



# Evaluation of the Moving to Work Flexibility Cohort

Year 3 Report



PD&R

Some of the text in the introduction of this report is taken verbatim or with only minor edits from the *Year 2 Report* (de Sousa et al., 2024).

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# **Evaluation of the Moving to Work Flexibility Cohort: Year 3 Report**

**Prepared for**

**U.S. Department of Housing and Urban Development  
Office of Policy Development and Research**

**Submitted by**

**Judy Geyer  
Tanya de Sousa  
Keely Stater  
Douglas Walton  
Larry Buron**

**Abt Global LLC**

**September 26, 2024**

## Acknowledgments

The authors would like to thank the staff of the Flexibility Cohort public housing agencies who participated in our webinar and took time out of their busy schedules to talk to interviewers. The authors thank Rhea Acuña, the U.S. Department of Housing and Urban Development (HUD) Contracting Officer's Representative (COR), and Anne Fletcher, the prior COR, for their support and feedback, and the Office of Policy Development and Research and the Public and Indian Housing staff who provided comments on the draft and at a briefing. We also thank Lynn Rodgers and Quincy Riley and his team at HUD for providing the study with Public and Indian Housing Information Center and Financial Data System data.

In addition to the authors, Abt Global staff who worked on this report included data analysts Tyler Morrill and Nayara Mowry and interviewers Liz Yadav, Nayara Mowry, and Zoya Aleem. The authors also appreciate the helpful feedback on report drafts from Jill Khadduri, Dan Litwok, and consultant Amy Ginger. Bry Pollack provided editorial suggestions. Chris Kubacki of Phineas Consulting provided guidance on using the administrative cost data.

## Foreword

Moving to Work (MTW) is a demonstration program that reduces federal regulations and empowers public housing agencies (PHAs) to be innovative in addressing the housing needs of their communities. MTW exempts PHAs from many of the rules that apply to the standard Public Housing and Housing Choice Voucher (HCV) programs and gives them flexibility in using their federal funds, with the goal of (1) increasing the cost-effectiveness of federal housing programs, (2) encouraging greater self-sufficiency of households receiving housing assistance, and (3) increasing housing choice for families with low incomes. In 2016, Congress directed the U.S. Department of Housing and Urban Development (HUD) to expand the MTW demonstration by adding 100 PHAs through a series of cohorts and to evaluate the outcomes of each cohort.

This evaluation focuses on the initial cohort of 31 smaller PHAs, *the Flexibility Cohort*. This report is the last of a series of four annual reports evaluating the experience of the *Flexibility Cohort*. Since being offered the opportunity to be part of the MTW Expansion in January 2021, Cohort 1 PHAs have implemented 199 approved waivers activities. Many PHAs opted to start small and simple to gain experience, but implementation appears to be ramping up. Two of the most popular activities—less frequent reexaminations and higher minimum rents—support cost-effectiveness and self-sufficiency. Some PHAs have also implemented work requirements.

Although the evaluation did not find that the PHAs' MTW activities had any significant positive effect on outcomes related to cost-effectiveness, self-sufficiency, or housing choice, the evaluation did not differentiate between flexibilities that encourage self-sufficiency and other types of waivers. If it had done so, it may have found such effects from self-sufficiency-focused waivers. In addition, it may be too soon to observe such effects given where PHAs are in implementation. The flip side is that, consistent with other MTW studies, no evidence indicates that regulatory and funding flexibility lead to higher program costs or worse outcomes for tenants. The PHAs in the study welcomed the autonomy and flexibility to better tailor activities to the needs of their communities, although many experienced challenges in implementing program changes.

MTW Expansion has reached its target of expanding to 100 PHAs, and HUD's fiscal year 2026 budget request does not request funding for the Public Housing or HCV programs. HUD's budget request reflects lessons learned from MTW on the benefits of deregulation and the position that states, not the federal government, should make decisions on how to support rental housing affordability. HUD's role is to provide information and tools to support states in their choices. This study contributes to the knowledge base for the next generation of state-led housing assistance, offering examples of flexibilities that work well, lessons for efficient implementation, and pitfalls to avoid.



John Gibbs  
Principal Deputy Assistant Secretary for the Office of Policy Development and Research  
U.S. Department of Housing and Urban Development

## Table of Contents

<b>Executive Summary .....</b>	<b>viii</b>
<b>Introduction.....</b>	<b>1</b>
1.1 The Flexibility Cohort PHAs .....	1
1.2 Status of Flexibility Cohort Moving to Work Public Housing Agencies at the End of 2023.....	4
1.3 Evaluation Design and Data Sources .....	5
<b>Approved MTW Waivers and Associated Activities .....</b>	<b>8</b>
1.4 Approved MTW Waivers and Activities by Waiver Category.....	8
1.5 Approved MTW Waivers and Associated Activities by MTW Objective and PHA .....	12
1.6 How MTW Flexibility Compares With Flexibilities Granted to All PHAs .....	16
1.7 Key Takeaways on MTW Waiver Selection by Flexibility Cohort PHAs .....	18
<b>Implementation of MTW Activities .....</b>	<b>19</b>
1.8 Use of Funding Flexibility to Support MTW Activities .....	19
1.9 Timing of Waiver Implementation .....	20
1.10 Implementation of MTW Waivers and Associated Activities by MTW Statutory Objective .....	24
1.11 How Flexibility Cohort PHAs Compare With Initial MTW PHAs .....	30
1.12 Implementation Progress, Changes in Waivers, and Perceptions of Successes and Challenges .....	32
1.13 Lessons Learned and Recommendations .....	36
1.14 Key Takeaways on the Implementation of MTW Activities .....	37
<b>Impacts on Outcome Measures as of 2023.....</b>	<b>39</b>
1.15 Impacts on Cost-Effectiveness.....	42
1.16 Impacts on Self-Sufficiency.....	44
1.17 Impacts on Housing Choice .....	46
1.18 Summary of Impacts on Outcome Measures .....	48
<b>Summary.....</b>	<b>50</b>
1.19 How Are Smaller PHAs Using MTW Flexibility? .....	50
1.20 What Impacts Has Moving to Work Flexibility Had on Smaller Public Housing Agencies and Their Residents? .....	51

<b>Appendix A. Abbreviated Names for Flexibility Cohort PHAs and Map of 10 Control Group PHAs .....</b>	<b>53</b>
<b>Appendix B. Moving to Work Waivers for Public Housing Agencies .....</b>	<b>55</b>
<b>Appendix C. Exploratory Impact Analysis .....</b>	<b>63</b>
<b>Appendix D. Impact Methodology .....</b>	<b>78</b>
<b>References .....</b>	<b>80</b>

## List of Exhibits

Exhibit ES-1. Use of Funding Flexibility to Support MTW Activities .....	ix
Exhibit ES-2. Waivers Selected.....	ix
Exhibit ES-3. Examples of Easy and Challenging Waivers to Implement.....	x
Exhibit 1-1. Map of 31 Moving to Work Flexibility Cohort Public Housing Agencies .....	3
Exhibit 1-2 Timeline from Offer of MTW Designation to Implementation of MTW Waivers .....	4
Exhibit 1-3. Key to Named Public Housing Agency Samples .....	7
Exhibit 2-1. Seventeen MTW Waiver Categories and Associated Activities .....	9
Exhibit 2-2. MTW Waiver Approvals by Waiver Category Among the 28 PHAs With Approved MTW Supplements .....	11
Exhibit 2-3. Number of Approved MTW Waivers by Targeted MTW Statutory Objective for the 28 PHAs With Approved MTW Supplements .....	13
Exhibit 2-4. Similarities Between Waivers Available to MTW PHAs and Recent Flexibilities Available to Non-MTW PHAs .....	17
Exhibit 3-1. Timing of MTW Supplement/Waiver Approval and Implementation of First MTW Activity.....	21
Exhibit 3-2. MTW Waiver Approvals Versus Implementation, by PHA as of December 31, 2023.....	22
Exhibit 3-3. Number of PHAs Implementing at Least One MTW Waiver in Each Category, by Length of Time Implemented as of December 31, 2023.....	23
Exhibit 3-4. Case Study: Bundling Waivers to Reduce PHA Administrative Burden and Costs.....	26
Exhibit 3-5. A Closer Look at Work Requirements .....	28
Exhibit 3-6. Using MTW Waivers to Implement Damage Claims.....	30
Exhibit 3-7. Comparison of Waivers Implemented by Flexibility Cohort PHAs Versus Initial MTW PHAs.....	31
Exhibit 3-8. Challenges with Staff Turnover.....	34
Exhibit 3-9. Delays in Releasing the Housing Information Portal .....	35
Exhibit 4-1. Confirmatory and Exploratory Outcomes.....	39
Exhibit 4-2. Flexibility Cohort Treatment, Control, and Comparison Groups.....	40
Exhibit 4-3. Sample Exclusions.....	41
Exhibit 4-4. Impacts on Confirmatory Cost-Effectiveness Outcome .....	43
Exhibit 4-5. In-Depth Look at Minimum Rents.....	44
Exhibit 4-6. Impacts on Confirmatory Self-Sufficiency Outcome .....	45
Exhibit 4-7. Impacts on Confirmatory Housing Choice Outcome .....	46
Exhibit A-1. Naming Conventions for the 31 PHAs in the Flexibility Cohort.....	53
Exhibit A-2. Map of the 10 Control Group PHAs (Numbered) Relative to the 31 Flexibility Cohort PHAs (not Numbered).....	54



Exhibit B-1. Number of Approved Moving to Work Waivers for Each Waiver Category, by Public Housing Agency .....	55
Exhibit B-2. Implemented Waiver Activities to Reduce Administrative Burden and Costs at Public Housing Agencies .....	56
Exhibit B-3. Implemented Waiver Activities That Might Affect Residents’ Self- Sufficiency .....	59
Exhibit B-4. Implemented Waiver Activities That Might Affect Tenants’ Housing Choices.....	61
Exhibit C-1. Impacts on Average Levels of PHA Cost (Dollars per Household per Month).....	64
Exhibit C-2. Impacts on Share of Households With Reexaminations or Transactions .....	66
Exhibit C-3. Impacts on Self-Sufficiency Outcomes.....	67
Exhibit C-4. Impacts on Households’ Housing Choice: Low-Poverty Rate of Households’ Census Tracts .....	68
Exhibit C-5. Impacts on Households’ Housing Choice: Supply of Quality, Affordable Housing .....	69
Exhibit C-6. Impacts on Households’ Housing Choice: Hard-to-House Population Levels .....	71
Exhibit C-7. Impacts on Other Tenant Outcomes: Changes in Households Served Levels .....	72
Exhibit C-8. Impacts on Other Tenant Outcomes: Households Exit .....	74
Exhibit C-9. Outcomes Excluded From Impact Analysis Due to Incomplete Data, by PHA .....	75
Exhibit D-1. Structure of Dataset.....	78

## Executive Summary

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Moving to Work (MTW) is a U.S. Department of Housing and Urban Development (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 (1) increasing the cost-effectiveness of federal housing programs, (2) encouraging greater self-sufficiency of households receiving housing assistance, and (3) increasing housing choice for families with low incomes. Compared with other PHAs, MTW agencies have—

- **Funding flexibility.** MTW status allows PHAs to use the four Housing Choice Voucher (HCV) or public housing funding streams flexibly within and across their programs rather than having each funding stream restricted to its specific funding-stream use.
- **Greater flexibility to promote cost-effectiveness.** This objective includes the flexibility to increase the minimum rent or make other changes in the tenants' rent calculation that decrease PHA Housing Assistance Payments (HAPs), change the frequency of reexamination and inspection activities, or make other process changes to gain administrative efficiencies.
- **More tools to affect households' self-sufficiency.** These tools include the ability to design rent structures that incentivize increases in household earnings, provide new self-sufficiency programs, and add work requirements.
- **More options to promote housing choice.** These choices include the ability to increase maximum allowable rents to make more units affordable in the program, create financial incentives to encourage landlords to participate in the program, and increase the number of project-based voucher units.

The MTW Demonstration Program was authorized by Congress in 1996. In 2016, Congress directed HUD to expand the demonstration by 100 PHAs.<sup>1</sup> The first cohort of the MTW expansion—the subject of this report—is limited to smaller, high-performing PHAs. This cohort tests the overall impact of MTW flexibility at smaller PHAs. The 31 PHAs in this cohort are identified as the Flexibility Cohort PHAs.

This report discusses the planning and implementation of MTW activities and analyzes the impact of these activities on PHAs and residents through the third year (2023) after the Flexibility Cohort PHAs were offered the opportunity to become an MTW agency in January 2021. It is based on HUD administrative data from 2020 through 2023, MTW Supplements approved by the end of 2023, and PHA staff interviews from February through April 2024.

**The Flexibility Cohort PHAs.** To be eligible for this MTW cohort, PHAs had to have fewer than 1,000 combined units when they applied. Most (70 percent) of the Flexibility Cohort PHAs are in metropolitan areas, usually in small cities, suburbs, or outlying counties rather than the central city of these areas. The other PHAs (30 percent) are in even less densely populated areas outside of metropolitan areas.

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<sup>1</sup> Section 239 of the Consolidated Appropriations Act, 2016 (Public Law 114-113).

Despite their smaller size, a slight majority (51 percent) of Flexibility Cohort PHAs operate both HCV and public housing programs. Most other PHAs operate only an HCV program, and a small share operates only a public housing program.

**Implementation of MTW Flexibilities in Period Covered by Report.** All 31 PHAs had a fully executed MTW Annual Contributions Contract Amendment by February 2022, which allowed them to use MTW funding flexibility. By the end of 2023, 15 PHAs reported using MTW funding flexibility to support the implementation of MTW activities (exhibit ES-1).

In addition, 28 of the 31 Flexibility Cohort PHAs had an approved MTW Supplement authorizing the use of waivers and associated activities they selected (exhibit ES-2). By the end of 2023, 26 Flexibility Cohort PHAs had implemented at least one waiver activity, and 10 PHAs had implemented all their approved waiver activities.

On average, it took PHAs about 4 months from the time their MTW Supplement was approved to begin implementation of their first MTW waiver activity. Some PHAs' implementation started immediately as they continued using waivers allowed during the COVID-19 public health emergency. For others, starting implementation took more than a year after the waiver and associated activities were approved. Of the 279 approved waivers and associated activities, 199 waiver activities (71 percent) had been implemented by the end of 2023. Typically, this status meant that the PHA had completed the planning phase, and the approved activities were in effect for the affected parties. However, uptake may have been in the early stages.

**Addressing the Three Statutory Objectives:** Two of the most common MTW activities that have been implemented align with both increasing **cost-effectiveness** and **resident self-sufficiency**:

- Less frequent reexaminations reduce PHA staff time spent on reexaminations and allow households to experience income gains for multiple years without changing their total tenant payment (15 PHAs).
- Increasing the minimum rent to both reduce a PHA's HAPs and incentivize the lowest-income households to increase their earnings (eight PHAs).

Other common activities that address cost-effectiveness by reducing administrative costs include allowing residents to self-certify assets up to as high as \$50,000 to reduce time spent verifying assets (16

#### Exhibit ES-1. Use of Funding Flexibility to Support MTW Activities

Fifteen public housing agencies (PHAs) reported currently using funding flexibility to support implementation of Moving to Work (MTW) activities. Some examples of how they used funding flexibility:

- Supplement the salary of an MTW or Family Self-Sufficiency Coordinator (four PHAs).
- Support resident services such as job training or transportation (four PHAs).
- Finance housing development and rehabilitation efforts (three PHAs).
- Defray increased Housing Assistance Payment costs due to increases in payment standards (two PHAs).

#### Exhibit ES-2. Waivers Selected

Of the 28 Flexibility Cohort PHAs with approved MTW Supplements by the end of 2023:

- Seven of every 10 waivers focused on improving a PHA's **cost-effectiveness** (68 percent).
- Four of every 10 waivers focused on increasing households' **self-sufficiency** (40 percent).
- Three of every 10 waivers focused on expanding **housing choice** (32 percent).

A single waiver may address more than one MTW objective.

PHAs) and eliminating utility reimbursements for households with a zero-rent payment to the landlord to free up staff time processing payments (10 PHAs).

Another substantial but less common MTW activity to increase resident self-sufficiency is to require nonelderly, nondisabled adults to work 15 hours a week for the household to remain eligible for assistance (five PHAs).

The most common MTW activities that have been implemented to **increase housing choice** are:

- Increasing the payment standards associated with Small Area Fair Market Rents and Fair Market Rents to allow residents to access more expensive units, which can be of higher quality, larger in size, or in higher-opportunity areas (10 PHAs).
- Offering landlord incentives such as vacancy loss payments to landlords to keep units that had been rented to HCV recipients available for another voucher holder, offering damage claim payments to landlords for damages above and beyond normal wear and tear that cannot be covered by the security deposit, and incentive payments for renting a new unit or participating in the HCV program for the first time (seven PHAs).

Popular waivers implemented by Flexibility Cohort PHAs mirror many of the innovations most frequently implemented by the Initial MTW PHAs in the first decade of the MTW Demonstration. The most popular waivers and associated activities among both groups target improvements in cost-effectiveness. However, fewer Flexibility Cohort PHAs than Initial MTW PHAs chose to start with activities that change how rents are calculated or implement self-sufficiency incentives. This observation is consistent with the desire of the Flexibility Cohort PHAs to start with smaller and less complicated waiver activities. This strategy could change as they continue to roll out their long-term MTW plans.

**Implementation Challenges.** The evaluation team interviewed all 28 PHAs with approved MTW Supplements about their implementation of MTW. Exhibit ES-3 provides examples of waiver activities these PHAs found easier and more challenging to implement. The following are the most common implementation challenges reported by PHAs.

- **Limited staff capacity.** Many PHAs described difficulties dedicating the necessary staff time to getting MTW activities off the ground. Upfront investments in developing and

### Exhibit ES-3. Examples of Easy and Challenging Waivers to Implement

Flexibility Cohort public housing agencies reported that some waivers and associated activities were straightforward and relatively easy to implement. Waiver activities that required large changes to “business as usual,” were inconsistent with HUD’s reporting system, or that affected many residents were more challenging to implement for some.

Examples of “Easier to Implement” Waiver Activities	Examples of “More Challenging to Implement” Waiver Activities
<ul style="list-style-type: none"> <li>• Increasing the amount of assets that can be self-certified</li> <li>• Changing the minimum rent</li> <li>• Raising payment standards</li> <li>• Eliminating utility reimbursements</li> <li>• Allowing higher initial tenant rent burden</li> </ul>	<ul style="list-style-type: none"> <li>• Alternate reexamination schedules</li> <li>• Work requirements*</li> <li>• Damage claims</li> </ul>

\* HUD comment: HUD believes that, with the proper support, challenges related to work requirements can be mitigated.

implementing MTW activities often take similar amounts of time at smaller and larger PHAs; however, because smaller PHAs tend to have fewer staff overall, these investments represent a larger percentage of total available staff time at smaller PHAs.

- **Software and Form HUD-50058 incompatibilities.** PHAs faced incompatibilities with accurately reporting data to their internal software and uploading the data to HUD's Inventory Management System and Public and Indian Housing Information Center (IMS/PIC) system when MTW activities changed some standard requirements of their programs. These issues sometimes necessitated PHAs to keep duplicate records for changes that could not be tracked in their internal software, reported to HUD, or defer implementation of a waiver activity.
- **Program ambiguity.** PHA staff expressed frustration with ambiguity in how rules for other programs and new regulations interact with MTW status. For example, several PHAs planned to use the Resident Opportunities and Self-Sufficiency (ROSS) grant program to complement MTW activities. They were trying to clarify how ROSS funding might fit into MTW activities. Others were concerned about how the Housing Opportunity Through Modernization Act (HOTMA) final rule might affect their interim reexamination policies.
- **Navigating voucher portability.** Another (less common) challenge applied to vouchers ported in from PHAs that did not have MTW flexibilities. For example, residents porting in from such PHAs did not fully understand their ability to rent more expensive units based on higher payment standards, and their originating PHAs continued to send utility reimbursement checks to residents.

In this third year of implementation, PHAs continued to communicate the value of starting with fewer MTW activities and taking time to fully prepare for implementation. Many PHAs reported that, although their waiver-specific activities had already begun in prior years, they were still refining their activities in the third year. For help on implementation, PHAs relied on discussions with other PHAs at the MTW Collaborative conference, their HUD field officers, and conversations with other MTW agencies (initial or peer). Several PHAs continued recommending improvements to the MTW Supplement to further streamline the resubmission process (especially when the PHA requested no changes from the prior year) and to enhance their ability to make changes after submission.

**Impact Study Design.** The impact study used a randomized control trial (RCT) sample and a quasi-experimental design (QED) sample to estimate impacts on outcome measures representing the three statutory objectives. Impacts based on the RCT sample are measured by comparing the outcomes of the treatment with a control group, where the treatment group (33 PHAs<sup>2</sup>) and control group (10 PHAs) were randomly assigned from the 43 PHAs that expressed interest and were eligible for this cohort. Impacts based on the QED sample are based on comparing the outcomes of the 33 Treatment PHAs with 99 Comparison PHAs that were chosen based on the similarity of their baseline characteristics to the Treatment PHAs.

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<sup>2</sup> Two of the 33 Treatment PHAs decided not to apply for MTW designation, leaving 31 PHAs in the Flexibility Cohort.

This year, seven of the Flexibility Cohort PHAs had difficulty uploading tenant data because HUD’s current management information system was not compatible with some of the flexibilities allowed by the MTW waivers, presenting a challenge for the study. The evaluation team excluded these PHAs from much of the analysis of outcomes. This exclusion compromised the statistical power and internal validity of the impact estimation. The excluded Flexibility Cohort PHAs were PHAs that had implemented MTW activities under planned waivers, so the analysis of impacts for calendar year 2023 might understate the true impacts of being selected for the Flexibility Cohort.

**Interim Impacts on Outcome Measures.** With those caveats, the evaluation found no statistically significant effects at this time of the offer of MTW flexibility on the key measures of cost-effectiveness, self-sufficiency, or housing choice.

**Summary.** This report covers from January 2021 through December 2023—3 years after the Flexibility Cohort PHAs were invited to apply for MTW designation and about 1 to 1.5 years since most PHAs implemented their first MTW activity. Only 10 of 31 PHAs had implemented all their approved waiver and associated activities by the end of 2023. The most common waivers are for modest activities to improve administrative efficiency and reduce costs, but about three-fourths of the Flexibility Cohort PHAs have at least one substantial waiver to reduce costs or change the resident experience.<sup>3</sup> Nevertheless, at this early stage in the implementation, the impact study found no statistically significant impacts on the key outcome measures.

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<sup>3</sup> Substantial is subjective, but here a PHA is counted as having a substantial waiver if it has a waiver for a work requirement, stepped rent, a time limit, biennial or triennial reexaminations, or biennial or triennial housing quality inspections.

## Introduction

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Moving to Work (MTW) is a U.S. Department of Housing and Urban Development (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 (1) increasing the cost-effectiveness of federal housing programs, (2) encouraging greater self-sufficiency of households receiving housing assistance, and (3) increasing housing choice for families with low incomes.

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 activities.

The MTW Demonstration Program was authorized in 1996.<sup>4</sup> In 2016, Congress directed HUD to expand the demonstration by 100 PHAs and required HUD to set aside 50 slots for smaller PHAs, which are defined as agencies administering 1,000 or fewer combined HCV and public housing units.<sup>5</sup> At that time, 39 PHAs already had MTW designation, and only 2 had fewer than 1,000 units when they became an MTW agency. HUD is adding the 100 new MTW PHAs to the demonstration in cohorts, with each cohort testing a different policy change.<sup>6</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 or the Section 8 Management Assessment Program at the time of MTW selection (and not “troubled” under either).<sup>7</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.”

This report covers the PHAs’ planning and implementation of the Flexibility Cohort MTW activities through the third year (2023) after being offered the opportunity to become an MTW agency in January 2021. It details the use of MTW flexibility in the PHAs and estimates the short-term impact of MTW on PHAs and assisted households.

### 1.1 The Flexibility Cohort PHAs

The 31 Flexibility Cohort PHAs are in 21 states (exhibit 1-1). Minnesota has the most PHAs, with four, followed by Alabama, with three. Five other states have two PHAs in this cohort. Most (70 percent) of the Flexibility Cohort PHAs are in metropolitan areas, usually in small

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<sup>4</sup> Section 204 of the Omnibus Consolidated Rescissions and Appropriations Act of 1996 (Public Law 110-134, 110, Stat 1321) (1996 Act). 104th Congress (1995-1996).

<sup>5</sup> About 80 percent of the nearly 3,800 PHAs in the United States have fewer than 1,000 units; however, they have only about 20 percent of all housing units in PHA programs (Geyer et al., 2021).

<sup>6</sup> Section 239 of the Consolidated Appropriations Act, 2016 (Public Law 114-113).

<sup>7</sup> For more information about the Public Housing Assessment System, 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/semaph](https://www.hud.gov/program_offices/public_indian_housing/programs/hcv/semaph).



cities, suburbs, or outlying counties rather than the central city of these areas. The other PHAs (30 percent) are in even less densely populated areas outside of metropolitan areas.

To be eligible, PHAs had to have fewer than 1,000 combined units when they applied. In this cohort, the average size was 523 units, with most PHAs having between 250 and 700 units. The largest cohort PHA—the Pomona Housing Authority (California)—was close to the maximum eligible size at the time it applied, with 982 units. Three PHAs had fewer than 250 units, including the smallest PHA in the cohort—the McLeod County Housing and Redevelopment Authority (Minnesota), with only 121 units.

Despite their smaller size, most Flexibility Cohort PHAs operate HCV and public housing programs.

