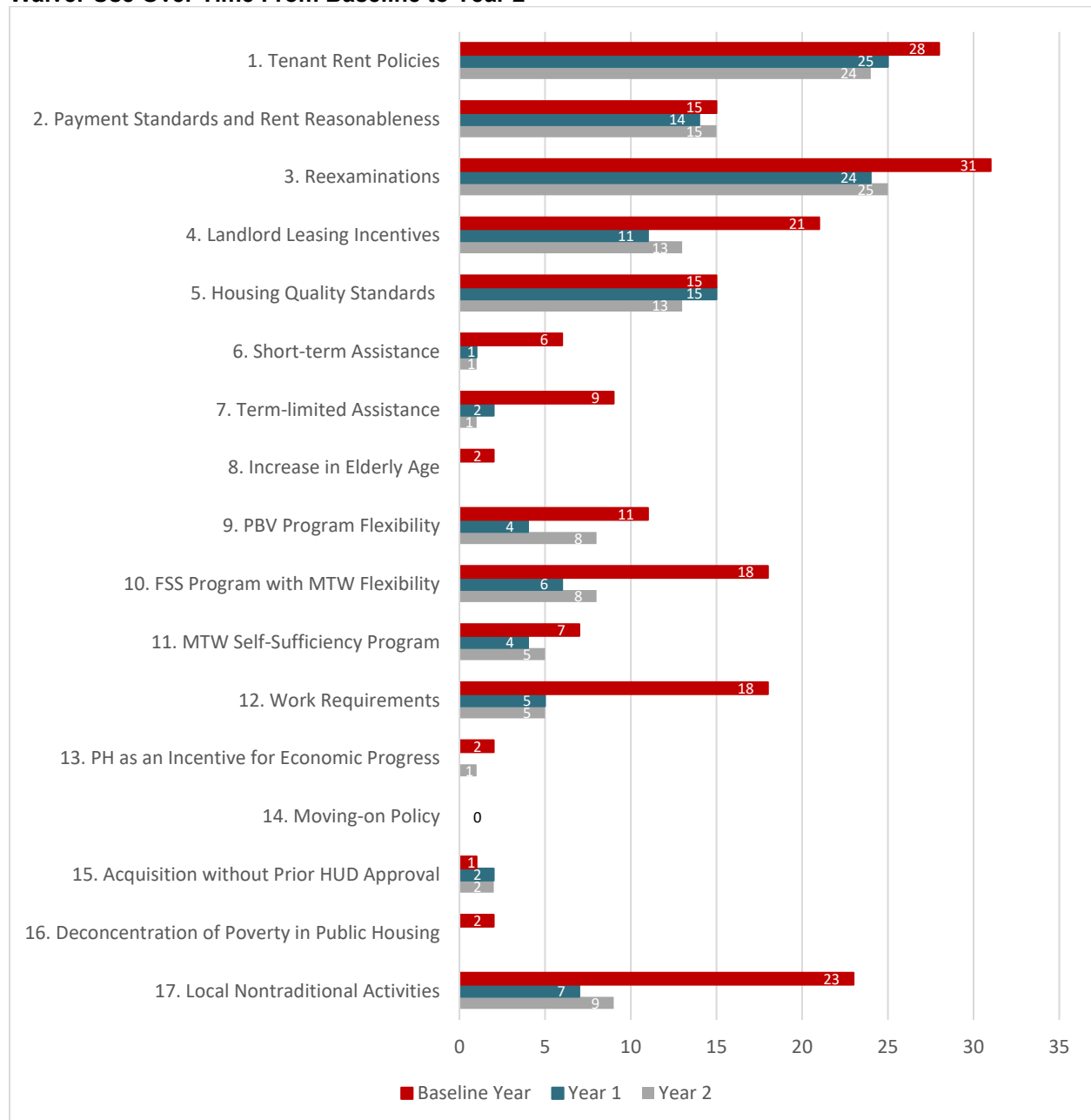
Exhibit 4-1 displays the number of waivers PHAs were approved to implement (for those with an approved MTW Supplement) or planned to seek approval for (for those without an approved MTW Supplement) in Year 1 (2021) and Year 2 (2022) compared with their 5-year plans for MTW reported in their MTW application before being designated an MTW agency (2020). PHAs continue to wait to implement the full suite of waivers they eventually hope to implement until later years, when they fully understand how initial changes work in practice, when software and reporting systems are fully operational to support the changes being made, or when disruptions caused by staff turnover have settled. In some cases, either because of leadership changes or reconsideration, they may no longer plan to seek all the waivers listed in their MTW application.

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<sup>52</sup> During the 2022 round of data collection, 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 was not included in the descriptions of the planned use of waivers for Year 1. Year 1 interviews were conducted from February through April 2022 and covered PHA activities during 2021 and early 2022.

<sup>53</sup> Fayetteville Housing Authority (AR181/AR097) declined to participate in an interview with the evaluation team and did not have an approved MTW Supplement as of April 2023. This PHA is not included in the analyses reported in this chapter.

**Exhibit 4-1. Flexibility Cohort Public Housing Agencies' (PHA) Plans for Moving to Work (MTW) Waiver Use Over Time From Baseline to Year 2**



FSS = Family Self-Sufficiency. MTW = Moving to Work. PBV = project-based voucher. PH = public housing.  
 Notes: See appendix I of the Operations Notice for more information on these waivers (HUD, 2020), numbered in the exhibit to align with their number in the Operations Notice. Of the 31 Flexibility Cohort PHAs, 1 PHA without an approved MTW Supplement did not complete the Year-1 interview with the evaluation team. Therefore, it is not included in Year-1 numbers, because the researchers did not know which waivers it planned to approve at that time. Another PHA did not complete the Year-2 interview with the evaluation team and is not included in the table for Year 2. 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 planning to request one or more activities under a waiver category is represented only once per category.  
 Sources: MTW Supplements; interviews conducted from February through March 2023 with PHA staff at 30 of the 31 Flexibility Cohort PHAs; interviews conducted from February through March 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

Among the PHAs that had prepared, or were working on, their second MTW Supplement, most sought reapproval for the same activities approved in their first MTW Supplement. Those PHAs that made changes did so to—

- **Add New Activities.** Some PHAs that decided to start small in the first year have added, or are planning to add, additional high-priority activities for the PHA or activities that help to meet additional statutory objectives. For example, one PHA focused its initial efforts on activities that would support cost-effectiveness to free up resources and staff time to support additional activities to promote self-sufficiency.
- **Make Clarifications.** Some PHAs changed the population to which already approved waivers would apply or clarified processes to address unintended consequences from activities included in their first MTW Supplement, such as using too broad of a definition for those who qualified for a waiver.
- **Remove Activities.** Some PHAs that started with many activities in their first MTW Supplement narrowed down the list of activities to improve management of the changes or respond to a leadership change.

Similar to Year 1 of MTW designation, PHAs often highlighted the importance of starting slowly to maintain a manageable amount of change, for both PHA staff and residents. Although these PHAs may still be interested in implementing more complex changes, such as LNTs or work requirements, they plan to wait until later years to pursue them.

#### **4.2 Activities Undertaken by Non-Moving to Work Public Housing Agencies (Control Group)**

Efforts implemented and associated study outcomes by Control PHAs with similar characteristics were tracked to ensure that the effect of MTW designation on PHA and resident outcomes can be distinguished from business as usual. In February 2023, an online survey with executive directors from the 10 Control PHAs and the 2 Treatment PHAs that did not move forward with MTW designation was conducted to detail any activities they were undertaking or planned to undertake in the next year related to the three MTW statutory objectives. If the PHA indicated they were undertaking activities in one or more of these areas, they were asked to complete an interview to learn more about these activities. Of the eight PHAs that completed the survey, all were from Control PHAs. Among these eight, five Control PHAs reported implementing new activities related to the MTW statutory goals and were selected for additional followup. Three of the five Control PHAs identified for followup answered the questions.

Among the five PHAs who reported implementing activities related to the MTW statutory goals, three PHAs reported implementing new activities related to cost-effectiveness, three PHAs reported implementing new activities related to housing choice, and two PHAs reported implementing new activities related to self-sufficiency. These activities may lead to slight improvements in study outcomes for these PHAs, such as reductions in PHA operating expenses, improvements in resident income, or increases in the share of residents living in low-poverty areas.

Two Control PHAs implemented activities that streamline operating procedures and may reduce operating expenses. One PHA continues to offer the option to conduct virtual reexamination



appointments started during the COVID-19 pandemic and allows residents to mail interim recertifications. Another PHA has switched to biennial Housing Quality Standards (HQS) inspections as allowed under the 2016 streamlining rule to free up staff time and reduce administrative burden.<sup>54</sup>

Three Control PHAs implemented activities with the goal of making it easier for voucher holders to access affordable housing in low-poverty neighborhoods. One of these efforts required HUD to approve an exception payment standard. This exception allows the PHA to set the payment standard at up to 120 percent of the Fair Market Rent (FMR) for part of their service area. A similar MTW payment standard waiver is broader, allowing the 120 percent payment standard for their entire service area. The other efforts implemented at Control PHAs to increase housing choice do not require HUD waivers but may still allow voucher households to access units in low-poverty neighborhoods. One PHA project-based 15 vouchers at a new development in a low-poverty neighborhood. A second PHA helped pass a local housing bond with a set-aside for affordable housing. This PHA also offers landlord incentives, including security deposit assistance to open new units for housing choice voucher (HCV) holders, and hired a housing navigator to offer housing search services to residents.<sup>55</sup>

One PHA implemented an activity that may increase resident household income but does not require a HUD waiver. The PHA encourages more residents to enroll in its Family Self-Sufficiency (FSS) program by updating the FSS contract to offer more time to complete FSS goals.

### **4.3 Effect of Housing Opportunity Through Modernization Act Changes**

In February 2023, updated rulemaking under the Housing Opportunity Through Modernization Act (HOTMA) of 2016 was published in the Federal Register Notice to revise regulations around the HCV and public housing programs.<sup>56</sup> Under the revised regulations, similar flexibilities to some MTW Waivers currently available to MTW Expansion PHAs will be available to all PHAs. Starting January 1, 2024, all PHAs will be able to implement administrative changes to their HCV or public housing programs, including—

- Allowing residents to self-certify assets up to \$50,000.
- Allowing for additional income and asset exclusions when determining resident income.
- Increasing the threshold to deduct medical expenses from income calculations.
- Eliminating the use of the Earned Income Disallowance.

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<sup>54</sup> For more information on streamlining annual reexaminations, see <https://www.hud.gov/sites/documents/16-05PIHN.PDF>.

<sup>55</sup> The PHA offering landlord incentives also received Emergency Housing Vouchers (EHV). They specified that these efforts applied to their HCV program. A second PHA also receiving EHV's reported offering landlord incentives to EHV recipients only. 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. PHAs receiving EHV's get funds that they can use for landlord incentives and housing navigation. As of April 18, 2022, three Control Group PHAs received EHV's, ranging in award size from 15 to 29 vouchers, and six Flexibility Cohort (Treatment Group) PHAs received EHV's ranging in award size from 15 to 78 vouchers.

<sup>56</sup> For the full notice, see the February 14, 2023 issue of the Federal Register (88 FR 9600), docket number FR-6057-F-03, available here <https://www.federalregister.gov/documents/2023/02/14/2023-01617/housing-opportunity-through-modernization-act-of-2016-implementation-of-sections-102-103-and-104>.

- Reducing the frequency of interim income reexaminations and eliminating interim reexaminations solely for increases in earned income.

Although these changes are largely administrative, one of the goals for the changes was to encourage HCV and public housing residents to earn and save more money (by allowing more asset accumulation and fewer reexaminations). This goal aligns closely with the MTW statutory objective of promoting self-sufficiency. During the interviews with the Flexibility Cohort PHAs, three PHAs said that the new HOTMA rules would make some of their currently approved MTW activities moot. Some also said that they no longer plan to seek approval for certain waivers via the MTW Supplements because the desired changes, such as eliminating the use of the Earned Income Disregard, will be generally allowable for all PHAs once the updated regulations take effect.

It is possible that these changes, if, or when, adopted by the Control PHAs, could result in improved resident outcomes. Many of the previously mentioned changes can be applied by PHAs to encourage public housing and HCV residents to earn and save more. If that occurs, the impact of being an MTW PHA may be reduced.

## 5. Interim Impacts on Outcome Measures

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As outlined in *Research Design / Data Collection and Analysis Plan* (Turnham et al., 2021), this is the first annual report to present the impact of the opportunity to apply for Moving to Work (MTW) designation on the three MTW statutory objectives of *cost-effectiveness*, *household self-sufficiency*, and *housing choice*, and other outcomes. With implementation by the Flexibility Cohort public housing agencies (PHAs) still in the early stages, this report focuses on a limited set of outcomes to minimize undue focus on differences between the Treatment and Control PHAs that might arise by chance. Differences that appear by chance rather than the effect of MTW flexibility are even more likely this year than in future years because implementation is in the early stages.

This impact study compares confirmatory outcomes in the 33 Treatment PHAs versus the 10 Control PHAs. One confirmatory outcome is associated with each of the three MTW objectives. The three confirmatory outcomes are presented and discussed in this chapter. Appendix C presents results for the exploratory outcomes and discusses only statistically significant impact estimates for exploratory outcomes (exhibit 5-1).

During the research design phase of this evaluation in 2020, HUD and the evaluation team recognized that the small size of the control group ( $n = 10$ ) may not produce precise estimates, limiting the ability to analyze the impact of MTW for certain types of PHAs (such as those with only voucher programs). To supplement the findings of the impact study's experimental analysis, the evaluation team added a quasi-experimental analysis, selecting a matched group of 99 Comparison PHAs that are similar in observable characteristics to the Treatment PHAs. This Year 2 Annual Report does not present results for the quasi-experimental analysis (Treatment versus Comparison PHAs). However, the (unpublished) differences between the Treatment PHAs and Comparison PHAs were used to judge the reliability of the impact estimates generated from the experimental analysis (Treatment versus Control PHAs).

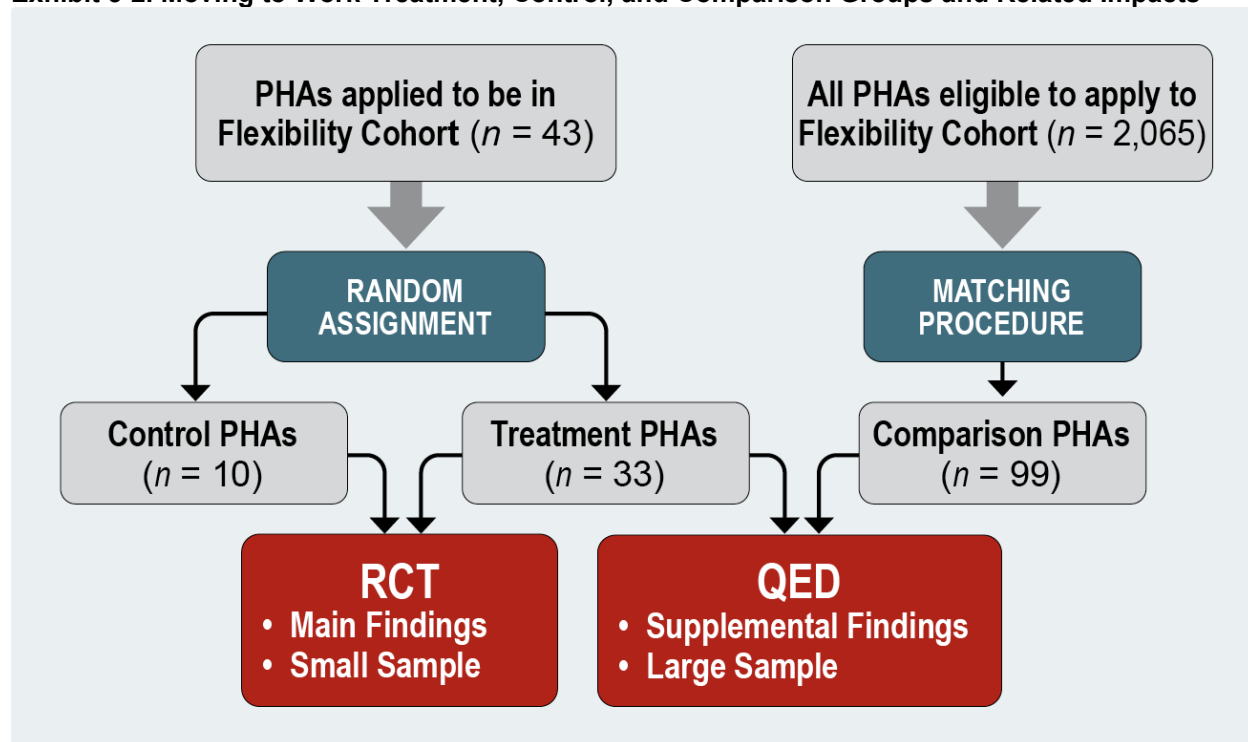
Exhibit 5-2 illustrates the Treatment, Control, and Comparison groups and the comparisons made between group outcomes to assess the impacts of the opportunity to apply for MTW designation (the intervention).

### Exhibit 5-1. Confirmatory and Exploratory Outcomes

A **confirmatory outcome** is judged to be *the best single measure* of whether Treatment public housing agencies (PHAs) have achieved that statutory objective. A statistically significant finding from the confirmatory hypothesis test provides definitive evidence that Moving to Work (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 PHA 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.

**Exhibit 5-2. Moving to Work Treatment, Control, and Comparison Groups and Related Impacts**



PHA = public housing agency. QED = quasi-experimental design. RCT = randomized controlled trial (experimental analysis).

## 5.1 Confirmatory Outcomes

This section discusses the impact estimates for the confirmatory outcome for each of the three MTW statutory objectives. Section 5.2 discusses exploratory outcomes.

### 5.1.1 Cost-Effectiveness

The MTW statutory objective related to cost-effectiveness is “to reduce cost and achieve greater cost-effectiveness in federal expenditures.”<sup>57</sup> For this evaluation, the primary question related to this objective is whether MTW PHAs can provide a similar level of housing assistance at a lower cost than non-MTW PHAs, which is best evaluated by comparing PHA expenditures per household per month. Expenditures comprise a PHA’s annual costs for housing choice voucher (HCV) administrative activities, Housing Assistance Payments (HAP), and annual public housing operating expenses. To finalize the cost-effectiveness measure, total expenditures are divided by the total number of unit months leased for the PHA HCV and public housing programs. This measure is at the PHA level. The data for both total expenditures and the number of unit months leased are from the annual PHA income statement in the HUD Financial Data Schedule.

**In Year 2, no statistically significant difference was observed between Treatment and Control PHA expenditures per household** as measured by the PHAs’ annual financial reports submitted to HUD in 2022 (exhibit 5-3). This finding likely stems from the large variance in

<sup>57</sup> Section 204 of the Omnibus Consolidated Rescissions and Appropriations Act of 1996 (1996 Act).

average per-household monthly expenditures and the small sample size for analysis at the PHA level.

**Exhibit 5-3. Estimated Impacts of Offering Moving to Work Cohort 1 Designation, Year 2 (2022)**

Confirmatory Outcome	Treatment	Control	Impact	p-value
Total operating, administrative, and HAP expenditures per household, per month <sup>a</sup>	\$730	\$629	\$101	0.140
Household earnings in a year	\$23,944	\$21,466	\$2,478	0.078*
HCV households living in low-poverty census tracts <sup>b</sup>	33.1	30.7	2.4 p.p.	0.052*

HAP = Housing Assistance Payment. HCV = housing choice voucher. p.p. = percentage point.

\* Statistically significant at the  $p < 0.10$  level.

<sup>a</sup> Impact analysis focuses on public housing agency (PHA)-level data, so the true sample size of PHAs with sufficient data for this measure is small (33 Treatment PHAs, of which 26 had sufficient data for this outcome measure; 10 Control PHAs, of which 9 had sufficient data).

<sup>b</sup> Means are estimated using only PHAs with voucher programs (29 Treatment PHAs, 8 Control PHAs).

Notes: This sample includes 43 PHAs (33 Treatment PHAs, 10 Control PHAs). Expenditures per household are analyzed at the PHA level. Household earnings are measured and analyzed at the household level (8,579 households in Treatment PHAs and 3,166 in Control PHAs). Household earnings track the average earnings of households receiving housing subsidies in a given year as of December 31, 2022. Thus, households that exited during 2022 are not included, and households that entered during 2022 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. The 2019 American Community Survey (ACS) 5-year data were used to be consistent with baseline measures, as both the census tract boundaries (2010 boundaries compared with 2020 boundaries) and the poverty rates for a given census tract changed over time. The unit of analysis for the percentage of households living in a low-poverty census tract is households (11,675 HCV households in the Treatment PHAs and 4,123 HCV households in the Control PHAs). Appendix D summarizes the methodology for arriving at the impact estimates. Financial data include Special Purpose Vouchers

Sources: HUD's Financial Data System (PHA annual fiscal reports through December 2022); HUD household-level data from the Housing Information Portal through December 31, 2022; 2021 ACS 5-year data

### 5.1.2 Self-Sufficiency

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.”<sup>58</sup> For this evaluation, the self-sufficiency outcome is best measured as household earnings in a year. In keeping with an understanding of the MTW Waivers designed to encourage employment and earnings, the confirmatory outcome focuses on earnings of nonelderly, nondisabled households. Nonelderly, nondisabled households are those in which neither the head of household nor the spouse or co-head of household is aged 62 or older or has a disability. Earnings for all working-age residents in these households are summed to compute household earnings.<sup>59</sup> All nonelderly, nondisabled households are included in the household-level analysis. The data for earnings are from the National Directory of New Hires, which provides quarterly wage information on individual employees from state workforce agency and federal agency records.

<sup>58</sup> Omnibus Consolidated Rescissions and Appropriations Act of 1996 (1996 Act).