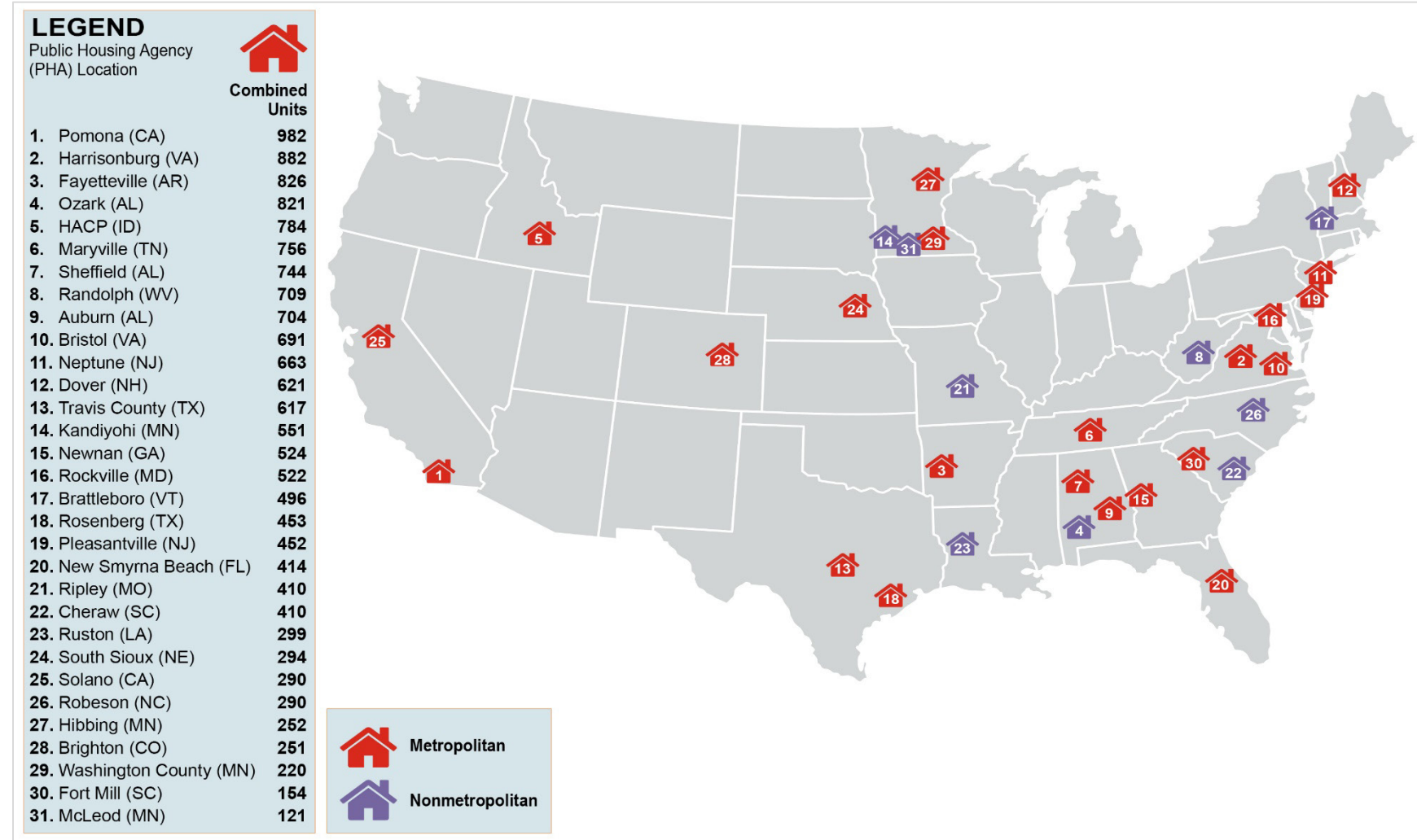
- About one-half (51 percent) of the cohort PHAs operate HCV and public housing programs.
- More than one-third (37 percent) operate only an HCV program.
- A small share (12 percent) operates only a public housing program.

The *Baseline Report* (Geyer et al. 2021) found that the Flexibility Cohort PHAs were nearly twice as large on average as other smaller PHAs that were eligible for this cohort (523 units versus 260 units), were less likely to be outside a metropolitan area (30 percent versus 53 percent), and were more likely to operate both an HCV and public housing program (51 percent versus 33 percent). Compared with other smaller PHAs, the Flexibility Cohort PHAs are relatively larger, are more often near urban areas, and are more likely to operate both programs.

This chapter provides a brief background on the Flexibility Cohort and an overview of the evaluation. Chapter 2 describes the approved waivers and associated activities, and chapter 3 describes the implementation of the waiver activities and the use of funding flexibility by the Flexibility Cohort PHAs. Chapter 4 presents the impact study findings.



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



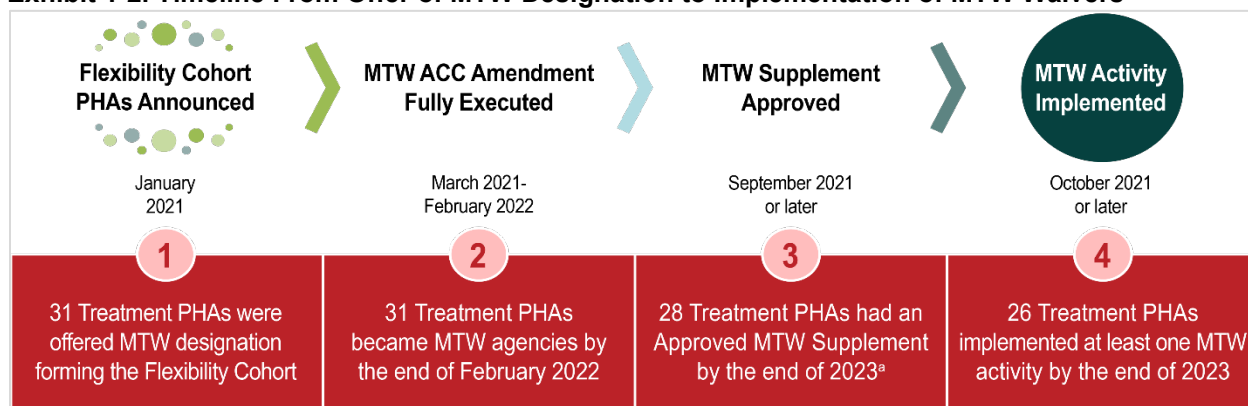
Notes: “Combined units” are the total of housing choice vouchers and public housing units from the 2019 Picture of Subsidized Households (that is, during the time of application to this MTW cohort). Public housing agencies are identified as being in metropolitan statistical areas based on the U.S. Census Bureau (an area with a relatively high population density of social and economic integration as determined by commuting patterns). A crosswalk of abbreviated PHA names is shown in this exhibit, and the full PHA names are in appendix A (exhibit A-1).

Sources: [PHA Contact Information | HUD.gov / U.S. Department of Housing and Urban Development \(HUD\)](#); <https://www.census.gov/programs-surveys/metro-micro/about/omb-standards.html>.

## 1.2 Status of Flexibility Cohort Moving to Work Public Housing Agencies at the End of 2023

Exhibit 1-2 shows the timeline from when HUD announced the Flexibility Cohort PHAs to the PHAs' implementation status at the end of December 2023.

**Exhibit 1-2. Timeline From Offer of MTW Designation to Implementation of MTW Waivers**



ACC = Annual Contributions Contract. MTW = Moving to Work. PHA = public housing agency.

<sup>a</sup> Of the 28 Treatment PHAs with approved MTW Supplements, 1 PHA had its first MTW Supplement conditionally approved in December 2023 but did not have full approval until February 2024.

Sources: PIH 2018-17; Approved MTW Supplements as of December 31, 2023; interviews with Flexibility Cohort PHAs in February–April 2024

HUD announced the 31 Flexibility Cohort PHAs in January 2021. By February 2022, all 31 PHAs had a fully executed MTW Annual Contributions Contract (ACC) Amendment. A PHA is not designated MTW until it fully executes this amendment to its ACC, the vehicle through which HUD provides funds for the HCV and public housing programs. Starting the month after the MTW ACC Amendment is in place, the PHA can use the funding flexibility that is part of MTW.<sup>8</sup>

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 its PHA Annual Plan, describing its requested MTW waivers and associated activities for the fiscal year. By the end of 2023, 28 PHAs had an approved MTW Supplement.

Once an MTW waiver is approved, the PHA must institute changes to its processes and data systems to implement the MTW activities allowed by that waiver. Some PHAs started implementing MTW activity in October 2021; by the end of 2023 (the period for this year 3 report), 26 of the 28 Flexibility Cohort PHAs with an approved MTW Supplement had implemented at least one MTW activity.

<sup>8</sup> MTW funding flexibility allows PHAs to use funds across the four funding streams for any activities allowed under the standard public housing and HCV programs or activities allowed under their 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.

### 1.3 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 a process and an impact study to address these questions.<sup>9</sup>

#### 1.3.1 Process Study

The process study addresses the research question of how smaller PHAs use their MTW flexibility. This year 3 report highlights the MTW activities of the Flexibility Cohort PHAs in 2023—the third year after being offered the opportunity to become an MTW PHA in January 2021 and the second year after most of these PHAs received official MTW designation.

HUD must approve MTW waivers and associated activities that PHAs propose in their Supplement before the PHAs can implement them. This part of the evaluation focuses on the 28 of 31 Flexibility Cohort PHAs that had an MTW Supplement approved by December 31, 2023

In addition to the MTW Supplements, the process study uses information gathered from PHA staff interviews between February and April 2024.<sup>10</sup>

#### 1.3.2 Impact Study

The main goal of the impact study is to estimate the impact of MTW flexibility granted to smaller PHAs on the MTW Demonstration's three statutory objectives. The impact study primarily relies on HUD administrative data from the HUD Inventory Management System/Public and Indian Housing Information Center (IMS/PIC), the Financial Data Schedule, the Voucher Management System, and the HUD Real Estate Assessment Center. It also uses data from the National Directory of New Hires<sup>11</sup> and the American Community Survey.<sup>12</sup>

The evaluation uses two different methods to estimate the impact of MTW flexibility on the three statutory objectives:

- **Randomized control trial (RCT) analysis.** The RCT (or experimental) analysis is based on the 43 PHAs that expressed interest in joining the first MTW expansion cohort and that HUD verified were eligible for this cohort. HUD randomly assigned the PHAs to either a treatment

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<sup>9</sup> Earlier reports—*Research Design/Data Collection and Analysis Plan* (Turnham et al., 2021) and *Baseline Report* (Geyer et al., 2021)—provide details on these topics.

<sup>10</sup> PHA staff interview guide can be found at: [https://www.reginfo.gov/public/do/PRAViewIC?ref\\_nbr=202401-2528-001&icID=244873](https://www.reginfo.gov/public/do/PRAViewIC?ref_nbr=202401-2528-001&icID=244873)

<sup>11</sup> Maintained by the federal Office of Child Support Services, the National Directory of New Hires data 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>12</sup> The American Community Survey is an annual survey of more than 3 million residents that asks about household income, occupation, and housing situation. Its 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/>.

group (33 PHAs) or a control group (10 PHAs). The 10 Control PHAs were not offered the opportunity to apply for MTW designation under the first cohort.<sup>13</sup> The 33 Treatment PHAs were invited to apply for MTW designation. 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. The other two PHAs remained part of the RCT sample as Treatment PHAs because the treatment is the offer of the opportunity to join the cohort.

The RCT impact analysis compares the averages of the 33 Treatment PHAs with those of the 10 Control PHAs for the outcomes of interest based on calendar year 2023 data. Randomly assigning PHAs to treatment and control groups minimizes the chance of systematic differences between the groups, especially if the number of PHAs being randomized is large. Impact analysis with this randomized design is expected to yield unbiased estimates of the overall effect of the opportunity to apply for MTW designation on the MTW statutory objectives among smaller PHAs.

- **Quasi-experimental design (QED) analysis.** To supplement the findings of the 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. The QED (or nonexperimental) analysis focuses on the sample of 33 Treatment PHAs and the 99 Comparison PHAs. Like the RCT analysis, the QED impact analysis yields estimates of the overall effect after 3 years of having the opportunity to apply for MTW designation on the MTW statutory objectives among smaller PHAs.

However, unlike the Control PHAs, the Comparison PHAs did not apply for MTW designation under this cohort, so there could be differences between Treatment and Comparison PHAs that bias the impact estimates. To mitigate this possibility, Comparison PHAs were rigorously selected to be similar to the Treatment PHAs based on a large number of observable PHA and community characteristics;<sup>14</sup> however, there could still be unobservable differences between PHAs that applied for MTW (Treatment PHAs) and PHAs that did not apply for MTW (Comparison PHAs) that bias the results.

The evaluation's named samples are summarized in exhibit 1-3.

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<sup>13</sup> A list of the 10 Control PHAs and a map of their location relative to the Flexibility Cohort PHAs is shown in appendix A (exhibit A-2).

<sup>14</sup> For more details on the selection of the Comparison PHAs, see the evaluation's *Research Design/Data Collection and Analysis Plan* (Turnham et al., 2021).

### Exhibit 1-3. Key to Named Public Housing Agency Samples

**Flexibility Cohort Public Housing Agencies (PHAs).** The 31 PHAs that HUD designated as Moving to Work (MTW) agencies as part of the first cohort of the MTW expansion.

**Randomized Control Trial (RCT) PHAs.** The 43 PHAs that expressed interest in joining this first cohort and were determined to be eligible. They were randomly assigned to the treatment group (33 PHAs) or the control group (10 PHAs).

**Treatment PHAs.** The 33 PHAs were randomly assigned to the treatment group and invited to apply for MTW designation as part of the first cohort of the MTW expansion. Of them, 31 accepted the invitation and applied; 2 PHAs chose not to apply.

**Control PHAs.** The 10 PHAs were randomly assigned to the control group and not invited to apply for MTW designation as part of the first cohort of the MTW expansion.

**Quasi-Experimental Design (QED) PHAs.** The 132 PHAs comprising the quasi-experimental analyses, the 33 Treatment PHAs and 99 Comparison PHAs.

**Comparison PHAs.** The 99 PHAs were selected for a comparison group based on their similarity of observable characteristics to the Treatment PHAs. Comparison PHAs had not expressed interest in joining this first cohort and had not submitted applications.

## Approved MTW Waivers and Associated Activities

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This chapter reviews the Moving to Work (MTW) waivers and associated activities that Flexibility Cohort public housing agencies (PHAs) are approved to implement. It answers the following subset of research questions under the process study's main question of how smaller PHAs use their MTW flexibility:

- What MTW waivers and associated activities did smaller PHAs select to implement?
- Which MTW statutory objective(s) are Flexibility Cohort PHAs focusing on with their waiver activities?
- How do waiver activities for Flexibility Cohort PHAs compare with what non-MTW PHAs can do?

This chapter is based on information from approved MTW Supplements of the 28 Flexibility Cohort PHAs and information collected during interviews with staff from 29 of the 31 Flexibility Cohort PHAs and covered PHA activities during 2023 and early 2024.<sup>15</sup>

Appendix B provides exhibit B-1 that shows how many waivers and associated activities each PHA was approved to implement as of December 31, 2023, by waiver category.<sup>16</sup> A separate volume accompanying this report contains profiles of those 28 Flexibility Cohort PHAs (de Sousa et al. forthcoming). The PHA profiles provide basic information on the PHAs, such as program types and size, and describe each waiver activity the PHAs are authorized to implement.

### 1.4 Approved MTW Waivers and Activities by Waiver Category

To implement MTW waivers and associated activities, MTW expansion PHAs must receive HUD approval annually via the MTW Supplement to their PHA Annual Plan. A PHA's MTW Supplement lists which MTW waivers the PHA is seeking approval for during the upcoming fiscal year and describes the activities it will implement under each waiver.<sup>17</sup> The HUD field office must approve the MTW Supplement before the PHA can begin any new MTW activities or significantly modify previously approved activities.

When completing their MTW Supplement, PHAs can select from more than 70 prespecified MTW waivers and associated activities across 17 categories, as specified in the August 2020 MTW Operations Notice. These MTW waivers and associated activities are summarized in exhibit 2-1.

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<sup>15</sup> The evaluation team interviewed PHA staff at all 28 PHAs with an approved Supplement by the end of 2023 and staff at one of the three PHAs without an approved Supplement. The two PHAs that were not interviewed are not included in the analyses reported in this chapter. All three PHAs without approved supplements have signed their MTW ACC Amendment and so may use funding flexibility for activities allowed under the standard PHA program rules.

<sup>16</sup> One of the 28 PHAs had received only conditional approval of its first MTW Supplement as of December 31, 2023. It received full approval of the MTW Supplement in early 2024. It is included in this discussion.

<sup>17</sup> This list includes (1) seeking approval to continue or modify waivers and activities that were previously approved, (2) seeking approval to implement new waivers and activities, and (3) notifying HUD that the PHA will be discontinuing previously approved waivers and activities.

## Exhibit 2-1. Seventeen Moving to Work (MTW) Waiver Categories and Associated Activities

1. **Tenant Rent Policy** waivers 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. Additional waivers in this category allow PHAs to increase the minimum rent up to \$130, change the tenant rent payment to a different 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** waivers 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. **Reexamination** waivers 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** waivers 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** waivers 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 who fail inspections.
6. **Short-Term Assistance** waivers allow PHAs to offer short-term housing assistance for specific populations, such as people experiencing homelessness.
7. **Term-Limited Assistance** waivers allow PHAs to limit the length of housing assistance to specific timeframes no less than 4 years.
8. **Increase in Elderly Age** waivers allow 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** waivers allow 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** waivers allow 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** waivers allow PHAs to set new policies for handling increases in family income that affect rent or savings and give 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** waivers 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** waivers provide the ability to allow households above income thresholds to retain housing assistance for longer periods.
14. **Moving-On Policy** waivers allow 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.

Sources: Moving to Work Operations Notice. The Operations Notice for the Expansion of the Moving to Work Demonstration Program can be found here: <https://www.federalregister.gov/documents/2020/08/28/2020-18152/operations-notice-for-the-expansion-of-the-moving-to-work-demonstration-program>.



By the end of December 2023, 28 of the 31 Flexibility Cohort PHAs had at least one approved MTW Supplement.<sup>18</sup> On average, it took PHAs about 1 year from the time they received MTW designation to receive their first MTW Supplement approval, with the quickest approvals taking about 6 months after designation and the longest taking 30 months.

Among the 28 PHAs with approved MTW Supplements, 71 percent (20 PHAs) had approval to implement nine or fewer waiver activities. The remaining eight PHAs had between 10 and 30 waiver activities approved. The fact that many PHAs sought approval for fewer than 10 waiver activities aligns with findings from the year 2 report (de Sousa et al., 2024) that PHAs chose to make incremental changes over time rather than take on many new activities simultaneously.

Exhibit 2-2 summarizes the number of waiver activities and PHAs with waiver activities in each of the 17 broad categories of waivers in the MTW Operations Notice. For information on how many waiver activities each PHA has had approved in each waiver category, see appendix B (exhibit B-1). For 4 of the 17 waiver categories, nearly one-half of PHAs (13 or more) selected at least one waiver activity. The following are those four waiver categories:

- Changing the **tenant rent policies**, such as increasing the minimum rent; setting an alternative utility allowance; eliminating utility reimbursements; and making changes to how tenant rent is calculated by eliminating deductions, offering a standard deduction, or setting alternative income inclusions or exclusions (91 waiver activities across 24 PHAs).
- Adjusting the **reexamination process** by shifting the schedule of reexaminations to be biennial or triennial instead of annual or allowing residents to self-certify their assets up to a higher threshold—typically \$50,000 (55 waiver activities across 22 PHAs).
- Creating higher **payment standards** for Fair Market Rents (FMR) or Small Area Fair Market Rents (SAFMR), adjusting the **rent reasonableness process**, or waiving the third-party rent reasonableness requirement for PHA-owned units (22 waiver activities across 16 PHAs).
- Changing policies under the **Housing Quality Standards (HQS)** to allow alternative inspection schedules, prequalify unit inspections, and waive the third-party requirement for PHA-owned units (15 waiver activities across 13 PHAs).

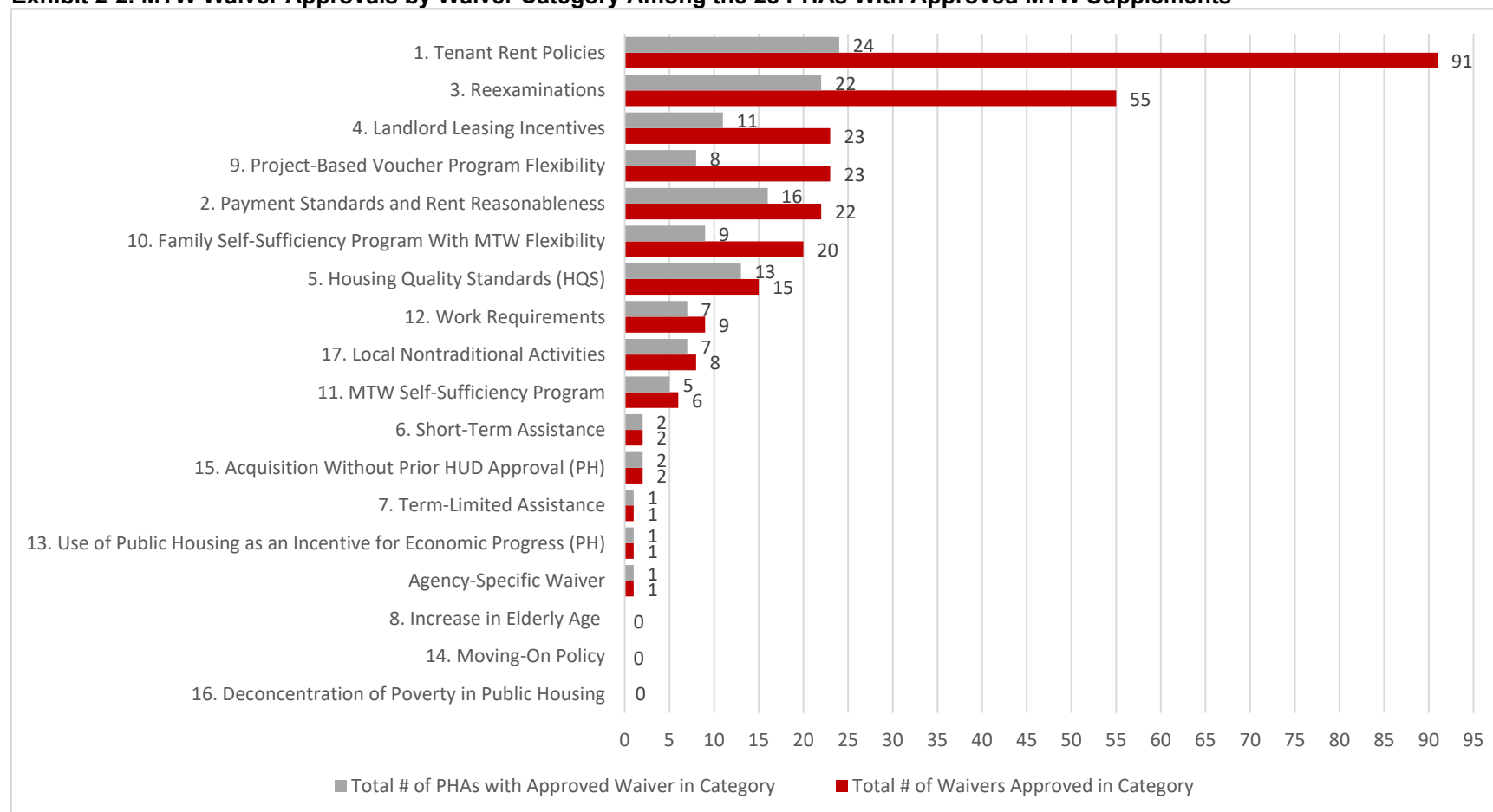
These waiver categories tended to be popular with Flexibility Cohort PHAs because their associated activities (1) addressed needs that the PHAs saw among their residents, (2) had the potential to reduce PHA administrative burden, (3) will help promote resident self-sufficiency, or (4) could help free up resources so PHAs can help more people.

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<sup>18</sup> The three PHAs without approved Supplements experienced major delays in deciding on MTW activities mainly due to staffing changes at the PHA. Two of the three PHAs had their Executive Director leave or retire during the MTW development process and the third had significant turnover among senior staff members. One of these PHAs also converted its entire portfolio under the Rental Assistance Demonstration and had remaining questions about how MTW activities could work in Low-Income Housing Tax Credit properties. These complex questions, along with exploring a long list of activities this PHA initially proposed (close to 20), including more complicated activities such as tiered rents, are taking longer to work through and adequately plan.



**Exhibit 2-2. MTW Waiver Approvals by Waiver Category Among the 28 PHAs With Approved MTW Supplements**



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

Note: If there are separate waivers for the same activity for both the HCV and PH programs (for example, increased minimum rent in each program), this activity is counted as two waivers.

Sources: Approved MTW Supplements as of December 31, 2023 (*n* = 28 PHAs); interviews with Flexibility Cohort PHAs in February–April 2024 (*n* = 29)

## 1.5 Approved MTW Waivers and Associated Activities by MTW Objective and PHA

Across the 28 PHAs with approved MTW Supplements, HUD approved 279 waivers and associated activities. Each of these waivers and associated activities is intended to support one or more of the MTW program's three statutory objectives: (1) improving cost-effectiveness, (2) increasing self-sufficiency, and (3) expanding housing choice.

PHAs often focused their efforts on activities that would **improve cost-effectiveness**, with nearly 7 of every 10 waivers and associated activities focused on this objective (68 percent). Many of these waivers and associated activities are administrative and can potentially reduce the number of hours PHA staff spend doing administrative work. As some PHA interviewees said, these cost savings, when realized early in the MTW designation period, can help free up funding for more ambitious changes intended to support self-sufficiency and housing choice in the future. Four of every 10 waivers and associated activities (40 percent) focused on **increasing self-sufficiency**, such as switching to biennial or triennial reexaminations. Fewer waivers and associated activities, about 3 of every 10 (32 percent),<sup>19</sup> focused on **expanding housing choice** for Housing Choice Voucher (HCV) or public housing residents.

Looking at the number of waivers and associated activities a PHA has selected to address each statutory objective is an indicator of how much the PHA's MTW program is focused on that objective. This observation does not give a complete picture, as some activities have more far-reaching effects than others, but it can provide a sense of the extent to which PHAs are targeting a statutory objective compared with the other PHAs in the Flexibility Cohort.<sup>20</sup> Exhibit 2-3 categorizes the 28 PHAs based on the number of waivers and associated activities the PHA has for each of the MTW statutory objectives. Specifically, PHAs were categorized by the number of MTW objectives (one, two, or three) for which they had a substantial number of waivers compared with the other Flexibility Cohort PHAs. A PHA is defined as having a "substantial number" of waivers for an MTW objective if the PHA has more than the median number of waivers and associated activities for that objective. The median number of waivers across the 28 Flexibility Cohort PHAs with approved MTW Supplements is 5.5 for cost-effectiveness, 3.5 for self-sufficiency, and 2.0 for housing choice. The subsequent subsections will highlight interesting patterns from exhibit 2-3.

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<sup>19</sup> Percentages add up to greater than 100 percent because PHAs reported that some waivers and associated activities addressed multiple objectives.

<sup>20</sup> For the 28 Flexibility Cohort PHAs with approved MTW Supplements by the end of 2023, a separate PHA Profiles volume (de Sousa et al., Forthcoming) provides basic information such as program types and size and describes each of the waivers and associated activities the PHAs are authorized to implement as of December 31, 2023.

**Exhibit 2-3. Number of Approved MTW Waivers by Targeted MTW Statutory Objective for the 28 PHAs With Approved MTW Supplements**

PHA	# of Waivers for Improved Cost-Effectiveness	# of Waivers for Increased Self-Sufficiency	# of Waivers for Improved Housing Choice	Total # of Waivers Approved
Substantial Number of Waivers for All Three MTW Statutory Objectives ( <i>n</i> = 6 PHAs)				
HACP (ID)	21	7	11	30
Bristol (VA)	15	7	10	21
Harrisonburg (VA)	13	4	10	20
Rockville (MD)	18	9	7	19
Brighton (CO)	7	4	8	14
Travis County (TX)	7	5	3	9
Substantial Number of Waivers for Two MTW Statutory Objectives ( <i>n</i> = 7 PHAs)				
Newnan (GA)	10	14	2	18
New Smyrna Beach (FL)	16	7	2	17
Brattleboro (VT)	7	8	--	13
Rosenberg (TX)	7	6	2	10
Ruston (LA)	9	8	--	9
Dover (NH)	8	6	2	9
Auburn (AL)	5	5	7	7
Substantial Number of Waivers for One MTW Statutory Objective ( <i>n</i> = 5 PHAs)				
Pomona (CA)	3	2	3	8
Solano (CA)	2	--	6	8
Washington County (MN)	7	--	1	8
Kandiyohi (MN)	6	1	1	7
Ripley (MO)	--	4	2	6
No Substantial Number of Waivers for a Specific MTW Statutory Objective ( <i>n</i> = 10 PHAs)				
Maryville (TN)	5	1	2	7
Ozark (AL)	4	3	1	6
Robeson (NC)	2	2	2	6
Fort Mill (SC)	3	1	2	6
Randolph (WV)	4	1	2	6
South Sioux (NE)	5	3	--	5
Sheffield (AL)	2	2	1	3
McLeod (MN)	2	--	1	3
Cheraw (SC)	3	1	1	3
Hibbing (MN)	--	1	1	1
<b>TOTAL</b>	<b>191</b>	<b>111</b>	<b>90</b>	<b>279</b>

MTW = Moving to Work. PHA = public housing agency. "--" denotes 0 waivers in this category.

Notes: "Substantial number" is defined as greater than the median number of waivers for all 28 PHAs for an MTW objective (5.5 for cost-effectiveness, 3.5 for self-sufficiency, and 2.0 for housing choice). MTW objective category is listed as reported by the PHA on its MTW Supplement, and some waivers are reported to fulfill multiple objectives. Thus, the "Total # of Waivers Approved" totals are less than the sum of the preceding columns. If there are separate waivers for the same activity for both the Housing Choice Voucher and public housing programs (for example, increased minimum rent in each program), these activities are counted as two waivers. A crosswalk of abbreviated PHA names is shown in this exhibit, and full PHA names are in appendix A (exhibit A-1).

Sources: Approved MTW Supplements as of December 31, 2023 (*n* = 28 PHAs); interviews with Flexibility Cohort PHAs in February–April 2024 (*n* = 29 PHAs)

### ***1.5.1 PHAs With a Substantial Number of Waivers for All Three MTW Statutory Objectives***

The six PHAs in this group have between 9 and 30 approved waivers and associated activities each. The most waivers are for the cost-effectiveness objective, comprising at least one-half of the waivers at each PHA.

Housing Alliance and Community Partnership (HACP), a PHA in the city of Pocatello in southeastern Idaho, has more waivers and associated activities overall and more cost-effectiveness and housing choice waivers than any other Flexibility Cohort PHA. Its cost-effectiveness waivers are a combination of substantial changes to incentivize self-sufficiency and reduce Housing Assistance Payment (HAP) costs and more modest changes to reduce administrative costs. The most substantial waivers are a work requirement of 15 hours of work or school per week for nonelderly, nondisabled persons, increasing the minimum rent to \$127, and eliminating the utility reimbursement. HACP is also starting an MTW Self-Sufficiency program that includes skill development and financial incentives for meeting goals to support self-sufficiency efforts. Other waivers to reduce administrative costs include creating a standard utility allowance per bedroom size, simplifying rent and income calculations, changing to triennial reexaminations for elderly and disabled households, eliminating requirements for third parties to conduct rent reasonableness and HQS inspections for PHA-owned properties, and increased flexibility for selecting placement of project-based voucher (PBV) units.

Travis County, headquartered in Austin, Texas, and serving primarily the surrounding county, has the smallest number of waivers and associated activities of the PHAs in this group; however, several of its waivers are substantial changes. It is making two large changes to increase cost-effectiveness—changing inspections to a triennial schedule and reexaminations to a biennial schedule—and several other modest changes. The modest changes are raising the minimum rent to \$75 and increasing the self-certification of assets to \$25,000. It is also making several changes to increase housing choice by paying new landlords a bonus of up to 1 month of rent and offering damage claim payments. It is also the only PHA in the Flexibility Cohort with a waiver to allow an initial HCV rent burden of 60 percent, which will increase the number of units available to voucher holders but could also put these households in a severe rent burden situation.

### ***1.5.2 PHAs With a Substantial Number of Waivers for Two MTW Statutory Objectives***

Each of the seven PHAs in this category has between 7 and 18 approved waivers and associated activities. All except one PHA are in this group because of the relatively large number of waivers for both the cost-effectiveness and self-sufficiency objectives. Auburn, Alabama, is the exception: it is in this group because of the number of waivers it has for both the self-sufficiency and housing choice objectives.

Newnan, a small-city PHA about 40 miles southwest of Atlanta, Georgia, has the most MTW Self-Sufficiency waivers and associated activities of any Flexibility Cohort PHA. It has three substantial self-sufficiency waivers: a work requirement of 15 hours per week; an increase in minimum rent to \$130; and elimination of utility allowances for most nonelderly, nondisabled households. These waivers also address the cost-effectiveness objective as they are expected to decrease the PHA's HAP costs. To support these incentives, Newnan has a waiver for an MTW Self-Sufficiency program that provides immediate cash incentives for meeting income, finance, education, health, and other types of self-sufficiency goals. To increase housing choice, Newnan is also offering damage claim payments and signing bonuses of up to \$1,000 to landlords who rent a unit new to the program to a voucher household.

Ruston, a public housing-only PHA in a small city in northcentral Louisiana, has an ambitious combination of waivers and associated activities addressing the self-sufficiency objective. It is the only Flexibility Cohort PHA to have a waiver for a term limit (5 years, with extensions to 7 years possible); one of only seven PHAs to have a work requirement waiver; and one of only two PHAs approved to implement a stepped rent, which increases the tenant's share of rent regardless of changes in income. In addition, Ruston has waivers to increase the minimum rent to \$130, change to biennial reexaminations, and require participation in its MTW Self-Sufficiency program. These waivers also address the cost-effectiveness objective as they are expected to reduce HAP payments and staff costs for reexaminations. Ruston does not have an HCV program and has no waivers for housing choice.

New Smyrna Beach in Florida has the most cost-effective waivers and associated activities in this group and the third most of any Flexibility Cohort PHA. A text box in the next chapter (exhibit 3-4) describes the cost-effectiveness waivers and associated activities this PHA has started implementing and its cost savings from some of those waiver activities.

### ***1.5.3 PHAs With a Substantial Number of Waivers for One Statutory MTW Objective***

The five PHAs in this category are all in the narrow range of six to eight approved waivers and associated activities each. These PHAs vary on which statutory objective they focus their efforts on, but they do not go far above the median number of waivers even for those objectives. The main exception is Solano, California, which has three times the number of waivers targeting housing choice compared with the median across all Flexibility Cohort PHAs.

Solano, a county PHA approximately midway between San Francisco and Sacramento in an area that is a mix of small cities and rural areas, is addressing housing choice by trying to incentivize landlords to participate in the program. It provides vacancy loss payments, offers damage claim payments, pays a signing bonus of 1 month of rent for units not leased in the program in the past year, and offers prequalifying inspections.

Kandiyohi, a county PHA in an agricultural area of southern Minnesota, has six of its seven waivers and associated activities focused on cost-effectiveness. The waivers are mostly modest but include changing to biennial reexaminations, increasing the minimum rent to \$100 for public housing households, and allowing self-certification of assets up to \$50,000. It also has a waiver to eliminate its Family Self-Sufficiency (FSS) program.

### ***1.5.4 PHAs Without a Substantial Number of Waivers for a Specific MTW Statutory Objective***

The 10 PHAs in this group have between one and seven approved waivers and associated activities each. Despite the small number of waivers and associated activities, 3 of the 7 PHAs with waivers for work requirements are in this group—Ozark, Alabama; South Sioux, Nebraska; and Fort Mill, South Carolina.

Fort Mill, an HCV-only PHA in a small South Carolina suburb 20 miles from Charlotte, North Carolina, has only one self-sufficiency waiver, but it is a phased-in work requirement. It starts in the second year of assistance with 10 hours of work per week required and grows to 30 hours per week in the fifth year of assistance. The PHA's plan includes partnering with the county Department of Social Services and local educational institutions and providing homeownership and self-sufficiency classes to assist HCV households. Also, unlike the work requirements of other PHAs, it requires any nonelderly and nondisabled household that seeks to port their HCV

into Fort Mill’s jurisdiction to already be employed 30 or more hours per week, or their portability request will be denied. Its main waivers for cost-effectiveness are changing to biennial HQS inspections and allowing landlords and tenants to self-certify that any required repairs are made after the inspection. Fort Mill also has unique housing choice waivers, including a \$500 bonus for any landlord that rents to a voucher household and a \$200 bonus for referring a landlord that leases to an HCV household.

McLeod, a county PHA in a rural area in southern Minnesota, has the same executive director as Kandiyohi, which is nearby. McLeod has the same three HCV waivers and associated activities as Kandiyohi. It does not have a public housing program or FSS program, so it does not have Kandiyohi’s waivers for those programs. McLeod’s three waivers are changing the reexamination schedule to biennial, allowing self-certification of assets up to \$50,000, and increasing the payment standard to 120 percent.

## **1.6 How MTW Flexibility Compares With Flexibilities Granted to All PHAs**

Legislative changes have provided additional flexibility to all PHAs, some of which mirror flexibility that MTW agencies can access with MTW waivers and associated activities. The availability of additional flexibility for non-MTW PHAs means that the difference between what an MTW and a non-MTW PHA can do is smaller relative to previous years, which makes it less likely there will be differences in outcomes resulting from MTW designation.

The March 2016 Streamlining Rule provided all PHAs with additional flexibility related to annual and interim reexaminations, the self-certification of assets, HQS inspection frequency and methods, and the payment of utility allowance reimbursements.<sup>21</sup> Also, in 2016, the passage of the Housing Opportunity Through Modernization Act (HOTMA) provided all PHAs with further flexibilities for self-certification, PBV caps, interim reexaminations, and alternate HQS inspections.<sup>22</sup> In September 2023, some HOTMA provisions related to income verification were implemented, and others are expected to be implemented by HUD in 2024.<sup>23</sup>

Along with these regulations, COVID-19 pandemic programs and waivers provided MTW-like flexibilities to all (or participating) PHAs. These COVID-19 waivers allowed further flexibility in HQS inspection methods, income verification, and setting payment standards. Although these waivers have since expired (expiration dates vary from December 2021 through December 2023), some non-MTW PHAs could still be using the waivers through the end of the study period for this report.<sup>24</sup>

For PHAs with Emergency Housing Vouchers (EHVs), the EHV program permits higher payment standards, prequalifying inspections, and administrative and service fees for landlord incentives and resident supportive services.<sup>25</sup> HUD has also provided guidance through recent notices on all PHAs’ ability to use HCV administrative fees to cover landlord incentives and

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<sup>21</sup> [PIH Notice 2016-05](#).

<sup>22</sup> The implementation of some flexibilities related to HQS inspections allowed through HOTMA has been delayed ([PIH Notice 2024-19](#)).

<sup>23</sup> HUD (n.d.); PIH Notice 2023-27.

<sup>24</sup> PIH Notice 2020-05; PIH Notice 2020-13; PIH Notice 2020-33; PIH Notice 2021-14; PIH Notice 2022-30.

<sup>25</sup> PIH Notice 2021-15.



resident move-in costs such as rental application fees, and it has extended PHAs' ability to increase payment standards to 120 percent of FMR with good cause.<sup>26</sup>

This suite of regulatory changes (Streamlining Rule, HOTMA, COVID-19 waivers, EHV's) means that non-MTW PHAs might have some abilities to improve cost-effectiveness, promote resident self-sufficiency, and increase housing choice by implementing changes that were previously only available to MTW agencies. Exhibit 2-4 compares MTW waiver flexibility with flexibility provided to all PHAs, including non-MTW PHAs; the following sections discuss how flexibility varies for addressing the three MTW statutory objectives.

**Cost-Effectiveness.** The area where non-MTW PHAs obtained the most MTW-like flexibilities was cost-effectiveness. Under the new flexibilities, non-MTW PHAs are allowed to implement the following activities to support their cost-effectiveness efforts: triennial reexaminations for households with fixed incomes, elimination of interim reexamination for income increases less than 10 percent or the addition of a family member, a self-certification asset limit of up to \$50,000, allowable deductions for medical expenses (hardship exemption for childcare expenses), reduced utility reimbursement frequency, biennial HQS inspections, and establishing penalty fees for missed inspections.

Although their flexibilities are more similar than they would have been several years ago, MTW agencies still have greater flexibility to promote cost-effectiveness than non-MTW PHAs. For example, MTW PHAs can obtain waivers to conduct triennial reexaminations for all households (not only for households on fixed incomes), conduct

**Exhibit 2-4. Similarities Between Waivers Available to Moving to Work (MTW) Public Housing Agencies (PHAs) and Recent Flexibilities Available to Non-MTW PHAs**

**Self-Certification of Assets**

- Both: For assets up to \$50,000

**Less Frequent Reexaminations**

- MTW: Triennial for all households
- Non-MTW: Biennial for all households and triennial for families with fixed incomes only

**Landlord Incentives**

- MTW: Funded by Housing Choice Voucher Housing Assistance Payment funds, Public Housing Operating Fund, Public Housing Capital Fund
- Non-MTW: Funded by administrative fees, Emergency Housing Voucher administrative and service fees

**Housing Quality Standards Inspections**

- MTW: Inspection up to triennially, prequalifying inspection for 90 days
- Non-MTW: Inspections biennially, prequalifying inspections for Emergency Housing Vouchers only—for 45 days

**Utility Reimbursement**

- MTW: Able to eliminate reimbursements
- Non-MTW: For reimbursements under \$45, able to pay quarterly

**Payment Standards**

- MTW: Increase to up to 120 percent of the Fair Market Rent (FMR) or 150 percent of the Small Area Fair Market Rent (SAFMR)
- Non-MTW: Increase up to 120 percent of FMR (with "good cause" only and for Emergency Housing Vouchers) and 110 percent of SAFMR

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<sup>26</sup> PIH Notice 2022-18; PIH Notice 2023-29.

triennial HQS inspections, combine deductions or use one standard deduction, and fully eliminate utility reimbursements when they exceed rent.

**Self-Sufficiency.** Non-MTW PHAs do not have most of the tools MTW PHAs have to increase family self-sufficiency. Non-MTW PHAs can change to biennial reexaminations for nonelderly, nondisabled households, allowing household income to grow for 2 years before tenant rent is adjusted. However, MTW PHAs can change to triennial reexaminations and have other activities to promote self-sufficiency. These activities include adjusting the rent calculation to incentivize work, modifying existing or starting new programs to provide services or financial incentives to support self-sufficiency, raising the minimum rent above \$50, adding work requirements, and adding time limits.

**Housing Choice.** The new regulations for all PHAs provide non-MTW PHAs with some flexibility similar to what MTW PHAs have to improve housing choice, especially while the COVID-19 waivers were in effect. However, the MTW PHAs still have substantially more tools to improve housing choice for their households. MTW PHAs can make several changes that non-MTW PHAs cannot make, such as allowing a higher initial rent burden; using funding flexibility to use any of the HCV or public housing funding streams to cover landlord incentives (non-MTW PHAs can use only administrative fees); conducting HQS inspections triennially (non-MTW PHAs have to inspect a minimum of biennially); and MTW PHAs have more flexibility for setting payment standards and project-basing units.

### **1.7 Key Takeaways on MTW Waiver Selection by Flexibility Cohort PHAs**

By the end of 2023, 28 PHAs were approved to implement 279 MTW waivers and associated activities across their HCV and public housing programs. Most Flexibility Cohort PHAs chose to start small with approval to implement nine or fewer waivers and associated activities that focused on core activities to reduce PHA administrative costs or staff burden, promote resident self-sufficiency, or free up resources and help current residents graduate from the HCV or public housing program so PHAs could assist more households in need of housing support. The most common waivers and associated activities selected included making changes to tenant rent policies or the reexamination process, increasing payment standards, adjusting the rent reasonableness process, and changing policies under HQS.

In categorizing how their selected MTW waivers and associated activities would meet one or more of the MTW program's three objectives, most Flexibility Cohort PHAs opted to seek approval for waivers to improve cost-effectiveness. Nearly 7 of every 10 approved waivers and associated activities focused on this objective. Because MTW designation does not come with any additional HUD funding, it is likely that PHAs recognized the need to free up staff time and PHA resources early to support some of the more ambitious—including labor-intensive or cost-negative—changes that would support their long-term self-sufficiency and housing choice goals. This potential explanation is supported by the smaller share of waivers and associated activities selected to address these other objectives, with only 4 of every 10 waivers focused on increasing self-sufficiency and about 3 of every 10 focused on expanding housing choice.



## Implementation of MTW Activities

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This chapter discusses funding flexibility and the Moving to Work (MTW) waivers and associated activities that public housing agencies (PHAs) have begun implementing. By the end of 2023, 15 PHAs had begun using MTW funding flexibility, and 26 PHAs had begun implementing at least one MTW activity. This chapter answers the following subset of research questions under the process study's main question of how smaller PHAs use their MTW flexibility:

- How did PHAs use their funding flexibility to support MTW activities?
- Which waivers and activities did the MTW PHAs implement by the end of 2023?
- What were the PHAs' objectives in implementing those activities?
- How do the waivers and associated activities that MTW Flexibility Cohort PHAs are implementing compare with the waivers that the Initial MTW PHAs implemented?
- What were the PHAs' experiences implementing MTW flexibilities, and how have these experiences changed over time?
- What were MTW PHAs' lessons learned under MTW?

### 1.8 Use of Funding Flexibility to Support MTW Activities

With MTW designation, PHAs can automatically use funding flexibility that allows PHAs to use funds designated to one federal housing program or activity to support another. For example, PHAs can use funds meant to pay housing assistance payments (HAP) to fund activities designed to be paid for through the Housing Choice Voucher (HCV) program administrative funds or by the Public Housing Operating Fund. About one-half (15 of 29) of the PHAs interviewed reported using funding flexibility to support implementing MTW activities. Of the PHAs not currently using funding flexibility, more than three-fourths (10 of 13) said they planned to use it. Only 3 PHAs were not using and do not plan to use funding flexibility.

Among the PHAs using funding flexibility, at least nine reported drawing mainly on HAP dollars (including drawing down HAP reserves) and at least four flexed Operating and Capital Funds to supplement current funding sources. They described using a mix of strategies to flex these funds. Several used funding flexibility to fill short-term gaps until grant money or Capital Funds were replenished. This ability helped them quickly pay bills, meet emergency resident needs, conduct timely unit renovations, or complete housing development transactions. Others temporarily designated a portion of these funds to support MTW activities until the time and money expected to be saved through cost-saving objectives were fully realized. Others planned to use these funding sources to support a portion of MTW activities on a permanent basis. Some PHAs had not planned to use funding flexibility in the past but saw its benefit as they began implementing activities.

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*"We've been looking at how we can use funding flexibility in the redevelopment of six housing units... we would use part of our Capital Funds to support that." – PHA Executive Director*

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The most common MTW activity supported through funding flexibility was **providing landlord incentives** (seven PHAs), such as signing bonuses to new landlords or damage mitigation funds.

PHAs reported that HCV administrative funds were insufficient for staff salaries and landlord incentives. Five PHAs used funding flexibility to help **finance housing development and rehab efforts**, using HAP dollars as gap financing to supplement the main funding sources and provide the last bit of funding needed to fully finance the work. Another common activity supported through funding flexibility was providing various **resident services** (five PHAs) that included job training classes, giving small stipends to participants in MTW Self-Sufficiency programs, and helping residents with transportation.

PHAs also described using funding flexibility to **supplement the salary of an MTW or Family Self-Sufficiency (FSS) Coordinator** who manages MTW activities (three PHAs). PHAs explained that it was difficult for small agencies to cover the salary of an MTW Coordinator with HCV administrative funds or Public Housing Operating Fund dollars. One common challenge for Flexibility Cohort PHAs was finding the time and staff capacity to oversee MTW activities and report the requirements because, as smaller PHAs, they often had a small staff that was already at capacity with their regular duties. However, funding flexibility lets PHAs pool funds across allowed funding streams to help cover the expense of hiring new staff dedicated to MTW activities and oversight, allowing someone to be completely focused on implementing MTW.

PHAs also described how they might leverage funds from other programs or external grants to further support MTW activities. For example, several PHAs planned to use programs such as the Resident Opportunities and Self-Sufficiency program to supplement resident support provided under their MTW activities. One PHA noted that it had used HAP dollars to establish a nonprofit affiliate that would allow the PHA to raise grant money for resident services and engage in housing development supplemented by tax credits. PHAs described the ability to flex funds as critical to the smooth implementation of their MTW activities.

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*“We are currently using funding flexibility to support the landlord incentives and having success with it. It’s helped retain landlords that we may have lost during the [rental] market rate increases in the community.” – PHA Executive Director*

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## 1.9 Timing of Waiver Implementation

As with most new programs, it took Flexibility Cohort PHAs some time to implement their approved MTW waivers and associated activities. Waiver implementation start dates were self-reported by each Flexibility Cohort PHA but typically meant that the PHA had completed the planning phase and the approved activities were in effect for the affected parties.<sup>27</sup> Delays were common as PHAs took time to update their software to accommodate planned changes, work out implementation logistics, update forms and paperwork, notify residents, or put initiatives on pause due to staff turnover. Other delays were from staff turnover or waiting for HUD reporting systems to transition from the Inventory Management System//Public and Indian Housing Information Center (IMS/PIC) to the new Housing Information Portal (HIP) before implementing a waiver activity. The delay in the transition to HIP made reporting on certain

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<sup>27</sup> Some waiver activities take time to implement, such as less frequent reexaminations, and as such could take a year or more before PHAs can realize any cost savings or other positive impacts from the implementation of the activity.

MTW waivers difficult or impossible for some PHAs. Rather than implement these activities and struggle to report on the activities to HUD, some PHAs opted to delay implementation until the updated reporting system was available.

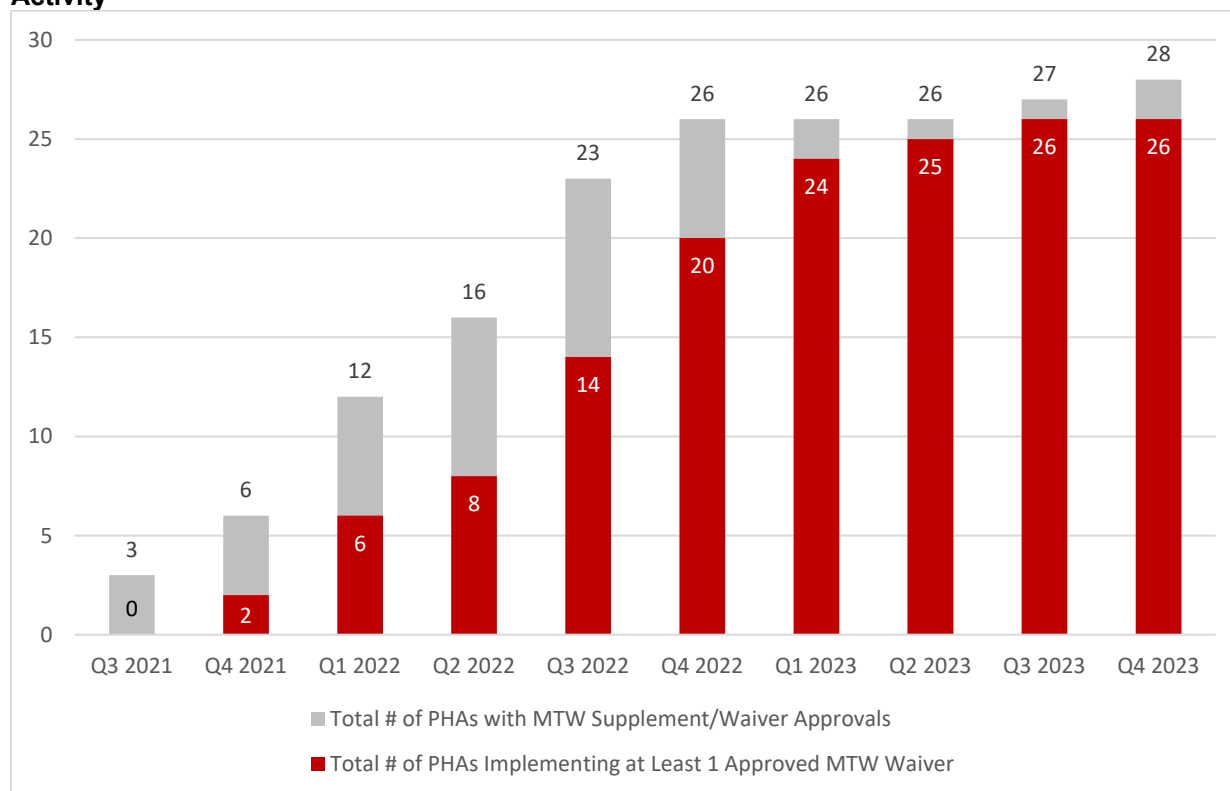
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*“We really wanted to get to the place where we’re freeing up more staff time and doing more with tenants, [Housing Choice Voucher] participants, and residents to promote more self-sufficiency. Because of the slow implementation, we just haven’t gotten to that point yet. I don’t know that we’ve implemented anything that has made a big impact yet.” – PHA Executive Director*

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Exhibit 3-1 displays the timing of the first MTW Supplement approvals compared with when PHAs began implementing at least one MTW waiver activity. The first Flexibility Cohort PHAs received approval to begin implementing MTW waivers and associated activities in September 2021; however, the rollout of these activities was slow, especially in the first year. By the end of 2022, 26 PHAs had an approved MTW Supplement, and 20 PHAs had begun implementing at least one MTW waiver activity. By the end of 2023, 28 PHAs had an approved MTW Supplement, and 26 PHAs had begun implementing at least one waiver activity.