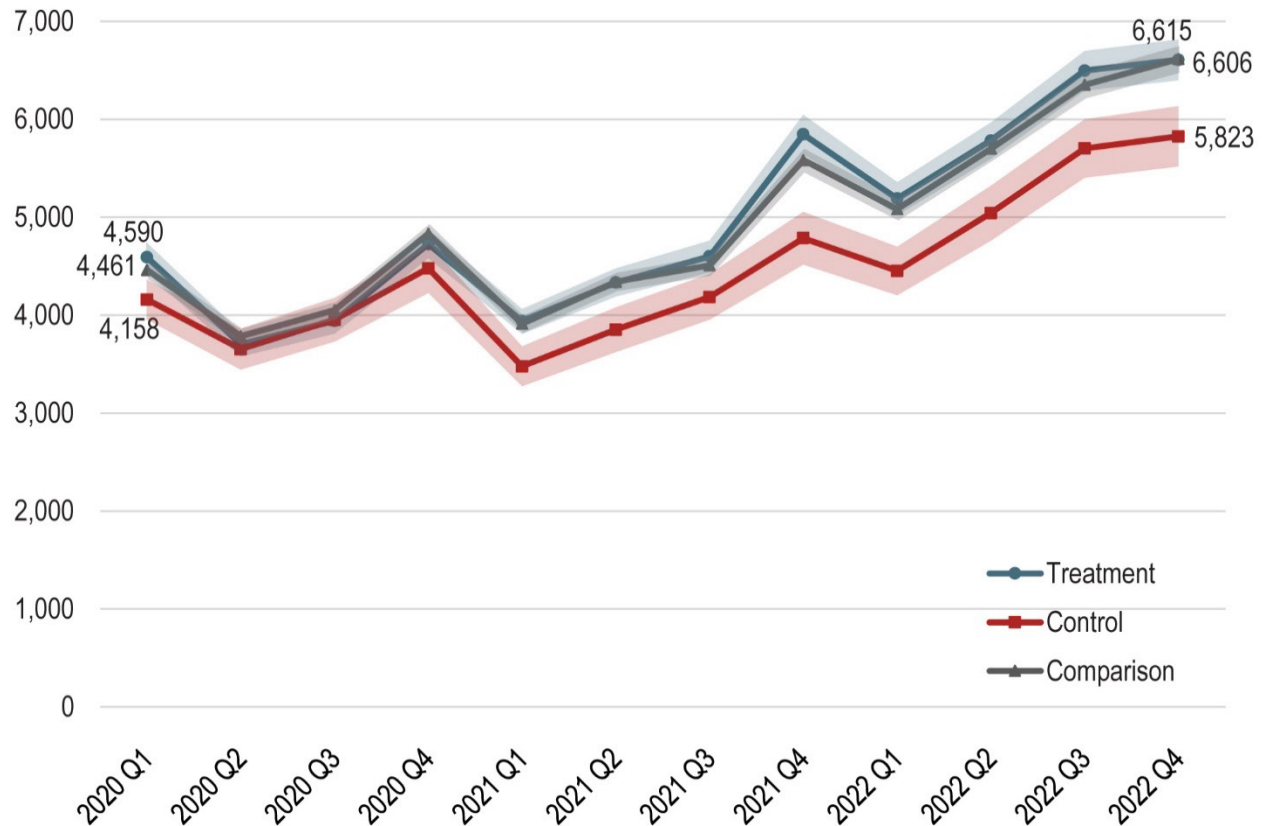
<sup>59</sup> For household earnings measures, “working age” is considered aged 14 (the minimum set by the Fair Labor Standards Act) to aged 61 (inclusive) at the end of 2021, the year National Directory of New Hires data are available for this report. For individual-level earnings measures, the outcomes are limited to residents aged 18 to 61.

**In Year 2, nonelderly, nondisabled households in the Treatment PHAs had statistically significant higher average annual earnings than similar households in the Control PHAs—\$23,944 compared with \$21,466, a difference of \$2,478 (exhibit 5-3).** However, no statistically significant differences were observed in average annual earnings between the Treatment PHAs and the Comparison PHAs. This differing result between the experimental and quasi-experimental comparison raises the question of whether the statistically significant finding in the experimental analysis is due to chance.

Additional supporting evidence that this finding could be due to chance is that the implementation of MTW activities is at an early stage. As discussed previously, very few approved waivers were implemented in 2022, so the use of those waivers does not seem to explain how this impact on earnings could arise.

Another potential explanation for estimating statistically significant effects in the experimental analysis but not the quasi-experimental analysis relates to sample size and sampling: the Control group contains only 10 PHAs, whereas the Comparison group contains 99 PHAs. Although random assignment resulted in the Treatment and Control groups being similar in observable characteristics at baseline, the average earnings of the Control group were slightly lower at baseline and increased at a slightly slower pace over the next 2 years compared to the Treatment and Comparison groups, as exhibit 5-4 shows. The slight differences at baseline and in trends after baseline suggest that the difference between Treatment and Control PHA earnings in 2022 is likely independent of the opportunity to apply for MTW designation.

**Exhibit 5-4. Quarterly Earnings Over Time for Households in Treatment, Control, and Comparison Public Housing Agencies**



Q1 = first quarter. Q2 = second quarter. Q3 = third quarter. Q4 = fourth quarter.

Notes: The bands surrounding each indicate a 95 percent confidence interval. Areas for which confidence intervals do not overlap are quarters in which the between-group differences (impact) are considered statistically significant. Source: National Directory of New Hires, with authors' computations of data

Next, the sample within each group—Treatment, Control, Comparison—changes over time, and compositional changes could be another reason for the observed impacts; that is, Treatment PHAs could be taking in a different type of resident, whether systematically in anticipation of fuller MTW implementation or by chance. In supplemental analyses (not shown), holding the sample constant—to those residents within any one of the years—results in the Treatment versus Control change in earnings *not* being statistically significant. Indeed, in Treatment PHAs, the new sample has higher earnings than the Control PHA's new sample.

A final reason this finding could be due to chance is that statistically significant impacts were not observed for any of the exploratory self-sufficiency outcomes, as section 5.2 elaborates.

Trends in earnings and other self-sufficiency outcomes continue to be monitored, including using the process study and conducting supplemental analyses to consider explanations that point to whether the intervention or chance accounts for the changes. Next year's impact analysis is anticipated to reveal whether the impact on 2022 earnings persists or grows along with fuller implementation of MTW activities.

### 5.1.3 Housing Choice

The MTW statutory objective related to housing choice is “to increase housing choices for low-income families.”<sup>60</sup> For this evaluation, that outcome is measured as living in higher quality neighborhoods defined as “low poverty.” As a result, the confirmatory outcome is computed as the percentage of HCV households in a PHA that live in a low-poverty census tract. A low-poverty census tract is one where the poverty rate is in the lowest quartile of census tracts within the PHA's jurisdiction or where the poverty rate is less than 10 percent.<sup>61</sup> The outcomes and impacts for this measure are at the household level and are separately averaged for all households within Treatment PHAs and all households within Control PHAs.

**The HCV households in the Treatment PHAs were more likely to reside in low-poverty census tracts than were HCV households in the Control PHAs** (33 percent compared with 31 percent; exhibit 5-3). In the corresponding quasi-experimental analysis, the sample size was larger (16,408 households in 2022; 16,328 households at baseline), but the estimated program impact was not statistically significant. This combination of results—observing statistically

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<sup>60</sup> Omnibus Consolidated Rescissions and Appropriations Act of 1996 (1996 Act).

<sup>61</sup> For this evaluation, the definition of “low poverty” is based on the neighborhood poverty rate because it is a readily available measure associated with children's future outcomes (Galster et al., 2007). To estimate the PHA's lowest quartile of poverty rate, the census tracts that comprise the jurisdiction are first identified. All census tracts where at least 2 percent or 5 or more (whichever is smaller) of a PHA's households live and all census tracts neighboring those census tracts are included. This rule for defining a “jurisdiction” has changed since the *Research Design / Data Collection and Analysis Plan*. The previous definition used only the “2 percent of households” inclusion threshold for the first set of census tracts. Now, the inclusion threshold includes “or five or more households,” which permits the inclusion of more census tracts for PHAs with more than 250 households. Census tracts are not weighted equally when constructing the poverty rate distribution in each jurisdiction. To focus on renters, census tract poverty rates are weighted by the number of renter households (rather than owner) living in the census tract. This choice results in a better reflection of the neighborhood choices for renters for that jurisdiction.

significant impact in the experimental but not the quasi-experimental analysis—again raises the question of whether this finding is due to chance alone.

Program effects on housing choice seem unlikely because MTW implementation for Flexibility Cohort PHAs was still in the very early stages in 2022. Although many Treatment PHAs are approved to implement activities to increase housing choice that could lead to more voucher households in low-poverty census tracts, very few PHAs started implementing those activities in 2022. It is likely that the positive impact observed in the experimental analysis reflects the ongoing trends in the Treatment and Control groups rather than the impact of the MTW intervention. From baseline to Year 2, the percentage of households in low-poverty areas in the Treatment PHAs was relatively constant, whereas the rates in the Control PHAs decreased. Unfortunately, it is difficult to discern the driver of the trends with the available information.

Finally, as with the estimated impacts for the self-sufficiency outcome, these findings may be due to chance because none of estimated effects for the exploratory housing choice outcomes were statistically significant. Future impact analyses are expected to reveal whether the impact on the share of households living in a low-poverty census tract, as measured in 2022, persists or grows along with the fuller implementation of MTW activities in future years.

## 5.2 Exploratory Outcomes

Appendix C provides impact estimates for 62 exploratory outcomes. Several statistically significant differences are estimated, which could be due to chance rather than the effect of MTW. Any statistically significant findings are expected to be due to chance alone because MTW activities implementation is still in a very early stage. Therefore, to limit attention to results that could be due to chance alone, any statistically significant impact is only highlighted if it also arises in the quasi-experimental (Treatment versus Comparison PHAs) analysis. If the impact is statistically significant in both the experimental and quasi-experimental analysis, the following briefly summarizes it, with speculation about whether it could be due to MTW activities.

- For **cost-effectiveness**, the experimental analysis of the exploratory outcomes shows that the Treatment PHAs compared with the Control PHAs have (1) higher total revenue in a measure that combines HUD funding of HAP costs, public housing operating subsidies, public housing capital grants, management, bookkeeping fees, other government grants, and investment income; and (2) higher costs in a measure that combines HCV administrative costs and the total costs of LNT programs (exhibit C-1). These findings are comparable with the quasi-experimental (Treatment versus Comparison PHAs) analysis. Higher administrative costs among the Treatment PHAs could reflect the costs of starting up MTW activities. The impact estimate controls for baseline differences in this measure between the Treatment and Control PHAs. Therefore, it is difficult to explain why total revenues is higher for the Treatment PHAs.<sup>62</sup>
- Only one of the eight impact estimates is statistically significant for **housing choice** measures related to the housing available to voucher households. Treatment PHAs have more

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<sup>62</sup> At baseline, Treatment PHAs had higher revenue than Control PHAs (\$748 per unit month compared with \$645). At baseline, Treatment PHAs also had higher administrative and tenant services expenditures than Control PHAs (\$79 per unit month compared with \$54 per unit month). Controlling for baseline levels also controls for geographic differences in cost, as long as those geographic differences remain constant over time.



unique landlords per 100 HCV households than the Control PHAs, even after controlling for baseline differences (exhibit C-4). These findings are replicated in the quasi-experimental (Treatment versus Comparison PHAs) analysis (not shown). Given how few MTW activities were implemented in 2022, this finding seems likely due to chance rather than MTW.

- The **rent burden** of public housing residents who are not paying minimum rent is slightly lower in the Treatment PHAs households than in the Control PHAs.<sup>63</sup> Public housing residents in the Treatment PHAs pay 28 percent of their income on average, compared with 29 percent in the Control PHAs, implying that public housing residents in the Treatment PHAs receive somewhat greater deductions from gross income (exhibit C-8). These impacts are also evident in the quasi-experimental (Treatment versus Comparison PHAs) analysis. This finding could change once MTW activities are fully implemented because some Treatment PHAs are changing their policies on deductions from income.

At the same time, the Treatment PHAs served fewer households that pay minimum rent than the Control PHAs (3 versus 5 percent; exhibit C-8). This finding could also change when MTW activities are fully implemented because some Treatment PHAs are increasing minimum rents, making them applicable to additional households.

Among these 62 exploratory outcomes, impact estimates for 5 outcomes are statistically significant both in the experimental (Treatment versus Control PHAs) analysis *and* in the quasi-experimental (Treatment versus Comparison PHAs) analysis: (1) total revenue per unit month; (2) HCV and LNT program administrative and tenant service expenditures per household per month; (3) the number of unique landlords per 100 HCV households; (4) the rent burdens of public housing residents; and (5) the proportion of public housing residents who pay minimum rent. Statistically significant estimates for five out of 62 outcomes are fewer than is expected by chance alone (corresponding to *p*-values of 0.10 or less, meaning that at least 10 percent, or 6 of 62, is expected to be statistically significant due to chance alone). In addition, these results from the exploratory analysis do not provide further insights into the results of the confirmatory analysis. Therefore, it is not advisable to allocate too much weight to the statistically significant estimates for these 5 exploratory outcomes. The overall conclusion is that it is too early to expect to observe impacts from MTW activities.

Finally, in the two domains, self-sufficiency and housing choice, in which the estimated impacts on confirmatory outcomes are statistically significant, none of the estimated impacts on the exploratory outcomes examined in those domains are statistically significant in both the experimental (Treatment versus Control PHAs) and quasi-experimental (Treatment versus Comparison PHAs) analysis. This observation underscores the possibility that the confirmatory findings could be due to chance. Impact analysis in future years is expected to reveal whether these early findings persist as MTW implementation matures over time.

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<sup>63</sup> Public housing residents paying minimum rent were excluded because they frequently have zero income, effectively having a rent burden of infinity.

## 6. Summary of Findings for Research Questions

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This chapter discusses the findings for the two overarching research questions for the Flexibility Cohort in 2022, the second year after being offered the opportunity to become a Moving to Work (MTW) public housing agency (PHA). This chapter starts with the findings for the process study question and follows with the findings for the impact study question.

### 6.1 How Do Smaller Public Housing Agencies Use Moving to Work Flexibility?

Flexibility Cohort PHAs make robust use of MTW flexibility to make changes in their program, although they are very early in implementing the MTW activities. All except one PHA have received approval for multiple MTW Waivers, with some representing substantial departures from standard procedures. Most PHAs in this cohort did not only obtain approval for minor programmatic or administrative changes but combined several MTW Waivers in an overall strategy to improve their housing assistance programs.

PHAs have used less *funding* flexibility as part of their strategies thus far. About one-third (11) of the 31 Flexibility Cohort PHAs have used funding flexibility to support MTW activities by transferring funds among their public housing and housing choice voucher (HCV) funding streams.

#### 6.1.1 Volume of Waiver Activity

All 31 Flexibility Cohort PHAs had MTW funding flexibility by early 2022, and 26 of the 31 PHAs had approved MTW Supplements with waivers allowing them to conduct activities that standard PHAs cannot. There are 236 approved waivers among the 26 PHAs.

- All but 1 of the 236 approved waivers are from the list of 70 preapproved waivers in the MTW Operations Notice (HUD, 2020).
  - The single agency-specific waiver allows landlords to self-certify that the unit has no life-threatening emergencies for move in (with a Housing Quality Standards [HQS] inspection to be scheduled within 60 days of move-in).
- The median number of MTW Waivers is 8, with three PHAs having 20 or more approved waivers and three PHAs having 3 or fewer approved waivers.
- The most common waivers are for—
  - Decreasing the frequency of income reexaminations (18 PHAs).
  - Increasing the value of assets that can be self-certified (14 PHAs).
  - Eliminating or reducing the number of utility reimbursements (11 PHAs).
  - Adding financial incentives for landlords to participate in the HCV program (10 PHAs).
  - Increasing the minimum rent (nine PHAs).
  - Streamlining the utility allowance schedule (nine PHAs).

#### 6.1.2 Targeted Objectives

More than half of the 26 PHAs with approved MTW Supplements designed activities that addressed all three MTW statutory objectives.

##### *Cost-Effectiveness Objective*

- Of the 26 PHAs with an approved MTW Supplement, all but 2 have a waiver for an administrative efficiency activity that reduces staff time and could improve cost-

effectiveness. Half of those 24 PHAs have approval for three or more such activities. The most commonly approved activities include—

- Biennial or triennial income reexaminations for any household type (18 PHAs).
- Self-certification of assets of as much as \$25,000 or \$50,000 (14 PHAs), including two PHAs that also exclude asset income from rent calculations.
- Another approved administrative efficiency activity likely saving substantial staff time includes—
  - Less frequent inspections for units (six PHAs) (usually limited to those with a good inspection history and an option for voucher households to ask for an inspection), including five PHAs with some units qualifying for triennial inspections.

### ***Self-Sufficiency Objective***

- Of the 26 PHAs with an approved Supplement, 20 PHAs have approved MTW activities addressing the self-sufficiency objective, including 12 PHAs with multiple such activities. The most commonly approved activities include—
  - Decreasing reexaminations for nonelderly, nondisabled households (13 PHAs), including 4 PHAs with triennial reexamination.<sup>64</sup>
  - Increasing the minimum rent (nine PHAs).
- Other less frequent activities to encourage self-sufficiency with a substantial change from what a standard PHA can do include—
  - A work requirement of at least 15 hours per week (four PHAs).
  - Mandatory MTW Self-Sufficiency program participation (four PHAs).
  - Financial incentives for meeting self-sufficiency goals (three PHAs), including one PHA paying a \$500 bonus to households that continuously work full time for a year.
  - A stepped rent that can increase independent of an income increase (three PHAs).
  - A 5-year term limit for assistance, with 2 years of extension possible (one PHA).

### ***Housing Choice Objective***

- Of the 26 PHAs with an approved Supplement, 19 PHAs have approved MTW activities addressing the housing choice objective either by incentivizing landlords to participate or by expanding the number of units available for voucher holders in the HCV program, including 9 PHAs that have approval for both types of activities. The most common approved activities include—
  - Financial incentives (10 PHAs), ranging from \$250 to \$1,000 for a new landlord or an existing landlord renting a new unit, including two PHAs that also have bonuses of \$250 or \$500 for referring a new landlord to the HCV program.<sup>65</sup>
  - A payment standard of 120 percent of Fair Market Rent (FMR; eight PHAs), expanding the number of units available to voucher holders.<sup>66</sup>

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<sup>64</sup> Other PHAs have less frequent reexaminations only for households on fixed incomes.

<sup>65</sup> Two PHAs are offering bonuses to new landlords of up to 1 month of contract rent, which could exceed \$1,000.

<sup>66</sup> One PHA that has an approved waiver to increase the payment standard to 110 percent of FMR is not included here because a standard PHA can do that.

In addition, nine PHAs have approved waivers to do nonstandard activities through the Short-Term Assistance or the LNT activities waiver categories. These waivers allow PHAs to serve either or both their own assisted households and other low-income households in their community outside the standard public housing and HCV programs. Five of the PHAs approved for LNT activities are looking to expand the pool of affordable housing in their community. Three PHAs have waivers to provide self-sufficiency services not otherwise permitted for non-MTW PHAs.

Examples of the planned activities include—

- Supporting development of supportive housing for youth aging out of foster care.
- Making improvements to a PHA-owned building and adding project-based vouchers (PBVs) to the site.
- Providing support for eight occupants of a transitional housing facility.
- Providing 12 months of emergency assistance to households experiencing homelessness.

## **6.2 What Are the Impacts of Moving to Work Flexibility on Smaller Public Housing Agencies and Their Residents?**

As of this 2022 followup, a statistically significant impact on the confirmatory *cost-effectiveness* outcome—PHA per-household monthly expenditure—was not detected.

Statistically significant impacts on the confirmatory *self-sufficiency*—annual household earnings—and *housing choice*—share of HCV households in low-poverty census tracts—outcomes were detected. However, for the reasons chapter 5 details, one or both of those findings are believed to be likely due to chance.