**Exhibit 3-1. Timing of MTW Supplement/Waiver Approval and Implementation of First MTW Activity**



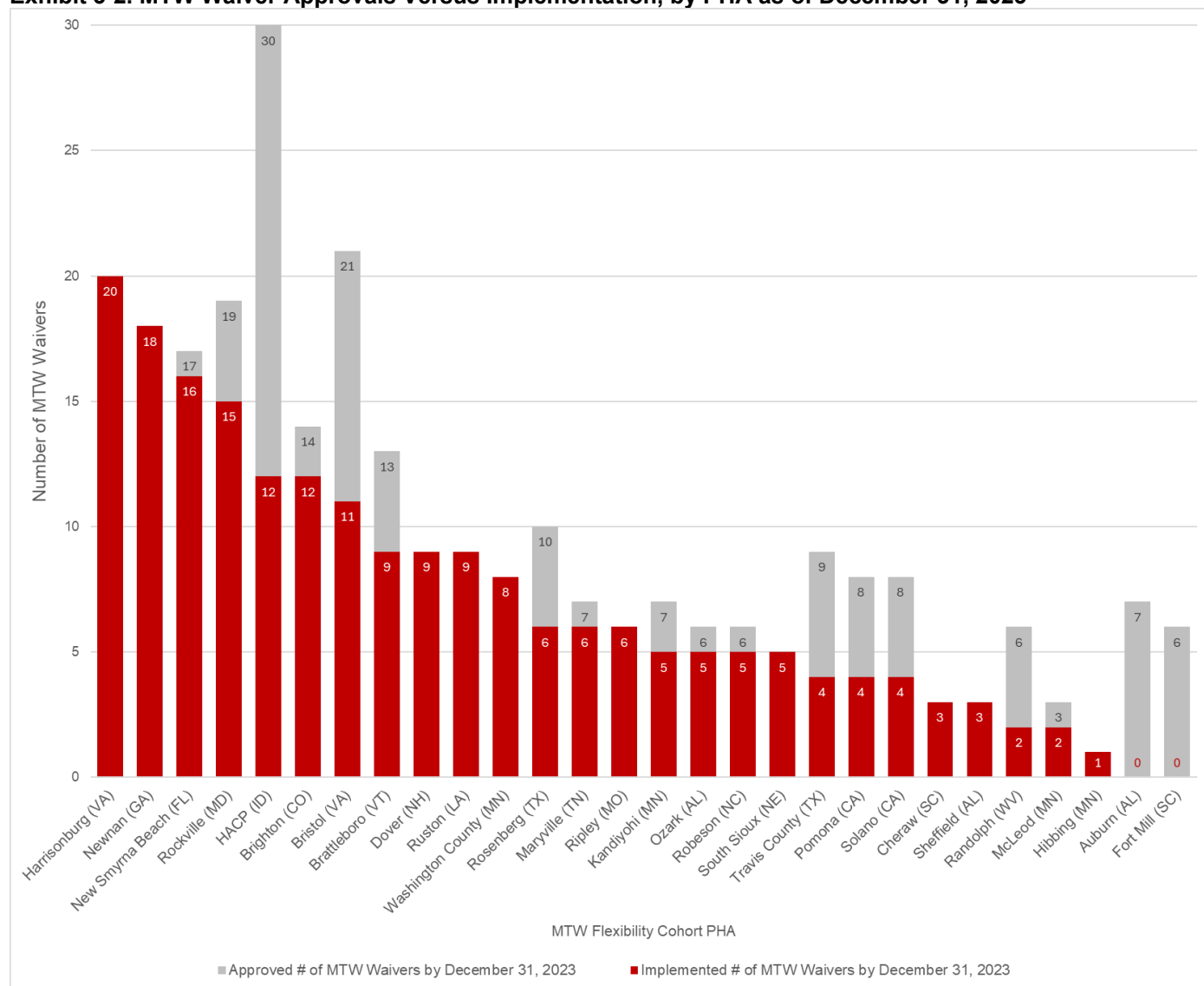
MTW = Moving to Work. PHA = public housing agency. Q = quarter.

Sources: Approved MTW Supplements as of December 31, 2023 (*n* = 28 PHAs); interviews with Flexibility Cohort PHAs in February–April 2024 (*n* = 29 PHAs)

Of the 279 waivers and associated activities that HUD approved, PHAs had implemented 199 (71 percent) by December 31, 2023. Exhibit 3-2 shows the number of implemented waivers and associated activities compared with approved waiver activities for each PHA. About one-third of the PHAs (10 PHAs) had implemented all their approved waivers and associated activities by the

end of 2023, whereas 2 PHAs had not yet implemented any. On average, it took PHAs about 4 months between MTW Supplement approval and implementation of their first MTW waiver activity. However, for some PHAs, implementation started immediately, as they continued using waivers allowed during the COVID-19 public health emergency. For others, it took more than a year to start implementation of their first waiver activity, often due to staff turnover.

**Exhibit 3-2. MTW Waiver Approvals Versus Implementation, by PHA as of December 31, 2023**



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

Notes: A crosswalk of abbreviated PHA names is shown in this exhibit, and full PHA names are in appendix A (exhibit A-1). Pomona started pilot testing its incentive for damage claim payments in 2023 but does not consider this waiver implemented, so it is not counted as implemented in this report.

Sources: Approved MTW Supplements as of December 31, 2023 ( $n = 28$  PHAs); interviews with Flexibility Cohort PHAs in February–April 2024 ( $n = 29$  PHAs)

Exhibit 3-3 shows the MTW waiver categories and indicates how long each PHA has been implementing a waiver activity under that category. PHAs are counted only once per row and are categorized based on the longest-implemented waiver activity in the category. Most PHAs have been implementing waiver activities between 7 and 18 months as of December 31, 2023. A few

PHAs have not yet implemented any approved activities within these waiver categories. This situation is most true among PHAs with approved waivers and associated activities for landlord leasing incentives. Only 64 percent of PHAs with approved waivers to offer landlord incentives have begun implementing at least one of these waiver activities. Among PHAs with approved waivers for project-based voucher flexibilities, only 63 percent have begun implementing at least one approved waiver activity in that category. This finding indicates that it might still be too soon to detect impacts from MTW activities because many have not yet been implemented by most PHAs or have been implemented only for a short period.

**Exhibit 3-3. Number of PHAs Implementing at Least One MTW Waiver in Each Category, by Length of Time Implemented as of December 31, 2023**

MTW Waiver Category	Length of Time Implemented by the End of 2023				
	≤ 6 Months	7–12 Months	13–18 Months	> 18 Months	Total # of PHAs That Implemented by End of 2023 Out of # of PHAs With Waiver in This Category
Tenant Rent Policies	2	7	7	5	21 of 24 (88%)
Reexaminations (and Self-Certification of Assets)	4	5	6	5	20 of 22 (91%)
Payment Standards and Rent Reasonableness	1	1	8	3	13 of 16 (81%)
Housing Quality Standards	1	4	4	2	11 of 13 (85%)
Landlord Leasing Incentives	0	3	3	1	7 of 11 (64%)
FSS Program with MTW Flexibility	2	3	1	1	7 of 9 (78%)
PBV Program Flexibility	0	2	2	1	5 of 8 (63%)
Work Requirements	2	0	3	0	5 of 7 (71%)
Local Nontraditional Activities	0	3	1	1	5 of 7 (71%)
MTW Self-Sufficiency Program	1	1	1	1	4 of 5 (80%)
Term-Limited Assistance	0	0	0	1	1 of 1 (100%)
Short-Term Assistance	0	0	1	0	1 of 2 (50%)
Acquisition Without Prior HUD Approval (public housing)	0	1	0	0	1 of 2 (50%)
Public Housing as an Initiative for Economic Progress	0	0	0	0	0 of 1 (0%)

FSS = Family Self-Sufficiency. MTW = Moving to Work. PBV = project-based voucher. PHA = public housing agency. Notes: PHAs are not included if all approved waivers in the category were on hold or were not implemented by the end of 2023. This exhibit reports PHAs in each implementation category based on the longest-implemented waiver in the category. For example, if a PHA had implemented one waiver related to tenant rent policy for 21 months and another for 6 months, it would be reported in the ≥18 months category.

Sources: Approved MTW Supplements as of December 31, 2023 (*n* = 28 PHAs); interviews with Flexibility Cohort PHAs in February–April 2024 (*n* = 29 PHAs)

## 1.10 Implementation of MTW Waivers and Associated Activities by MTW Statutory Objective

Among the waiver activities that PHAs had begun implementing by the end of 2023, the expected outcomes fall into three categories:<sup>28</sup>

- Changes expected to reduce the administrative burden on PHA staff and increase **cost-effectiveness** for the PHA (25 of 26 PHAs).
- Changes that have the potential to promote residents' **self-sufficiency** (20 of 26 PHAs).
- Changes that have the potential to expand residents' **housing choices** (21 of 26 PHAs).

### 1.10.1 Implemented Waivers Expected to Reduce Administrative Burden to Improve Cost-Effectiveness for PHAs

Twenty-five Flexibility Cohort PHAs had implemented changes that were expected to increase cost-effectiveness, with many of them achieving these cost savings by reducing the PHA's administrative burden (such as the amount of staff time or resources dedicated to certain tasks). These activities include the following:

- Allowing residents to self-certify assets. This change will free up staff time working with residents to obtain verification of assets, which can take significant effort and can result in delays in processing (16 of 18 PHAs [89 percent] approved for this waiver activity).
- Eliminating deductions, implementing standard deductions, or using alternative income inclusions or exclusions to streamline the rent calculation process (10 of 14 PHAs [71 percent] approved for these waiver activities).
- Eliminating utility reimbursements when the utility allowance is greater than the total tenant payment to free up staff time processing payments that are often only a few dollars (10 of 12 PHAs [83 percent] approved for this waiver activity).
- Streamlining the utility allowance schedule will make it easier for staff to look up utility allowances when determining residents' total tenant payment (7 of 8 PHAs [88 percent] approved for this waiver activity).
- Implementing an alternative Housing Quality Standards (HQS) inspection schedule so passing units do not have to be inspected as frequently unless requested by the resident (7 of 7 PHAs [100 percent] approved for this waiver activity).
- Eliminating the third-party requirement for the following waivers:
  - Inspections for PHA-owned or -managed units (4 of 5 PHAs [80 percent] approved for this waiver activity).

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<sup>28</sup> PHAs classify which statutory objectives each waiver and associated activity is supposed to address, but PHAs vary in how they classify which waivers support which statutory objectives. For the purposes of this analysis, the evaluation includes all PHAs that have approval to implement the named waivers, regardless of whether the PHA indicated a waiver was to support the named statutory objective. The implemented waivers are classified in only one category in this section.

- Rent reasonableness determinations for PHA-owned or -managed units (4 of 4 PHAs [100 percent] approved for this waiver activity).<sup>29</sup>
- Requiring project-based voucher (PBV) recipients to reside in a project-based unit for 2 years rather than 1 year before switching to a tenant-based HCV (3 of 4 PHAs [75 percent] approved for this waiver activity).
- Allowing units to have a prequalifying HQS inspection to speed up the lease-up process when a voucher holder requests to lease the unit (2 of 3 PHAs [67 percent] approved for this waiver activity).

Of the 25 PHAs that implemented waivers and associated activities expected to reduce PHA staff burden or costs, 16 PHAs are implementing more than one such activity across their housing programs. Details on these MTW waivers and associated activities are provided in appendix B (exhibit B-2).<sup>30</sup> Exhibit 3-4 provides a case study of how one PHA bundles waivers to cut costs.

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<sup>29</sup> Changing the rent reasonableness process could also result in reductions in PHA administrative burden or costs. Three PHAs are implementing this waiver, but either they have the waiver to document their existing processes without making any changes or the PHA reports that it expects the changes it has implemented to be cost-neutral. Therefore, that waiver is not included in this list.

<sup>30</sup> Waivers that address cost-effectiveness primarily by reducing HAP costs (such as increasing minimum rent) are not included in this category. Furthermore, some waivers that affect administrative costs and other objectives are included elsewhere. For example, less frequent reexaminations are included in self-sufficiency (section 3.3.2) and less frequent HQS inspections are included in housing choice (section 3.3.3).



### Exhibit 3-4. Case Study: Bundling Waivers to Reduce PHA Administrative Burden and Costs

The New Smyrna Beach Housing Authority—a small community (population ≈32,000) on the central east coast of Florida, slightly south of Daytona Beach—implemented a suite of waivers and associated activities to reduce public housing agencies (PHA) staff burden and decrease expenditures for the PHA:

- Simplifying the utility allowance schedule to only one schedule based on bedroom size and dwelling unit. This simplification saves staff time updating and looking up different schedules to apply the correct allowance.
- Eliminating utility reimbursements. This removal saves staff administrative time processing and tracking utility reimbursement checks.
- Eliminating deductions and the Earned Income Disregard. This removal will help streamline the reexamination process for PHA staff and reduce time spent calculating the Earned Income Disregard. The PHA expected that these actions might increase the total tenant payment, but has not seen a major change in finances due to this activity yet.
- Allowing households to self-certify assets up to \$50,000 to reduce the time PHA staff spend working with clients to obtain verification of assets.
- Moving to a triennial Housing Quality Standards inspection schedule for all Housing Choice Voucher units (with the option for interim inspections). Inspection staff will have about one-third of the units to inspect on an annual basis once this is fully implemented.

New Smyrna Beach reported that eliminating utility reimbursements has resulted in a 1-year cost savings of about \$20,000. Other efforts are also expected to result in administrative efficiencies or Housing Assistance Payment (HAP) cost savings. For example, the PHA's implementation of a higher minimum rent has resulted in the PHA paying less HAP for about 20 households, which has resulted in annual cost savings of about \$30,000. Switching to a triennial reexamination schedule is also expected to significantly reduce administrative burden once the Housing Information Portal is fully rolled out, Form HUD-50058 can be easily and accurately submitted, and the PHA's internal software can be updated to conform with the portal. The switch to triennial reexaminations has resulted in staff spending less time on reexaminations, but this reduction has been offset with time spent making additional spreadsheets to monitor when households will be due for reexaminations and making corrections to reporting in the Inventory Management System/PIH Information Center.

#### *1.10.2 Implemented Waivers That Could Affect Residents' Self-Sufficiency*

MTW waivers and associated activities can promote the self-sufficiency of residents by changing the amount of money residents are expected to pay for rent, changing how increases in income are handled, limiting the length of time they can receive housing assistance, changing the terms of a self-sufficiency program, providing supportive services, or requiring work as a condition of receiving housing assistance.

Activities that Flexibility Cohort PHAs implemented that could help improve residents' self-sufficiency include the following:

- Decreasing frequency of reexamination schedules, which allow households to experience income gains for multiple years without changing their total tenant payment (TTP) (15 of 19 PHAs [79 percent] approved for this waiver activity).



- Increasing minimum rents to encourage work effort (8 of 13 PHAs [62 percent] approved for this waiver activity).<sup>31</sup>
- Creating mandatory family selection procedures for an FSS or MTW Self-Sufficiency program and creating alternative policies for how increases in income are handled in these programs to encourage income gains (8 of 9 PHAs [89 percent] approved for these waiver activities).
- Implementing work requirements for nonelderly, nondisabled household members (5 of 7 PHAs [71 percent] approved for this waiver activity). Exhibit 3-5 details the work requirements of the five PHAs implementing this activity.
- Creating a local, nontraditional program to provide additional services to residents, including partnerships with state job fairs to support residents in seeking and obtaining employment and community partnerships to assist middle and high school students with their postsecondary education goals and finding internships (2 of 2 PHAs [100 percent] approved for this waiver activity).
- Implementing stepped rents that increase TTP regularly regardless of changes in residents' income (1 of 2 PHAs [50 percent] approved for this waiver activity).<sup>32</sup>

Of the 28 PHAs with approved MTW Supplements, 20 PHAs (71 percent) began implementing at least one waiver activity that is expected to affect residents' self-sufficiency. Of these 20 PHAs, 14 PHAs (70 percent) are implementing more than one activity across their housing programs. Some PHAs that have not yet implemented certain activities to support self-sufficiency, such as making reexaminations less frequent, put these activities on hold until HUD reporting platforms are updated and can accommodate the required reporting fields (see exhibit 3-9). Other PHAs have not yet implemented some of their self-sufficiency activities because the activities were recently approved, the PHA is still in planning, or staff turnover has delayed rollout. Details on the MTW waivers and associated activities related to self-sufficiency that PHAs have started implementing are provided in appendix B (exhibit B-3).

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<sup>31</sup> Across the PHAs implementing this waiver, minimum rents increased from \$50 to \$75, \$100, or \$130. Exhibit 4-5 provides more detail on the number of households affected by this change.

<sup>32</sup> A third PHA, Robeson, North Carolina, was previously approved to implement a stepped rent but did not put into effect and subsequently decided to remove the waiver from its most recent MTW Supplement.

### Exhibit 3-5. A Closer Look at Work Requirements

Prior studies of the Initial Moving to Work (MTW) Cohort found that work requirements can result in positive impacts on measures of residents' self-sufficiency. A study of the Housing Authority of Champaign County, Illinois, found that its local self-sufficiency program that included a work requirement increased household earnings and the number of employed adults in the household (Lee and McNamara, 2018). A separate study of the Charlotte Housing Authority in North Carolina found that its work requirement—which coupled on-site case management that began at least 1 year before the work requirement was imposed and included sanctions for noncompliance with the work requirement—resulted in statistically significant impacts on reducing the number of residents paying only the minimum rent and increasing the number of residents employed (Rohe, Webb, and Frescoln, 2016).

As of December 31, 2023, seven Flexibility Cohort Public Housing Agencies (PHAs) were approved to implement work requirements for nonelderly, nondisabled residents. Five of these PHAs had started implementation. Policy design varied across these five PHAs, but each policy had common elements, such as notifying residents in advance that the work requirement was going into effect, issuing a 6-month grace period to comply with the policy, providing supportive services, imposing sanctions for noncompliance, and allowing residents to bypass the policy by meeting one of the conditions specified in the hardship policy.

**Ozark, Alabama:** Public housing and Housing Choice Voucher (HCV) residents aged 19–61 must work (or attend school or a qualifying work readiness training program) for a minimum of 15 hours a week (30 hours per week for households with multiple eligible members). To help comply with the policy, a resident services coordinator provides case management support services, and residents can attend work-related job training through a partnership with a local community college and receive job placement services. Compliance with the policy is monitored through third-party verification, the employer, or the PHA using the Enterprise Income Verification (EIV) system. In the first 15 months of implementation, the PHA awarded 21 hardship exemptions and terminated housing assistance for three households due to noncompliance with the policy.

**Newnan, Georgia:** Public housing and HCV residents aged 19–61 must work for a minimum of 15 hours a week (30 hours per week for households with multiple eligible members). To help comply with the policy, PHA staff provide case management supportive services, including referrals to the local career center and vocational training. Compliance with the policy is monitored through reported and verified income during annual reexamination and interims and the EIV system. In the first 6 months of implementation, the PHA issued a few temporary hardship exemptions due to job losses, but it did not terminate anyone's housing assistance.

**Ruston, Louisiana:** Public housing residents (Ruston does not have an HCV program) aged 18–62 must work for at least 15 hours a week (30 hours per week for households with multiple eligible members). If the household works less than 15 hours a week, they are required to complete at least 8 hours of community service per month. To help comply with the policy, PHA staff or community partners provide residents with supportive services. Compliance with the policy is monitored through resident-reported income and during annual reviews. In the first 4 months of implementation, the PHA had not terminated anyone's assistance due to noncompliance.

**Ripley, Missouri:** HCV residents (Ripley does not have a public housing program) who are at least 18 years old must work (or attend school) at least 15 hours a week. To help comply with the policy, households can receive supportive services from local employment support agencies. PHA staff actively follow up with residents who are not in compliance by the fourth or fifth month to remind them of the policy and encourage their employment search. Compliance with the policy is monitored through resident submission of payroll check stubs or semester grade sheets for students. In the first 18 months of implementation, the PHA issued three extensions to the 6-month compliance waiver, five long-term hardship exemptions due to disability, and two temporary hardship waivers. The PHA also terminated three households due to noncompliance with the policy. Prior to being terminated, households are given an extra 30 days to comply with the program.

**South Sioux, Nebraska:** HCV residents (South Sioux does not have a public housing program) who are at least 18 years old must work at least 15 hours a week or attend school or complete community service (with a specific list of agencies) for at least 20 hours a week. Full-time students, live-in aides, primary caretakers of children under 6 years old, and pregnant women are exempt from the requirement. To help comply with the policy, households may receive support services from the PHA's Growing Community Connections Organization. PHA staff actively follow up with residents who are not in compliance within 6 months. If the resident has participated in the supportive services and actively searched for work, they may receive an additional 60 days to comply with the policy after the initial 6 months. Compliance with the policy is monitored through resident submission of payroll check stubs or semester grade sheets for students. In the first 18 months of implementation, the PHA issued at least 15 notices of noncompliance, and 9 had resulted in termination of housing assistance due to noncompliance.

### ***1.10.3 Implemented Waivers That Could Improve Housing Choice***

Twenty-one Flexibility Cohort PHAs implemented waivers and associated activities that have the potential to meaningfully affect residents' housing choices by expanding the number of affordable housing options. These actions include the following activities:

- Increasing the payment standards associated with Small Area Fair Market Rents or Fair Market Rents to allow residents to access more expensive units, which can be of higher quality, larger in size, or in higher-opportunity areas (10 of 13 PHAs [77 percent] approved for these waiver activities).
- Offering landlord incentives, such as vacancy loss payments to landlords to keep units that had been rented to HCV recipients available for another voucher holder, damage claim payments to landlords for damages above and beyond normal wear and tear, and incentive payments for renting a new unit or participating in the HCV program for the first time. These activities are expected to increase the supply of landlords participating in the HCV program and increase rental options for HCV holders (7 of 11 PHAs [64 percent] approved for these waiver activities). Exhibit 3-6 explains how landlords can use MTW waivers for damage claims.
- Increasing residents' allowable initial rent burden (from 40 percent to between 45 and 60 percent of adjusted monthly income) to allow HCV residents to rent more expensive units, which can be of higher quality, larger in size, or in higher-opportunity areas, by increasing their TTP (5 of 6 PHAs [83 percent] approved for this waiver activity).
- Local, nontraditional housing development programs to increase the supply of affordable housing in the PHA's jurisdiction by flexing up to 10 percent of HAP funds to support development. This activity can potentially increase housing choice for voucher holders by expanding the amount of affordable housing to choose from (4 of 6 PHAs [67 percent] approved for this waiver activity).
- Increasing the number of the PHA's units that can be project-based, or the share of units within a building that can be project-based, or extending the timeframe that PBV units can be contracted. These changes can potentially increase the supply of affordable housing and the likelihood that voucher recipients can successfully lease up (3 of 5 PHAs [60 percent] approved for these waiver activities).

Of the 21 PHAs that have implemented waivers and associated activities expected to affect housing choice, 9 PHAs are implementing more than one activity across their housing programs. However, although these PHAs considered their waiver activities implemented (meaning they were in place and available for use), sometimes, uptake of these waivers was delayed, or a PHA might have considered the waiver implemented. However, no changes could be expected to housing choice in the immediate term. For example, many of these PHAs sought approval for the PBV-related MTW waiver activities in anticipation of upcoming redevelopment, new developments, or Rental Assistance Demonstration conversions that have not yet occurred, and therefore, there has been no increase in the number of units that are project-based. Details on these MTW waivers and associated activities, and the PHAs that are implementing them, are provided in appendix B (exhibit B-4) if more than one PHA is implementing the waiver.

### Exhibit 3-6. Using MTW Waivers to Implement Damage Claims

Under the Landlord Leasing Incentive: Damage Claims waiver, public housing agencies (PHAs) can provide landlords with an additional payment to cover the costs of excess damages not covered by the security deposit. The incentive can be up to the cost to repair the damages beyond normal wear and tear (minus the security deposit) or 2 months of rent, whichever is less. The goal of this waiver is to incentivize landlords' continued participation in the Housing Choice Voucher (HCV) program or to overcome fears or stigmas from new landlords whose HCV residents will excessively damage the units.

Seven PHAs are currently approved to implement damage claim payments for landlords, and five had begun implementation as of March 2024.

**Outreach and Landlord Notification:** Rollout of the incentive typically began with outreach to landlords through flyers, newsletter blurbs, or direct outreach to let them know that the policy was going into effect and to contact the PHA if the landlord needed to file a damage claim.

**Additional Considerations:** One PHA reported that the logistics for implementing this waiver made it one of the more challenging waivers. The PHA pilot tested the policy with one landlord to identify issues that needed further consideration before rolling out the policy at full scale:

- Determining whether the PHA should inspect the damage in person prior to the landlord making any repairs, to verify the extent of the damage. During the pilot, the landlord had already made the necessary repairs before contacting the PHA, and the PHA had no way to verify the extent of the damage.
- Determining whether the PHA should do a full inspection of the unit or only verify the damages reported by the landlord.
- Determining a reasonable price to pay for the damages and whether the PHA should require receipts to verify the cost of repairs.

**Use to Date:** The damage claim payments have not been requested as much as PHAs initially expected they might be. Several PHAs reported that no landlords have asked to be reimbursed for excessive damages. One PHA plans to discontinue the waiver because no payments have been issued since rolling it out more than a year ago. Others plan to expand their landlord outreach efforts to ensure landlords are aware of the policy.

### 1.11 How Flexibility Cohort PHAs Compare With Initial MTW PHAs

The preapproved MTW waivers and associated activities available to the MTW expansion PHAs were developed by HUD based on waiver activities commonly requested by the Initial MTW PHAs.<sup>33</sup> The Initial MTW PHAs are the PHAs that entered the MTW Demonstration before 2013 and whose innovations were cataloged in *Innovations in the Moving to Work Demonstration* (Khadduri et al., 2014). This section compares (when possible) the waivers implemented by the larger Initial PHAs with the HUD-approved waivers and associated activities implemented by the smaller PHAs in the Flexibility Cohort to provide insights on how size might affect waiver use.