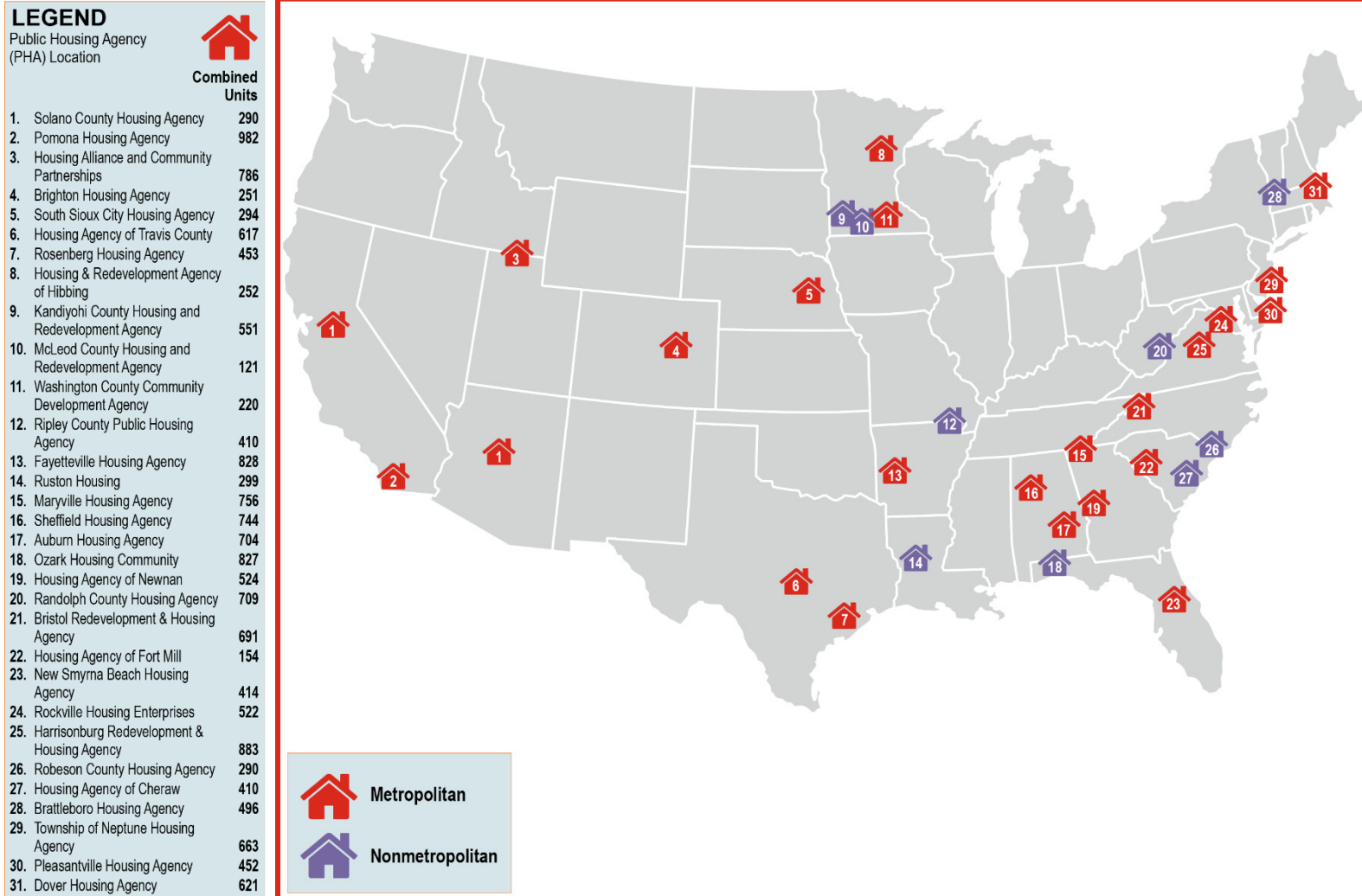
The evaluation continues for 2 more years. More Flexibility Cohort PHAs are expected to begin implementing their approved MTW activities in 2023 and 2024, and PHAs that have already begun are anticipated to implement more activities. In early 2023 interviews with PHA staff, 10 additional PHAs reported they had started implementing activities in the second half of 2022 and 5 additional PHAs in the first quarter of 2023, which means that 22 Flexibility Cohort PHAs are expected to have implemented at least one activity for all or most of 2023.

## **Appendix A. Maps of Moving to Work Flexibility Cohort Public Housing Agencies and Control Public Housing Agencies**

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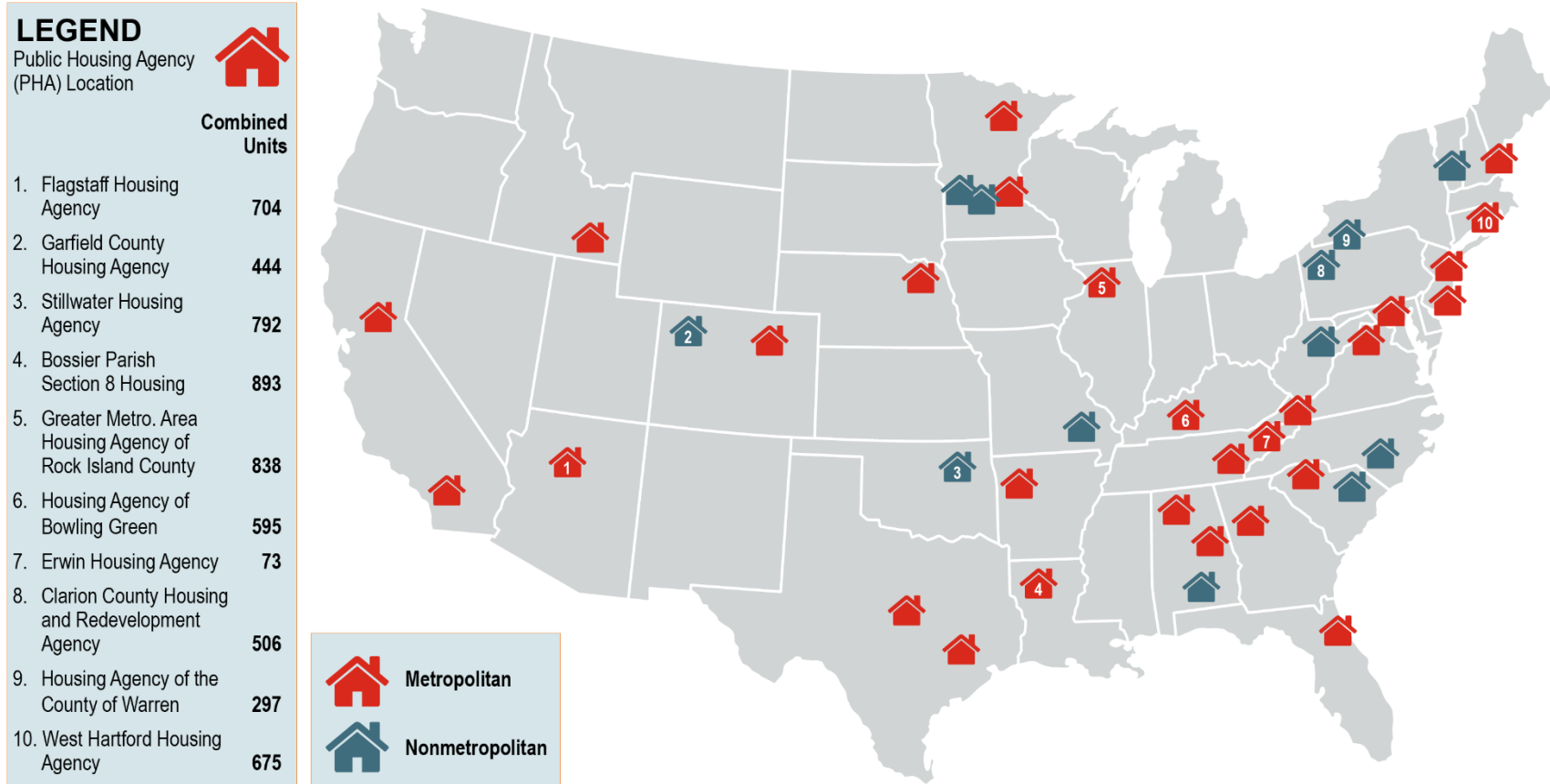
This appendix shows the geographic distribution of the Flexibility Cohort public housing agencies (PHAs) and Control PHAs (exhibits A-1 and A-2).

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



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

**Exhibit A-2. Map of 10 Control Group PHAs (Numbered) Relative to Flexibility Cohort PHAs (not Numbered)**



Notes: "Combined units" are the total of housing choice voucher and public housing units from 2019 Picture of Subsidized Households. PHAs are labeled in metropolitan statistical areas as defined by the U.S. Census Bureau (an area with relatively high population density of social and economic integration as determined by commuting patterns). Treatment PHA locations are the unnumbered house symbols. For more information, see <https://www.census.gov/programs-surveys/metro-micro/about/omb-standards.htm>. Control Group PHAs are numbered and Flexibility Cohort PHAs are not numbered in this map.

## Appendix B. Profiles for 26 Flexibility Cohort Public Housing Agencies with Approved Moving to Work Supplements

Appendix B exhibits provide information on each of the 26 Flexibility Cohort public housing agencies (PHAs) with an approved Moving to Work (MTW) Supplement as of March 31, 2023. The PHAs are listed alphabetically based on their PHA code. The tables present information on each PHA in two parts: Part (a) of each exhibit provides background information on the PHA, including the MTW Supplement(s) approval date, total number of waivers approved, program types operated, and number of units the PHA operates. Part (b) of each exhibit provides information on approved MTW activities for the PHA to implement, statutory objectives the activity aims to meet, and anticipated effect on PHA costs. The information in part (b) is classified as reported by the PHA and pulled from the PHA’s most recently approved MTW Supplement (as of March 31, 2023). In some cases, PHAs classified anticipated costs in unexpected ways. For example, a PHA indicated that offering landlord incentives would be cost-neutral for the PHA.

### Exhibit B-1(a). Background Information for Sheffield Housing Authority

<b>Location</b>	Sheffield, Alabama	<b>ACC Amendment Approval</b>	March 2021
<b>Programs and Inventory</b>	HCV: 338 units Public Housing: 406 units	<b>MTW Supplement Approvals</b>	FY2021: October 2021 FY2022: November 2022
<b>Special Purpose Vouchers</b>	Mainstream	<b>Total MTW Waivers Approved</b>	3
<b>RAD Conversion</b>	No	<b>Use of PBVs</b>	No

ACC = Annual Contributions Contract. FY = fiscal year. HCV = housing choice voucher. MTW = Moving to Work. PBV = project-based voucher. RAD = Rental Assistance Demonstration.

SOURCES: MTW Supplements; interview with PHA in February 2023; HUD communications

### Exhibit B-1(b). Approved MTW Waivers as of March 31, 2023, for Sheffield Housing Authority (AL-068)

Waiver	Description of Planned Change	Statutory Objectives Targeted	Anticipated Effect on PHA Costs
Tenant Rent Policies: Utility Reimbursements for PH (1.m.) Tenant Rent Policies: Utility Reimbursements for HCV (1.n.)	Utility reimbursements will no longer be offered to residents if the utility allowance is greater than the total tenant payment. This policy will not be applied to elderly or disabled households.	Cost-Effectiveness Self-Sufficiency	Positive (Increased revenue and decreased expenditures)



Landlord Incentives: Other Landlord Incentives for HCV, Tenant-Based Assistance (4.c.)	Landlords will receive an incentive equal to the contract rent or \$500 (whichever is less) for each new unit leased to an HCV tenant. The payment will be made to the landlord when the Housing Assistance Payment (HAP) contract is executed.	Housing Choice	Negative (Increased expenditures)
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HCV = housing choice voucher. MTW = Moving to Work. PH = public housing. PHA = public housing agency. Sources: MTW Supplement; interview with PHA in February 2023

**Exhibit B-2(a). Background Information for Ozark Housing Community (AL-073)**

<b>Location</b>	Ozark, Alabama	<b>ACC Amendment Approval</b>	March 2021
<b>Programs and Inventory</b>	HCV: 434 units Public Housing: 393 units	<b>MTW Supplement Approvals</b>	FY2021: None FY2022: May 2022
<b>Special Purpose Vouchers</b>	None	<b>Total MTW Waivers Approved</b>	5
<b>RAD Conversion</b>	No	<b>Use of PBVs</b>	No

ACC = Annual Contributions Contract. FY = fiscal year. HCV = housing choice voucher. MTW = Moving to Work. PBV = project-based voucher. RAD = Rental Assistance Demonstration. Sources: MTW Supplements; interview with PHA in March 2023; HUD communications

**Exhibit B-2(b). Approved MTW Waivers as of March 31, 2023, for Ozark Housing Community (AL-073)**

<b>Waiver</b>	<b>Description of Planned Change</b>	<b>Statutory Objectives Targeted</b>	<b>Anticipated Effect on PHA Costs</b>
Tenant Rent Policies: Minimum Rent for PH (1.e.)	The minimum rent will increase from \$50 to \$130 for all nonelderly, nondisabled public housing households.	Cost-Effectiveness Self-Sufficiency	Positive (Increased revenue and decreased expenditures)
Tenant Rent Policies: Utility Reimbursements for PH (1.m.)	The utility reimbursement will still be applied to the total tenant payment, but it will be capped so that the tenant payment cannot be less than \$0.	Cost-Effectiveness Self-Sufficiency	Positive (Decreased expenditures)
Family Self-Sufficiency (FSS) program with MTW Flexibility: Waive Operating a Required FSS program for HCV (10.a.)	The Ozark Housing Community will waive operating a required FSS program that has been defunct for more than 10 years.	Self-Sufficiency	Neutral

Waiver	Description of Planned Change	Statutory Objectives Targeted	Anticipated Effect on PHA Costs
Work Requirement for PH (12.a.) Work Requirement for HCV (12.b.)	Each family member aged 19 to 61 will be required to be employed a minimum of 15 hours per week (30 hours per week minimum for households with multiple eligible members) or meet a qualifying work activity. Participants who do not comply with the work requirement will be subject to termination of housing assistance after a 6-month notice. Elderly and disabled households are excluded from this activity.	Self-Sufficiency	Positive (Increased Revenue)

HCV = housing choice voucher. MTW = Moving to Work. PH = public housing. PHA = public housing agency.  
Sources: MTW Supplement; interview with PHA in March 2023

**Exhibit B-3(a). Background Information for Pomona Housing Authority (CA-123)**

<b>Location</b>	Pomona, California	<b>ACC Amendment Approval</b>	June 2021
<b>Programs and Inventory</b>	HCV: 982 units Public Housing: 0 units	<b>MTW Supplement Approvals</b>	FY2021: None FY2022: March 2022
<b>Special Purpose Vouchers</b>	EHV, FYI, Mainstream, VASH	<b>Total MTW Waivers Approved</b>	8
<b>RAD Conversion</b>	No	<b>Use of PBVs</b>	Yes

ACC = Annual Contributions Contract. EHV = Emergency Housing Vouchers. FY = fiscal year. FYI = Foster Youth to Independence. HCV = housing choice voucher. MTW = Moving to Work. PBV = project-based voucher. RAD = Rental Assistance Demonstration. VASH = Veterans Affairs Supportive Housing.

Sources: MTW Supplements; interview with PHA in February 2023; HUD communications

**Exhibit B-3(b). Approved MTW Waivers as of March 31, 2023, for Pomona Housing Authority (CA-123)**

Waiver	Description of Planned Change	Statutory Objectives Targeted	Anticipated Effect on PHA Costs
<p>Tenant Rent Policies: Alternative Utility Allowance for HCV (1.j.)</p>	<p>One streamlined utility allowance will apply to all HCV units based on bedroom size and types of utilities participants pay in the city of Pomona. The PHA will continue to review its utility allowance schedule each year and revise it if a 10-percent change occurs from the prior year. This update is a change from the former utility allowance based on utility surveys and analysis of the structure type, bedroom size, tenant-provided appliances, and type of appliances (gas or electric).</p>	<p>Cost-Effectiveness</p>	<p>Neutral</p>
<p>Tenant Rent Policies: Utility Reimbursements for HCV (1.n.)</p>	<p>Utility reimbursement payments will be eliminated. Families will continue to receive a utility allowance but no additional money if the utility allowance is greater than the total tenant payment.</p>	<p>Cost-Effectiveness</p>	<p>Positive (Decreased Costs and Increased Revenue)</p>
<p>Tenant Rent Policies: Standard Deductions for HCV (1.u.)</p>	<p>Existing deductions used during the rent calculation process will be replaced with a standard deduction of \$500 for elderly and disabled families and nonelderly families with one or more dependents (children younger than 18, a disabled household member, or a full-time student in the household).</p>	<p>Cost-Effectiveness</p>	<p>Positive (Increased Revenue)</p>
<p>Reexaminations: Alternative Reexamination Schedule for Households for HCV (3.b.)</p>	<p>Reexaminations will move from an annual to a biennial schedule for all HCV residents with at least \$1,200 per year in annual income. Any families reporting less than \$1,200 per year in annual income will remain on an annual recertification cycle.</p>	<p>Self-Sufficiency</p>	<p>Neutral (No cost implications)</p>
<p>Reexaminations: Self Certification of Assets for HCV (3.d.)</p>	<p>HCV residents will be allowed to self-certify up to \$50,000 in assets during the reexamination process. Prior to this change, residents were not allowed to self-certify any assets.</p>	<p>Self-Sufficiency</p>	<p>Positive (Decreased expenditures)</p>

Waiver	Description of Planned Change	Statutory Objectives Targeted	Anticipated Effect on PHA Costs
Landlord Leasing Incentives: Damage Claims for HCV (4.b.)	Landlords will be allowed to submit damage claims of up to one month's contract rent (minus any amounts paid in security deposit) for damages beyond normal wear and tear to units HCV recipient rent. Damage claim payments will be paid to landlords when the next HAP contract is executed between the owner and PHA.	Housing Choice	Negative (Increased Expenditures)
Landlord Leasing Incentives: Other Landlord Incentives for HCV (4.c.)	A one-time \$250 signing bonus will be given to landlords for each new HAP contract executed in the city of Pomona.	Housing Choice	Negative (Increased Expenditures)
Local, nontraditional Activities: Housing Development Programs (17.c)	MTW funding flexibility will be used to acquire, renovate, or build nonpublic housing affordable units. Activities may include gap financing for non-PHA development of affordable housing and project-based voucher units or tax-credit partnerships.	Housing Choice	Negative (Increased Expenditures)

HAP = Housing Assistance Payment. HCV = Housing Choice Voucher. MTW = Moving to Work. PHA = public housing agency.

Sources: MTW Supplement; interview with PHA in February 2023

**Exhibit B-4(a). Background Information for Solano County Housing Authority (CA-131)**

<b>Location</b>	Vacaville, California	<b>ACC Amendment Approval</b>	April 2021
<b>Programs and Inventory</b>	HCV: 290 units Public Housing: 0 units	<b>MTW Supplement Approvals</b>	FY2021: None FY2022: July 2022
<b>Special Purpose Vouchers</b>	Mainstream, VASH	<b>Total MTW Waivers Approved</b>	8
<b>RAD Conversion</b>	No	<b>Use of PBVs</b>	Yes

ACC = Annual Contributions Contract. FY = fiscal year. HCV = housing choice voucher. MTW = Moving to Work. PBV = project-based voucher. RAD = Rental Assistance Demonstration. VASH = Veterans Affairs Supportive Housing.

Sources: MTW Supplements; interview with PHA in February 2023; HUD communications

**Exhibit B-4(b). Approved MTW Waivers as of March 31, 2023, for Solano County Housing Authority (CA-131)**

Waiver	Description of Planned Change	Statutory Objectives Targeted	Anticipated Effect on PHA Costs
Tenant Rent Policies: Initial Rent Burden for HCV (1.o.)	The maximum share of a family's adjusted monthly income that can be used toward rent will increase from 40 to 50 percent at initial lease up.	Housing Choice	Neutral (No cost implications)
Reexaminations: Alternative Reexamination Schedule for Households for HCV (3.b.)	Annual reexaminations will become triennial for families for whom at least 90 percent of income is from a fixed source.	Cost-Effectiveness	Positive (Decreased expenditures)
Reexaminations: Self Certification of Assets for HCV (3.d.)	The value of family assets and anticipated asset income that can be self-certified at reexamination will increase to \$50,000. All assets valued more than \$50,000 will continue to require third-party verification.	Cost-Effectiveness	Positive (Decreased expenditures)
Landlord Leasing Incentives: Vacancy Loss (4.a.)	Landlords participating in the HCV program will be eligible to receive vacancy loss payments up to 1 month of contract rent for PHA-related lease-up delays between prior voucher and new voucher households.	Housing Choice	Negative (Increased expenditures)
Landlord Leasing Incentives: Damage Claims (4.b.)	If an HCV resident leaves damages to a rental unit beyond normal wear and tear, the landlord will be able to request a damage claim for up to 2 months' contract rent.	Housing Choice	Negative (Increased expenditures)
Landlord Leasing Incentives: Other Landlord Incentives (4.c.)	Landlords who rent units to voucher holders that an HCV resident has not occupied in the previous 12 months will be eligible for an incentive of 1 month's contract rent.	Housing Choice	Negative (Increased expenditures)
Housing Quality Standards: Prequalifying Unit Inspections for HCV (5.a.)	SCHA will offer prequalifying unit inspections (also known as a pre-inspection) on vacant units ready for occupancy by request. Inspections will be valid for 90 days.	Housing Choice	Neutral (No cost implications)
Project-Based Voucher (PBV) Program	Housing options for veterans experiencing homelessness will be increased in the PHA's jurisdiction	Housing Choice	Negative (Increased expenditures)

Waiver	Description of Planned Change	Statutory Objectives Targeted	Anticipated Effect on PHA Costs
Flexibilities: Alternative PBV Unit Types (9.e.)	by implementing a PBV program for shared housing.		

HCV = Housing Choice Voucher. MTW = Moving to Work. PHA = public housing agency. SCHA = Solano County Housing Authority.

Sources: MTW Supplement; interview with PHA in February 2023

**Exhibit B-5(a). Background Information for Brighton Housing Authority (CO-019)**

<b>Location</b>	Brighton, Colorado	<b>ACC Amendment Approval</b>	June 2021
<b>Programs and Inventory</b>	HCV: 251 units Public Housing: 0	<b>MTW Supplement Approvals</b>	FY2021: None FY2022: October 2022
<b>Special Purpose Vouchers</b>	None	<b>Total MTW Waivers Approved</b>	12
<b>RAD Conversion</b>	Yes (portfolio to PBV)	<b>Use of PBVs</b>	Yes

ACC = Annual Contributions Contract. FY = fiscal year. HCV = housing choice voucher. MTW = Moving to Work. PBV = project-based voucher. RAD = Rental Assistance Demonstration.