Exhibit 3-7 compares the most common waivers and associated activities adopted by the 28 Flexibility Cohort PHAs with approved MTW Supplements with the waivers implemented by the 34 Initial MTW PHAs.

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<sup>33</sup> The preapproved waivers are listed in appendix I of the MTW Operations Notice: <https://www.federalregister.gov/documents/2020/08/28/2020-18152/operations-notice-for-the-expansion-of-the-moving-to-work-demonstration-program>

**Exhibit 3-7. Comparison of Waivers Implemented by Flexibility Cohort PHAs With Initial MTW PHAs**

Waiver Activities Implemented		Flexibility Cohort PHAs ( <i>n</i> = 28) (Percent)	Initial PHAs ( <i>n</i> = 34) (Percent)
<b>Reexaminations</b>			
Self-Certification of Assets	↑	61	24
Alternate Schedules	↓	54	94
<b>Payment Standards</b>			
Increase Fair Market or Small Area Fair Market Rents	↑	46	29
<b>Tenant Rent</b>			
Eliminate or Simplify Utility Allowances & Reimbursements	↑	43	24
Raise Minimum Rent	↑	36	26
Simplify or Eliminate Income Deductions	↓	18	34
Tiered or Stepped Rent	↓	4	21
Rent as a Percentage of Income	↓	4	15
Landlord Leasing Incentives	↑	32	12
<b>Housing Quality Standards</b>			
Alternative Inspection Schedules	↓	25	68
Self-Inspection of PHA-Owned Units (Elimination of Third-Party Requirement)	↓	14	26
Rent Reasonableness Procedures	↓	21	47
Work Requirements	↓	21	32
Local Nontraditional Activities <sup>a</sup>	↓	18	32
<b>Self-Sufficiency Programs</b>			
Alternative Family Selection Procedures or Mandatory Services for Specific Households	↓	14	32
<b>Project Based Vouchers</b>			
Selection Process	↓	14	15
Project Cap	↓	11	38
Program Cap	↓	7	24
Term Limits/Time Limited Subsidies	↓	4	24

<sup>a</sup> The types of Local Nontraditional Activities adopted by each group were often different, with the Flexibility Cohort providing activities related to supportive services or housing development programs and the Initial PHAs using them to serve specific populations by providing Housing Choice Vouchers or public housing set-asides for specific groups. Notes: Red down arrow = fewer Flexibility Cohort PHAs are implementing waivers under the category compared with Initial PHAs. Green up arrow = more Flexibility Cohort PHAs are implementing waivers under the category compared with Initial PHAs.

Sources: Approved MTW Supplements as of December 31, 2023 (*n* = 28 PHAs); interviews with Flexibility Cohort PHAs in February–April 2024 (*n* = 29 PHAs); Khadduri et al. (2014)

Popular waivers and associated activities implemented by Flexibility Cohort PHAs mirror many of the most frequent innovations implemented by the Initial MTW PHAs in the first decade of the MTW Demonstration. The most popular waivers and associated activities among both groups targeted improvements in cost-effectiveness. However, fewer Flexibility Cohort PHAs than Initial MTW PHAs chose to start with activities that changed how rents are calculated or implemented self-sufficiency incentives. This observation is consistent with the desire of the Flexibility Cohort PHAs to start with smaller and less complicated waiver activities.

However, there are several caveats to this comparison. The Initial MTW PHAs did not select activities from a menu of preapproved HUD waivers and associated activities. Instead, each Initial PHA has an MTW Agreement that was negotiated with HUD and describes its planned activities, funding arrangements, and regulatory exemptions. The nature of each MTW Agreement sometimes led to greater funding flexibility or alternative methods of funding escalation for the Initial MTW agencies. The individualized approach used by the Initial PHAs resulted in highly localized activities that do not all directly map onto current preapproved waivers and associated activities. At the same time, the Initial PHAs were overwhelmingly large and in metro areas. Only two of the Initial PHAs would have qualified for the Flexibility Cohort when they joined the MTW Demonstration.<sup>34</sup> Finally, at the time of this comparison, in addition to size and location differences, many of the Initial MTW PHAs had been MTW agencies for a much longer time (some were MTW agencies for more than 10 years at the time waivers were cataloged) than had the Flexibility Cohort PHAs (MTW agencies for no more than 3 years when waiver activities were cataloged).

Despite the differences between the Flexibility Cohort PHAs and the Initial MTW PHAs and the limitations of this comparison, both smaller and larger PHAs found similarities in which waiver activities are most attractive. Regardless of size, PHAs tend to gravitate toward activities that will improve cost-effectiveness and reduce administrative burdens on staff. Even where there are differences in waivers and associated activities implemented, these differences could reflect the shorter time Flexibility Cohort PHAs have had to implement MTW activities or start-up delays and challenges. For example, an alternative reexamination schedule was the most popular waiver activity among Initial MTW PHAs, with 94 percent implementing them. Alternative reexamination schedules was also the most popular waiver activity among the Flexibility Cohort PHAs, but only 54 percent implemented them. Part of this smaller percentage is that Flexibility Cohort PHAs have ongoing concerns with HUD reporting and delays in the HIP. More Flexibility Cohort PHAs may choose to implement an alternative reexamination schedule as they obtain more experience with implementation over time and challenges with HUD reporting are resolved. These differences—and similarities—could change as the Flexibility Cohort PHAs continue to roll out their long-term MTW plans over time.

### **1.12 Implementation Progress, Changes in Waivers, and Perceptions of Successes and Challenges**

As PHAs began implementing approved activities, they could assess progress, remove roadblocks, and consider potential course corrections. In interviews, several Flexibility Cohort PHAs described early perceived successes related to their MTW goals. Several PHAs reported that fully implemented cost-saving activities were having an impact. For example, alternative reexamination schedules freed up staff time (except when dual reporting was required because HIP was not ready). They allowed PHAs to assign staff to other tasks or redirect time to provide greater support for residents' needs. At least one PHA reported early success related to resident self-sufficiency. This PHA described how its alternate selection requirements related to its MTW

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<sup>34</sup> Initial MTW PHAs Keene Housing in New Hampshire and Lawrence-Douglas County Housing Authority in Kansas had fewer than 1,000 combined units when they joined the MTW Demonstration Program in 1999, according to HUD's Picture of Subsidized Households 2000 database.

Self-Sufficiency program<sup>35</sup> created an opportunity to communicate with residents to connect them with needed support and encouragement. As a result, the PHA reported that some residents received new federal benefits, enrolled in educational programs, or found employment opportunities. Related to increasing housing choice, PHAs stressed that higher payment standards were improving the speed at which tenants could find a unit or had improved their voucher success rate. One PHA reported that increasing initial tenant rent burden had nearly doubled its voucher success rate.

PHAs noted that some waivers and associated activities were straightforward and easy to implement, such as allowing self-certification of assets, establishing a minimum rent, raising payment standards, eliminating utility reimbursements, and raising the initial tenant rent burden. These waiver activities required a few changes in PHA's current processes, did not involve HUD-50058 reporting, or affected only a few residents. PHAs reported that waiver activities requiring more planning, involving bigger changes to business as usual, or requiring changes in resident and staff behavior were more difficult to implement. For example, less frequent reexaminations required logistical decisions that affected staff and residents, such as planning large batches of reexaminations before extending the reexamination period and assigning residents new reexamination dates. PHAs implementing work requirements or MTW Self-Sufficiency programs also noted that significant communication with residents was necessary. Some residents misunderstood the intention of the program, did not understand the requirements and options, or were unaware of the available resources to help them meet the program goal.

For more difficult waiver activities, PHAs reported that they considered adjusting some of their ongoing activities to smooth out bumps or unintended consequences encountered during implementation. These adjustments included the following:

- **Updating requirements for MTW Self-Sufficiency programs.** One PHA wanted to provide a community service alternative to self-sufficiency classes for residents who may not want to engage in the classes and did not participate in the program after multiple attempts. Another wanted to provide a program exemption for near-elderly residents (those approaching the age at which they would be exempted from policies for elderly households).
- **Changing the cadence of annual reexaminations and offering streamlined rules for interim reexamination.** The PHAs explained that expanding the time between annual reexaminations had been beneficial to both staff and residents but that residents needed more clarity around when they needed to report changes in income and employment or family status. Some residents also preferred to have interims to incrementally increase the tenant portion of the rent rather than see a large jump in tenant rent at the end of the lengthened reexamination period.
- **Scaling back increases to resident initial rent burden.** One PHA found that allowing an initial rent burden higher than the standard 40 percent stretched residents' budgets too far, as

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<sup>35</sup> An MTW Self-Sufficiency program is separate from other self-sufficiency programs that a PHA might operate such as the FSS program or a Resident Opportunities and Self-Sufficiency program, which might or might not be modified through MTW.



landlords also increased rents during the course of residents' tenure in the unit, further increasing the rent burden.

- **Updating hardship policies.** Several PHAs updated their hardship policies to better support people living with disabilities and pending disability claims. Another PHA was rethinking how it implemented its minimum rent for zero earners after granting several hardship requests for people applying for disability benefits.

Adjustments also included discontinuing waiver activities. Of the 20 PHAs with more than one approved MTW Supplement, one PHA removed activities from its most recent Supplement that might interfere with other activities, a proposed stepped rent that, in practice, worked at cross-purposes to an expanded FSS program. Two PHAs removed landlord incentives that the PHA could not currently afford to fund. Another PHA removed a local nontraditional waiver related to housing development to first focus on their higher priority MTW activities. Another PHA removed an alternative utility allowance that they now judged did not benefit residents.<sup>36</sup>

Experiencing bumps during implementation is not limited to more difficult waivers and associated activities; a few PHAs noted bumps in activities that were easier to implement. For example, one PHA noted that it was difficult for its staff to let go of previously required documentation and allow self-certification of assets. Another had difficulty implementing minimum rents due to its software system. One PHA continued to receive utility reimbursements from other PHAs for port-in vouchers.

PHAs also noted some common implementation challenges across all MTW activities. These challenges included the following:

- **Low staff capacity.** Many PHAs described difficulties dedicating the necessary staff time to getting MTW activities off the ground. In small PHAs, they explained, staff were already stretched too thin to take on additional responsibilities. Staff turnover was also a challenge (see exhibit 3-8).
- **Software and Form HUD-50058 incompatibilities.** Incompatibilities with PHAs' internal software programs or HUD-50058 reporting sometimes necessitated that PHAs manually keep an additional set of records for residents (typically using Excel-based trackers), which exacerbated their lack of staff capacity. Sometimes, waivers and associated activities required PHAs to report nonstandard tenant data on the form HUD-50058 (such as triennial reexamination dates), which the submission system would not accept. This requirement made the implementation of such activities difficult and led to many PHAs delaying or postponing the implementation (see exhibit 3-9). This issue commonly affected the implementation of alternate reexamination schedules.

#### **Exhibit 3-8. Challenges With Staff Turnover**

Staff turnover can be especially disruptive for smaller PHAs trying to develop and implement MTW changes to their programs. This can be even more disruptive when the staff turnover is at the leadership level. Across the 31 Flexibility Cohort PHAs, 11 PHAs had new Executive Directors step in since applying to join the cohort at the end of 2020. At three of these PHAs, the Executive Director position had more than one turnover.

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<sup>36</sup> One PHA also removed its waiver for the PBV cap, but did not explain why this waiver was removed.

### Exhibit 3-9. Delays in Releasing the Housing Information Portal

Over the past few years, HUD has been working to release a new data collection system, the Housing Information Portal (HIP). HIP will replace the Inventory Management System/Public and Indian Housing 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. Once HIP is released, Flexibility Cohort PHAs will be able to report their information in HIP using the revised Form HUD-50058 Moving to Work (MTW) Expansion, which allows for PHAs to report data that is inconsistent with the regular program statutes and regulations (such as reexamination dates that are up to 3 years in the future).

It was expected that HIP would be released before Flexibility Cohort PHAs began implementing any approved MTW waivers or associated activities. However, the release of HIP was delayed, and the timeline for its release is unknown. The delay in the rollout of HIP has confused PHAs and has resulted in inconsistent implementation and reporting practices across the Flexibility Cohort. This delay has also caused several Flexibility Cohort PHAs to have to keep multiple records for the residents they serve: the records that are inaccurately reported in PIC; the records that are captured in the PHA's internal software; and in some cases when the PHA's internal software updates are not yet ready (sometimes because the developers are waiting for HIP to be released), a third set of records that the PHA is manually keeping with accurate data for households affected by an MTW waiver that cannot yet be captured in its internal software or IMS/PIC.

Of the 28 PHAs that have approved MTW Supplements, 23 have the approval to implement waivers that would affect their ability to accurately report information in IMS/PIC using the traditional Form HUD-50058:

- Nineteen of those 23 PHAs are implementing waivers that affect their ability to accurately report information in IMS/PIC:
  - Eight of these PHAs<sup>a</sup> reported entering the data and receiving errors, which resulted in the **forms being rejected** in IMS/PIC. This denial is most often among PHAs that are implementing biennial or triennial reexamination schedules, which result in the reexamination dates being outside the 13 months allowed on Form HUD-50058 submitted in IMS/PIC. For some PHAs, waivers that allow them to set a higher minimum rent (above \$50) and eliminate utility reimbursements have also resulted in errors on the form.
  - Seven of these PHAs<sup>a</sup> reported **submitting incorrect information** on Form HUD-50058 so that IMS/PIC would accept the data. This difficulty is also often due to implementing biennial or triennial reexamination schedules. Rather than report the correct date of the next reexamination, these PHAs submit an artificial 1-year reexamination date and then transfer the prior year's information by the artificial annual reexamination date. These PHAs will enter the updated income data once the household's actual reexamination date comes up in 2 to 3 years. For those affected by eliminating utility reimbursements, PHAs circumvent this waiver by not offering an allocation for a utility.
  - Three PHAs<sup>a</sup> reported they are **continuing to hold** Form HUD-50058 for households that are subject to an MTW waiver and activity that would prohibit them from being able to successfully submit data in IMS/PIC.
  - At one PHA, due to staff turnover, interviewed staff were unsure how their PHA was handling submissions for households affected by an activity that could not be accurately reported in IMS/PIC.
- Four of those 23 PHAs have decided to hold implementation of the waivers that would inhibit their ability to accurately submit records in IMS/PIC.

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<sup>a</sup> Additional PHAs could be using one of these methods to submit their data in IMS/PIC but did not report doing so during the interview.

- **Program ambiguity.** PHAs also expressed frustration with ambiguity in how rules for other programs and new regulations interact with MTW status. For example, several PHAs planned to use the Resident Opportunities and Self-Sufficiency (ROSS) grant program to complement MTW activities and were trying to clarify how ROSS funding might fit into MTW activities.

Others were concerned about how the Housing Opportunity Through Modernization Act (HOTMA) final rule might affect their interim reexamination policies.

- **Potential loss of other benefits due to increased income or work.** One PHA implementing waivers to incentivize work discussed difficulties in helping residents living with disabilities who wanted to participate in the incentives navigate the reduction or loss of Supplemental Security Income with employment.
- **Navigating voucher portability.** Another (less common) challenge applied to vouchers ported in from PHAs that did not have MTW flexibilities. For example, residents porting in from non-MTW PHAs did not fully understand their ability to rent more expensive units based on higher payment standards, and their originating PHAs continued to send utility reimbursement checks to residents.

PHAs explained that challenges such as these needed to be addressed before they could layer on additional activities. At least five PHAs reported they were not considering changing their upcoming MTW Supplements. These PHAs (along with some of those tentatively considering new activities) preferred to wait to seek approval for new waivers and associated activities until current activities ran smoothly. Others explained they were waiting until changes related to the updated HOTMA final rulemaking were better understood (see section 2.3). However, PHAs were eager to see a deeper impact by layering complementary activities or expanding their reach to other objectives. At least nine PHAs were considering adding new activities in their next Supplement. These activities included plans to add waivers to eliminate utility reimbursements, add landlord incentives, and develop an alternative utility allowance.

### 1.13 Lessons Learned and Recommendations

In year 3, PHAs continued to communicate the value of starting with fewer MTW activities and taking time to fully prepare for implementation. They recommended ensuring that any agency pursuing MTW has enough capacity to set activities in motion and follow them through. Software that made it easy to track and report on new activities was especially important, as was a staff person dedicated to MTW planning and oversight.

PHAs noted that planning and preparation took more time than they initially expected and were broader efforts than just setting up new policies. They stressed that preparing staff and residents for changes under MTW through clear, frequent communication was critical. Staff needed to be on board with the value of the changes (and extra work necessary) and understand how new policies and practices affected their daily work. Residents needed to be reassured of the goals of new MTW activities and reminded of the new processes put into place. These processes took time and maxed out staff capacity, necessitating a focus on fewer MTW activities and an extended planning period.

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*“You won’t get it right the first time. When you think you thought of every scenario, you haven’t.”*  
– PHA Executive Director

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In 2023, PHAs described the need to refine and further focus MTW activities that had begun in prior years. Some activities required more work than anticipated, revealed unexpected resident scenarios, or did not return the desired results (see section 3.5). PHAs described listening to staff and resident experiences to tighten or retool activities. They also recommended “big picture”

thinking to understand the planned outcome of each MTW activity and how it complements other MTW (current and planned) activities to achieve this goal. This mindset helped PHAs align implementation practices with their ultimate MTW goals as activities were rolled out.

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*“Our goal is not that we want them to pay \$130 instead of \$50; our goal is that we want them to work. That is more layered than the one activity.” – PHA Staff Member*

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A key theme expressed by PHAs was patience as they waited for implemented MTW activities to have an effect and put off implementing new activities to focus on perfecting current ones. MTW, they articulated, required waiting as activities were carefully planned and retooled, waiting to layer on new activities, and then waiting for outcomes to be realized. Patience was especially important in activities where staff efficiencies were not yet achieved due to information system reporting workarounds (see exhibit 3-9).

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*“It just takes perseverance” – PHA Executive Director*

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One recommendation PHAs had for the MTW program is that HUD provide more support as questions arise during implementation. For example, a Frequently Asked Questions (FAQ) document such as the one HUD provided for the Rental Assistance Demonstration program could help PHAs navigate questions on new waivers or processes. In lieu of this assistance, PHAs relied on discussions at the MTW Collaborative conference, their HUD field officers, and conversations with other MTW agencies (Initial or peer) to answer questions. Several PHAs continued recommending improvements to the MTW Supplement to further streamline the resubmission process (especially when the PHA requests no changes from the prior year) and enhance the ability to make changes after submission.

Reflecting on the evaluation team’s discussions with PHAs during initial implementation has also generated potential lessons learned about implementing MTW activities at small PHAs. The upfront time and software investments needed to develop and implement MTW activities do not necessarily correlate with size. Small PHAs need to make sizable investments in developing the MTW Supplement, planning out activities, recruiting staff, updating policies and procedures, updating software, and communicating changes to staff and residents. These upfront investments are not divisible by the number of units a PHA owns or manages and might not be significantly smaller than investments made by larger PHAs, especially when considering the percentage of total staff hours spent on these activities.

#### **1.14 Key Takeaways on the Implementation of MTW Activities**

For many Flexibility Cohort PHAs, 2023 represented their first major dive into implementing MTW waivers and associated activities. By the end of 2023, most PHAs had implemented waiver activities for between 7 and 18 months. Delays in implementation were common as PHAs made the necessary plans to implement their MTW waivers; notify residents; and establish their policies, procedures, and reporting requirements. Implementation challenges were also common, especially for the waivers and associated activities that required significant changes to business as usual. However, by the end of 2023, many PHAs reported significant progress with their program implementation.

What makes the Flexibility Cohort unique among the MTW expansion PHAs is their ability to tailor changes to their programs based on their own organizational goals and community needs. Every Flexibility Cohort PHA has a different set of priorities for being an MTW organization based on its own organizational goals, the needs of its residents, and the housing markets in which it operates. Naturally, because of these various priorities and needs, PHAs differed in which waiver activities they saw as the most important to support their overall goals for MTW. Some PHAs see switching to less frequent reexamination schedules as the most critical waiver activity to meeting their objectives because it not only frees up time for staff and residents, but it also encourages increased work effort and self-sufficiency among program participants. Needs differ for other PHAs where the housing market is tight, affordable housing is limited, or HCV recipients struggle to find a landlord that will accept their voucher. They see waivers to increase the payment standards, offer landlord incentives, increase initial tenant rent burden, expand the supply of affordable housing through development, or increase project-based vouchers as the most critical activities to achieving their goals. Only a few PHAs identified waivers that mainly support increased self-sufficiency, such as work requirements or changes to self-sufficiency programs, as the most critical activities.

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*I think it's important to have the ability to pick and choose what is best for your PHA. Everybody is different. The fact that we get to say we are not doing that, but we get to do this. The best positive thing [about MTW] is to get to say, "That's great for you guys, but not for us." –PHA Executive Director*

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## Impacts on Outcome Measures as of 2023

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This chapter addresses the demonstration’s second research question, “How does Moving to Work (MTW) flexibility **impact** smaller public housing agencies (PHAs) and their residents?” This chapter shows the impact of a PHA being invited to join the MTW Flexibility Cohort on outcome measures related to the MTW objectives of cost-effectiveness, self-sufficiency, and housing choice. It shows the estimated impacts on outcomes measured for each of the three full calendar years since random assignment, 2021 through 2023. These impact estimates capture the effect of being invited to join the MTW Flexibility Cohort at 1, 2, and 3 years after the invitation.<sup>37</sup> The baseline year is the calendar year 2020.

The evaluation associated one *confirmatory outcome* (defined in exhibit 4-1) with each of the three MTW objectives. Because the evaluation considers multiple outcome measures for each of the three MTW objectives, the evaluation team prespecified these confirmatory outcomes to avoid the appearance of “cherry-picking” the results from the full set of impact estimates. The three confirmatory outcomes are presented and discussed in this chapter. This chapter also briefly summarizes the results from the *exploratory outcomes*, which are shown in more detail in appendix C. The caveat with the exploratory analyses is that estimating the impact on more than one outcome for an MTW objective increases the chance that some statistically significant estimated impacts arise only by chance.<sup>38</sup>

### Exhibit 4-1. 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. Because there are many exploratory outcomes, there is a greater chance that any statistically significant impact estimates of those outcomes result from chance (“noise”) rather than indicative of a true impact.

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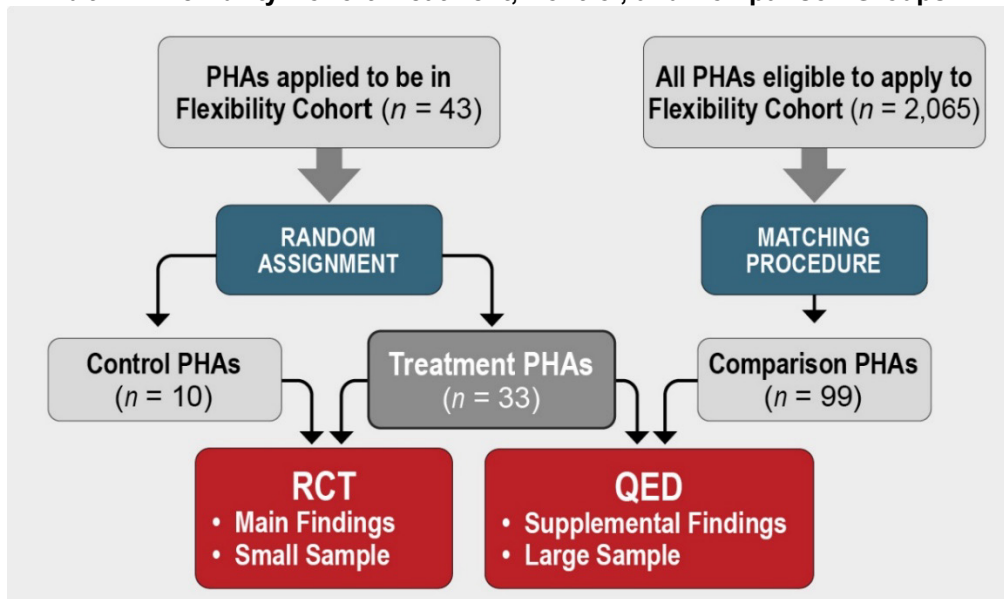
<sup>37</sup> Randomized control trial (RCT) cost-effectiveness impact estimates for the first and second year after invitation to apply for MTW designation differ slightly from those in earlier reports because the data in this report are more up-to-date and the methodology used in this report is updated from previous years’ methodology. Updates to the methodology result in improvements to standard error estimation and correction for the correlation of impact estimates across years, as explained in appendix D. This report does not present RCT impact estimates for self-sufficiency and housing choice outcomes and thus does not offer updates to previously reported RCT impact estimates for self-sufficiency and housing choice. Quasi-experimental design impacts were not previously reported.

<sup>38</sup> The reason for selecting only one confirmatory outcome for each set of outcomes is that testing more than one confirmatory outcome would require that analysis adjust the statistical tests accordingly. Adjusting for these multiple comparisons is punishing in terms of statistical power: the more outcomes, the higher the statistical bar, and therefore the larger the sample size needed to detect an effect. Given the small sample size for this study, the evaluation team recommends only one confirmatory outcome per outcome domain to maximize statistical power. The analysis does not correct exploratory hypothesis tests for multiple comparisons bias. It uses “confirmatory outcome” and “exploratory outcome” as shorthand for identifying which impact estimates it will test using a confirmatory hypothesis test and which it will test using an exploratory hypothesis test. For each outcome, it is testing this hypothesis: What is the impact of the offer of MTW designation on [outcome] after [1, 2, 3] years since receiving the invitation to apply for MTW designation?”



The impact study design provides two ways of estimating the impact of being offered the opportunity to join the Flexibility Cohort. In the first, the experimental analysis compares outcomes for the 33 Treatment PHAs with outcomes for 10 PHAs that applied for the Flexibility Cohort and were randomly assigned to a control group. For the second, during the research design phase of this evaluation in 2020, HUD and the evaluation team recognized that the small size of the control group might not produce sufficiently precise estimates to analyze the impact of MTW for certain types of PHAs—for example, PHAs with only voucher programs. To supplement the findings of the 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. The [Research Design/Data Collection and Analysis Plan](#) (2021) explains the matching procedure in detail. Exhibit 4-2 shows the treatment, control, and comparison groups and the comparisons made between group outcomes to assess impacts.

**Exhibit 4-2. Flexibility Cohort Treatment, Control, and Comparison Groups**



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

Note: The “All PHAs eligible to apply for Flexibility Cohort (n = 2,065)” does not include the 43 PHAs that did apply.