Sources: MTW Supplements; interview with public housing agency in February 2023; HUD communications

**Exhibit B-5(b). Approved MTW Waivers as of March 31, 2023, for Brighton Housing Authority (CO-019)**

Waiver	Description of Planned Change	Statutory Objectives Targeted	Anticipated Effect on PHA Costs
Tenant Rent Policies: Alternative Utility Allowance (1.j.)	Utility allowance schedules will be consolidated from four to two to simplify and to reduce the possibility of administrative errors in applying the wrong schedule, resulting in subsidy under- or overpayment.	Cost-Effectiveness	Neutral (no cost implications)
Tenant Rent Policies: Utility Reimbursements (1.n.)	Utility reimbursements will no longer be issued if the utility allowance exceeds the total tenant payment.	Cost-Effectiveness Self-Sufficiency	Positive (Decreased expenditures)
Tenant Rent Policies: Alternative Income Inclusions/Exclusions (1.w.)	A partial income exclusion will apply to household members aged between 18 and 30 who are not a household head, so only 75 percent of their earned income is used when calculating a family's total tenant payment.	Self-Sufficiency	Negative (Increased expenditures)

Waiver	Description of Planned Change	Statutory Objectives Targeted	Anticipated Effect on PHA Costs
Payment Standards and Rent Reasonableness: Third-Party Requirement (2.d.)	The PHA will no longer ask a third party to review and approve the rent reasonableness for properties the PHA owns, controls, or manages.	Cost-Effectiveness	Positive (Decreased expenditures)
Reexamination: Alternative Reexamination Schedule for Households (3.b.)	Elderly and disabled households will move from an annual to a triennial reexamination schedule.	Cost-Effectiveness	Negative (Decreased revenue)
Reexamination: Self Certification of Assets (3.d.)	Households will be allowed to self-certify up to \$25,000 in assets at reexamination.	Cost-Effectiveness	Positive (Decreased expenditures)
Housing Quality Standards (HQS): Third-Party Requirement (5.c.)	The PHA will now conduct HQS inspections for units the PHA owns, controls, or manages.	Cost-Effectiveness Housing Choice	Positive (Decreased expenditures)
Project-Based Voucher (PBV) Program Flexibilities: Increase PBV Program Cap (9.a.)	The percentage of units that can be project-based will be increased to up to 50 percent of total authorized units or annual budget authority.	Housing Choice	Negative (Increased expenditures)
PBV Program Flexibilities: Increase PBV Project Cap (9.b.)	The cap on the percentage of PBVs that can be project based in a building or project will be increased from 25 to 100 percent.	Housing Choice	Negative (Increased expenditures)
PBV Program Flexibilities: Elimination of PBV Selection Process for PHA-owned Projects Without Improvement, Development, or Replacement of Public Housing Site (9.c.)	The PHA will eliminate the selection process in awarding PBVs to nonpublic housing properties the agency owns. The PHA has historically had extremely limited responses to the PBV selection process. Having a reliable, knowledgeable developer increases the likelihood of projects coming to fruition, returning a bit of leverage to the PHA over a selection process with only one applicant.	Housing Choice	Positive (Decreased expenditures)

Waiver	Description of Planned Change	Statutory Objectives Targeted	Anticipated Effect on PHA Costs
PBV Program Flexibilities: Limit Portability for PBV Units (9.h.)	Portability will be limited by delaying when a household can request to move from a PBV to a tenant-based voucher. Households must now have been in the PBV unit for 2 years instead of 1 before requesting a tenant-based voucher.	Cost-Effectiveness Housing Choice	Neutral (no cost implications)
Local, Nontraditional Activities : Service Provision (17.b.)	The PHA will allocate up to \$145,000 of Housing Assistance Payment funding to support the following or similar programs: <ul style="list-style-type: none"> <li>• Housing Navigation.</li> <li>• Career and College Launch.</li> <li>• Domestic Violence Emergency Shelter.</li> <li>• Food Assistance.</li> <li>• Technology Library Program.</li> <li>• Tenant-Based Rental Assistance.</li> <li>• Case Management.</li> <li>• Vaccine Clinics.</li> <li>• Youth Tutoring.</li> </ul>	Self-Sufficiency Housing Choice	Negative (Increased expenditures)

MTW = Moving to Work. PHA = public housing agency.  
Sources: MTW Supplement; interview with PHA in February 2023

**Exhibit B-6(a). Background Information for the New Smyrna Beach Housing Authority (FL-022)**

<b>Location</b>	New Smyrna Beach, Florida	<b>ACC Amendment Approval</b>	April 2021
<b>Programs and Inventory</b>	HCV: 288 units Public Housing: 126 units	<b>MTW Supplement Approvals</b>	FY2021: None FY2022: September 2022
<b>Special Purpose Vouchers</b>	Mainstream, VASH	<b>Total MTW Waivers Approved</b>	17
<b>RAD Conversion</b>	No	<b>Use of PBVs</b>	No, but planned.

ACC = Annual Contributions Contract. FY = fiscal year. HCV = housing choice voucher. MTW = Moving to Work. PBV = project-based voucher. RAD = Rental Assistance Demonstration. VASH = Veterans Affairs Supportive Housing.

Sources: MTW Supplements; interview with PHA in February 2023; HUD communications



**Exhibit B-6(b). Approved MTW Waivers as of March 31, 2023, for the New Smyrna Beach Housing Authority (FL-022)**

Waiver	Description of Planned Change	Statutory Objectives Targeted	Anticipated Effect on PHA Costs
<p>Tenant Rent Policies: Minimum Rent for PH (1.e.)</p> <p>Tenant Rent Policies: Minimum Rent for HCV (1.f.)</p>	<p>The minimum rent for nonelderly and nondisabled households will increase from \$50 to \$130 per month.</p>	<p>Cost-Effectiveness</p> <p>Self-Sufficiency</p>	<p>Positive (Increased revenue, Decreased expenditures)</p>
<p>Tenant Rent Policies: Alternative Utility Allowance for PH (1.i.)</p> <p>Tenant Rent Policies: Alternative Utility Allowance for HCV (1.j.)</p>	<p>A standard utility allowance will be used for public housing and HCV households. The PHA created two standard utility allowance schedules based on bedroom size and dwelling type (multifamily or single-family) for HCV and one standard utility allowance schedule based on bedroom size for public housing.</p>	<p>Cost-Effectiveness</p> <p>Self-Sufficiency</p>	<p>Positive (Increased revenue, Decreased expenditures)</p>
<p>Tenant Rent Policies: Utility Reimbursements for PH (1.m.)</p> <p>Tenant Rent Policies: Utility Reimbursements for HCV (1.n.)</p>	<p>Utility reimbursements will be eliminated for all households.</p>	<p>Cost-Effectiveness</p>	<p>Positive (Increased revenue, Decreased expenditures)</p>
<p>Tenant Rent Policies: Elimination of Deductions for PH (1.r.)</p> <p>Tenant Rent Policies: Elimination of Deductions for HCV (1.s.)</p>	<p>The PHA will eliminate dependent allowance, unreimbursed childcare costs, and disability assistance deductions from consideration when determining total tenant payment for able-bodied households.</p>	<p>Cost-Effectiveness</p>	<p>Positive (Increased revenue, Decreased expenditures)</p>
<p>Tenant Rent Policies: Alternative Income Inclusions/Exclusions for PH (1.v.)</p> <p>Tenant Rent Policies: Alternative Income Inclusions/Exclusions for HCV (1.w.)</p>	<p>The Earned Income Disregard will be eliminated. Households will still benefit from an increase in income without an immediate increase in rent due to triennial recertifications (waivers 3a and 3b).</p>	<p>Cost-Effectiveness</p> <p>Self-Sufficiency</p>	<p>Positive (Decreased expenditures)</p>

Waiver	Description of Planned Change	Statutory Objectives Targeted	Anticipated Effect on PHA Costs
Payment Standards: Fair Market Rents (FMR) for HCV (2.b.)	The payment standard will be increased from 110 to 120 percent of FMR. A 120-percent payment standard of FMR will increase the payment standard by an average of \$118 for all bedroom sizes.	Housing Choice	Negative (Decreased revenue)
Reexaminations: Alternative Reexamination Schedule for Households for PH (3.a.)  Reexaminations: Alternative Reexamination Schedule for Households for HCV (3.b.)	The frequency of reexaminations will decrease from annual to triennial for all public housing and HCV households. Interim recertifications will be limited to one per calendar year at the request of the household. If the interim recertification is for a decrease in income, only income decreases of 10 percent or more will be processed. Interim decreases during the first 6 months after initial occupancy are not allowed. Required interim recertifications for household composition changes will not count against the limit on voluntary interim recertifications.	Cost-Effectiveness  Self-Sufficiency	Positive (Decreased expenditures)
Reexaminations: Self Certification of Assets for PH (3.c.)  Reexaminations: Self Certification of Assets for HCV (3.d.)	The PHA will increase the threshold for the self-certification of assets from \$5,000 to \$25,000.	Cost-Effectiveness	Positive (Decreased expenditures)
Housing Quality Standards: Alternative Inspection Schedule for HCV (5.d.)	The inspection schedule for all HCV units will move to a triennial frequency. HCV participants will be allowed to request an interim inspection, and HUD may conduct or direct the PHA to perform an inspection at any time.	Cost-Effectiveness	Positive (Increased revenue, Decreased expenditures)
PBV Program Flexibilities: Increase PBV Project Cap for HCV (9.b.)	The cap on the percentage of PBVs that can be project based in a building or project increased from 25 to 100 percent.	Cost-Effectiveness  Housing Choice	Positive (Increased revenue)

HCV = Housing Choice Voucher. MTW = Moving to Work. PBV = Project-Based Voucher. PH = public housing. PHA = public housing agency.

Sources: MTW Supplement; interview with PHA in February 2023

**Exhibit B-7(a). Background Information for the Housing Authority of Newnan (GA-095)**

<b>Location</b>	Newnan, Georgia	<b>ACC Amendment Approval</b>	August 2021
<b>Programs and Inventory</b>	HCV: 85 units Public Housing: 439 units	<b>MTW Supplement Approvals</b>	FY2021: None FY2022: July 2022
<b>Special Purpose Vouchers</b>	FUP, Mainstream	<b>Total MTW Waivers Approved</b>	11
<b>RAD Conversion</b>	No	<b>Use of PBVs</b>	No

ACC = Annual Contributions Contract. FY = fiscal year. FUP = Family Unification Program. HCV = housing choice voucher. MTW = Moving to Work. PBV = project-based voucher. RAD = Rental Assistance Demonstration. Sources: MTW Supplements; interview with PHA in February 2023; HUD communications

**Exhibit B-7(b). Approved MTW Waivers as of March 31, 2023, for the Housing Authority of Newnan (GA-095)**

<b>Waiver</b>	<b>Description of Planned Change</b>	<b>Statutory Objectives Targeted</b>	<b>Anticipated Effect on PHA Costs</b>
Tenant Rent Policies: Minimum Rent for PH (1.e.) Tenant Rent Policies: Minimum Rent for HCV (1.f.)	The minimum rent will be increased from \$50 to \$130 for all nonelderly, nondisabled households. Full-time students will be exempt from this change.	Cost-Effectiveness Self-Sufficiency	Positive (Increased revenue)
Tenant Rent Policies: Utility Reimbursements for PH (1.m.) Tenant Rent Policies: Utility Reimbursements for HCV (1.n.)	Utility reimbursements will be eliminated. Elderly, disabled, and full-time student households will be exempt from this change.	Cost-Effectiveness Self-Sufficiency	Neutral (no cost implications)
Tenant Rent Policies: Elimination of Deductions for PH (1.r.) Tenant Rent Policies: Elimination of Deductions for HCV (1.s.)	The childcare deduction used in determining total tenant payment will be capped to match with the Georgia Childcare and Parent Services (GA CAPS) reimbursement amounts. Childcare deductions will not exceed GA CAPS reimbursement amounts and are reduced to categorical maximum amounts filtered by age.	Cost-Effectiveness	Neutral (no cost implications)

Waiver	Description of Planned Change	Statutory Objectives Targeted	Anticipated Effect on PHA Costs
<p>Reexaminations: Alternative Reexamination Schedule for Households for PH (3.a.)</p> <p>Reexaminations: Alternative Reexamination Schedule for Households for HCV (3.b.)</p>	<p>The reexamination schedule will be revised to occur biennially for nonelderly, nondisabled households and triennially for elderly or disabled households. A hardship interim recertification may be requested between biennial recertifications if the household gross income decreased 10 percent or more. Elderly and disabled households are exempt from this provision and can complete an interim recertification at any time.</p>	Cost-Effectiveness	Neutral (increased expenditures and decreased expenditures)
<p>Landlord Leasing Incentives: Damage Claims for HCV (4.b.)</p>	<p>Landlords will be eligible for a one-time claim reimbursement of up to \$1,000 for damages left to a unit by an HCV household. The amount of damage claims will not exceed \$1,000 or lesser of the cost of repairs.</p>	Housing Choice	Neutral (no cost implications)
<p>Landlord Leasing Incentives: Other Landlord Incentives for HCV (4.c.)</p>	<p>Landlords will receive a one-time signing bonus of up to \$1,000 for renting a new unit (not previously rented by an HCV recipient) to an HCV recipient. Landlords can receive the bonus once each year when they rent a new unit to an HCV recipient.</p>	Housing Choice	Neutral (no cost implications)
<p>Local, Nontraditional Programs: Service Provision (17.b.)</p>	<p>The PHA will provide housing units for transitional housing to assist the homeless population of Newnan and Coweta County. One transitional housing facility will be available to house eight occupants, including women and children.</p>	Housing Choice	Neutral (no cost implications)

HCV = Housing Choice Voucher. MTW = Moving to Work. PH = public housing. PHA = public housing agency. Sources: MTW Supplement; interview with PHA in February 2023

**Exhibit B-8(a). Background Information for the Housing Alliance and Community Partnerships (ID-005)**

<b>Location</b>	Pocatello, Idaho	<b>ACC Amendment Approval</b>	March 2021
<b>Programs and Inventory</b>	HCV: 714 units Public Housing: 72 units	<b>MTW Supplement Approvals</b>	FY2021: None FY2022: June 2022
<b>Special Purpose Vouchers</b>	EHV, FYI, Mainstream, VASH	<b>Total MTW Waivers Approved</b>	24

<b>RAD Conversion</b>	No	<b>Use of PBVs</b>	No, but planned.
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ACC = Annual Contributions Contract. EHV = Emergency Housing Vouchers. FY = fiscal year. FYI = Foster Youth to Independence. HCV = housing choice voucher. MTW = Moving to Work. PBV = project-based voucher. RAD = Rental Assistance Demonstration. VASH = Veterans Affairs Supportive Housing.

Sources: MTW Supplements; interview with PHA in February 2023; HUD communications

**Exhibit B-8(b). Approved MTW Waivers as of March 31, 2023, for the Housing Alliance and Community Partnerships (ID-005)**

<b>Waiver</b>	<b>Description of Planned Change</b>	<b>Statutory Objectives Targeted</b>	<b>Anticipated Effect on PHA Costs</b>
Tenant Rent Policies: Minimum Rent for PH (1.e.)  Tenant Rent Policies: Minimum Rent for HCV (1.f.)	The minimum rent amount for all nonelderly and nondisabled households will increase to \$127.	Cost-Effectiveness  Self-Sufficiency	Positive (Decreased expenditures)
Tenant Rent Policies: Tenant Payment as a Modified Percentage of Income for PH (1.g.)  Tenant Rent Policies: Tenant Payment as a Modified Percentage of Income for HCV (1.h.)	Total tenant payment as a percentage of gross income will decrease from 30 to 27 percent when this amount is higher than minimum rent (\$127).	Cost-Effectiveness  Self-Sufficiency	Negative (Increased expenditures)
Tenant Rent Policies: Alternative Utility Allowance for PH (1.i.)  Tenant Rent Policies: Alternative Utility Allowance for HCV (1.j.)	The utility allowance will be simplified to one standard utility allowance per bedroom size, regardless of tenant utility responsibility. The utility allowances will be determined by using the average utility allowance per number of bedrooms per unit and rounding to the nearest dollar.	Cost-Effectiveness  Housing Choice	Neutral (Increased Expenditures and Decreased Expenditures)
Tenant Rent Policies: Utility Reimbursements for PH (1.m.)  Tenant Rent Policies: Utility Reimbursements for HCV (1.n.)	Utility reimbursement payments will be eliminated. Families will continue to receive a utility allowance but will not receive additional money if the utility allowance is greater than the total tenant payment.	Cost-Effectiveness	Positive (Decreased Expenditures)

Waiver	Description of Planned Change	Statutory Objectives Targeted	Anticipated Effect on PHA Costs
<p>Tenant Rent Policies: Elimination of Deductions for PH (1.r.)</p> <p>Tenant Rent Policies: Elimination of Deductions for HCV (1.s.)</p>	<p>The following deductions for nonelderly and nondisabled families will be eliminated: the \$480 allowance for each minor dependent in a household and the childcare allowance for out-of-pocket expenses for the care of minors younger than 13.</p>	<p>Cost-Effectiveness</p>	<p>Neutral (Decreased expenditures and Increased expenditures)</p>
<p>Tenant Rent Policies: Alternative Income Inclusions/Exclusions for PH (1.v.)</p> <p>Tenant Rent Policies: Alternative Income Inclusions/Exclusions for HCV (1.w.)</p>	<p>The PHA will exclude all full-time student-earned income for other household members aged 18 to 24. This income exclusion will apply to full-time students other than the head of household, co-head of household, and spouse. For other household members between the ages of 18 to 21 who are not full-time students, Housing Alliance and Community Partnership will exclude income in the same fashion.</p>	<p>Cost-Effectiveness</p> <p>Self-Sufficiency</p>	<p>Neutral (no cost implications)</p>
<p>Payment Standards: Fair Market Rents (FMR) for HCV (2.b.)</p>	<p>The payment standards will be increased from 110 to 120 percent of FMR. The change will take effect at a household's first annual review.</p>	<p>Housing Choice</p>	<p>Negative (Increased Expenditures)</p>
<p>Rent Reasonableness: Third-Party Requirement for HCV (2.d.)</p>	<p>The PHA will conduct inspections and determine rent reasonableness for PHA-owned units rather than hire a third-party to do this work.</p>	<p>Cost-Effectiveness</p>	<p>Positive (Decreased expenditures)</p>
<p>Reexaminations: Alternative Reexamination Schedule for Households for PH (3.a.)</p> <p>Reexaminations: Alternative Reexamination Schedule for Households for HCV (3.b.)</p>	<p>The reexamination schedule will be adjusted to be triennial for elderly and disabled households.</p>	<p>Cost-Effectiveness</p> <p>Self-Sufficiency</p>	<p>Positive (Decreased expenditures)</p>

Waiver	Description of Planned Change	Statutory Objectives Targeted	Anticipated Effect on PHA Costs
Landlord Incentives: Vacancy Loss for HCV (4.a.)	The PHA will establish a vacancy loss and damage mitigation fund. To qualify for the vacancy loss, landlords must have been leasing to an HCV recipient prior to the vacancy. The PHA will provide up to 1 month of rent as a vacancy loss payment if the landlord leases to an HCV participant off the PHA waiting list.	Housing Choice	Negative (Increased expenditures)
Landlord Incentives: Damage Claims for HCV (4.b.)	The PHA will establish a vacancy loss and damage mitigation fund. Landlords who wish to apply for assistance from the damage mitigation fund must have experienced damages to a unit exceeding the security deposit amount.	Housing Choice	Negative (Increased expenditures)
Landlord Incentives: Other Landlord Incentives for HCV (4.c.)	The PHA will offer a lease-up incentive of \$300. To qualify for this incentive, the landlord or property owner must rent a new unit to an individual or family on the PHA waiting list. The amount of the incentive will be reduced by \$75 each time a reinspection is required due to any life-threatening failures or 10 or more nonlife-threatening failures.	Housing Choice	Negative (Increased expenditures)
Housing Quality Standards: Third-Party Requirement for HCV (5.c.)	The PHA will conduct inspections and determine rent reasonableness for PHA-owned units rather than contract this work to a third party.	Cost-Effectiveness	Positive (Decreased expenditures)
Housing Quality Standards: Alternative Inspection Schedule for HCV (5.d.)	Units with good inspection histories of at least two consecutive passing inspections may be eligible for a biennial inspection schedule at the discretion of the PHA. To be eligible for biennial inspection, the previous inspection must have had zero life-threatening failures and less than five nonlife-threatening failures later corrected.	Cost-Effectiveness Housing Choice	Positive (Decreased expenditures)

Waiver	Description of Planned Change	Statutory Objectives Targeted	Anticipated Effect on PHA Costs
PBV Program Flexibilities: Elimination of PBV Selection Process for PHA Properties without Improvement, Development, or Replacement of Public Housing Site (9.c)	The competitive process for the placement of PBV will be eliminated.	Cost-Effectiveness	Positive (Increased Revenue)
PBV Program Flexibilities: Alternative PBV Selection Process (9.d.)	The PHA will alter the selection process to increase the opportunity to develop PBVs in the future.	Housing Choice	Positive (Increased Revenue)
MTW Self-Sufficiency Program: Policies for Addressing Increases in Family Income for PH and HCV (11.b.)	The PHA will create a skills and development center as part of an MTW self-sufficiency program. Financial incentives will be attached to goals for the families participating in the MTW self-sufficiency program. The PHA will follow the guidelines of the Family Self Sufficiency program for creating an escrow. Other incentives will include assisting with the cost of tuition or items that may be required for on-the-job training or permanent employment.	Self-Sufficiency	Negative (Increased Expenditures)

HCV = Housing Choice Voucher. MTW = Moving to Work. PBV = Project-Based Voucher. PH = public housing. PHA = public housing agency.

Sources: MTW Supplement; interview with PHA in February 2023

**Exhibit B-9(a). Background Information for Ruston Housing Authority (LA-054)**

<b>Location</b>	Ruston, Louisiana	<b>ACC Amendment Approval</b>	March 2021
<b>Programs and Inventory</b>	HCV: 0 units Public Housing: 299 units	<b>MTW Supplement Approvals</b>	FY2021: September 2021 FY2022: July 2022
<b>Special Purpose Vouchers</b>	No	<b>Total MTW Waivers Approved</b>	9
<b>RAD Conversion</b>	No	<b>Use of PBVs</b>	No

ACC = Annual Contributions Contract. FY = fiscal year. HCV = housing choice voucher. MTW = Moving to Work. PBV = project-based voucher. RAD = Rental Assistance Demonstration.