Source: Turnham et al. (2021)



A limitation of the 2023 analysis is seven of the MTW PHAs in the treatment group had incomplete Inventory Management System/Public and Indian Housing Information Center (IMS/PIC) data, so they could not be included in some of the impact analyses (see exhibit 4-3). This exclusion reduces statistical power because the treatment sample size decreases from 33 to 26 PHAs. Second, this exclusion creates a potential bias in the form of an underestimate of the true treatment effect. Underestimates are likely if MTW waiver activities affect outcomes (that is, generate impacts), but some of the MTW PHAs that are implementing waiver activities have missing data and thus are not included in the impact estimation. A third challenge with this exclusion is that it creates an imbalance between the treatment and control groups on unobservable characteristics that affect a PHA's decision to implement MTW waivers and associated activities.<sup>39</sup>

Given these challenges, HUD and the evaluation team decided not to use the randomized controlled trial (RCT) sample to study this year's self-sufficiency and housing choice outcomes. For the cost-effectiveness outcomes, HUD and

### Exhibit 4-3. Sample Exclusions

Some Moving to Work (MTW) public housing agencies (PHAs) alerted HUD and the evaluation team that they were unable to upload recent participant records to HUD's Inventory Management System/Public and Indian Housing Information Center (IMS/PIC) data system due to the incompatibility of their MTW-allowed data entries and HUD's rules for acceptable IMS/PIC data submissions. In coordination with HUD, the evaluation team decided to exclude MTW PHAs from certain impact analyses if their 2023 IMS/PIC data met at least two of the following criteria for suspected incompleteness:

- A decline of at least 50 households between 2022 and 2023 (as assessed by Abt's analysis of IMS/PIC records).
- A 2023 Picture of Subsidized Households reporting rate of less than 90 percent (as assessed by HUD's analysis of IMS/PIC records).
- For voucher programs, the ratio of Voucher Management System in the IMS/PIC data on the number of households served was greater than 90 percent.
- At least 25 fewer exits and 25 fewer admissions in 2023 than in 2022 (as assessed by Abt's analysis of IMS/PIC records).
- PHA staff reported difficulty with IMS/PIC during the 2024 interview.

**Seven MTW PHAs are excluded from some of the impact analyses on this basis.** The Comparison PHAs matched to these Treatment PHAs were also excluded from the quasi-experimental analysis sample.

Housing Choice Outcomes Defined for All Households				
Housing Choice Outcomes Defined for Public Housing Households				
Housing Choice Outcomes Defined for Voucher Households				
Self-Sufficiency Outcomes				
Ozark (AL)	X		X	X
Rockville (MD)	X	X	X	X
Kandiyohi (MN)	X	X	X	X
McLeod (MN)	X	X		X
South Sioux (NE)	X	X		X
Bristol (VA)	X		X	X
Harrisonburg (VA)	X	X		X

Notes: X indicates data from this PHA excluded from the specified analysis. A crosswalk of abbreviated PHA names is shown in this exhibit, and full PHA names are in appendix A (exhibit A-1). Appendix exhibit C-9 provides the full list of outcomes with excluded data for each PHA.

<sup>39</sup> Attrition bias, or different rates of missing data in the treatment versus control groups, undermines the assumption that the treatment and control groups of the RCT are balanced on observable and unobservable characteristics that affect outcomes. For example, if more motivated PHAs implemented MTW waivers that led to difficulty in uploading data to PIC, then "motivated" PHAs would be missing from the treatment sample but still present in the control sample, thus creating imbalance. The imbalance might generate differences in outcomes that would be falsely attributed to the intervention rather than to the imbalance due to missing data.

the evaluation team concluded that the RCT remained viable because the cost-effectiveness outcome measures do not rely on PIC.

Relative to the RCT, the quasi-experimental design (QED) may offer enhanced internal validity because Comparison PHAs are matched to specific Treatment PHAs. Therefore, the Comparison PHAs matched to the seven excluded MTW PHAs can also be excluded from the analysis.

Although the exclusion of the MTW PHAs with missing data can still create an underestimate of the impacts, the QED addresses the two other threats because it offers a larger sample size and a matching procedure that should reduce the imbalance between the treatment and the comparison groups. For impacts on self-sufficiency and housing choice, the impact analysis in this chapter focuses only on impacts estimated from the QED sample, as these outcomes rely on IMS/PIC data.<sup>40</sup>

### 1.15 Impacts on Cost-Effectiveness

The MTW statutory objective related to cost-effectiveness is “to reduce cost and achieve greater cost-effectiveness in federal expenditures.”<sup>41</sup> For this objective, the confirmatory outcome is whether MTW PHAs can provide housing assistance at a lower cost than non-MTW PHAs, measured by comparing PHA expenditures per household per month. Expenditures comprise the PHA’s annual costs for Housing Choice Voucher (HCV) Housing Assistance Payments (HAPs), HCV administrative costs, and public housing operating expenses. The total of these three types of expenditures is divided by the total number of unit months leased for the PHA’s HCV and public housing programs. The cost-effectiveness outcome measures rely on data from HUD’s Financial Data System, which was not affected by the PIC reporting challenges. Therefore, the evaluation team analyzed cost-effectiveness using both the RCT and the QED samples.

**In 2023, no statistically significant difference was observed between Treatment and Control PHAs for the confirmatory cost-effectiveness outcome: expenditures per household** (exhibit 4-4).<sup>42</sup> A lack of statistical significance means that analysis cannot conclude that there is an impact on expenditures per household after 3 years since the invitation to apply for MTW designation. It is possible that there is a true negative or true positive impact, but the sample size would need to be larger to detect it. The fact that this evaluation finds no statistically significant impact is consistent with an earlier study of other MTW PHAs that found that MTW status had no detectable effect on cost per assisted household when compared with traditional PHAs of similar size (Stacy et al., 2020).

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<sup>40</sup> This year’s report does not analyze the rent burden, which is one of the exploratory outcomes pre-specified in the *Research Design/Data Collection and Analysis Plan* (Turnham et al., 2021). Rent burden is calculated using IMS/PIC data alone, and biannual and triannual reexaminations at the MTW PHAs result in estimates of household income that are often more than 1 year out of date.

<sup>41</sup> 1996 Act. Section 204 of the Omnibus Consolidated Rescissions and Appropriations Act of 1996. Public Law No. 104-134. 104th Congress (1995-1996).

<sup>42</sup> The average Treatment PHA’s total expenditures per household increased 4.3 percent from 2021 (\$704 in year 1) to 2023 (\$734 in year 3), whereas the average total expenditures per household increased by a greater amount in both the control and comparison groups (18.0 percent and 17.5 percent, respectively). The evaluation team conducted additional trend analyses but found that this difference in trends (4.3 percent compared with 18.0 and 17.5 percent) was not statistically significant. However, analysis that tests for differences in trends and differences in cumulative expenditures shows that these trends are not statistically significant.

**Exhibit 4-4. Impacts on Confirmatory Cost-Effectiveness Outcome**

Outcome	Treatment	Control / Comparison	Impact	p-Value
Average Expenditures per Household, per Month				
<b>Treatment vs. Control</b>				
<b>Year 1 (2021)</b>	\$704	\$551	\$153	.162
<b>Year 2 (2022)</b>	\$709	\$621	\$88	.374
<b>Year 3 (2023)</b>	\$734	\$699	\$35	.688
<b>Treatment vs. Comparison</b>				
<b>Year 1 (2021)</b>	\$704	\$624	\$80	.358
<b>Year 2 (2022)</b>	\$709	\$679	\$30	.328
<b>Year 3 (2023)</b>	\$734	\$752	– \$18	.490

Notes: Expenditures include total operating expenditures, administrative expenditures, and Housing Assistance Payments. The sample includes 31, 26, and 30 Treatment PHAs in years 1, 2, and 3 (respectively); 9, 9, and 10 Control PHAs in years 1, 2, and 3 (respectively); and 87, 90, and 92 Comparison PHAs in years 1, 2, and 3 (respectively). This exhibit displays the raw means for the Treatment PHAs and the regression-adjusted means for the Control/Comparison PHAs. Appendix D summarizes the methodology for arriving at the impact estimates. These outcomes and impact estimates for 2021 and 2022 differ slightly from those previously published for two reasons. First, they reflect the latest data from HUD's Inventory Management System/PIH Information Center. Second, the impact estimates are based on a revised regression model that accounts for the covariance of annual impact estimates and takes a more conservative approach to estimate the clustered standard errors (for details, see appendix D).

Sources: HUD's Financial Data System (PHA annual fiscal reports through June 2024); financial data includes Special Purpose Vouchers

Analysis of exploratory outcome measures of cost-effectiveness also reveals no statistically significant impacts for either the RCT or the QED comparison on operating expenditures for public housing, administrative costs for voucher programs, HAPs for voucher programs, total revenue, or cash reserves (all measured with respect to unit months leased) after 3 years of being able to apply for MTW (appendix exhibit C-1). Although interviews revealed that MTW PHAs perceive that MTW activities have reduced administrative burden and thus cost (section 3.3), the impact analysis does not support this observation. One potential explanation for this inconsistency could be that staff time saved through the MTW activities was used for other activities, leading to expenditures per household remaining unchanged.<sup>43</sup>

Of the nine exploratory outcomes analyzed, one is statistically significant in both the RCT and QED: PHAs invited to apply for MTW designation received more federal funding than did Control PHAs (or Comparison PHAs) after 3 years. We do not have evidence on which type of federal funding generated this difference. It is not clear how this impact could arise because MTW designation is not paired with increased federal funding from HUD. This impact finding could be due to chance, but it is notable that this finding is consistent across the RCT and QED samples and across the 2022 and 2023 analysis years.

To explore one of the reasons MTW waivers and associated activities might not have a large impact on cost-effectiveness, exhibit 4-5 highlights minimum rent policies. Mathematically,

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<sup>43</sup> Within the subsample of Treatment PHAs with sufficient PIC data, no impacts were detected on the percentage of households with a PIC transaction in the past year or the percentage of HCV households with a reexamination in the past year (appendix exhibit C-2). However, this finding is not particularly meaningful because PHAs with longer reexamination periods are more likely to be excluded from the analysis sample.

increasing minimum rent increases PHA revenue and decreases HAP costs. However, changes in minimum rent policies did not necessarily affect many households. The implementation of minimum rent affected the rent payments of between 3.8 percent and 17.3 percent of the households at MTW PHAs. This small percentage of households and their increased rent payments relative to other PHA revenue results in very small and difficult-to-detect increases in PHA revenue. With respect to HAP costs, other MTW activities might increase HAP costs to offset any savings from increased minimum rents—for example, higher payment standards and less frequent income reexaminations.

#### Exhibit 4-5. In-Depth Look at Minimum Rents

Public Housing Agency	Minimum Rent (Changed from \$50)	Percentage of Households Paying at or Below Minimum Rent in 2023
Ruston (LA) (public housing only)	\$130	17.3
Newnan (GA)	\$130	9.3
Ozark (AL) (voucher only)	\$130	6.5
New Smyrna Beach (FL)	\$130	3.8
Rockville (MD)	\$130	unknown
Harrisonburg (VA) (voucher only)	\$100	unknown
Kandiyohi (MN) (public housing only)	\$75	7.7

Notes: List of PHAs that implemented an MTW minimum rent policy as of December 2023 that exceeds the typical minimum rent of \$50. (Ripley, Missouri, implemented a minimum rent waiver but set the minimum rent to \$50.) The percentage is listed as unknown at PHAs with Inventory Management System/Public and Indian Housing Information Center (IMS/PIC) data quality issues for rents reported in 2023.

Sources: Household-level data from HUD's IMS/PIC; households in the program as of December 31, 2023

### 1.16 Impacts on 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>44</sup> The confirmatory outcome for this objective is annual household earnings. The analysis is limited to nondisabled members of nonelderly, nondisabled households (that is, households in which neither the head of household nor the spouse or co-head is aged 62 or older or has a disability). Earnings for all nondisabled working-age residents<sup>45</sup> in these households are summed up to calculate household earnings. Although the data source is the National Directory of New Hires, the query of the data source relies on PIC records for which the evaluation is missing data from seven of the Treatment PHAs (exhibit 4-3). Because of missing data in the treatment group, this section presents only the analysis of the QED sample.

**In 2023, there was no statistically significant difference in earnings between households in Treatment versus Comparison PHAs (exhibit 4-6).** A lack of statistical significance means that

<sup>44</sup> 1996 Act. Omnibus Consolidated Rescissions and Appropriations Act of 1996. Public Law No. 104-134. 104th Congress (1995-1996).

<sup>45</sup> For household earnings measures, “working age” is considered age 14 (the minimum set by the Fair Labor Standards Act) through age 61 (inclusive) at the end of 2023, 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.

analysis cannot conclude that there is an impact on household earnings after 3 years since the invitation to apply for MTW designation. Both treatment and comparison group households experienced growth in earnings over time, with earnings rising by more than 50 percent for each group between 2021 and 2023. On average, nonelderly, nondisabled households in Treatment PHAs earned about \$26,037 in 2023; this income is \$990 higher than the average for the comparison group, but this difference has more than a 10 percent likelihood of being due to chance alone rather than due to the invitation to apply for MTW designation.

**Exhibit 4-6. Impacts on Confirmatory Self-Sufficiency Outcome**

Outcome	Treatment	Comparison	Impact	p-Value
Annual Household Earnings (\$)				
<b>Treatment vs. Comparison</b>				
<b>Year 1 (2021)</b>	17,179	16,492	688	.213
<b>Year 2 (2022)</b>	24,085	22,763	1,322	.115
<b>Year 3 (2023)</b>	26,037	25,047	990	.167

Notes: The sample includes 4,726, 4,668, and 4,885 households in Treatment PHAs in years 1, 2, and 3 (respectively), and 10,331, 10,357, and 10,607 households in Comparison PHAs in years 1, 2, and 3 (respectively). As discussed in exhibit 4-3, households from 7 Treatment PHAs and their matched Comparison PHAs were excluded from the analysis sample due to issues with the 2023 Inventory Management System/Public and Indian Housing Information Center (IMS/PIC) data. Household earnings are measured and analyzed at the household level. Household earnings measure the average earnings of households receiving housing subsidies as of December 31 of each year; thus, households that exited the program during the year are not included, and households that entered during the year are included. The exhibit displays the raw means for the Treatment PHAs and the regression-adjusted means for the Comparison PHAs. These outcomes and impact estimates for 2021 and 2022 differ slightly from those previously published for two reasons. First, they reflect the latest data from HUD's IMS/PIC. Second, the impact estimates are based on a revised regression model that accounts for the covariance of annual impact estimates and takes a more conservative approach to estimating the clustered standard errors (for details, see appendix D).

Source: National Directory of New Hires earnings data through the fourth calendar quarter of 2023

Analyses of exploratory outcomes found no significant impacts on other measures of self-sufficiency (see appendix exhibit C-3). However, the data offer descriptive statistics that shed light on the financial situations of households receiving housing subsidies:

- More than two-thirds of nonelderly, nondisabled households in both Treatment and Comparison PHAs had household members working—69 percent of the treatment group and 67 percent of the comparison group—in the fourth quarter of 2023.
- Just 5 percent of households were participating in a Family Self-Sufficiency program.
- Among those households that exited the housing assistance program in 2023, earnings were relatively similar, with \$30,313 in the treatment group and \$30,211 in the comparison group.
- Only about 38 percent of the households that exited the program were earning 2.5 times or more of the local Fair Market Rent (FMR), suggesting many of these exiting households might struggle with housing affordability. In addition, although average earnings for exiting households rose between 2022 and 2023, the share of those households exiting that earned 2.5 times or more of the local FMR declined.



### 1.17 Impacts on Housing Choice

The MTW statutory objective related to housing choice is “to increase housing choices for low-income families.”<sup>46</sup> For this objective, the confirmatory outcome is the percentage of HCV households in a PHA that live in a low-poverty census tract.<sup>47</sup> 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>48</sup> The evaluation team observes households’ census tracts in the PIC data. As depicted in exhibit 4-3, five MTW PHAs were missing PIC data for voucher households, and four MTW PHAs were missing PIC data for public housing households. Given the challenges of these missing data (explained at the beginning of this chapter), the evaluation team estimated impacts using only the QED sample.

**In year 3, there was no statistically significant difference in the share of HCV households living in low-poverty census tracts between Treatment and Comparison PHAs (exhibit 4-7).** A lack of statistical significance means that analysis cannot conclude that there is an impact on the share of HCV households living in low-poverty census tracts after 3 years since the invitation to apply for MTW designation. In both groups, about 32 percent of households lived in low-poverty census tracts. This rate has remained steady across the first 3 years after MTW designation.

**Exhibit 4-7. Impacts on Confirmatory Housing Choice Outcome**

Outcome	Treatment	Comparison	Impact	p-Value
HCV Households Living in Low-Poverty Census Tracts				
<b>Treatment vs. Comparison</b>				
<b>Year 1 (2021)</b>	31.0	31.4	– 0.4	.542
<b>Year 2 (2022)</b>	30.7	31.5	– 0.9	.366
<b>Year 3 (2023)</b>	31.6	32.2	– 0.7	.606

HCV = housing choice voucher.

Notes: The sample includes 10,552, 10,289, and 10,746 HCV households in Treatment PHAs in years 1, 2, and 3 (respectively) and 27,137, 27,278, and 27,661 HCV households in Comparison PHAs in years 1, 2, and 3 (respectively). As discussed in exhibit 4-3, households from 5 Treatment PHAs and their matched Comparison PHAs were excluded from the HCV analysis sample due to issues with the 2023 Inventory Management System/PIH

<sup>46</sup> 1996 Act. Omnibus Consolidated Rescissions and Appropriations Act of 1996. Public Law No. 104-134. 104th Congress (1995-1996).

<sup>47</sup> To define neighborhood poverty rates in all years of the study, the evaluation follows the definition from the year 2 report and uses the 2019 5-year American Community Survey. Using one definition ensures that poverty is measured consistently across reports, as both census tract boundaries and the poverty rates for a given census tract change over time.

<sup>48</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 make up the jurisdiction are first identified. Included are all census tracts where at least 2 percent or five or more (whichever is smaller) of a PHA’s households live and all census tracts neighboring those census tracts. This rule for defining a “jurisdiction” has changed since the *Research Design/Data Collection and Analysis Plan* (Turnham et al., 2021); its 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 households) living in the census tract. This choice results in a better reflection of the neighborhood choices for renters for that jurisdiction.

Information Center (IMS/PIC) data. 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. Analysis used the 2019 5-year American Community Survey to be consistent with baseline measures, as both the census tract boundaries changed (2010 boundaries compared with 2020 boundaries) and the poverty rates for a given census tract changed over time. The exhibit displays the raw means for the Treatment PHAs and the regression-adjusted means for the Comparison PHAs. The outcomes and impact estimates shown here for 2021 and 2022 differ slightly from those previously published for two reasons. First, these outcomes and estimates reflect the latest data from HUD's IMS/PIC. Second, the impact estimates are based on a revised regression model that accounts for the covariance of annual impact estimates and takes a more conservative approach to estimate the clustered standard errors (for details, see appendix D).  
Sources: HUD household-level data from IMS/PIC through December 31, 2023; 2019 5-year American Community Survey

In the QED sample, about 6 percent of voucher households move to a new residence each year, and about 10 percent of households are newly admitted each year. The fact that the share of households living in low-poverty census tracts is steady over time suggests that these new households are moving into neighborhoods with poverty levels similar to the PHAs' current households.

Several of the Treatment PHAs had implemented MTW activities hypothesized to affect housing choice, so the evaluation team analyzed the confirmatory outcome at these PHAs more closely. Specifically, 13 Treatment PHAs implemented waiver activities related to Small Area Fair Market Rents (SMFMR), FMRs, and rent reasonableness and had been implementing them for at least 6 months by the end of 2023. Of these 13 PHAs, 8 had sufficient 2023 IMS/PIC data. Comparing these 8 PHAs with their matched comparison PHAs, the evaluation team found no impacts of MTW designation and the use of these waivers on housing choice.

There are 38 exploratory outcomes related to housing choice. That number of hypothesis tests and statistical significance considered at the 10 percent level would predict at least three to four statistically significant impact estimates for 2023 that are due to chance (Type 1 errors). The following discussion explains the six statistically significant impact estimates in 2023.

- Exploratory analysis of other outcomes related to housing choice shows that the invitation to apply for MTW designation resulted in lower HCV unit utilization rates (statistically significant at  $p = .034$ ). Utilization is calculated as the ratio of unit months leased to unit months available. Unit months leased in Treatment PHAs declined by 1.5 percent since 2022 and increased in Comparison PHAs by 1.3 percent; meanwhile, unit months available increased in both Treatment and Comparison PHAs (4.1 percent and 4.3 percent, respectively) (not shown in appendix C).
- Exploratory analysis shows a statistically significant impact for PHAs in the Flexibility Cohort on the public housing occupancy rate in 2023, with Treatment PHAs having an average occupancy rate of 91 percent versus Comparison PHAs having an occupancy rate of 98 percent (statistically significant at  $p = .048$ ). Of the 14 Treatment PHAs with public housing programs and available occupancy data for this outcome, 91 percent (13 PHAs) experienced declines in their public housing occupancy between 2020 and 2023 versus 62 percent of Comparison PHAs that experienced such declines.
- Exploratory analysis shows small but positive impacts on the percentage of nonelderly households with a household member who has a disability (statistically significant at  $p < .01$ ). Most of this impact is among voucher households (three correlated outcome measures in appendix exhibits C-6 and C-7).



- Exploratory analysis shows that the invitation to apply for MTW designation resulted in a decrease in the percentage of public housing household exiters that have monthly income exceeding 2.5 times FMR; differently stated, a decrease in the percentage of public housing exiters who have estimated incomes where FMR would be 40 percent or less of their income (exhibit C-8). This finding is statistically significant at  $p = .064$  ( $p < .05$  for the 2022 impact estimates).

Concurrent with this Flexibility Cohort, HUD has an ongoing MTW Expansion study of the Landlord Incentives Cohort. To complement the study of the Landlord Incentives Cohort, this report includes a new exploratory outcome not analyzed in earlier reports of the Flexibility Cohort: the number of unique HCV landlords per 100 HCV households.<sup>49</sup> In the QED sample of the Flexibility Cohort, there is no evidence on impacts on the number of unique HCV landlords per 100 HCV households. Seven Flexibility Cohort PHAs implemented landlord incentives to increase landlord acceptance of housing vouchers. The evaluation team conducted a subgroup analysis of these PHAs and found no evidence that the impact is statistically significantly higher for the MTW PHAs that had implemented landlord incentives than it was for the MTW PHAs that had not implemented landlord incentives (subgroup analysis not shown in appendix C). However, implementation of these activities is still relatively new, and it may take a longer time to observe impacts. The lack of impacts here may also be due to the small number of Flexibility Cohort PHAs implementing landlord incentives.

Six of the Flexibility Cohort PHAs implemented programs that are expected to increase the number of project-based voucher (PBV) units at their PHA, such as increasing the number of units in a development that can be PBV, raising the cap on the number of PBV units allowed in their program, and using the local, non-traditional waiver to invest in affordable housing that can be project-based. Within the sample of Treatment PHAs with sufficient IMS/PIC data for 2023 (four of the six Flexibility Cohort PHAs with PBV activities included), analysis finds little change in the proportion of vouchers that are tenant-based vouchers or the proportion of vouchers that are PBVs (appendix exhibit C-5).<sup>50</sup>

### 1.18 Summary of Impacts on Outcome Measures

Statutory language around the demonstration's objectives suggests lowering average expenditures, increasing incentives to households to engage in employment, thus increasing their earnings, and increasing housing choice with the possibility that more households would live in low-poverty neighborhoods.<sup>51</sup> This analysis detected no evidence to date of positive or negative impacts on the primary measures of cost-effectiveness, self-sufficiency, and housing choice.

The lack of impacts to date could reflect the early stage of implementation. The process study provides the context that by the end of 2023, most PHAs had implemented waiver activities for

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<sup>49</sup> This outcome was not pre-specified in this evaluation's *Research Design/Data Collection and Analysis Plan* (Turnham et al., 2021). The MTW Landlord Incentives Cohort evaluation also analyzed this outcome.

<sup>50</sup> This outcome was not pre-specified in this evaluation's *Research Design/Data Collection and Analysis Plan* (Turnham et al., 2021) but was added due to the relatively high number of PHAs choosing to increase their number of PBV units.

<sup>51</sup> The Research Design did not document specific expectations for the direction of impact estimates, and it did not specify what size of impact estimate would be policy relevant.

between 7 and 18 months, implying that some PHAs' MTW activities are more mature than other PHAs' MTW activities. MTW activities may require more time for their impacts to be realized in household outcomes.

The lack of statistically significant impacts may also be because the evaluation examines all the Treatment PHAs together, although the MTW PHAs within the treatment group are not all implementing the same MTW activities. MTW PHAs implement a wide variety of activities that can have positive, negative, or zero impact on these outcomes. Further, averages across PHAs that are close to "zero" can obscure the true impact of specific MTW activities. For example, housing choice might improve as a result of MTW PHAs' landlord incentives and also might decline as a result of MTW PHAs' converting units to project-based vouchers. Small sample sizes and the fact that most MTW PHAs implemented multiple activities make it difficult to isolate the impacts of a single, specific MTW activity.

The lack of statistically significant impacts on self-sufficiency and housing choice could also reflect missing data. Seven of the MTW PHAs in the treatment group had incomplete IMS/PIC data for 2023, so they could not be included in some of the analyses. Given the challenges posed by the missing data, HUD and the evaluation team decided not to use the RCT sample to study this year's self-sufficiency and housing choice outcomes; instead, the evaluation team used only the QED sample to analyze these outcomes. One of the challenges that the QED sample cannot address is that the omission of the seven MTW PHAs with missing data likely creates a bias in the evaluation's estimate of the true treatment effect for self-sufficiency and housing choice because all the PHAs with missing data are MTW PHAs that are implementing waivers and associated activities. It is not clear whether this bias might be meaningful because the MTW PHAs could implement a wide range of MTW activities hypothesized to have positive, negative, or zero impacts on outcomes.

## Summary

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This chapter discusses the findings of the two overarching research questions for the Flexibility Cohort in 2023, the third year after these public housing agencies (PHAs) were offered the opportunity to become a Moving to Work (MTW) agency.