Sources: MTW Supplements; interview with PHA in February 2023; HUD communications



**Exhibit B-9(b). Approved MTW Waivers as of March 31, 2023, for Ruston Housing Authority (LA-054)**

Waiver	Description of Planned Change	Statutory Objectives Targeted	Anticipated Effect on PHA Costs
Tenant Rent Policies: Stepped Rent for PH (1.c.)	A stepped rent will be implemented in tandem with a minimum rent (Waiver 1.e.) for nonelderly and nondisabled households through the STEPPINGSTONE program. Every 2 years, at recertification, households will be subject to a set rent increase (as a percentage of gross income) in preparation for program graduation. <sup>a</sup> The PHA will make all necessary referrals to partner organizations to support households preparing for the termination of their assistance.	Cost-Effectiveness Self-Sufficiency	Positive (Increased revenue and decreased expenditures)
Tenant Rent Policies: Minimum Rent for PH (1.e.)	The minimum rent for nonelderly and nondisabled households in the STEPPINGSTONE program will increase from \$50 to \$130 per month.	Cost-Effectiveness Self-Sufficiency	Positive (Increased revenue and decreased expenditures)
Tenant Rent Policies: Elimination of Deductions for PH (1.r.)	Through the STEPPINGSTONE program for nonelderly and nondisabled households, the PHA will eliminate the dependent allowance deduction and deductions for unreimbursed childcare costs. The PHA is also eliminating the standard rent based on adjusted income. TTP will be calculated based on gross income.	Cost-Effectiveness Self-Sufficiency	Positive (Increased revenue and decreased expenditures)
Reexaminations: Alternative Reexamination Schedule for Households (3.a.)	Households eligible for the STEPPINGSTONE program (nonelderly and nondisabled) will move to a biennial reexamination schedule. Households not eligible for the STEPPINGSTONE program (elderly or disabled, or both) will move to a triennial reexamination schedule.	Cost-Effectiveness Self-Sufficiency	Positive (Increased revenue and decreased expenditures)
Reexaminations: Self-Certification of Assets (3.c.)	The PHA will increase the threshold for the self-certification of assets from \$5,000 to \$25,000.	Cost-Effectiveness	Positive (Decreased expenditures)

Waiver	Description of Planned Change	Statutory Objectives Targeted	Anticipated Effect on PHA Costs
Term-Limited Assistance: Term-Limited Assistance (7.a.)	All households of the STEPPINGSTONE program (nonelderly and nondisabled) will be subject to a time-limited housing term of 5 years. Households requiring additional time to exit the public housing program may apply for a 1-year extension. The 1-year extension can be applied for and granted a maximum of two times. The absolute household term-limit is 7 years. Households that reach 7 years of tenancy with the PHA, regardless of consecutiveness, will be unable to reapply for the public housing program. Supportive services will be offered to households as they transition off the program.	Cost-Effectiveness Self-Sufficiency	Positive (Increased revenue and decreased expenditures)
MTW Self-Sufficiency Program— Alternative Family Selection Procedures (11.a.)	The STEPPINGSTONE program will be mandatory for all PHA residents aged between 18 and 62 who are not legally designated as disabled. Disabled residents are not required to participate but can voluntarily participate in all program offerings.	Cost-Effectiveness Self-Sufficiency	Positive (Increased revenue and decreased expenditures)
MTW Self-Sufficiency Program: Policies for Addressing Increases in Family Income (11.b.)	Income increases, for purposes of increasing the tenant-paid portion of rent, will be disregarded until the household's next scheduled recertification. Upon recertification, rent increases will be phased in over 2 years.	Cost-Effectiveness Self-Sufficiency	Positive (Increased revenue and decreased expenditures)
Work Requirement: Work Requirement (12.a.)	The PHA will implement a mandatory work requirement for all nonelderly and nondisabled individuals aged between 18 and 62. These individuals must work a minimum of 15 hours per week or the equivalent number of hours in 1 year (780 hours). The requirement applies to all eligible households with a maximum requirement of 30 hours per week per household. Individuals working less than 15 hours a week must complete at least 8 hours of community service per month.	Cost-Effectiveness Self-Sufficiency	Positive (Increased revenue and decreased expenditures)

MTW = Moving to Work. PH = public housing. PHA = public housing agency. TTP = total tenant payment.

<sup>a</sup> 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.  
Sources: MTW Supplement; interview with PHA in February 2023

**Exhibit B-10(a). Background Information for Rockville Housing Enterprises (MD-007)**

<b>Location</b>	Rockville, Maryland	<b>ACC Amendment Approval</b>	March 2021
<b>Programs and Inventory</b>	HCV: 414 units Public Housing: 108 units	<b>MTW Supplement Approvals</b>	FY2021: None FY2022: July 2022
<b>Special Purpose Vouchers</b>	FYI, Mainstream, Moderate Rehabilitation, VASH	<b>Total MTW Waivers Approved</b>	19
<b>RAD Conversion</b>	No	<b>Use of PBVs</b>	Yes

ACC = Annual Contributions Contract. FY = fiscal year. FYI = Foster Youth to Independence. HCV = housing choice voucher. MTW = Moving to Work. PBV = project-based voucher. RAD = Rental Assistance Demonstration. VASH = Veterans Affairs Supportive Housing.

Sources: MTW Supplements; interview with PHA in February 2023; HUD communications

**Exhibit B-10(b). Approved MTW Waivers as of March 31, 2023, for Rockville Housing Enterprises (MD-007)**

<b>Waiver</b>	<b>Description of Planned Change</b>	<b>Statutory Objectives Targeted</b>	<b>Anticipated Effect on PHA Costs</b>
Tenant Rent Policies: Stepped Rent for PH (1.c.) Tenant Rent Policies: Stepped Rent for HCV (1.d.)	The total tenant payment will increase based on household income increases or 5 percent each year, whichever is greater, for families on annual recertification schedules and 10 percent every 3 years for families with triennial recertification schedules.	Cost-Effectiveness Self-Sufficiency	Positive (Increased revenue and decreased expenditures)
Tenant Rent Policies: Minimum Rent for PH (1.e.) Tenant Rent Policies: Minimum Rent for PH (1.f.)	The minimum rent will increase from \$50 to \$130 for all nonelderly, nondisabled households.	Cost-Effectiveness Self-Sufficiency	Positive (Increased revenue and decreased expenditures)
Tenant Rent Policies: Initial Rent Burden for HCV (1.o.)	The maximum family rent share will increase from 40 percent to 50 percent of adjusted monthly income.	Self-Sufficiency Housing choice	Neutral (no cost implications)

Waiver	Description of Planned Change	Statutory Objectives Targeted	Anticipated Effect on PHA Costs
<p>Tenant Rent Policies: Alternative Income Inclusions/Exclusions for PH (1.v.)</p> <p>Tenant Rent Policies: Alternative Income Inclusions/Exclusions for PH (1.w.)</p>	<p>The PHA will eliminate the Earned Income Disregard and add an allowance for money spent directly on educational expenses. The PHA will exclude income for full-time student household members (regardless of household head status). The income exclusion will equal the amount the student paid for educational costs (for example, books, tuition, fees, and other expenses).</p>	<p>Cost-Effectiveness</p> <p>Self-Sufficiency</p>	<p>Neutral (no cost implications)</p>
<p>Payment Standards and Rent Reasonableness: Third-Party Requirement for HCV (2.d.)</p>	<p>The PHA will remove the requirement to have a third-party perform rent reasonableness determinations on project-based voucher (PBV) units owned, managed, or controlled by the PHA.</p>	<p>Cost-Effectiveness</p>	<p>Positive (Decreased expenditures)</p>
<p>Reexaminations: Alternative Reexamination Schedule for PH Households (3.a.)</p> <p>Reexaminations: Alternative Reexamination Schedule for PH Households (3.b.)</p>	<p>Reexaminations will be reduced from an annual to a triennial schedule for all “work-able families” (nonelderly and nondisabled) and all “nonwork-able families” (fixed-income families). Annual recertifications will remain for families claiming zero income and families making less than the minimum rent income level.</p>	<p>Cost-Effectiveness</p> <p>Self-Sufficiency</p>	<p>Positive (Decreased expenditures)</p>
<p>Reexaminations: Self-Certification of Assets for PH (3.c.)</p> <p>Reexaminations: Self-Certification of Assets for HCV (3.d.)</p>	<p>The PHA will increase the threshold for the self-certification of assets from \$5,000 to \$25,000.</p>	<p>Cost-Effectiveness</p>	<p>Positive (Decreased expenditures)</p>
<p>Housing Quality Standards (HQS): Third-Party Requirement for HCV (5.c.)</p>	<p>The PHA will remove the requirement to have a third-party perform HQS inspections on PBV units owned, managed, or controlled by the PHA.</p>	<p>Cost-Effectiveness</p>	<p>Positive (Decreased expenditures)</p>
<p>PBV Program Flexibilities: Increase PBV Program Cap (9.a.)</p>	<p>The cap on the number of vouchers that can be project-based will increase from 20 to 50 percent.</p>	<p>Cost-Effectiveness</p> <p>Housing Choice</p>	<p>Positive (Increased revenue)</p>

Waiver	Description of Planned Change	Statutory Objectives Targeted	Anticipated Effect on PHA Costs
PBV Program Flexibilities: Increase PBV Project Cap (9.b.)	The cap on the percentage of PBVs that can be project-based in a building or project will increase from 25 percent to 100 percent.	Cost-Effectiveness Housing Choice	Positive (Increased revenue)
PBV Program Flexibilities: Elimination of PBV Selection Process for PHA-owned Projects Without Improvement, Development, or Replacement of PH Site (9.c.)	The PHA will eliminate the selection process in the award of PBVs to properties owned by the PHA, not public housing, without engaging in an initiative to improve, develop, or replace a public housing property on site.	Cost-Effectiveness Housing Choice	Positive (Decreased expenditures)
PBV Program Flexibilities: Increase PBV HAP Contract Length (9.f.)	The length of a project-based contract term will increase to 50 years, including extensions subject to appropriations and the end of the MTW Authorization.	Cost-Effectiveness Housing Choice	Positive (Increased revenue)
PBV Program Flexibilities: Limit Portability for PBV Units (9.h.)	The requirement to provide a tenant-based voucher at 12 months after program entry when requested by a PBV household will be delayed to 24 months after program entry.	Cost-Effectiveness Housing Choice	Positive (Increased revenue and decreased expenditures)
Local, Nontraditional Activities: Housing Development Programs (17.c.)	The PHA will use block grant funding to acquire, renovate, and/or build affordable, but not public housing, units for low-income families. Activities would be inclusive of, but not limited to, construction financing, gap financing, funding of reserves, and guarantees for nonpublic housing authority development of affordable housing. Development or investment in other affordable housing will include a variety of funding sources, including, but not limited to, PBVs, Low Income Housing Tax Credits (LIHTC), federally insured loans, and state and local funding. Ownership structures are expected to vary depending on the deal structure.	Cost-Effectiveness Housing Choice	Neutral (no cost implications)

HAP = Housing Assistance Payment. HCV = Housing Choice Voucher. MTW = Moving to Work. PH = public housing. PHA = public housing agency.

Sources: MTW Supplement; interview with PHA in February 2023

**Exhibit B-11(a). Background Information for the Housing Redevelopment Authority of Hibbing (MN-004)**

<b>Location</b>	Hibbing, Minnesota	<b>ACC Amendment Approval</b>	April 2021
<b>Programs and Inventory</b>	HCV: 0 units Public Housing: 252 units	<b>MTW Supplement Approvals</b>	FY2021: None FY2022: December 2021
<b>Special Purpose Vouchers</b>	No	<b>Total MTW Waivers Approved</b>	1
<b>RAD Conversion</b>	No	<b>Use of PBVs</b>	No

ACC = Annual Contributions Contract. FY = fiscal year. HCV = housing choice voucher. MTW = Moving to Work. PBV = project-based voucher. RAD = Rental Assistance Demonstration.  
Sources: MTW Supplements; interview with PHA in February 2023; HUD communications

**Exhibit B-11(b). Approved MTW Waivers as of March 31, 2023, for the Housing and Redevelopment Authority of Hibbing (MN-004)**

<b>Waiver</b>	<b>Description of Planned Change</b>	<b>Statutory Objectives Targeted</b>	<b>Anticipated Effect on PHA Costs</b>
MTW Self-Sufficiency Program: Alternative Family Selection Procedures (11.a.)	The self-sufficiency program, EMPOWER, will be mandatory for all PHA residents aged between 18 and 62 who are not legally designated as disabled. New residents who meet these criteria will sign a one-page lease addendum agreeing to the terms of the program at move-in after January 1, 2022. Existing residents as of January 1, 2022, will also sign the same one-page lease addendum during their annual recertification. If an elderly or disabled resident still wishes to voluntarily enter the program, they are free at any time to meet with the MTW coordinator to discuss entering the program under a unique agreement.	Self-Sufficiency Housing Choice	Neutral (no cost implications)

MTW = Moving to Work. PHA = public housing agency.  
Sources: MTW Supplement; interview with PHA in February 2023

**Exhibit B-12(a). Background Information for Kandiyohi County Housing and Redevelopment Authority (MN-168)**

<b>Location</b>	Wilmar, Minnesota	<b>ACC Amendment Approval</b>	September 2021
<b>Programs and Inventory</b>	HCV: 377 units Public Housing: 174 units	<b>MTW Supplement Approvals</b>	FY2021: None FY2022: August 2022
<b>Special Purpose Vouchers</b>	No	<b>Total MTW Waivers Approved</b>	4
<b>RAD Conversion</b>	No	<b>Use of PBVs</b>	Yes

ACC = Annual Contributions Contract; FY = fiscal year. HCV = housing choice voucher. MTW = Moving to Work. PBV = project-based voucher. RAD = Rental Assistance Demonstration.

Sources: MTW Supplements; interview with PHA in March 2023; HUD communications

**Exhibit B-12(b). Approved MTW Waivers as of March 31, 2023, for Kandiyohi County Housing and Redevelopment Authority (MN-168)**

<b>Waiver</b>	<b>Description of Planned Change</b>	<b>Statutory Objectives Targeted</b>	<b>Anticipated Effect on PHA Costs</b>
Payment Standards and Rent Reasonableness: Payment Standards—Fair Market Rents for HCV (2.b.)	Payment standards will be increased from 110 to 120 percent of FMR.	Housing Choice	Negative (Increased expenditures)
Reexaminations: Alternative Reexamination Schedule for PH Households (3.a.)  Reexaminations: Alternative Reexamination Schedule for HCV Households (3.b.)	Reexamination schedules for all HCV households will be adjusted from an annual to a biennial schedule. Households may request interim recertifications as needed.	Cost-Effectiveness	Neutral (no cost implications)
FSS Program with MTW Flexibility: Waive Operating a Required FSS Program for HCV (10.a.)	The PHA will end its required HCV FSS program.	Cost-Effectiveness	Neutral (no cost implications)

FMR = Fair Market Rent. FSS = Family Self-Sufficiency. HCV = Housing Choice Voucher. MTW = Moving to Work. PH = public housing. PHA = public housing agency.

Sources: MTW Supplement; interview with PHA in March 2023

**Exhibit B-13(a). Background Information for McLeod County Housing and Redevelopment Authority (MN-203)**

<b>Location</b>	Wilmar, Minnesota	<b>ACC Amendment Approval</b>	September 2021
<b>Programs and Inventory</b>	HCV: 121 units Public Housing: 0 units	<b>MTW Supplement Approvals</b>	FY2021: None FY2022: August 2022
<b>Special Purpose Vouchers</b>	No	<b>Total MTW Waivers Approved</b>	3
<b>RAD Conversion</b>	No	<b>Use of PBVs</b>	No

ACC = Annual Contributions Contract. FY = fiscal year. HCV = housing choice voucher. MTW = Moving to Work. PBV = project-based voucher. RAD = Rental Assistance Demonstration.

Sources: MTW Supplements; interview with PHA in March 2023; HUD communications

**Exhibit B-13(b). Approved MTW Waivers as of March 31, 2023, for McLeod County Housing and Redevelopment Authority (MN-203)**

<b>Waiver</b>	<b>Description of Planned Change</b>	<b>Statutory Objectives Targeted</b>	<b>Anticipated Effect on PHA Costs</b>
Payment Standards and Rent Reasonableness: Payment Standards—Fair Market Rents for HCV (2.b.)	Payment standards will increase from 110 to 120 percent of FMR.	Housing Choice	Negative (Increased expenditures)
Reexaminations: Alternative Reexamination Schedule for HCV Households (3.b.)	Reexamination schedules for all HCV households will be adjusted from an annual to a biennial schedule. Households may request interim recertifications as needed.	Cost-Effectiveness	Neutral (no cost implications)
FSS Program with MTW Flexibility: Waive Operating a Required FSS Program for HCV (10.a.)	The PHA will end its required HCV FSS program.	Cost-Effectiveness	Neutral (no cost implications)

FMR = Fair Market Rent. FSS = Family Self-Sufficiency. HCV = Housing Choice Voucher. MTW = Moving to Work. PHA = public housing agency.

Sources: MTW Supplement; interview with PHA in March 2023



**Exhibit B-14(a). Background Information for Washington County Community Development Agency (MN-212)**

<b>Location</b>	Woodbury, Minnesota	<b>ACC Amendment Approval</b>	March 2021
<b>Programs and Inventory</b>	HCV: 115 units Public Housing: 105 units	<b>MTW Supplement Approvals</b>	FY2021: None FY2022: December 2022
<b>Special Purpose Vouchers</b>	Mainstream, VASH	<b>Total MTW Waivers Approved</b>	8
<b>RAD Conversion</b>	No	<b>Use of PBVs</b>	No

ACC = Annual Contributions Contract. FY = fiscal year. HCV = housing choice voucher. MTW = Moving to Work. PBV = project-based voucher. RAD = Rental Assistance Demonstration. VASH = Veterans Affairs Supportive Housing.

Sources: MTW Supplements; interview with PHA in February 2023; HUD communications

**Exhibit B-14(b). Approved MTW Waivers as of March 31, 2023, for Washington County Community Development Agency (MN-212)**

<b>Waiver</b>	<b>Description of Planned Change</b>	<b>Statutory Objectives Targeted</b>	<b>Anticipated Effect on PHA Costs</b>
Tenant Rent Policies: Initial Rent Burden for HCV (1.o.)	The maximum family rent share at initial lease up will increase from 40 to 50 percent of adjusted monthly income.	Housing Choice	Neutral (no cost implications)
Tenant Rent Policies: Alternative Income Inclusions/Exclusions for PH (1.v.) Tenant Rent Policies: Alternative Income Inclusions/Exclusions for HCV (1.w.)	Income from assets less than \$50,000 will be excluded from the tenant rent calculation.	Cost-Effectiveness	Negative (Decreased revenue and increased expenditures)
Payment Standards and Rent Reasonableness: Third-Party Requirement for HCV (2.d.)	The PHA will perform rent reasonable determinations on all HCV units in buildings owned by the PHA rather than hire a third party.	Cost-Effectiveness	Positive (Decreased expenditures)
Reexaminations: Self-Certification of Assets for PH (3.c.) Reexaminations: Self-Certification of Assets for PH (3.d.)	Households will be allowed to self-certify up to \$50,000 in assets.	Cost-Effectiveness	Neutral (no cost implications)

Waiver	Description of Planned Change	Statutory Objectives Targeted	Anticipated Effect on PHA Costs
Housing Quality Standards (HQS): Third-Party Requirement for HCV (5.c.)	The PHA will conduct HQS inspections on units the housing authority owns rather than hire a third party.	Cost-Effectiveness	Neutral (no cost implications)
Agency-Specific Waiver	For HQS inspections, the PHA will allow landlords to self-certify that a unit has no life-threatening deficiencies on the lease start date for move-ins. A physical inspection must be scheduled within 60 days of move-in.	Cost-Effectiveness	Positive (Decreased expenditures)

HCV = Housing Choice Voucher. MTW = Moving to Work. PH = public housing. PHA = public housing agency. Sources: MTW Supplement; interview with PHA in February 2023

**Exhibit B-15(a). Background Information for Ripley County Public Housing Agency (MO-212)**

<b>Location</b>	Poplar Bluff, Missouri	<b>ACC Amendment Approval</b>	June 2021
<b>Programs and Inventory</b>	HCV: 410 units Public Housing: 0 units	<b>MTW Supplement Approvals</b>	FY2021: None FY2022: February 2022
<b>Special Purpose Vouchers</b>	Nonelderly Disabled	<b>Total MTW Waivers Approved</b>	6
<b>RAD Conversion</b>	Yes (PBRA)	<b>Use of PBVs</b>	No

ACC = Annual Contributions Contract. FY = fiscal year. HCV = housing choice voucher. MTW = Moving to Work. PBRA = Project-Based Rental Assistance. PBV = project-based voucher. RAD = Rental Assistance Demonstration. Sources: MTW Supplements; interview with PHA in February 2023; HUD communications

**Exhibit B-15(b). Approved MTW Waivers as of March 31, 2023, for Ripley County Public Housing Agency (MO-212)**

Waiver	Description of Planned Change	Statutory Objectives Targeted	Anticipated Effect on PHA Costs
Tenant Rent Policies: Minimum Rent for HCV (1.f.)	The minimum rent will increase from \$50 to 30 percent of monthly income (based on annual reported income) for nonelderly, nondisabled households with an annual adjusted income of \$2,000 or higher <sup>a</sup>	Self-Sufficiency	Neutral (no cost implications)

Waiver	Description of Planned Change	Statutory Objectives Targeted	Anticipated Effect on PHA Costs
Payment Standards and Rent Reasonableness: Payment Standards—Fair Market Rents for HCV (2.b.)	The payment standard for an efficiency and one-bedroom unit will increase to 110 percent of Fair Market Rent (FMR). Two-bedroom and larger units will continue to have a payment standard at 100 percent of FMR <sup>b</sup>	Housing Choice	Negative (Increased expenditures)
Payment Standards and Rent Reasonableness: Process for HCV (2.c.)	The PHA staff will conduct annual rent surveys to assist in rent reasonableness determinations and ensure that the rent charged does not exceed rents currently charged by the owner for comparable, unassisted units. Rent reasonableness is determined by directly contacting landlords with open units and locating the rent amount for those units independent of an HCV tenant occupant.	Housing Choice	Neutral (no cost implications)
Short-Term Assistance for HCV (6.b.)	The PHA will set aside 10 vouchers for people currently experiencing homelessness to be used for emergency, short-term assistance, including any utility and rental deposits if such funds are not available from other sources. The term of this assistance shall not exceed 12 months. At that point, the tenant must meet a self-sufficiency standard that will enable the tenant to move to the regular voucher program for the remaining time of the established term of assistance or graduate entirely from the program. Nonelderly and nondisabled short-term assistance tenants are required to participate in supportive services offered by partners of the PHA based on the tenant's current needs.	Self-Sufficiency	Neutral (no cost implications)
MTW Self-Sufficiency Program: Alternative Family Selection Procedures for HCV (11.a.)	All nonelderly, nondisabled individuals will be required to participate in the Family Self-Sufficiency (FSS) program. Participants will be given a preference ahead of elderly and disabled persons on the FSS waiting list because the goal of the FSS program is to get able-bodied individuals the tools they need to become self-sufficient.	Self-Sufficiency	Negative (Increased expenditures)

Waiver	Description of Planned Change	Statutory Objectives Targeted	Anticipated Effect on PHA Costs
Work Requirement for HCV (12.b.)	Nonelderly and nondisabled persons will be required to adhere to a work requirement policy. Each eligible individual living in the household will be required to obtain a minimum of 15 hours of work or school per week, documented by submitting payroll check stubs or semester grade sheets from an educational institution during the quarterly review process with FSS. Each individual will have access to support services from area employment support agencies. Failure to comply with the work requirement will result in the termination of HCV.	Self-Sufficiency	Positive (decreased expenditures)

HCV = Housing Choice Voucher. MTW = Moving to Work. PHA = public housing agency.