### 1.19 How Are Smaller PHAs Using MTW Flexibility?

Flexibility Cohort PHAs are continuing to make use of MTW flexibility to make changes to their programs. Implementation is still in the early stages for many PHAs, but the use of MTW flexibility by PHAs advanced considerably in 2023. About one-half of the Flexibility Cohort PHAs (15 PHAs) reported using funding flexibility to support the implementation of MTW activities. This number is up from 11 PHAs reporting doing so in the year 2 report, which covered activities through 2022 (de Sousa et al., 2024). The most common MTW activities supported through funding flexibility were providing landlord incentives (5 PHAs) and supplementing the salary of an MTW or Family Self-Sufficiency Coordinator who manages MTW activities (4 PHAs).

The 28 PHAs with approved MTW Supplements at the end of 2023 had 279 waivers and associated activities allowing various Housing Choice Vouchers (HCV) and public housing policy and programmatic flexibilities. This number is up from 236 approved waivers and associated activities among the 26 PHAs with approved MTW Supplements at the end of 2022. The most common waiver activities were for the following:

- Changing the **tenant rent policies**, such as increasing the minimum rent; setting an alternative utility allowance; eliminating utility reimbursements; and making changes to how tenant rent is calculated by eliminating deductions, offering a standard deduction, or setting alternative income inclusions or exclusions (91 waivers across 24 PHAs).
- Adjusting the **reexamination process** by shifting the schedule of reexaminations to be biennial or triennial instead of annual or allowing residents to self-certify their assets up to a higher threshold—typically \$50,000 (55 waivers across 22 PHAs).
- Creating **higher payment standards** for either Fair Market Rents or Small Area Fair Market Rents, adjusting the rent reasonableness process, or waiving the third-party rent reasonableness requirement for PHA-owned units (22 waivers across 16 PHAs).
- Changing policies under the **Housing Quality Standards** to allow for alternative inspection schedules, prequalifying unit inspections, and waiving the third-party requirement for PHA-owned units (15 waivers across 13 PHAs).

Cost-effectiveness is the most frequent of the three MTW statutory objectives addressed with the waivers and associated activities.

- Seven of every 10 waivers focused on improving a PHA's **cost-effectiveness** (68 percent) by changing policies to reduce PHA housing assistance payments or to reduce administrative costs.
- Four of every 10 waivers focused on increasing households' **self-sufficiency** (40 percent) by changing the rent structure to incentivize or require work or modifying self-sufficiency programs to support work.

- Three of every 10 waivers focused on expanding **housing choice** (32 percent) by making more units affordable in the program and adding incentives to encourage landlords to participate in the program.

Most Flexibility Cohort PHAs had started implementing waivers and associated activities by the end of 2023.

- Twenty-six PHAs had implemented at least one waiver activity, and 10 PHAs had implemented all their approved waiver activities.
- Of the 279 waivers and associated activities that HUD approved for the Flexibility Cohort PHAs, 199 (71 percent) had been implemented.

As PHAs continued to implement approved activities in year 3, staff of several PHAs said they believed that fully implemented activities intended to support improved cost-effectiveness were indeed freeing up staff time. This approach allowed them to assign staff to other work in the PHA or to provide greater support for residents' needs. Some staff also said that higher payment standards were improving the speed at which tenants could find a unit or had improved their voucher success rate. One PHA staffer reported that increasing the allowable initial tenant rent burden had nearly doubled its voucher success rate.

Overall, the answer to how smaller PHAs are using their MTW flexibility is that it varies based on local needs and challenges. However, the Flexibility Cohort PHAs made steady progress in 2023, having additional MTW Supplements approved and implementing additional waiver activities compared with the end of 2022. The most common waivers are modest activities to improve administrative efficiency and reduce costs, but about three-fourths of the Flexibility Cohort have at least one substantial waiver to reduce costs or change the resident experience.

### **1.20 What Impacts Has Moving to Work Flexibility Had on Smaller Public Housing Agencies and Their Residents?**

In this third year since random assignment, there were no statistically significant impacts on cost-effectiveness (as measured by total expenditures per household), self-sufficiency (as measured by household earnings), or housing choice (as measured by the percentage of HCV households living in low-poverty census tracts). This finding aligns with the fact that MTW PHAs implement a wide variety of activities that can have positive, negative, or zero impacts on these outcomes. As a result, averages across PHAs might be close to zero because either (1) there is a small number of PHAs for which there is a positive impact and the impact is zero at all the other PHAs, or (2) the positive and negative impacts at specific PHAs cancel each other. It is important to consider that the implementation of MTW activities is still in the early stages, and thus, their impact on households receiving housing subsidies might not yet be obtained.

Contributing to the lack of evidence, seven of the MTW PHAs in the treatment group could not be included in some of the impact analyses because they had incomplete Inventory Management System/Public and Indian Housing Information Center (IMS/PIC) data for 2023.

The average Treatment PHA's total expenditures per household rose from \$709 to \$734 for fiscal years ending in 2022 versus 2023, but these expenditures were not significantly different from the expenditures of the Control PHAs or Comparison PHAs. Average household earnings in the Treatment PHAs rose 8 percent from 2022 to 2023 (from \$24,085 to \$26,037), but these levels were not different from household earnings at Comparison PHAs. The proportion of HCV households in the Treatment PHAs that live in low-poverty census tracts has remained steady at

roughly 31 percent for the past 3 years, and this proportion is not statistically significantly different from the households in Comparison PHAs.

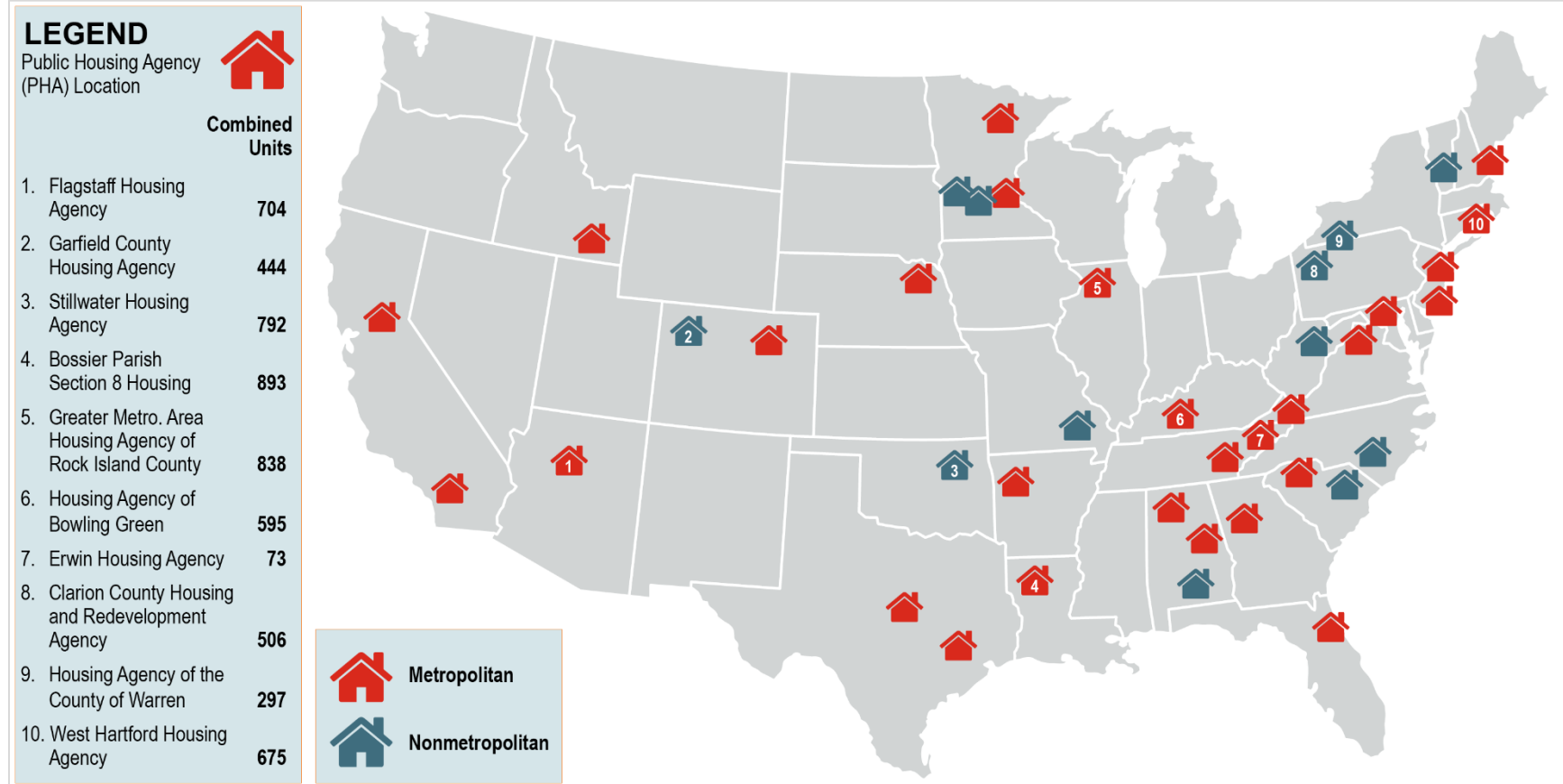
## Appendix A. Abbreviated Names for Flexibility Cohort PHAs and Map of 10 Control Group PHAs

The full names of the Flexibility Cohort PHAs do not fit in many exhibits, so the report uses abbreviated PHA names. Exhibit A-1 shows the crosswalk between the abbreviated Flexibility Cohort PHA name, the full PHA name, and the PHA code. Exhibit A-2 is a map of the 10 Control PHAs. It shows their locations, sizes, and whether the PHA is in a metropolitan area.

**Exhibit A-1. Naming Conventions for the 31 PHAs in the Flexibility Cohort**

Abbreviated PHA Name	Public Housing Agencies (PHA) Name	PHA Code
<b>Auburn</b>	Auburn Housing Authority	AL-050
<b>Brattleboro</b>	Brattleboro Housing Authority	VT-002
<b>Brighton</b>	Brighton Housing Authority	CO-019
<b>Bristol</b>	Bristol Redevelopment and Housing Authority	VA-002
<b>Cheraw</b>	Housing Authority of Cheraw	SC-031
<b>Dover</b>	Dover Housing Authority	NH-003
<b>Fayetteville</b>	Fayetteville Housing Authority	AR-181/AR-097
<b>Fort Mill</b>	Housing Authority of Fort Mill	SC-036
<b>HACP</b>	Housing Alliance and Community Partnerships	ID-005
<b>Harrisonburg</b>	Harrisonburg Redevelopment & Housing Authority	VA-014
<b>Hibbing</b>	Housing Redevelopment Authority of Hibbing	MN-004
<b>Kandiyohi</b>	Kandiyohi County Housing and Redevelopment Authority	MN-168
<b>Maryville</b>	Maryville Housing Authority	TN-065
<b>McLeod</b>	McLeod County Housing and Redevelopment Authority	MN-203
<b>Neptune</b>	Township of Neptune Housing Authority	NJ-048
<b>New Smyrna Beach</b>	New Smyrna Beach Housing Authority	FL-022
<b>Newnan</b>	Housing Authority of Newnan	GA-095
<b>Ozark</b>	Ozark Housing Community	AL-073
<b>Pleasantville</b>	Pleasantville Housing Authority	NJ-059
<b>Pomona</b>	Pomona Housing Authority	CA-123
<b>Randolph</b>	Randolph County Housing Authority	WV-045
<b>Ripley</b>	Ripley County Public Housing Agency	MO-212
<b>Robeson</b>	Robeson County Housing Authority	NC-084
<b>Rockville</b>	Rockville Housing Enterprises	MD-007
<b>Rosenberg</b>	Rosenberg Housing Authority	TX-483
<b>Ruston</b>	Ruston Housing Authority	LA-054
<b>Sheffield</b>	Sheffield Housing Authority	AL-068
<b>Solano</b>	Solano County Housing Authority	CA-131
<b>South Sioux</b>	South Sioux City Housing Agency	NE-175
<b>Travis County</b>	Housing Authority of Travis County	TX-480
<b>Washington County</b>	Washington County Community Development Agency	MN-212

**Exhibit A-2. Map of the 10 Control Group PHAs (Numbered) Relative to the 31 Flexibility Cohort PHAs (not Numbered)**



Notes: "Combined units" are the total of housing choice vouchers and public housing units from the 2019 Picture of Subsidized Households (that is, approximately the time of application to the MTW expansion). Public housing agencies are identified as being in metropolitan statistical areas based on 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.

Sources: [PHA Contact Information | HUD.gov / U.S. Department of Housing and Urban Development \(HUD\)](#); <https://www.census.gov/programs-surveys/metro-micro/about/omb-standards.html>



## Appendix B. Moving to Work Waivers for Public Housing Agencies

**Exhibit B-1. Number of Approved Moving to Work Waivers for Each Waiver Category, by Public Housing Agency**

PHA	1. Tenant Rent Policies	2. Payment Standards and Rent Reasonableness	3. Re-examinations	4. Landlord Leasing Incentives	5. Housing Quality Standards (HQS)	6. Short-Term Assistance	7. Term-Limited Assistance	9. Project-Based Voucher Program Flexibilities	10. Family Self-Sufficiency Program with MTW Flexibility	11. MTW Self-Sufficiency Program	12. Work Requirement	13. Use of Public Housing as an Incentive for Economic Progress (PH)	15. Acquisition without Prior HUD Approval (PH)	17. Local, Non-Traditional Activities	Agency Specific Waiver	Total # of Waivers Approved
HACP (ID)	14	3	4	3	2	--	--	2	--	1	1	--	--	--	--	30
Bristol (VA)	5	1	4	2	1	--	--	5	1	--	--	1	1	--	--	21
Harrisonburg (VA)	6	1	2	3	2	--	--	4	2	--	--	--	--	--	--	20
Rockville (MD)	7	1	4	--	1	--	--	5	--	--	--	--	--	1	--	19
Newnan (GA)	8	--	2	2	--	--	--	--	4	--	2	--	--	--	--	18
New Smyrna Beach (FL)	10	1	4	--	1	--	--	1	--	--	--	--	--	--	--	17
Brighton (CO)	3	2	2	--	1	--	--	4	--	--	--	--	--	2	--	14
Brattleboro (VT)	--	--	4	--	1	--	--	--	8	--	--	--	--	--	--	13
Rosenberg (TX)	6	1	1	--	1	--	--	--	1	--	--	--	--	--	--	10
Ruston (LA)	3	--	2	--	--	--	1	--	--	2	1	--	--	--	--	9
Dover (NH)	2	2	4	--	--	--	--	--	1	--	--	--	--	--	--	9
Travis County (TX)	4	--	2	2	1	--	--	--	--	--	--	--	--	--	--	9
Pomona (CA)	3	--	2	2	--	--	--	--	--	--	--	--	--	1	--	8
Solano (CA)	1	--	2	3	1	--	--	1	--	--	--	--	--	--	--	8
Washington County (MN)	3	1	2	--	1	--	--	--	--	--	--	--	--	--	1	8
Kandiyohi (MN)	1	1	4	--	--	--	--	--	1	--	--	--	--	--	--	7
Auburn (AL)	--	2	--	3	--	--	--	1	--	--	--	--	--	1	--	7
Maryville (TN)	1	1	4	1	--	--	--	--	--	--	--	--	--	--	--	7
Ozark (AL)	2	1	--	--	--	--	--	--	1	--	2	--	--	--	--	6
Ripley (MO)	1	2	--	--	--	1	--	--	--	1	1	--	--	--	--	6
Robeson (NC)	1	--	1	--	--	--	--	--	1	1	--	--	1	1	--	6
Fort Mill (SC)	2	--	1	1	1	--	--	--	--	--	1	--	--	--	--	6
Randolph (WV)	2	--	1	--	1	1	--	--	--	--	--	--	--	1	--	6
South Sioux (NE)	2	1	1	--	--	--	--	--	--	--	1	--	--	--	--	5
Sheffield (AL)	2	--	--	1	--	--	--	--	--	--	--	--	--	--	--	3
McLeod (MN)	--	1	2	--	--	--	--	--	--	--	--	--	--	--	--	3
Cheraw (SC)	2	--	--	--	--	--	--	--	--	--	--	--	--	1	--	3
Hibbing (MN)	--	--	--	--	--	--	--	--	--	1	--	--	--	--	--	1
<b>Total # of Waivers by Category</b>	<b>91</b>	<b>22</b>	<b>55</b>	<b>23</b>	<b>15</b>	<b>2</b>	<b>1</b>	<b>23</b>	<b>20</b>	<b>6</b>	<b>9</b>	<b>1</b>	<b>2</b>	<b>8</b>	<b>1</b>	<b>279</b>
Total # of PHAs with Approved Waiver in Category	24	16	22	11	13	2	1	8	9	5	7	1	2	7	1	--

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

Notes: If there is a separate waiver for the same activity for both the HCV and public housing programs (for example, increased minimum rent in each program), these activities are counted as two waivers. The exhibit does not include waiver categories for which no MTW PHA has approved waivers. These categories are: 8. Increase Elderly Age (PH, HCV); 14. Aligning Tenant Rents and Utility Payments Between Partner Agencies (PH, HCV); and 16. Deconcentration of Poverty in Public Housing Policy (PH).

Sources: Approved MTW Supplements as of December 31, 2023 ( $n = 28$ ); interviews with Flexibility Cohort PHA staff in February–April 2024 ( $n = 29$ )

**Exhibit B-2. Implemented Waiver Activities to Reduce Administrative Burden and Costs at Public Housing Agencies**

Activity	PHAs Implementing	Implementation Details	Expected Effect on Cost-Effectiveness
<b>Self-Certification of Assets</b> (n = 16)	Brattleboro (VT) Brighton (CO) <sup>a</sup> Bristol (VA) <sup>a</sup> Dover (NH) <sup>a</sup> HACP (ID) <sup>a</sup> Harrisonburg (VA) <sup>a</sup> Kandiyohi (MN) <sup>a</sup> Maryville (TN) <sup>a</sup> Mcleod (MN) <sup>a</sup> New Smyrna Beach (FL) <sup>a</sup> Pomona (CA) <sup>a</sup> Rockville (MD) <sup>a</sup> Ruston (LA) <sup>a</sup> Solano (CA) <sup>a</sup> Travis County (TX) <sup>a</sup> Washington County (MN) <sup>a</sup>	PHAs increased the threshold for the self-certification of assets from \$5,000 to \$25,000 or \$50,000. PHA staff notified residents of this change, and those with assets below the new threshold can now complete a self-certification form during reexaminations rather than request a certification of assets through their bank.	PHAs anticipate this change will result in a reduction in staff time working with residents to obtain bank certification letters confirming assets and will reduce delays in approving new residents or making payments to landlords.
<b>Utility Reimbursements</b> (n = 10)	Brighton (CO) <sup>a</sup> HACP (ID) <sup>a</sup> Harrisonburg (VA) <sup>a</sup> New Smyrna Beach (FL) <sup>a</sup> Newnan (GA) <sup>a</sup> Ozark (AL) <sup>a</sup> Robeson (NC) <sup>a</sup> Rosenberg (TX) <sup>a</sup> Sheffield (AL) <sup>a</sup> South Sioux (NE) <sup>a</sup>	PHAs will no longer issue or will cap utility reimbursements if the utility allowance is greater than the total tenant payment. Families will continue to receive a utility allowance but will receive no additional money if the utility allowance is greater than the TTP.	PHAs anticipate this change will result in a decrease in PHA expenditures by reducing or eliminating utility reimbursement payments entirely. This change will also save PHA staff time in processing and tracking utility reimbursement checks.
<b>Alternative Income Inclusions or Exclusions</b> (n = 8)	Brighton (CO) <sup>a</sup> Dover (NH) <sup>a</sup> Harrisonburg (VA) <sup>a</sup> New Smyrna Beach (FL) <sup>a</sup> Newnan (GA) <sup>a</sup> Rockville (MD) <sup>a</sup> Rosenberg (TX) <sup>a</sup> Washington County (MN) <sup>a</sup>	PHAs have modified the types of income that will be included or excluded when calculating TPP.  Across these 8 PHAs, these changes are as follows:	PHAs anticipate these changes will save PHA staff time in calculating TTP and, in some cases, will simplify the rent calculation process.

Activity	PHAs Implementing	Implementation Details	Expected Effect on Cost-Effectiveness
		<ul style="list-style-type: none"> <li>Excluding 25 percent of earned income when calculating TTP for households with a member aged 18–24.</li> <li>Eliminating the Earned-Income Disregard.</li> <li>Excluding income from household members aged 18–24 who are full-time students.</li> <li>Adding an income allowance for income spent directly on educational expenses.</li> <li>Excluding income from assets less than \$50,000.</li> </ul>	
<b>Alternative Utility Allowances</b> (n = 7)	Brighton (CO) <sup>a</sup> Cheraw (SC) <sup>a</sup> HACP (ID) <sup>a</sup> Harrisonburg (VA) <sup>a</sup> New Smyrna Beach (FL) <sup>a</sup> Pomona (CA) <sup>a</sup> South Sioux (NE) <sup>a</sup>	PHAs consolidated and streamlined their utility allowance schedules to reduce the number of schedules PHA staff had to use to determine allowances based on bedroom size, dwelling type, or types of utilities. PHAs often reduced these schedules to just one or two.	PHAs anticipate this change will simplify the allowance schedules used, which they anticipate will reduce the possibility of administrative errors in applying the wrong schedule, resulting in subsidy under- or overpayment.
<b>Alternative HQS Inspection Schedule</b> (n = 6)	Brattleboro (VT) Bristol (VA) <sup>a</sup> HACP (ID) <sup>a</sup> New Smyrna Beach (FL) <sup>a</sup> Rosenberg (TX) <sup>a</sup> Travis County (TX) <sup>a</sup>	PHAs moved from annual to biennial or triennial HQS inspections, typically for HCV units that have a history of passing inspections on the first visit.	PHAs anticipate that changing the inspection schedule will reduce staff time spent on inspections by at least one-half.
<b>Elimination of Deductions</b> (n = 5)	Bristol (VA) <sup>a</sup> Harrisonburg (VA) <sup>a</sup> New Smyrna Beach (FL) <sup>a</sup> Newnan (GA) <sup>a</sup> Ruston (LA)	PHAs eliminated or capped the following deductions used when calculating TPP: <ul style="list-style-type: none"> <li>Dependent allowance.</li> <li>Unreimbursed childcare expenses.</li> <li>Disability assistance deductions.</li> <li>Medical expenses.</li> </ul>	PHAs anticipate these changes will save PHA staff time in calculating TTP, reduce the possibility of administrative errors in calculating TPP, and, in some cases, simplify the rent calculation process.
<b>Rent Reasonableness Third-Party Requirement</b> (n = 4)	Brighton (CO) <sup>a</sup> HACP (ID) <sup>a</sup> Rockville (MD) <sup>a</sup> Washington County (MN) <sup>a</sup>	These PHAs no longer ask a third party to review and approve the rent reasonableness for properties the PHA owns, controls, or manages.	PHAs anticipate allowing PHA staff to complete this process will reduce the cost of paying external parties to review and approve rent reasonableness.

Activity	PHAs Implementing	Implementation Details	Expected Effect on Cost-Effectiveness
<b>HQS Third-Party Requirement</b> ( <i>n</i> = 4)	Brighton (CO) <sup>a</sup> Harrisonburg (VA) <sup>a</sup> Rockville (MD) <sup>a</sup> Washington County (MN) <sup>a</sup>	These PHAs now conduct HQS inspections for units the PHA owns, controls, or manages.	PHAs anticipate that this change will reduce the cost of paying external parties to complete the inspections.
<b>Elimination of PBV Selection Process for PHA-Owned Projects</b> ( <i>n</i> = 4)	Brighton (CO) <sup>a</sup> HACP (ID) <sup>a</sup> Harrisonburg (VA) <sup>a</sup> Rockville (MD) <sup>a</sup>	These PHAs eliminated the selection process in awarding PBVs to nonpublic housing properties the PHA owns.	PHAs anticipate that eliminating this selection process will reduce development costs and save administrative time and costs to develop, improve, or modify PHA-owned properties.
<b>Limit Portability for PBV Units</b> ( <i>n</i> = 3)	Brighton (CO) <sup>a</sup> Harrisonburg (VA) <sup>a</sup> Rockville (MD) <sup>a</sup>	These PHAs modified the requirement to provide a tenant-based voucher when requested by a PBV household from 12 months after program entry to 24 months after program entry.	PHAs anticipate this modification will reduce the amount of staff time required to process moves to a tenant-based voucher.
<b>Prequalifying Unit Inspections for HQS</b> ( <i>n</i> = 2)	Harrisonburg (VA) <sup>a</sup> Randolph (WV) <sup>a</sup>	PHAs allowed HCV units to receive a prequalifying HQS inspection 15–60 days prior to an HCV recipient's move-in date.	PHAs anticipate this action will increase staff efficiency, streamline the lease-up process, and reduce PHA costs by reducing or eliminating the need for unit re-inspections.

FSS = Family Self-Sufficiency. HCV = housing choice voucher. HQS = Housing Quality Standards. MTW = Moving to Work. PBV = project-based voucher. PHAs = public housing agencies. TTP = total tenant payment.

<sup>a</sup> Indicates the PHA implemented the activity for 6 or more months before the end of 2023.