<sup>a</sup> This waiver was approved as part of the MTW Supplement but is not a policy change. A household with \$2,000 or less annual adjusted income would pay the minimum rent of \$50, and a household above \$2,000 would pay 30 percent of income (as their total tenant payment is above \$50).

<sup>b</sup> This waiver was approved as part of the MTW Supplement, but in practice, PHAs are allowed to set the payment standard between 90 and 110 percent of FMR under regular program regulations.

Sources: MTW Supplement; interview with PHA in February 2023

**Exhibit B-16(a). Background Information for Robeson County Housing Authority (NC-084)**

<b>Location</b>	Lumberton, North Carolina	<b>ACC Amendment Approval</b>	April 2021
<b>Programs and Inventory</b>	HCV: 0 units Public Housing: 290 units	<b>MTW Supplement Approvals</b>	FY2021: None FY2022: June 2022
<b>Special Purpose Vouchers</b>	No	<b>Total MTW Waivers Approved</b>	5
<b>RAD Conversion</b>	No	<b>Use of PBVs</b>	No

ACC = Annual Contributions Contract. FY = fiscal year. HCV = housing choice voucher. MTW = Moving to Work. PBV = project-based voucher. RAD = Rental Assistance Demonstration.

Sources: MTW Supplements; interview with PHA in February 2023; HUD communications

**Exhibit B-16(b). Approved MTW Waivers as of March 31, 2023, for Robeson County Housing Authority (NC-084)**

Waiver	Description of Planned Change	Statutory Objectives Targeted	Anticipated Effect on PHA Costs
Tenant Rent Policies: Stepped Rent for PH (1.c.)	The PHA will implement a stepped rent model that will increase a family's rent payment on a fixed schedule in both frequency and amount. Each household	Cost-Effectiveness Self-Sufficiency	Not specified

Waiver	Description of Planned Change	Statutory Objectives Targeted	Anticipated Effect on PHA Costs
	will start out paying rent equal to 30 percent of their total annual gross income in the past year or a minimum rent of \$50 (whichever is greater). The PHA will establish an annual stepped rent increase by unit size. After Year 1, each household's rent will increase by an amount unrelated to each household's income. The annual stepped rent increase will be 4 percent of the Fair Market Rent. Elderly and disabled families are excluded from the stepped rent policy.		
Reexaminations: Alternative Reexamination Schedule for Households for PH (3.a.)	The frequency of tenant reexaminations will be reduced to triennially for all households. Households may request one interim adjustment per year if the household's gross income has decreased by 10 percent or more.	Cost-Effectiveness Self-Sufficiency	Not specified
MTW Self-Sufficiency Program: Alternative Family Selection Procedures for PH (11.a.)	The PHA will develop an MTW basic skill set program called BRIDGE. The program will include skills assessment and job readiness training; health assessment and services referrals; identification of transportation and childcare needs; basic financial literacy and credit education; and ready-to-rent training. Participation in the MTW self-sufficiency program will be mandatory for any nonworking and nonelderly, nondisabled household member. During participation in the MTW program, a household's income increases will not be used to change eligibility status for participation in the MTW self-sufficiency program or ability to receive public housing assistance.	Self-Sufficiency	Neutral (no cost implications)
Acquisition without Prior HUD Approval for PH (15)	The PHA will develop a nonprofit affiliate to enable it to act more like a private housing developer to address local needs, provide flexibility to acquire property on the private market, and attract more funding through its nonprofit (501(c)(3)) status.	Housing Choice	Neutral (no cost implications)
Local, Nontraditional Activities: Housing	The PHA will use MTW funding to acquire, renovate and/or build affordable, but not public housing, units for low-	Housing Choice	Neutral (Increased revenue and

Waiver	Description of Planned Change	Statutory Objectives Targeted	Anticipated Effect on PHA Costs
Development Programs (17.c.)	income families. The PHA will use capital project funds for predevelopment costs associated with developing non-PHA affordable housing.		increased expenditures)

MTW = Moving to Work. PH = public housing. PHA = public housing agency.  
Sources: MTW Supplement; interview with PHA in February 2023

**Exhibit B-17(a). Background Information for South Sioux City Housing Agency (NE-175)**

<b>Location</b>	South Sioux City, Nebraska	<b>ACC Amendment Approval</b>	April 2021
<b>Programs and Inventory</b>	HCV: 294 units Public Housing: 0 units	<b>MTW Supplement Approvals</b>	FY2021: January 2022 FY2022: June 2022
<b>Special Purpose Vouchers</b>	Enhanced vouchers	<b>Total MTW Waivers Approved</b>	5
<b>RAD Conversion</b>	No	<b>Use of PBVs</b>	No

ACC = Annual Contributions Contract. FY = fiscal year. HCV = housing choice voucher. MTW = Moving to Work. PBV = project-based voucher. RAD = Rental Assistance Demonstration.  
Sources: MTW Supplements; interview with PHA in February 2023; HUD communications

**Exhibit B-17(b). Approved MTW Waivers as of March 31, 2023, for South Sioux City Housing Agency (NE-175)**

Waiver	Description of Planned Change	Statutory Objectives Targeted	Anticipated Effect on PHA Costs
Tenant Rent Policies: Alternative Utility Allowance for HCV (1.j.)	The PHA will adopt a standard utility allowance based on the number of bedrooms for HCV households.	Cost-Effectiveness Self-Sufficiency	Positive (Decreased expenditures)
Tenant Rent Policies: Utility Reimbursements for HCV (1.n.)	Utility reimbursements will be eliminated when the utility allowance exceeds the total tenant payment.	Cost-Effectiveness	Positive (Increased revenue and decreased expenditures)
Payment Standards and Rent Reasonableness: Payment Standards- Fair Market Rents for HCV (2.b.)	Payment standards for one-, two-, three-, and four-bedroom units will increase from 110 percent to 120 percent of the Fair Market Rent.	Housing Choice	Negative (Decreased revenue)

Waiver	Description of Planned Change	Statutory Objectives Targeted	Anticipated Effect on PHA Costs
Reexaminations: Alternative Reexamination Schedule for Households for HCV (3.b.)	The frequency of reexaminations will decrease from annually to biennially for elderly and disabled households. Elderly and disabled households are limited to one interim per year at the request of the household. If the interim is for a decrease in income, only income decreases of 10 percent or more will be processed. No interim decreases are allowed during the first 6 months after initial occupancy. Required interim recertification for household composition changes or landlord rent increases will not count against the limit on voluntary interim recertifications.	Cost-Effectiveness	Positive (Decreased expenditures)
Work Requirement for HCV (12.b.)	A work requirement will apply to nonelderly and nondisabled individuals. Able-bodied household members aged 18 years and older must work a minimum of 15 hours per week. All able-bodied household members aged 18 years and older who are a member of an elderly and/or disabled household must work a minimum of 15 hours per week. Full-time students, live-in aides, individuals who are the primary caretakers for a child younger than 6 years, and women who are pregnant are exempt from the work requirement.	Cost-Effectiveness Self-Sufficiency	Positive (Increased revenue and decreased expenditures)

HCV = Housing Choice Voucher. MTW = Moving to Work. PHA = public housing agency.  
Sources: MTW Supplement; interview with PHA in February 2023

**Exhibit B-18(a). Background Information for Dover Housing Authority (NH-003)**

<b>Location</b>	Dover, New Hampshire	<b>ACC Amendment Approval</b>	August 2021
<b>Programs and Inventory</b>	HCV: 347 units Public Housing: 274 units	<b>MTW Supplement Approvals</b>	FY2021: None FY2022: August 2022
<b>Special Purpose Vouchers</b>	FYI, Mainstream	<b>Total MTW Waivers Approved</b>	8
<b>RAD Conversion</b>	Yes (PBV)	<b>Use of PBVs</b>	Yes

ACC = Annual Contributions Contract. FY = fiscal year. FYI = Foster Youth to Independence. HCV = housing choice voucher. MTW = Moving to Work. PBV = project-based voucher. RAD = Rental Assistance Demonstration.  
Sources: MTW Supplements; interview with PHA in February 2023; HUD communications

**Exhibit B-18(b). Approved MTW Waivers as of March 31, 2023, for Dover Housing Authority (NH-003)**

Waiver	Description of Planned Change	Statutory Objectives Targeted	Anticipated Effect on PHA Costs
<p>Tenant Rent Policies: Alternative Income Inclusions/Exclusions for PH (1.v.)</p> <p>Tenant Rent Policies: Alternative Income Inclusions/Exclusions for HCV (1.W.)</p>	<p>Income from assets will not be counted in the household's rent calculation. Income changes do not need to be reported until the next scheduled reexamination.</p>	<p>Cost-Effectiveness</p> <p>Self-Sufficiency</p>	<p>Neutral (no cost implications)</p>
<p>Payment Standards and Rent Reasonableness: Process for HCV (2.c.)</p>	<p>The PHA will collect and maintain data on market rents in the PHA's jurisdiction. Information sources include newspapers, realtors, market surveys, inquiries of owners, and other available sources. The data will be categorized by bedroom size and market areas. ZIP Codes, census tracts, neighborhoods, and identifiable natural or artificial boundaries may define market areas.</p> <p>The rent for a unit proposed for HCV assistance will be compared with the rent charged for comparable units in the same market area. The PHA will develop a range of prices for comparable units by bedroom size within defined market areas. Units proposed for HCV assistance will be compared with other units within this rent range. Because units may be similar but not exactly like the units proposed for HCV assistance, the PHA may adjust the range of prices to account for these differences. The adjustment must reflect the local market. Not all differences in units require adjustments (for example, the presence or absence of a garbage disposal may not affect the rent in some market areas).</p>	<p>Cost-Effectiveness</p> <p>Self-Sufficiency</p>	<p>Neutral (no cost implications)</p>
<p>Reexaminations: Alternative Reexamination Schedule for PH Households (3.a.)</p>	<p>Reexaminations will be reduced from annually to biennially for all households. Households may request interim recertifications as needed. When a change in household composition occurs, an interim will be</p>	<p>Cost-Effectiveness</p> <p>Self-Sufficiency</p>	<p>Neutral (no cost implications)</p>



Waiver	Description of Planned Change	Statutory Objectives Targeted	Anticipated Effect on PHA Costs
Reexaminations: Alternative Reexamination Schedule for HCV Households (3.b.)	conducted and rent recalculated as needed.		
Reexaminations: Self-Certification of Assets for PH (3.c.) Reexaminations: Self-Certification of Assets for HCV (3.d.)	The threshold for the self-certification of assets will be increased to \$50,000.	Cost-Effectiveness	Neutral (no cost implications)
FSS Program with MTW Flexibility: Modify or Eliminate the Contract of Participation for HCV (10.d.)	The Contract of Participation will be modified to remove the requirements that a head of household must be employed, and the household must have been off TANF assistance for 12 months to graduate from the FSS program. Under the modified contract, graduation may be granted if the head of household, co-head or another adult in the household is working. The household also does not need to be off TANF for 12 months to graduate.	Cost-Effectiveness Self-Sufficiency Housing Choice	Neutral (no cost implications)

FSS = Family Self-Sufficiency. HCV = Housing Choice Voucher. MTW = Moving to Work. PH = public housing. PHA = public housing agency. TANF = Temporary Assistance for Needy Families. Sources: MTW Supplement; interview with PHA in February 2023

**Exhibit B-19(a). Background Information for Housing Authority of Cheraw (SC-031)**

<b>Location</b>	Florence, South Carolina	<b>ACC Amendment Approval</b>	March 2021
<b>Programs and Inventory</b>	HCV: 180 units Public Housing: 230	<b>MTW Supplement Approvals</b>	FY2021: September 2021 FY2022: July 2022
<b>Special Purpose Vouchers</b>	No	<b>Total MTW Waivers Approved</b>	5
<b>RAD Conversion</b>	No	<b>Use of PBVs</b>	No

ACC = Annual Contributions Contract. FY = fiscal year. HCV = housing choice voucher. MTW = Moving to Work. PBV = project-based voucher. RAD = Rental Assistance Demonstration. Sources: MTW Supplements; interview with PHA in January 2023; HUD communications

**Exhibit B-19(b). Approved MTW Waivers as of March 31, 2023, for Housing Authority of Cheraw (SC-031)**

Waiver	Description of Planned Change	Statutory Objectives Targeted	Anticipated Effect on PHA Costs
Tenant Rent Policies: Alternative Utility Allowance for PH (1.i.)  Tenant Rent Policies: Alternative Utility Allowance for HCV (1.j.)	A streamlined utility allowance will average the cost of the utility allowances for zero- to five-bedroom units across public housing and HCV programs. Utility allowances for bedroom sizes will be the same for both the public housing and HCV programs.	Cost-Effectiveness	Neutral (no cost implications)
Landlord Leasing Incentives: Other Landlord Incentives for HCV Tenant-based Assistance (4.c.)	The PHA will provide up to 10 landlords a one-time incentive of \$500 to participate in the HCV program in Chesterfield County. The incentives will be limited to new landlords who have not rented through the HCV program.	Housing Choice	Positive (increased revenue)
Local, Nontraditional Activities: Service Provision (17.b.)	The PHA will provide a \$500 financial incentive to up to 35 working families that have maintained at least 1 year of continued full-time employment (with no more than a 2-week break in employment). Households may be eligible for one incentive per fiscal year. If more than 35 working families are included, the decision will be made by lottery.	Self-Sufficiency Housing Choice	Negative (Increased expenditures)
Local, Nontraditional Activities: Housing Development Programs (17.c.)	The PHA will partner with a developer from the Housing Authority of Florence (managing agency) to explore housing choices, including 99 tax-credit properties and the Rental Assistance Demonstration.	Housing Choice	Not specified

HCV = Housing Choice Voucher. MTW = Moving to Work. PH = public housing. PHA = public housing agency. Sources: MTW Supplement; interview with PHA in January 2023

**Exhibit B-20(a). Background Information for Maryville Housing Authority (TN-065)**

<b>Location</b>	Maryville, Tennessee	<b>ACC Amendment Approval</b>	March 2021
<b>Programs and Inventory</b>	HCV: 356 units Public Housing: 400 units	<b>MTW Supplement Approvals</b>	FY2021: None FY2022: December 2022

<b>Special Purpose Vouchers</b>	No	<b>Total MTW Waivers Approved</b>	6
<b>RAD Conversion</b>	No	<b>Use of PBVs</b>	No

ACC = Annual Contributions Contract. FY = fiscal year. HCV = housing choice voucher. MTW = Moving to Work. PBV = project-based voucher. RAD = Rental Assistance Demonstration.

Sources: MTW Supplements; interview with PHA in March 2023; HUD communications

**Exhibit B-20(b). Approved MTW Waivers as of March 31, 2023, for Maryville Housing Authority (TN-065)**

<b>Waiver</b>	<b>Description of Planned Change</b>	<b>Statutory Objectives Targeted</b>	<b>Anticipated Effect on PHA Costs</b>
Payment Standards and Rent Reasonableness: Payment Standards-Fair Market Rents for HCV (2.b.)	Payment standards will increase from 110 percent to 120 percent of Fair Market Rent.	Housing Choice	Negative (Increased expenditures)
Reexaminations: Alternative Reexamination Schedule for PH Households (3.a.) Reexaminations: Alternative Reexamination Schedule for HCV Households (3.b.)	The reexamination schedule for individuals or entire households on a fixed income will change from annual to biennial.	Cost-Effectiveness	Positive (Decreased expenditures)
Reexaminations: Self-Certification of Assets for PH (3.c.) Reexaminations: Self-Certification of Assets for HCV (3.d.)	Households will be allowed to self-certify up to \$50,000 in assets.	Cost-Effectiveness	Positive (Decreased expenditures)
Landlord Leasing Incentives: Other Landlord Incentives for HCV Tenant-based Assistance (4.c.)	The PHA will offer new landlords (those who have never rented to an HCV recipient) a one-time signing bonus of up to \$500. Payments made to a landlord will be equal to no more than 1 month of the contract rent.	Housing Choice	Negative (Decreased revenue)

HCV = Housing Choice Voucher. MTW = Moving to Work. PH = public housing. PHA = public housing agency.

Sources: MTW Supplement; interview with PHA in March 2023

**Exhibit B-21(a). Background Information for the Housing Authority of Travis County (TX-480)**

<b>Location</b>	Austin, Texas	<b>ACC Amendment Approval</b>	April 2021
<b>Programs and Inventory</b>	HCV: 617 units Public Housing: 0 units	<b>MTW Supplement Approvals</b>	FY2021: None FY2022: September 2022
<b>Special Purpose Vouchers</b>	FUP, Mainstream, NED, VASH	<b>Total MTW Waivers Approved</b>	9
<b>RAD Conversion</b>	Yes (PBRV)	<b>Use of PBVs</b>	Yes

ACC = Annual Contributions Contract. FUP = Family Unification Program. FY = fiscal year. HCV = housing choice voucher. MTW = Moving to Work. NED = Nonelderly Disabled. PBV = project-based voucher. RAD = Rental Assistance Demonstration. VASH = Veterans Affairs Supportive Housing.

Sources: MTW Supplements; interview with PHA in March 2023; HUD communications

**Exhibit B-21(b). Approved MTW Waivers as of March 31, 2023, for the Housing Authority of Travis County (TX-480)**

<b>Waiver</b>	<b>Description of Planned Change</b>	<b>Statutory Objectives Targeted</b>	<b>Anticipated Effect on PHA Costs</b>
Tenant Rent Policies: Minimum Rent for HCV (1.f.)	Minimum rent will increase from \$50 to \$75.	Cost-Effectiveness Self-Sufficiency	Positive (Decreased expenditures)
Tenant Rent Policies: Tenant Payment as a Modified Percentage of Income for HCV (1.h.)	Total tenant payment will be reduced from 30 percent to 28 percent of adjusted income.	Cost-Effectiveness Self-Sufficiency	Positive (Decreased expenditures)
Tenant Rent Policies: Alternative Utility Allowance for HCV (1.j.)	A flat utility allowance schedule based on unit size (number of bedrooms) will replace the prior schedule based on unit type, size, and utility source (gas, electricity).	Cost-Effectiveness Self-Sufficiency	Positive (Decreased expenditures)
Tenant Rent Policies: Initial Rent Burden for HCV (1.o.)	The maximum initial rent burden will increase from 40 percent to 60 percent. The PHA will not approve an initial assisted tenancy if the family share exceeds 60 percent of the family's monthly income.	Cost-Effectiveness Housing Choice	Positive (Decreased expenditures)

Waiver	Description of Planned Change	Statutory Objectives Targeted	Anticipated Effect on PHA Costs
Tenant Rent Policies: Elimination of Deduction(s) for HCV (1.s.)	The PHA will eliminate dependent allowance and unreimbursed childcare costs deductions from consideration when determining total tenant payment.	Cost-Effectiveness Self-Sufficiency	Positive (Decreased expenditures)
Reexaminations: Alternative Reexamination Schedule for HCV Households (3.b.)	The PHA will reduce the frequency of reexaminations from annual to biennial for all households. The PHA will allow one interim per year at the request of the household if the household gross income has decreased by 10 percent or more. Changes in household composition will be processed only at biennial reexamination unless the family reports a household addition that impacts Housing Quality Standards space requirements.	Cost-Effectiveness Self-Sufficiency	Positive (Decreased expenditures)
Reexaminations: Self-Certification of Assets for HCV (3.d.)	The PHA will increase the threshold for the self-certification of assets from \$5,000 to \$25,000.	Cost-Effectiveness Self-Sufficiency	Positive (Decreased expenditures)
Landlord Leasing Incentives: Other Landlord Incentives for HCV Tenant-based Assistance (4.c.)	The PHA will pay up to 1 month's rent to landlords newly participating in HATC's HCV tenant-based program. Under this initiative, a new landlord is a landlord who has never participated in the PHA's tenant-based HCV program.	Housing Choice	Negative (increased expenditures)
Housing Quality Standards: Alternative Inspection Schedule for HCV (5.d.)	The PHA will inspect HCV units under contract at least once every 3 years. The PHA will also conduct an inspection at the request of the family or owner.	Cost-Effectiveness	Positive (Decreased expenditures)

HATC = Housing Authority of Travis County. HCV = housing choice voucher. MTW = Moving to Work. PHA = public housing agency.

Sources: MTW Supplement; interview with PHA in March 2023

**Exhibit B-22 (a). Background Information for Rosenberg Housing Authority (TX-483)**

<b>Location</b>	Rosenburg, Texas	<b>ACC Amendment Approval</b>	March 2021
<b>Programs and Inventory</b>	HCV: 453 units Public Housing: 0 units	<b>MTW Supplement Approvals</b>	FY2021: September 2021 FY2022: September 2022

<b>Special Purpose Vouchers</b>	FYI, Mainstream	<b>Total MTW Waivers Approved</b>	9
<b>RAD Conversion</b>	No	<b>Use of PBVs</b>	No

ACC = Annual Contributions Contract. FY = fiscal year. FYI = Foster Youth to Independence. HCV = housing choice voucher. MTW = Moving to Work. PBV = project-based voucher. RAD = Rental Assistance Demonstration.

Sources: MTW Supplements; interview with PHA in February 2023; HUD communications

**Exhibit B-22(b). Approved MTW Waivers as of March 31, 2023, for Rosenberg Housing Authority (TX-483)**

<b>Waiver</b>	<b>Description of Planned Change</b>	<b>Statutory Objectives Targeted</b>	<b>Anticipated Effect on PHA Costs</b>
Tenant Rent Policies: Minimum Rent for HCV (1.f.)	Minimum rent will increase from \$50 to \$100 over 2 years. During the first year of implementation, the minimum rent will increase to \$75. In the second year of implementation, the minimum rent will increase to \$100.	Self-Sufficiency	Positive (Decreased expenditures)
Tenant Rent Policies: Tenant Payment as a Modified Percentage of Income for HCV (1.h.)	The percentage used to calculate rent will be lowered to 27.5 percent of a household's monthly gross income for all HCV participants and new admissions and eliminate allowances and deductions (childcare).	Cost-Effectiveness Self-Sufficiency	Positive (Decreased expenditures)
Tenant Rent Policies: Utility Reimbursements for HCV (1.n.)	Utility reimbursements will be eliminated when the utility allowance exceeds the total tenant payment.	Cost-Effectiveness Self-Sufficiency	Positive (Decreased expenditures)
Tenant Rent Policies: Initial Rent Burden for HCV (1.o.)	The maximum initial rent burden will increase from 40 percent to 45 percent of a household's monthly adjusted income.	Housing Choice	Neutral (no cost implications)
Tenant Rent Policies: Elimination of Deduction(s) for HCV (1.s.)	The dependent allowance and unreimbursed childcare cost deductions will be eliminated when calculating rent.	Cost-Effectiveness Self-Sufficiency	Positive (Decreased expenditures)
Tenant Rent Policies: Alternative Income Inclusions/Exclusions for HCV (1.w.)	The PHA will eliminate requesting asset income when calculating rent.	Cost-Effectiveness	Neutral (no cost implications)

Waiver	Description of Planned Change	Statutory Objectives Targeted	Anticipated Effect on PHA Costs
Reexaminations: Alternative Reexamination Schedule for HCV Households (3.b.)	The frequency of reexaminations will be reduced to biennially for working families (those in which the head of household, co-head of household, spouse, or another adult is working and making at least \$7,250 per year and not a full-time student) and triennially for elderly or disabled families if 90 percent or more of their income is fixed. Families with zero income or work-able families with no wage income will remain on an annual reexamination schedule. Interim reexaminations will be conducted once per year if a household has a decrease in income greater than 10 percent after 6 months of initial occupancy (including port-ins), a family composition change that increases income, or the household income increases while paying at or below the minimum rent.	Cost-Effectiveness	Negative (increase expenditures)
Housing Quality Standards: Alternative Inspection Schedule for HCV (5.d.)	Rental units will qualify for a triennial inspection if the family has passed their 1-year and biennial inspections on the first visit.	Cost-Effectiveness	Positive (Decreased expenditures)
FSS Program with MTW Flexibility: HCV Waive Operating a Required FSS Program for HCV (10.a.)	The PHA will eliminate the FSS program due to the nonparticipation of the one required family.	Cost-Effectiveness	Neutral (no cost implications)

FSS = Family Self-Sufficiency. HCV = Housing Choice Voucher. MTW = Moving to Work. PHA = public housing agency.

Sources: MTW Supplement; interview with PHA in February 2023

**Exhibit B-23(a). Background Information for Bristol Redevelopment Housing Authority (VA-002)**

<b>Location</b>	Bristol, Virginia	<b>ACC Amendment Approval</b>	March 2021
<b>Programs and Inventory</b>	HCV: 303 units Public Housing: 388 units	<b>MTW Supplement Approvals</b>	FY2021: None FY2022: March 2022
<b>Special Purpose Vouchers</b>	EHV, Mainstream	<b>Total MTW Waivers Approved</b>	21

<b>RAD Conversion</b>	No	<b>Use of PBVs</b>	No, but planned.
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ACC = Annual Contributions Contract. EHV = Emergency Housing Vouchers. FY = fiscal year. HCV = housing choice voucher. MTW = Moving to Work. PBV = project-based voucher. RAD = Rental Assistance Demonstration.

Sources: MTW Supplements; interview with PHA in February 2023; HUD communications

**Exhibit B-23(b). Approved MTW Waivers as of March 31, 2023, for Bristol Redevelopment and Housing Authority (VA-002)**

<b>Waiver</b>	<b>Description of Planned Change</b>	<b>Statutory Objectives Targeted</b>	<b>Anticipated Effect on PHA Costs</b>
Tenant Rent Policies: Utility Reimbursements for HCV (1.n.)	Utility reimbursement payments will be eliminated when the utility allowance exceeds the total tenant payment.	Cost-Effectiveness Self-Sufficiency	Positive (increased revenue and decreased expenditures)
Tenant Rent Policies: Elimination of Deductions for PH (1.r.) Tenant Rent Policies: Elimination of Deductions for HCV (1.s.)	Expense deductions for unreimbursed childcare expenses and medical expenses will be eliminated when determining rent.	Cost-Effectiveness	Neutral (no cost implications)
Tenant Rent Policies: Standard Deductions for PH (1.t.) Tenant Rent Policies: Standard Deductions for HCV (1.u.)	The PHA will implement a standard medical deduction of \$1,500 for elderly and disabled families and a standard childcare deduction of \$1,030 (per child) for working families.	Cost-Effectiveness	Neutral (no cost implications)
Payment Standards and Rent Reasonableness: Payment Standards- Fair Market Rents for HCV (2.b.)	Payment standards will increase to 120 percent for all bedroom sizes.	Housing Choice	Negative (increased expenditures)



Waiver	Description of Planned Change	Statutory Objectives Targeted	Anticipated Effect on PHA Costs
<p>Reexaminations: Alternative Reexamination Schedule for PH Households (3.a.)</p> <p>Reexaminations: Alternative Reexamination Schedule for HCV Households (3.b.)</p>	<p>The reexamination schedule will shift to triennial for all assisted families. The number of interim reexaminations will be limited to one per year if the household's gross income has decreased 10 percent or more. For zero-income households, an interim reexamination will occur every 3 months. Changes in household composition will also result in an interim reexamination.</p>	<p>Cost-Effectiveness</p> <p>Self-Sufficiency</p> <p>Housing Choice</p>	<p>Positive (decreased expenditures)</p>
<p>Reexaminations: Self-Certification of Assets for PH (3.c.)</p> <p>Reexaminations: Self-Certification of Assets for HCV (3.d.)</p>	<p>The PHA will increase the threshold for the self-certification of assets from \$5,000 to \$25,000.</p>	<p>Cost-Effectiveness</p> <p>Self-Sufficiency</p>	<p>Positive (decreased expenditures)</p>
<p>Landlord Incentives: Vacancy Loss for HCV (4.a.)</p>	<p>Landlords will receive a vacancy loss payment of up to 1 month of contract rent for the prior lease on execution of a new Housing Assistance Payment (HAP) contract.</p>	<p>Housing Choice</p>	<p>Neutral (Increased revenue and increased expenditures)</p>
<p>Landlord Incentives: Other Landlord Incentives for HCV (4.c.)</p>	<p>The PHA will offer the following incentives to landlords: a referring landlord bonus of \$500 for a referral of any new landlord (no history with the HCV program for the past 5 years) that results in a new HAP contract, a \$25 property maintenance bonus, and an initial \$50 Housing Quality Standards (HQS) bonus for passing inspection on the first visit. The PHA will also support a \$500 first-time lease-up bonus, a \$200 retention bonus, and \$30 application fees.<sup>a</sup></p>	<p>Housing Choice</p>	<p>Neutral (Increased revenue and increased expenditures)</p>
<p>Housing Quality Standards: Alternative Inspection Schedule for HCV (5.d.)</p>	<p>During an HCV unit's next scheduled biennial inspection (currently allowed for the PHA), if the unit passes at the first inspection (no reinspection needed), the unit will change to a triennial inspection. If the unit does not pass the first HQS inspection, it will be placed on a special inspection status.</p>	<p>Cost-Effectiveness</p>	<p>Positive (decreased expenditures)</p>

Waiver	Description of Planned Change	Statutory Objectives Targeted	Anticipated Effect on PHA Costs
PBV Program Flexibilities: Increase PBV Program Cap (9.a.)	The maximum percent of authorized HCV units authorized for project-basing will increase to 50 percent.	Cost-Effectiveness Housing Choice	Positive (increased revenue)
PBV Program Flexibilities: Increase PBV Project Cap (9.b.)	The PBV cap within a housing project will increase to 100 percent.	Cost-Effectiveness Housing Choice	Positive (increased revenue)
PBV Program Flexibilities: Elimination of PBV Selection Process for PHA-owned Projects Without Improvement, Development, or Replacement of Public Housing Site (9.c.)	The PHA will use PBVs to assist in renovating BRHA owned properties.	Cost-Effectiveness Housing Choice	Positive (decreased expenditures)
PBV Program Flexibilities: Increase PBV Rent to Owner (9.g.)	The PHA will develop a local process to determine the initial and redetermined rent to an owner.	Cost-Effectiveness Housing Choice	Neutral (no cost implications)
PBV Program Flexibilities: Limit Portability for PBV Units (9.h.)	Portability will be limited by delaying when a household can request to move from a PBV to a tenant-based voucher. Households must now have been in the PBV unit for 2 years instead of 1 before requesting a tenant-based voucher.	Cost-Effectiveness	Positive (decreased expenditures)
Family Self-Sufficiency Program with MTW Flexibility: Policies for Addressing Increases in Family Income for PH (10.e.)	Households participating in the self-sufficiency program will be allowed to request to have annual reexaminations conducted if they experience income increases of 10 percent or more, which will allow income increases to be recognized for increasing rent or changing the amount of funds moved to escrow and savings through the program.	Self-Sufficiency	Negative (increased expenditures)

Waiver	Description of Planned Change	Statutory Objectives Targeted	Anticipated Effect on PHA Costs
Use of PH as an Incentive for Economic Progress (13)	The PHA will extend the period for which a household can be over-income while remaining in a subsidized public housing unit to 2 years with their subsidy.	Self-Sufficiency	Neutral (no cost implications)
Acquisition without Prior HUD Approval for PH (15)	The PHA will use this waiver to expedite the ability to acquire property to redevelop existing public housing units without going through the lengthy HUD process.	Housing Choice	Neutral (no cost implications)

HCV = Housing Choice Voucher. MTW = Moving to Work. PBV = Project-Based Voucher. PH = public housing. PHA = public housing agency.

<sup>a</sup> These three incentives are listed under the landlord incentives vacancy loss for HCV waiver (4.a), but the evaluation team is reporting on them under other landlord incentives.

Sources: MTW Supplement; interview with PHA in February 2023

#### Exhibit B-24(a). Background Information for Harrisonburg Redevelopment Housing Authority (VA-014)

Location	Harrisonburg, Virginia	ACC Amendment Approval	March 2021
Programs and Inventory	HCV: 883 units Public Housing: 0 units	MTW Supplement Approvals	FY2021: None FY2022: November 2022
Special Purpose Vouchers	FUP, Mainstream, NED, VASH	Total MTW Waivers Approved	20
RAD Conversion	No	Use of PBVs	Yes

ACC = Annual Contributions Contract. FUP = Family Unification Program. FY = fiscal year. HCV = housing choice voucher. MTW = Moving to Work. NED = Nonelderly Disabled. PBV = project-based voucher. RAD = Rental Assistance Demonstration. VASH = Veterans Affairs Supportive Housing.

Sources: MTW Supplements; interview with PHA in February 2023; HUD communications

#### Exhibit B-24(b). Approved MTW Waivers as of March 31, 2023, for Harrisonburg Redevelopment HA (VA-014)

Waiver	Description of Planned Change	Statutory Objectives Targeted	Anticipated Effect on PHA Costs
Tenant Rent Policies: Minimum Rent for HCV (1.f.)	The minimum rent will increase from \$50 to \$100 for all nonelderly, nondisabled households.	Cost-Effectiveness	Positive (increased revenue)

Waiver	Description of Planned Change	Statutory Objectives Targeted	Anticipated Effect on PHA Costs
Tenant Rent Policies: Tenant Payment as a Modified Percentage of Income for HCV (1.h.)	The maximum total tenant payment (TTP) will increase to 35 percent of adjusted income for all nonelderly nondisabled households.	Cost-Effectiveness	Neutral (no cost implications)
Tenant Rent Policies: Alternative Utility Allowance for HCV (1.j.)	The PHA will create one utility allowance for all unit types that varies by bedroom size and whether unit rent includes utilities. Project-based voucher (PBV) units may have a separate utility allowance.	Cost-Effectiveness Housing Choice	Positive (decreased expenditures)
Tenant Rent Policies: Utility Reimbursements for HCV (1.n.)	Utility reimbursements less than \$20 per month will be eliminated.	Cost-Effectiveness	Positive (decreased expenditures)
Tenant Rent Policies: Elimination of Deductions for HCV (1.s.)	Deductions for unreimbursed childcare expenses will be eliminated when calculating rent for all nonelderly, nondisabled households.	Cost-Effectiveness	Neutral (no cost implications)
Tenant Rent Policies: Alternative Income Inclusions/Exclusions for HCV (1.w.)	The PHA will eliminate the Earned Income Disallowance and exclude all types of school grants and school funding from income for students of any age. For nonstudent household members, the rent calculation will not include wage income from dependents aged 20 and younger. The rent calculation will count the wage income of household members 21 and older. This change does not apply to elderly or disabled households.	Cost-Effectiveness Self-Sufficiency	Neutral (no cost implications)
Payment Standards: Fair Market Rents for HCV (2.b.)	Payment standards will increase to 120 percent of Fair Market Rent (FMR) for one-bedroom units and to 140 percent of FMR for all sized accessible units for tenants requiring those features.	Housing Choice	Negative (increased expenditures)

Waiver	Description of Planned Change	Statutory Objectives Targeted	Anticipated Effect on PHA Costs
Reexaminations: Alternative Reexamination Schedule for Households for HCV (3.b.)	The reexamination schedule will change from annual to triennial for all households. An interim reexamination may be requested once per year when a 20 percent or more decrease in gross income has occurred. Households without employment income or Social Security benefits received by heads of household or co-heads of household (zero-income households) will have an interim when new income begins.	Self-Sufficiency Housing Choice	Neutral (no cost implications)
Reexaminations: Self Certification of Assets for HCV (3.d.)	The PHA will increase the threshold for the self-certification of assets from \$5,000 to \$25,000.	Cost-Effectiveness	Positive (decreased expenditures)
Landlord Leasing Incentives: Vacancy Loss (4.a.)	Landlords will receive a vacancy loss payment of 1 month of contract rent for the most recent lease at the execution of a new Housing Assistance Payment (HAP) contract.	Housing Choice	Neutral (increased revenue and increased expenditures)
Landlord Leasing Incentives: Damage Claims (4.b.)	Landlords will be eligible to receive payment of up to 1 month of contract rent for damage claims if the cost of repairs exceeds the security deposit. Payment is made at the execution of a new HAP contract.	Housing Choice	Neutral (increased revenue and increased expenditures)
Landlord Leasing Incentives: Other Landlord Incentives (4.c.)	Additional landlord incentives will include a referring landlord bonus of \$250 for referring a new landlord to the HCV program that results in a HAP contract, a \$250 new landlord signing bonus, a \$250 new contract bonus, and a one-time security deposit per tenant of up to 1 month of rent. A new landlord is defined as one with no rental history with PHA's HCV program.	Housing Choice	Neutral (increased revenue and increased expenditures)
Housing Quality Standards (HQS): Prequalifying Unit Inspections for HCV (5.a.)	HCV units will be eligible to have a prequalifying HQS inspection up to 60 days prior to an HCV recipient's move-in date.	Cost-Effectiveness Housing Choice	Neutral (no cost implications)

Waiver	Description of Planned Change	Statutory Objectives Targeted	Anticipated Effect on PHA Costs
Housing Quality Standards: Third-Party Requirement (5.c.)	The PHA will create a third-party inspection collaboration with the Harrisonburg-Rockingham Community Services Board, which has certified HQS Inspectors on staff.	Cost-Effectiveness	Neutral (no cost implications)
Project-Based Voucher Program Flexibilities: Increase PBV Program Cap (9.a.)	The maximum percent of authorized HCV units authorized for project-basing will increase to 50 percent.	Cost-Effectiveness Housing choice	Positive (increased revenue)
Project-Based Voucher Program Flexibilities: Increase PBV Project Cap (9.b.)	The PBV cap within a housing project will increase to 50 percent.	Cost-Effectiveness Housing Choice	Positive (increased revenue)
Project-Based Voucher Program Flexibilities: Elimination of PBV Selection Process for PHA-owned Projects Without Improvement, Development, or Replacement of Public Housing Site (9.c.)	The PHA will use PBVs to assist in renovating PHA-owned properties.	Cost-Effectiveness Housing Choice	Positive (decreased expenditures)
Project-Based Voucher Program Flexibilities: Limit Portability for PBV Units (9.h.)	Portability will be limited by delaying when a household can request to move from a PBV to a tenant-based voucher. Households must now have been in the PBV unit at Franklin Heights for 2 years instead of 1 before requesting a tenant-based voucher.	Cost-Effectiveness	Positive (decreased expenditures)
Family Self-Sufficiency (FSS) Program with MTW Flexibility: Modify or Eliminate the Contract of Participation for HCV (10.d.)	The PHA will modify the FSS Contract of Participation to remove the traditional escrow model and replace it with a new Goal Rewards Model. These changes shift the agency-participant relationship away from rule enforcement and toward life coaching.	Self-Sufficiency	Neutral (no cost implications)

Waiver	Description of Planned Change	Statutory Objectives Targeted	Anticipated Effect on PHA Costs
FSS Program with MTW Flexibility: Policies for Addressing Increases in Family Income for public housing (10.e.)	The PHA will replace the FSS escrow model with a goal rewards model. In this model, participants earn immediate cash incentives (via check or deposit into a PHA-managed savings account) for reaching milestones related to income, finance, education, health, employment, and other self-sufficiency goals. Income increases will not be used for determining TTP (until the next reexamination) and will not contribute to increases in escrow.	Self-Sufficiency	Neutral (no cost implications)

HCV = Housing Choice Voucher. MTW = Moving to Work. PHA = public housing agency.  
Sources: MTW Supplement; interview with PHA in February 2023

**Exhibit B-25(a). Background Information for Brattleboro Housing Authority (VT-002)**

<b>Location</b>	Brattleboro, Vermont	<b>ACC Amendment Approval</b>	August 2021
<b>Programs and Inventory</b>	HCV: 212 units Public Housing: 284 units <sup>a</sup>	<b>MTW Supplement Approvals</b>	FY2021: None FY2022: June 2022
<b>Special Purpose Vouchers</b>	Mainstream, S+C vouchers	<b>Total MTW Waivers Approved</b>	5
<b>RAD Conversion</b>	Yes (PBV)	<b>Use of PBVs</b>	Yes

ACC = Annual Contributions Contract. FY = fiscal year. HCV = housing choice voucher. MTW = Moving to Work. PBV = project-based voucher. RAD = Rental Assistance Demonstration. S+C = Shelter Plus Care.

<sup>a</sup> The PHA reported converting their public housing to project-based vouchers but still has approved waivers for the public housing program. This number reflects the number of public housing units the public housing agency had at the time of Moving to Work designation.

Sources: MTW Supplements; interview with PHA in March 2023; HUD communications

**Exhibit B-25(b). Approved MTW Waivers as of March 31, 2023, for Brattleboro Housing Authority (VT-002)**

Waiver	Description of Planned Change	Statutory Objectives Targeted	Anticipated Effect on PHA Costs
<p>Reexaminations: Alternative Reexamination Schedule for Households for public housing (3.a.)</p> <p>Reexaminations: Alternative Reexamination Schedule for Households for HCV (3.b.)</p>	<p>The frequency of reexaminations will decrease from annual to triennial for all households on fixed incomes. Whenever a household's income drops by more than 10 percent for a period of 30 days or whenever a household's expenses increase by 10 percent or more for 30 days, the household may request and will be given a reexamination. Households may request interim recertifications as needed.</p>	Cost-Effectiveness	Neutral (no cost implications)
<p>Reexaminations: Self Certification of Assets for public housing (3.c.)</p> <p>Reexaminations: Self Certification of Assets for HCV (3.d.)</p>	<p>The PHA will increase the threshold for the self-certification of assets from \$5,000 to \$25,000.</p>	Cost-Effectiveness	Neutral (no cost implications)
<p>Housing Quality Standards: Alternative Inspection Schedule for HCV (5.d.)</p>	<p>The PHA will modify the inspection schedule for HCV units to an inspection every 3 years.</p>	Cost-Effectiveness	Neutral (no cost implications)

HCV = Housing Choice Voucher. MTW = Moving to Work. PHA = public housing agency.  
Sources: MTW Supplement; interview with PHA in March 2023

**Exhibit B-26(a). Background Information for Randolph County Housing Authority (WV-045)**

<b>Location</b>	Elkins, West Virginia	<b>ACC Amendment Approval</b>	August 2021
<b>Programs and Inventory</b>	HCV: 709 units Public Housing: 0 units	<b>MTW Supplement Approvals</b>	FY2021: None FY2022: December 2022
<b>Special Purpose Vouchers</b>	FYI, Mainstream, VASH	<b>Total MTW Waivers Approved</b>	5
<b>RAD Conversion</b>	No	<b>Use of PBVs</b>	Yes



ACC = Annual Contributions Contract. FY = fiscal year. FYI = Foster Youth to Independence. HCV = housing choice voucher. MTW = Moving to Work. PBV = project-based voucher. RAD = Rental Assistance Demonstration. VASH = Veterans Affairs Supportive Housing.  
 Sources: MTW Supplements; interview with PHA in March 2023; HUD communications

**Exhibit B-26(b). Approved MTW Waivers as of March 31, 2023, for Randolph County Housing Authority (WV-045)**

Waiver	Description of Planned Change	Statutory Objectives Targeted	Anticipated Effect on PHA Costs
Tenant Rent Policies: Alternative Utility Allowance for HCV (1.j.)	The PHA will streamline the utility allowance schedules from 24 to 4. The schedules will apply to the entire six-county jurisdiction based on unit size and type.	Cost-Effectiveness	Positive (decreased expenditures)
Tenant Rent Policies: Standard Deductions for HCV (1.u.)	A standard deduction of \$2,000 for medical expenses will be applied to income calculations for senior and disabled tenants.	Cost-Effectiveness	Positive (decreased expenditures)
Reexaminations: Self Certification of Assets for HCV (3.d.)	Households will be allowed to self-certify up to \$50,000 in assets during the reexamination process.	Cost-Effectiveness	Positive (decreased expenditures)
Housing Quality Standards (HQS): Prequalifying Unit Inspections for HCV (5.a.)	HQS inspections will be allowed to take place before a Request for Tenancy in vacant units that landlords expect to be rented within 15 to 30 days.	Cost-Effectiveness	Positive (decreased expenditures)
Local, Nontraditional Activities: Housing Development Programs (17.c)	The PHA will use up to 10 percent of Housing Assistance Payment dollars for housing development acquisition funds, matching or leveraging dollars for competitive funding applications.	Housing Choice	Neutral (no cost implications)

HCV = Housing Choice Voucher. MTW = Moving to Work. PHA = public housing agency.  
 Sources: MTW Supplement; interview with PHA in March 2023

## Appendix C. Exploratory Impact Analysis

This appendix displays the regression-adjusted means for the Treatment and Control groups, estimated program impact (difference in regression-adjusted means), and associated statistical significance for confirmatory and exploratory hypothesis tests. All results are estimated using data from the Treatment PHAs and Control PHAs. Appendix D explains the methodology.

**Exhibit C-1. Estimated Impacts on PHA Cost-Effectiveness (Dollars per Household per Month)**

Outcome	Treatment	Control	Impact	p-value
<b>Confirmatory</b>				
Total operating, administrative, and HAP expenditures (\$)	730	629	101	0.140
<b>Exploratory</b>				
Public housing operating expenses minus utilities (\$) <sup>PH</sup>	601	486	115	0.187
HCV and local, nontraditional program administrative and tenant services expenditures (\$) <sup>HCV</sup>	87	74	13	0.084*
HCV HAP expenditures (\$) <sup>HCV</sup>	686	659	26	0.381
Total federal funding of MTW-eligible programs (\$)	646	569	73	0.107
Total revenue of MTW-eligible programs (\$)	857	712	145	0.053*
Cash reserves (\$)	62	42	20	0.468

HAP = Housing Assistance Payment. HCV = Housing Choice Voucher. MTW = Moving to Work.

<sup>PH</sup> Where indicated, means are estimated using only public housing agencies (PHAs) with public housing programs (27 PHAs).

<sup>HCV</sup> Where indicated, means are estimated using only PHAs with voucher programs (38 PHAs).

\* Statically significant at the  $p < 0.10$  level.

Notes: This sample includes 43 public housing agencies (PHAs; 33 Treatment PHAs, 10 Control PHAs). The means reported are the regression-adjusted averages of PHA-level values. The confirmatory measure excludes utility payments from public housing operating expenses. Utilities are excluded from public housing operating costs for a more consistent comparison between PHAs. Some PHAs pay utilities directly, so the cost shows up on Financial Data System (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 up on FDS as operating expenses (but collect less in total tenant payment because they do not provide a utility allowance). Exhibit C-1 in the Baseline Report details the construction of the measures in this exhibit (Geyer et al., 2023).

Sources: HUD's FDS (PHA annual fiscal reports through December 2022); Voucher Management System quarterly data

**Exhibit C-2. Estimated Impacts on Nonelderly, Nondisabled Household Earnings and Employment and Earnings**

Outcome	Treatment	Control	Impact	p-value
<b>Confirmatory</b>				
Household earnings in most recent year (Q1 2022 to Q4 2022)	\$23,944	\$21,466	\$2,478	0.078*
<b>Exploratory</b>				
Percentage of households with any earnings in Q4 2022	69.9	72.3	- 2.4	0.363
Among households who exited in 2022, household earnings in most recent year (Q1 2022 to Q4 2022)	\$27,433	\$26,206	\$1,226	0.407
Among households who exited assistance in 2022, percentage with household earnings in Q4 2022 equivalent to 2.5 times or more of the local Fair Market Rent	41.7	40.3	1.5	0.462

Q1 = first quarter. Q4 = fourth quarter.

\* Statically significant at the  $p < 0.10$  level.

Notes: Of the 8,590 nonelderly, nondisabled households analyzed from the 33 Treatment public housing agencies (PHAs), 3,166 were from the 10 Control PHAs. Households that exited include 2,674 households from the Treatment

PHAs and 1,063 from the Control PHAs. Means are regression-adjusted. Exhibit C-2 in the Baseline Report provides details on the construction of the measures in this exhibit. Annual earnings are calculated as the sum of the fourth quarter of 2021 and the first, second, and third quarters of 2022.  
 Sources: National Directory of New Hires earnings data through third calendar quarter of 2022; HUD household-level data from the Housing Information Portal through December 31, 2022

**Exhibit C-3. Estimated Impacts on Household Housing Choice: Low-Poverty Rate of Household Census Tracts**

Outcome	Treatment	Control	Impact	p-value
<b>Confirmatory</b>				
Percentage of HCV households living in low-poverty census tracts	33.1	30.7	2.4	0.052*
<b>Exploratory</b>				
Percentage of HCV households living in census tracts with a poverty rate lower than the 25 <sup>th</sup> percentile poverty rate for the PHA's jurisdiction	26.6	24.4	2.2	0.065*
Percentage of HCV households living in census tracts with a poverty rate below the median for the PHA's jurisdiction	51.8	50.2	1.6	0.441
Percentage of HCV households with children living in census tracts with a poverty rate lower than the 25 <sup>th</sup> percentile poverty rate for the PHA's jurisdiction	26.8	25.7	1.1	0.569
Percentage of HCV households with children living in census tracts with a poverty rate below the median for the PHA's jurisdiction	52.8	53.8	- 1.0	0.736

HCV = housing choice voucher. PHA = public housing agency.

\* Statically significant at the p < 0.10 level.

Notes: This sample includes 11,675 HCV households in 29 Treatment PHAs and 4,123 HCV households in 8 Control PHAs (the excluded PHAs do not have voucher programs). Means are regression-adjusted. 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. Exhibit C-3 in the Baseline Report provides details on the construction of the measures in this exhibit. To be consistent with baseline measures, 2019 American Community Survey (ACS) 5-year data were used, because both census tract boundaries (2010 boundaries compared with 2020 boundaries) and poverty rates for a given census tract changed over time.

Sources: HUD household-level data from the Housing Information Portal through December 31, 2022; 2019 ACS 5-year data

**Exhibit C-4. Estimated Impacts on Household Housing Choice: Public Housing Agency Supply of Quality, Affordable Rental Units**

Exploratory Outcome	Treatment	Control	Impact	p-value
Total number of households served through HCV and public housing programs in average month	530.0	553.4	23.4	0.283
HCV unit utilization rate (percent) <sup>HCV</sup>	84.1	83.9	0.3	0.884
HCV budget utilization rate (percent) <sup>HCV</sup>	98.2	95.1	3.1	0.526
Public housing occupancy rate (percent) <sup>PH</sup>	72.8	89.8	17.0	0.227
Number of unique HCV landlords (by TIN/SSN) per 100 voucher households <sup>HCV</sup>	35.1	29.4	- 5.7	0.013**
Public housing units scoring 90 or above on most recent physical inspection (percent) <sup>PH</sup>	85.3	83.8	1.6	0.439
Economic useful life of public housing units (measured as ratio of total capital assets net of	25.0	24.8	0.2	0.977

Exploratory Outcome	Treatment	Control	Impact	p-value
depreciation, excluding land, and total capital assets including accumulated depreciation) <sup>PH</sup>				

HCV = housing choice voucher. TIN = taxpayer identification number. SSN = Social Security number.

<sup>PH</sup> Means are estimated using only public housing agencies (PHAs) with public housing programs (26 PHAs).

<sup>HCV</sup> Means are estimated using only PHAs with voucher programs (38 PHAs).

\*\* Statically significant at the  $p < 0.05$  level.

Notes: This sample includes 43 PHAs (33 Treatment PHAs, 10 Control PHAs). The means reported are the regression-adjusted average of PHA-level values. Exhibit C-4 in the Baseline Report provides details on the construction of the measures in this exhibit.

Sources: HUD household-level data from the Housing Information Portal through December 31, 2022; HUD Financial Data System (PHA annual fiscal reports through December 2022)

#### Exhibit C-5. Estimated Impacts on Household Housing Choice, Hard-to-House Populations

Exploratory Outcome	Treatment	Control	Impact	p-value
Percentage of households served that have a nonelderly family member with a disability	30.2	30.3	- 0.2	0.821
Percentage of households served that have three or more minors	4.8	5.0	- 0.2	0.552
Percentage of households served that were homeless at the time of admission	7.2	6.7	0.5	0.673

Notes: Sample size is 16,947 households in the 33 Treatment public housing agencies (PHAs) and 5,992 households in the 10 Control PHAs. Exhibit C-5 in the Baseline Report provides details on the construction of the measures in this exhibit.

Source: HUD household-level data from the Housing Information Portal through December 31, 2022

#### Exhibit C-6. Estimated Impacts on Other Tenant Outcomes: Households Served

Exploratory Outcome	Treatment	Control	Impact	p-value
<b>Proportion of newly admitted households with income at or below the greater of 30 percent of Area Median Income or the federal poverty level</b>				
Overall	88.4	93.3	- 4.9	0.135
Public housing	86.0	91.2	- 5.2	0.144
Housing choice vouchers	91.8	92.5	- 0.7	0.846
<b>Number of households served in Moving to Work-eligible programs<sup>PHA</sup></b>				
Overall	526.8	553.9	27.1	0.226
Public housing <sup>PH</sup>	237.9	243.8	6.0	0.510
Housing choice vouchers <sup>HCV</sup>	428.0	452.7	24.7	0.346
<b>Percentage of households with at least one child aged &lt; 18</b>				
Overall	37.5	38.4	- 0.9	0.317
Public housing	35.9	37.2	- 1.3	0.134
Housing choice vouchers	38.0	39.0	- 1.0	0.434
<b>Percentage of households whose head of household, spouse, or co-head of household is aged &lt; 62 and has a disability</b>				
Overall	28.1	28.3	- 0.2	0.766
Public housing	23.0	23.3	- 0.4	0.759
Housing choice vouchers	30.0	30.3	- 0.2	0.791

<sup>HCV</sup> Means are estimated using only public housing agencies (PHAs) with voucher programs (38 PHAs).

<sup>PH</sup> Means are estimated using only PHAs with public housing programs (27 PHAs).

<sup>PHA</sup> Analysis of PHA-level means instead of household-level means.

Notes: This sample includes 43 PHAs (33 Treatment PHAs, 10 Control PHAs), with 1,312 new admissions in 2022 in the Treatment PHAs (429 in public housing, 800 with vouchers) and 522 new admissions in the Control PHAs (121 in

public housing, and 367 with vouchers). Means are regression-adjusted. Households in the Treatment PHAs included 16,947 households (4,631 in public housing, 12,312 with vouchers) and 5,992 households in the Control PHAs (1,833 in public housing, 4,149 with vouchers). Exhibit C-6 in the Baseline Report provides details on the construction of the measures in this exhibit.

Source: HUD household-level data from the Housing Information Portal through December 31, 2022

**Exhibit C-7. Estimated Impacts on Other Tenant Outcomes: Households Exit**

<b>Exploratory Outcome</b>	<b>Treatment</b>	<b>Control</b>	<b>Impact</b>	<b>p-value</b>
<b>Percentage of households ending participation in past 12 months</b>				
Overall	11.2	9.4	1.8	0.283
Public housing <sup>PH</sup>	13.6	9.9	3.6	0.096*
Housing choice vouchers <sup>HCV</sup>	8.2	9.2	-0.9	0.195
<b>Percentage of households ending participation in past 12 months with household income exceeding 2.5 times Fair Market Rent at most recent reexamination</b>				
Overall	18.3	18.2	0.1	0.950
Public housing <sup>PH</sup>	16.3	15.0	1.3	0.790
Housing choice vouchers <sup>HCV</sup>	19.0	20.0	-0.9	0.706

\* Statistically significant at the  $p < 0.10$ .

<sup>HCV</sup> Where indicated, means are estimated only using public housing agencies (PHAs) with voucher programs (38 PHAs).

<sup>PH</sup> Where indicated, means are estimated only using PHAs with public housing programs (27 PHAs).

<sup>HCV</sup> Where indicated, means are estimated only using PHAs with voucher programs (38 PHAs).

Notes: This sample includes 43 PHAs (33 Treatment PHAs, 10 Control PHAs), with 5,242 public housing households in the Treatment PHAs, 2,053 public housing households in the Control PHAs, 13,557 housing choice voucher (HCV) households in the Treatment PHAs, and 4,681 HCV households in the Control PHAs. Means are regression-adjusted. The percentages are percentages of any household assisted in the calendar year 2022. Exhibit C-7 in the Baseline Report provides details on the construction of the measures in this exhibit. See exhibit C-2 for similar measure using earnings based on National Directory of New Hires data rather than income at most recent reexamination.

Source: HUD household-level data from the Housing Information Portal through December 31, 2022

**Exhibit C-8. Estimated Impacts on Other Outcomes: Rent Burden in Public Housing**

Exploratory Outcome	Treatment	Control	Impact	p-value
<b>Average rent burden in public housing among households not paying minimum rent</b>				
Overall	27.7	28.8	- 1.1	0.022**
Household with children	26.3	28.3	- 1.9	0.005***
Household headed by a person aged ≥ 62	27.8	28.0	- 0.2	0.569
Household headed by a person aged < 62 with a disability	28.3	28.3	0.0	0.970
<b>Percentage of households in public housing with rent burden above 30 percent among households not paying minimum rent</b>				
Overall	5.9	8.4	- 2.5	0.001***
Household with children	2.6	6.5	- 3.8	0.000***
Household headed by a person aged ≥ 62	1.0	0.4	0.6	0.038
Household headed by a person aged < 62 with a disability	0.1	0.6	- 0.5	0.138
<b>Percentage of households in public housing with rent burden above 40 percent among households not paying minimum rent</b>				
Overall	0.6	2.7	- 2.1	0.016**
Household with children	1.1	4.3	- 3.2	0.002***
Household headed by a person aged ≥ 62	- 0.1	0.5	- 0.5	0.339
Household headed by a person aged < 62 with a disability	0.2	0.2	0.0	0.944
<b>Percentage of households in public housing with rent burden above 50 percent among households not paying minimum rent</b>				
Overall	0.1	1.7	- 1.6	0.022**
Household with children	0.0	2.6	- 2.6	0.002***
Household headed by a person aged ≥ 62	0.0	0.4	- 0.4	0.322
Household headed by a person aged < 62 with a disability	0.2	0.1	0.1	0.581
<b>Percentage of households in public housing with zero income paying \$50 or less in rent</b>				
Any household	2.9	4.7	- 1.8	0.062*

\* Statically significant at the p < 0.10 level.

\*\* Statically significant at the p < 0.05 level.

\*\*\* Statically significant at the p < 0.01 level.

Notes: Sample size is 4,631 households in public housing in the Treatment public housing agencies (PHAs) and 1,833 households in public housing in the Control PHAs. Means are regression-adjusted. 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). Exhibit C-8 in the Baseline Report provides details on the construction of the measures in this exhibit. Source: HUD household-level data from the Housing Information Portal through December 31, 2022

**Exhibit C-9. Estimated Impacts on Other Outcomes: Rent Burden in Housing Choice Voucher Program**

<b>Exploratory Outcome</b>	<b>Treatment</b>	<b>Control</b>	<b>Impact</b>	<b>p-value</b>
<b>Average rent burden in the HCV program</b>				
Overall	32.0	32.3	- 0.3	0.530
Household with children	32.0	33.0	- 1.0	0.235
Households headed by a person aged ≥ 62	28.9	28.7	0.2	0.556
Households headed by a person aged < 62 with a disability	28.9	29.9	- 1.0	0.148
<b>Percentage of households in the HCV program with rent burden above 30 percent</b>				
Overall	32.0	32.3	- 0.3	0.530
Household with children	32.0	33.0	- 1.0	0.235
Households headed by a person aged ≥ 62	28.9	28.7	0.2	0.556
Households headed by a person aged < 62 with a disability	28.9	29.9	- 1.0	0.148
<b>Percentage of households in the HCV program with rent burden above 40 percent</b>				
Overall	6.1	6.5	- 0.4	0.575
Household with children	7.7	9.3	- 1.6	0.204
Households headed by a person aged ≥ 62	1.1	0.7	0.4	0.486
Households headed by a person aged < 62 with a disability	1.0	2.6	- 1.6	0.149
<b>Percentage of households in the HCV program with rent burden above 50 percent</b>				
Overall	5.7	6.1	- 0.3	0.599
Household with children	7.1	8.4	- 1.3	0.310
Households headed by a person aged ≥ 62	1.0	0.7	0.3	0.585
Households headed by a person aged < 62 with a disability	1.0	2.4	- 1.4	0.131

Notes: Households with vouchers included 12,312 in the Treatment public housing agencies (PHAs) and 4,149 households in the Control PHAs. Means are regression-adjusted. 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). Exhibit C-8 in the Baseline Report provides details on the construction of the measures in this exhibit.

Source: HUD household-level data from the Housing Information Portal through December 31, 2022

## Appendix D. Impact Analysis Methodology

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This appendix summarizes the methodology for estimating impacts. The methodology deviates from the original plan specified in the *Research Design / Data Collection and Analysis Plan* (Turnham et al., 2021). The two deviations include—

1. Impacts on housing supply are measured at the public housing agency (PHA) level instead of the household level because housing supply outcomes, such as number of unique landlords per 100 housing choice voucher (HCV) households, are best interpreted at the PHA level.
2. Covariates are omitted for the regression model used to study impacts at the household level. The original plan was to use baseline means as covariates in the regression model, with covariates measured at the PHA-level. Household-level baseline characteristics cannot be used because household entry or exit into the programs may be endogenous, and households that entered the program after 2020 have no observable baseline data.
3. The PHA-level baseline covariates were found to generate unstable results because the regression model was overidentified, yielding wide variances and imprecise estimates.

To make use of the baseline information without using covariates, the household analysis was changed to a difference-in-differences analysis, as the Household-Level Outcomes section explains.

### PHA-Level Outcomes

Outcomes related to cost-effectiveness and housing supply were measured at the PHA level. Equation (1) illustrates the linear regression equation planned to estimate for these outcomes. In addition to the treatment and strata variables (that is, geographic region) on the right-hand side, the baseline measure of the outcome is included as a covariate.

The regression model for estimating the impact of having Moving to Work (MTW) designation is—

$$Y_p = \alpha + \delta T_p + \beta Y_{p,t=0} + \theta S_p + \varepsilon_p \quad (\text{Equation 1})$$

where—

$Y_p$  is the outcome of interest at PHA  $p$ .

$T_p$  is a dummy variable that equals 1 for PHAs in the treatment group and equals 0 for PHAs in the control group.

$Y_{p,t=0}$  is the baseline measure of the outcome of interest.

$S_p$  is a series of dummy variables that reflect the geographic stratum.

$\varepsilon_p$  is a random error term.

The subscript  $p$  indexes PHAs, indicating that the analysis is done at the PHA-level.

The coefficient,  $\delta$ , provides an Intent to Treat estimate of the impact of having the opportunity to earn MTW designation. In other words, the coefficient,  $\delta$ , estimates the difference in regression adjusted means between the treatment and control groups.



With 43 observations, the number of covariates that can be included in the model is quite limited. Beyond the treatment indicator, geographic strata, and baseline measure of the outcome, including one or two additional baseline measures to further increase the precision of the impact estimate may be included if possible.

### Household-Level Outcomes

Equation (2) illustrates the linear regression equation planned to estimate the impact of MTW designation on self-sufficiency and housing choice. It is estimated using household-level data from the baseline and followup period.

$$Y_{ip} = \alpha + \beta_1 T_p + \beta_2 Post_i + \beta_3 T_p Post_i + \varepsilon_{ip} \quad (\text{Equation 2})$$

where—

$Y_{ip}$  is the outcome of interest observed in household  $i$  at PHA  $p$ .

$T_p$  is a dummy variable that equals 1 for PHAs in the treatment group and equals 0 for PHAs in the control group.

$Post_i$  is a dummy variable that equals 1 for household-level observations made in the followup period and equals 0 for household-level observations made in the baseline period.

$\beta_1$  controls for baseline-level differences between Treatment PHAs and Control PHAs.

$\beta_2$  controls for time-trend differences between the baseline and followup periods that affect both Treatment PHAs and Control PHAs in the same way.

$\beta_3$  is the impact of being offered the opportunity to apply for MTW designation on outcomes in the followup period.

$\varepsilon_{ip}$  is a cluster (PHA)-robust random error term.

The subscript  $p$  indexes PHAs and the subscript  $i$  indexes households, indicating that the analysis is done at the household level.

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