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. PHAs that have the approval to waive operating a required FSS program are not included in this exhibit if this waiver does not affect many residents. (*n* = 28 PHAs)

Sources: Approved MTW Supplements as of December 31, 2023 (*n* = 28 PHAs); interviews conducted February–April 2024 with PHA staff from the 28 Flexibility Cohort PHAs with approved MTW Supplements

**Exhibit B-3. Implemented Waiver Activities That Might Affect Residents' Self-Sufficiency**

Activity	PHAs Implementing	Implementation Details	Expected Effect on Residents
<b>Alternative Reexamination Schedule</b> (n = 15)	Brattleboro (VT) Brighton (CO) <sup>a</sup> Bristol (VA) <sup>a</sup> Dover (NH) <sup>a</sup> Harrisonburg (VA) <sup>a</sup> Maryville (TN) <sup>a</sup> Newnan (GA) <sup>a</sup> New Smyrna Beach (FL) <sup>a</sup> Pomona (CA) <sup>a</sup> Robeson (NC) <sup>a</sup> Rockville (MD) <sup>a</sup> Rosenberg (TX) <sup>a</sup> Ruston (LA) <sup>a</sup> Solano (CA) <sup>a</sup> South Sioux (NE) <sup>a</sup>	PHAs changed the reexamination schedule for residents from annually to biennially or triennially. Some PHAs vary this schedule depending on whether household members are able to work or are elderly or disabled.  PHAs typically rolled this change out in cohorts so that residents were gradually placed on the new schedule to spread out reexamination due dates so as to not overburden PHA staff.	Residents will not need to report increases in income to the PHA until their next scheduled reexamination date. This postponement allows residents to increase their incomes without being required to pay more toward rent.  This activity is expected to promote efforts to increase residents' self-sufficiency by allowing residents to accumulate savings, use increases in income to pay down debts, and encourage residents to work more hours or obtain higher-paying jobs without it (immediately) affecting their TTP.
<b>Minimum Rent</b> (n = 8)	Harrisonburg (VA) <sup>a</sup> Kandiyohi (MN) <sup>a</sup> Newnan (GA) <sup>a</sup> New Smyrna Beach (FL) <sup>a</sup> Ozark (AL) <sup>a</sup> Ripley (MO) Rockville (MD) <sup>a</sup> Ruston (LA) <sup>a</sup>	PHAs have increased the minimum rent for work-able households from \$50 up to \$130. Some PHAs have stepped the increase to \$75 the first year and then the full amount the next year so residents can gradually get used to paying more rent.	Residents who were previously paying the minimum rent and those paying below the new minimum rent will see their TTP increase.  This activity is expected to promote efforts to increase residents' self-sufficiency by getting residents used to setting aside a higher share of their income toward rent.
<b>Adjustments to an FSS or MTW Self-Sufficiency Program<sup>b</sup></b> (n = 8)	Brattleboro (VT) Dover (NH) <sup>a</sup> Harrisonburg (VA) <sup>a</sup> Hibbing (MN) <sup>a</sup> Newnan (GA) <sup>a</sup> Ripley (MO) <sup>a</sup> Robeson (NC) <sup>a</sup> Ruston (LA)	Five PHAs have mandated participation in an FSS or MTW Self-Sufficiency program for all work-able households.  Four PHAs modified the contract of participation for their FSS programs to (1) restructure the escrow model, or (2) put in place termination of escrow clauses if residents do not fully participate in the program.  Three PHAs revised their policies to address increases in family income of	Residents who are work-able (nonelderly and nondisabled) will be required to participate in a self-sufficiency program, set goals, and make progress toward achieving those goals. Residents will be rewarded with incentives (usually financial) to encourage the completion of goals.  This activity is expected to promote efforts to increase residents' self-sufficiency by encouraging residents to make progress toward educational, employment, health, income, or financial management goals by tying goal completion to financial incentives.

Activity	PHAs Implementing	Implementation Details	Expected Effect on Residents
		FSS or MTW Self-Sufficiency program participants by building immediate financial (cash on in-kind) incentives for meeting set goals.	
<b>Work Requirement (n = 5)</b>	Newnan (GA) <sup>a</sup> Ozark (AL) <sup>a</sup> Ripley (MO) <sup>a</sup> Ruston (LA) South Sioux (NE) <sup>a</sup>	These PHAs are requiring work-able households to work a minimum of 15 hours per week (with some caveats, see exhibit 3-5) as a condition of their participation in the housing program. Households are given 6 months to comply with the policy once they enter the program (for new admittances) or from the time the policy went into effect (for current residents).	<p>Work-able residents who were either unemployed or underemployed must find, accept, and maintain employment of at least 15 hours per week.</p> <p>This activity is expected to promote efforts to increase residents' self-sufficiency by requiring work-able residents to maintain employment.</p>
<b>Local, Nontraditional Service Provision (n = 2)</b>	Brighton (CO) <sup>a</sup> Cheraw (SC) <sup>a</sup>	These PHAs are offering residents additional services, including partnerships with state job fairs and community partnerships to assist middle and high school students with their postsecondary education goals and finding internships.	<p>Interested residents will be connected to additional employment and educational services.</p> <p>This activity is expected to promote residents' self-sufficiency by connecting residents to additional services to support them in seeking and obtaining employment and furthering their education.</p>
<b>Term-Limited Assistance (n = 1)</b>	Ruston (LA)	All nonelderly and nondisabled households will be subject to a time-limited housing term of 5 to 7 years. Households that reach this limit will be unable to continue in or reapply for the public housing program at the PHA (they are still eligible for assistance from another PHA). The PHA and its partners offer supportive services and educational activities to households to support their transition out of public housing.	<p>Residents will be required to leave public housing after a maximum of 7 years in the program (from the date the policy went into effect).</p> <p>This activity is expected to promote residents' self-sufficiency by requiring residents to be able to pay full market rent for their housing within 5 years (with the possibility of up to 2 years of extensions) of being in public housing.</p>
<b>Stepped Rent (n = 1)</b>	Ruston (LA)	Every 2 years, nonelderly, nondisabled households will experience a set rent increase. Currently, about one-fourth of residents are subject to the policy.	Residents will take on a larger share of rent gradually over time and eventually will be able to fully pay for their own housing.

Activity	PHAs Implementing	Implementation Details	Expected Effect on Residents
			This activity is expected to promote efforts to increase residents' self-sufficiency by getting residents used to paying a higher portion of TTP over time so they can eventually take over paying the entire rent.

FSS = Family Self-Sufficiency. HCV = housing choice voucher. MTV = Moving to Work. PHA = public housing agency. TTP = total tenant payment.

<sup>a</sup> Indicates the PHA implemented the activity for 6 or more months before the end of 2023.

<sup>b</sup> Three PHAs—Ozark (AL), Kandiyohi (MN), and Rosenberg (TX)—waived operating a required FSS program. This action is not included in this column.

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 program participation are for nonelderly, nondisabled households. PHAs that have approval to waive operating a required FSS program are not included in this exhibit if this waiver does not affect many individuals.

Sources: Approved MTW Supplements as of December 31, 2023 (*n* = 28 PHAs); interviews conducted February–April 2024 with PHA staff from the 28 Flexibility Cohort PHAs with approved MTW Supplements

#### Exhibit B-4. Implemented Waiver Activities That Might Affect Tenants' Housing Choices

Activity	PHAs Implementing	Implementation Details	Expected Effect on Residents
<b>Increasing FMR Payment Standards</b> ( <i>n</i> = 10)	Bristol (VA) <sup>a</sup> Dover (NH) HACP (ID) <sup>a</sup> Harrisonburg (VA) <sup>a</sup> Kandiyohi (MN) <sup>a</sup> Maryville (TN) <sup>a</sup> McLeod (MN) <sup>a</sup> New Smyrna Beach (FL) <sup>a</sup> Ripley (MO) <sup>a</sup> South Sioux (NE) <sup>a</sup>	These PHAs increased the FMR payment standards, typically from 110 percent to 120 percent of FMR.	Residents will be able to access slightly more expensive rental units. This change is expected to increase housing choice by making more units available to voucher holders and potentially making units in higher opportunity areas available to them, as well.
<b>Landlord Leasing Incentives – Other Incentives</b> ( <i>n</i> = 7) <sup>b</sup>	Bristol (VA) <sup>a</sup> HACP (ID) <sup>a</sup> Harrisonburg (VA) <sup>a</sup> Maryville (TN) <sup>a</sup> Newnan (GA) <sup>a</sup> Sheffield (AL) <sup>a</sup> Travis County (TX) <sup>a</sup>	These PHAs are offering the following landlord incentives: <ul style="list-style-type: none"> <li>• A signing bonus for renting a new unit to an HCV recipient (3 PHAs).</li> <li>• A signing bonus for landlords who begin participating in the HCV program (4 PHAs).</li> <li>• A referral bonus for successful referral of a new landlord with no history of renting to HCV participants in the past 5 years (2 PHAs).</li> </ul>	PHAs notified landlords of these changes through newsletters, landlord outreach events, and email blasts.  It is expected that these efforts will encourage more landlords to participate in the HCV program or rent more units to HCV recipients, thereby increasing housing choice for voucher holders.



Activity	PHAs Implementing	Implementation Details	Expected Effect on Residents
		<ul style="list-style-type: none"> <li>Bonuses for property maintenance, retention, and passing the initial HQS inspection (1 PHA).</li> <li>An additional payment for excessive damages left by an HCV resident (2 PHAs).</li> </ul>	
<b>Initial Rent Burden (n = 5)</b>	Rockville (MD) <sup>a</sup> Rosenberg (TX) <sup>a</sup> Solano (CA) <sup>a</sup> Travis County (TX) <sup>a</sup> Washington County (MN) <sup>a</sup>	These PHAs have increased the maximum share of residents' income (the initial rent burden) from 40 percent of adjusted monthly income to 45 percent (1 PHA), 50 percent (3 PHAs), or 60 percent (1 PHA).	Residents were notified that they could select rental units that would require them to put a higher share of their adjusted monthly income toward rent. It is expected that this change will allow households with higher incomes to access additional housing options or housing in higher-opportunity neighborhoods.
<b>Local Nontraditional Housing Development Programs (n = 4)</b>	Brighton (CO) <sup>a</sup> Pomona (CA) <sup>a</sup> Randolph (WV) <sup>a</sup> Robeson (NC) <sup>a</sup>	These PHAs are in the beginning stages of acquiring, developing, or rehabilitating affordable housing developments.	This activity is expected to bring additional affordable housing units on the market and increase housing choice for those who might otherwise struggle to find an affordable tenant-based unit. Many of these developments will include project-based units for HCV recipients.
<b>Increase PBV Program or Project Cap (n = 3)</b>	Brighton (CO) (Project) <sup>a</sup> Harrisonburg (VA) <sup>a</sup> Rockville (MD) (Program) <sup>a</sup>	These PHAs have increased the cap on the total number of vouchers that can be project-based from 20 percent to 50 percent (program cap) or increased the cap on the percentage of vouchers that can be project-based in a building or project from 25 percent to 100 percent (project cap).	This increase is expected to bring additional affordable housing units on the market and increase housing choice for HCV recipients who might otherwise struggle to find an affordable tenant-based unit.

FMR = Fair Market Rent. HCV = housing choice voucher. HQS = Housing Quality Standards. MTW = Moving to Work. PBV = project-based voucher. PHA = public housing agency.

<sup>a</sup> Indicates the PHA implemented the activity for 6 or more months before the end of 2023.

<sup>b</sup> HACP (Housing Alliance and Community Partnerships) was approved to implement landlord leasing incentives for vacancy loss and damage claims, but no landlords took up these waivers, and the PHA is planning on discontinuing them.

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 program participation are for nonelderly, nondisabled households.

Sources: Approved MTW Supplements as of December 31, 2023 (n = 28 PHAs); interviews conducted February–April 2024 with PHA staff from the 28 Flexibility Cohort PHAs with approved MTW Supplements

## Appendix C. Exploratory Impact Analysis

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Exhibits in this appendix present the impact results for outcomes (confirmatory and exploratory) that the evaluation team committed to analyzing in the Research Design, Data Collection, and Analysis Plan (RDDCAP) (Turnham et al., 2021).<sup>52</sup> The results are presented for the quasi-experimental design (QED) sample for all outcomes and for the randomized control trial (RCT) sample only when the outcome measure does not require all public housing agencies (PHAs) to have usable Public and Indian Housing Information Center (PIC) data. This approach means the results for the RCT sample are only presented for the cost-effectiveness measures that rely on HUD Financial Data System (FDS) data.

The impacts are shown for each follow-up year (2021, 2022, and 2023). When results are available for the RCT and QED samples, the RCT sample results for an outcome are shown in the top panel, and the QED results are shown in the panel that immediately follows. Each row shows the raw treatment group mean, the regression-adjusted control group mean (RCT sample) or comparison group mean (QED sample), the impact estimate, the p-value, and the sample size for each group. The raw mean is the observed mean, whereas the regression-adjusted mean is adjusted to control for baseline differences between the control/comparison group and the treatment group. The impact estimate is the difference between the raw treatment group mean and the adjusted control/comparison group mean.

As an example, for the confirmatory outcome related to cost-effectiveness (exhibit C-1), the Year 3 (2023) impact results for the RCT sample estimate that the Treatment PHAs had \$35 higher expenditures per household per month than control PHAs after controlling for 2020 expenditure levels in the regression. (See appendix D for details on the regression equation.) This estimate is not considered statistically significantly different from zero, and thus, no impact from the offer of MTW is detected because the p-value is larger than 0.10. The p-value represents how likely it is that the true value of the impact is different than zero. This report considers any p-value more than 10 percent (that is, above 0.10) as not statistically significant.

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<sup>52</sup> The one exception is that this report does not present impacts on rent burden. Rent burden is calculated using IMS/PIC data alone, and biannual and triannual reexaminations at the MTW PHAs result in estimates of household income that are often more than 1 year out of date.

**Exhibit C-1. Impacts on Average Levels of PHA Cost (Dollars per Household per Month)**

Outcome	Treatment	Control / Comparison	Impact Estimate	p-Value	Sample Size (T)	Sample Size (C)
<b>Total Operating, Administrative, and HAP Expenditures (CONFIRMATORY)</b>						
<b>Treatment vs. Control (RCT)</b>						
Year 1 (2021)	\$704	\$551	\$153	0.162	31	9
Year 2 (2022)	\$709	\$621	\$88	0.400	26	9
Year 3 (2023)	\$734	\$699	\$35	0.758	30	10
<b>Treatment vs. Comparison (QED)</b>						
Year 1 (2021)	\$704	\$624	\$80	0.358	31	87
Year 2 (2022)	\$709	\$679	\$30	0.328	26	90
Year 3 (2023)	\$734	\$752	– \$18	0.490	30	92
<b>Public housing operating expenses minus utilities<sup>PH</sup></b>						
<b>Treatment vs. Control (RCT)</b>						
Year 1 (2021)	\$466	\$434	\$32	0.670	20	7
Year 2 (2022)	\$593	\$477	\$117	0.198	18	6
Year 3 (2023)	\$681	\$540	\$142	0.114	19	6
<b>Treatment vs. Comparison (QED)</b>						
Year 1 (2021)	\$466	\$443	\$23	0.474	20	51
Year 2 (2022)	\$593	\$520	\$73 *	0.084	18	53
Year 3 (2023)	\$681	\$579	\$102	0.118	19	52
<b>HCV and local, nontraditional programs' administrative and tenant services expenditures<sup>HCV</sup></b>						
<b>Treatment vs. Control (RCT)</b>						
Year 1 (2021)	\$91	\$66	\$25 *	0.096	28	7
Year 2 (2022)	\$77	\$73	\$4	0.650	24	7
Year 3 (2023)	\$89	\$97	– \$7	0.690	28	8
<b>Treatment vs. Comparison (QED)</b>						
Year 1 (2021)	\$91	\$72	\$19 *	0.050	28	80
Year 2 (2022)	\$77	\$78	\$0	0.930	24	84
Year 3 (2023)	\$89	\$100	– \$11	0.260	28	85
<b>HCV housing assistance payment (HAP) expenditures<sup>HCV, VMS</sup></b>						
<b>Treatment vs. Control (RCT)</b>						
Year 1 (2021)	\$656	\$650	\$6	0.686	29	7
Year 2 (2022)	\$704	\$674	\$30 *	0.062	30	8
Year 3 (2023)	\$745	\$733	\$12	0.458	30	8
<b>Treatment vs. Comparison (QED)</b>						
Year 1 (2021)	\$656	\$643	\$13	0.120	29	80
Year 2 (2022)	\$704	\$674	\$30 **	0.016	30	88
Year 3 (2023)	\$745	\$734	\$10	0.364	30	88
<b>Total federal funding of MTW-eligible programs</b>						
<b>Treatment vs. Control (RCT)</b>						

Outcome	Treatment	Control / Comparison	Impact Estimate	p-Value	Sample Size (T)	Sample Size (C)
Year 1 (2021)	\$579	\$532	\$47	0.140	32	9
Year 2 (2022)	\$635	\$550	\$85 ***	0.004	27	9
Year 3 (2023)	\$718	\$621	\$98 *	0.058	31	10
<b>Treatment vs. Comparison (QED)</b>						
Year 1 (2021)	\$579	\$567	\$13	0.352	32	88
Year 2 (2022)	\$635	\$578	\$57 **	0.010	27	93
Year 3 (2023)	\$718	\$655	\$63 *	0.070	31	94
<b>Total revenue of MTW-eligible programs</b>						
<b>Treatment vs. Control (RCT)</b>						
Year 1 (2021)	\$760	\$683	\$78	0.638	32	9
Year 2 (2022)	\$813	\$690	\$123	0.180	28	9
Year 3 (2023)	\$948	\$845	\$103	0.326	31	10
<b>Treatment vs. Comparison (QED)</b>						
Year 1 (2021)	\$760	\$756	\$4	0.788	32	88
Year 2 (2022)	\$813	\$763	\$50 *	0.094	28	93
Year 3 (2023)	\$948	\$890	\$59	0.194	31	94
<b>Cash reserves</b>						
<b>Treatment vs. Control (RCT)</b>						
Year 1 (2021)	\$208	\$176	\$32	0.588	32	9
Year 2 (2022)	\$64	\$8	\$56	0.198	25	7
Year 3 (2023)	\$1	– \$26	\$26	0.434	30	8
<b>Treatment vs. Comparison (QED)</b>						
Year 1 (2021)	\$208	\$171	\$36	0.398	32	88
Year 2 (2022)	\$64	\$82	– \$18	0.348	25	82
Year 3 (2023)	\$1	\$12	– \$11	0.442	30	84

C = Control/Comparison. FDS = Financial Data System. HAP = Housing Assistance Payment. HCV = housing choice voucher. MTW = Moving to Work. PH = public housing. PHA = public housing agency. QED = quasi-experimental design. RCT = randomized control trial. T = Treatment. TTP = total tenant payment. VMS = Voucher Management System.

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

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

<sup>VMS</sup> Outcome is based on data from HUD's Voucher Management System; otherwise, data are based on FDS.

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

Notes: The sample includes 33 Treatment PHAs, 10 Control PHAs, and 99 Comparison PHAs. The confirmatory measure excludes utility payments from public housing operating expenses. This exclusion allows for a more consistent comparison between PHAs. Some PHAs pay utilities directly, so the cost shows on FDS as operating expenses (these PHAs collect more TTP [rent] because there is no utility allowance 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 TTP because they provide a utility allowance). Exhibit C-1 of the *Baseline Report* (Geyer et al. 2021) provides details on the construction of these measures. The outcomes and impact estimates shown here for 2021 and 2022 differ slightly from those previously published for two reasons. First, these outcomes and estimates reflect updated data from HUD. Second, the impact estimates are based on a revised regression model that accounts for the covariance of annual impact estimates and takes a more conservative approach to estimating the clustered standard errors (for details, see appendix D).

Sources: HUD's FDS (PHA annual fiscal reports through June 2023); VMS (quarterly data through 2023)

**Exhibit C-2. Impacts on Share of Households With Reexaminations or Transactions**

Outcome	Treatment	Comparison	Impact Estimate	p-Value	Sample Size (T)	Sample Size (C)
<b>Percentage of HCV households with a certification in this calendar year<sup>HCV</sup></b>						
Year 1 (2021)	76.3	75.5	0.7	.822	25	75
Year 2 (2022)	75.7	78.4	– 2.7	.398	25	74
Year 3 (2023)	69.3	75.5	– 6.2	.138	25	74
<b>Percentage of households with any transaction in this calendar year</b>						
Year 1 (2021)	91.8	90.6	1.1	.690	26	77
Year 2 (2022)	90.1	93.9	– 3.8	.242	26	77
Year 3 (2023)	90.0	92.3	– 2.3	.362	26	77

C = Comparison. HCV = housing choice voucher. PHA = public housing agency. T = Treatment.

<sup>HCV</sup> Means are estimated using only PHAs with voucher programs. The sample for these outcomes includes 25 Treatment PHAs and 75 Comparison PHAs. As discussed in exhibit 4-3, households from five Treatment PHAs and their matched Comparison PHAs were excluded from the HCV analysis sample due to issues with the 2023 Inventory Management System/Public and Indian Housing Information Center (IMS/PIC) data.

\*/\*\*/\*\* denotes statistical significance at the  $p < .10$ ,  $p < .05$ , and  $p < .01$  levels, respectively.

Notes: Sample includes 26 Treatment PHAs and 77 Comparison PHAs. As discussed in exhibit 4-3, households from seven Treatment PHAs and their matched Comparison PHAs were excluded from the analysis sample due to issues with 2023 IMS/PIC data. This exhibit displays the raw means for the Treatment PHAs and the regression-adjusted means for the Comparison PHAs. The outcomes and impact estimates shown here for 2021 and 2022 differ slightly from those previously published for two reasons. First, these outcomes and estimates reflect the latest data from IMS/PIC. Second, the impact estimates are based on a revised regression model that accounts for the covariance of annual impact estimates and takes a more conservative approach to estimating the clustered standard errors (for details, see appendix D).

Source: HUD household-level data from IMS/PIC through December 31, 2023

**Exhibit C-3. Impacts on Self-Sufficiency Outcomes**

Outcome	Treatment	Comparison	Impact Estimate	p-Value	Sample Size (T)	Sample Size (C)
<b>Annual household earnings (\$) (CONFIRMATORY)</b>						
Year 1 (2021)	17,179	16,492	688	.213	4,726	10,331
Year 2 (2022)	24,085	22,763	1,322	.115	4,668	10,357
Year 3 (2023)	26,037	25,047	990	.167	4,885	10,607
<b>Percentage of households with any earnings in Q4 of each calendar year</b>						
Year 1 (2021)	65.1	63.5	1.6	.450	4,726	10,331
Year 2 (2022)	72.0	72.7	– 0.6	.702	4,668	10,357
Year 3 (2023)	68.9	67.4	1.5	.566	4,885	10,607
<b>Among households that exited during the year, annual household earnings</b>						
Year 1 (2021)	21,129	21,352	– 222	.811	1,506	3,965
Year 2 (2022)	27,174	27,749	– 576	.387	2,087	5,486
Year 3 (2023)	30,313	30,211	102	.925	2,672	6,910
<b>Among households that exited during the year, the percentage with household earnings in Q4 equivalent to 2.5 times or more of the local FMR</b>						
Year 1 (2021)	30.3	31.4	– 1.1	.456	1,506	3,965
Year 2 (2022)	40.8	41.9	– 1.1	.526	2,087	5,486
Year 3 (2023)	37.9	38.2	– 0.4	.855	2,672	6,910
<b>Percentage of households participating in FSS</b>						
Year 1 (2021)	5.2	4.9	0.3	.194	13,447	31,994
Year 2 (2022)	4.9	5.0	0.0	.968	13,141	31,861
Year 3 (2023)	5.0	4.6	0.4	.378	13,430	32,191

C = Comparison. FMR = Fair Market Rent. FSS = Family Self-Sufficiency Program. Q = quarter. PHA = public housing agency. T = Treatment.

PIC Outcome is based on household-level data from HUD's Inventory Management System/Public and Indian Housing Information Center (IMS/PIC).

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

Notes: The sample for the outcomes "average household earnings" and "percent with any earnings in Q4 of each year" consists of nonelderly, nondisabled households that received assistance in the 2021–2023 period and did not exit from housing assistance by the end of 2023 (4,885 households in Treatment PHAs and 10,607 households in Comparison PHAs); the sample for the two similar outcomes for exiters includes households that received assistance in the 2021–2023 period, but exited assistance by the end of 2023 (2,672 households in Treatment PHAs and 6,910 in Comparison PHAs). The sample for the "percentage of households participating in FSS" outcome is all households that received housing assistance in the 2021–2023 period and did not exit from housing assistance by the end of 2023 (17,884 households in Treatment PHAs and 59,872 households in Comparison PHAs). As discussed in exhibit 4-3, households from seven Treatment PHAs and their matched Comparison PHAs were excluded from the analysis sample due to issues with 2023 IMS/PIC data. This exhibit displays the raw means for the Treatment PHAs and the regression-adjusted means for the Comparison PHAs. The outcomes and impact estimates shown here for 2021 and 2022 differ slightly from those previously published for two reasons. First, these outcomes and estimates reflect the latest data from IMS/PIC. Second, the impact estimates are based on a revised regression model that accounts for the covariance of annual impact estimates and takes a more conservative approach to estimating the clustered standard errors (for details, see appendix D).

Sources: National Directory of New Hires earnings data through the fourth calendar quarter of 2023; HUD household-level data from IMS/PIC through December 31, 2023

**Exhibit C-4. Impacts on Households' Housing Choice: Low-Poverty Rate of Households' Census Tracts**

Outcome	Treatment	Comparison	Impact Estimate	p-Value	Sample Size (T)	Sample Size (C)
<b>Percentage of HCV households living in low-poverty census tracts (CONFIRMATORY)<sup>HCV</sup></b>						
Year 1 (2021)	31.0	31.4	– 0.4	.542	10,552	27,137
Year 2 (2022)	30.7	31.5	– 0.9	.366	10,289	27,278
Year 3 (2023)	31.6	32.2	– 0.7	.606	10,746	27,661
<b>Percentage of TBV households living in low-poverty census tracts<sup>TBV</sup></b>						
Year 1 (2021)	30.9	31.4	– 0.5	.378	11,233	29,169
Year 2 (2022)	30.8	31.7	– 0.9	.266	10,962	29,287
Year 3 (2023)	30.8	31.7	– 0.9	.448	10,952	29,597
<b>Percentage of PBV households living in low-poverty census tracts<sup>PBV</sup></b>						
Year 1 (2021)	34.1	32.2	1.9	.294	1,245	2,210
Year 2 (2022)	34.7	31.0	3.7	.134	1,256	2,198
Year 3 (2023)	35.5	31.9	3.6	.288	1,243	2,240
<b>Percentage of HCV households living in census tracts with a poverty rate lower than the 25th percentile poverty rate for the PHA's jurisdiction<sup>HCV</sup></b>						
Year 1 (2021)	24.2	24.5	– 0.2	.706	10,552	27,137
Year 2 (2022)	24.4	25.5	– 1.1	.178	10,289	27,278
Year 3 (2023)	24.8	25.4	– 0.6	.610	10,746	27,661
<b>Percentage of HCV households living in census tracts with a poverty rate below the median for the PHA's jurisdiction<sup>HCV</sup></b>						
Year 1 (2021)	51.7	51.2	0.5	.706	10,552	27,137
Year 2 (2022)	51.7	52.2	– 0.5	.696	10,289	27,278
Year 3 (2023)	52.2	52.1	0.1	.976	10,746	27,661
<b>Percentage of HCV households with children living in census tracts with a poverty rate lower than the 25th percentile poverty rate for the PHA's jurisdiction<sup>HCV</sup></b>						
Year 1 (2021)	27.7	27.2	0.5	.600	4,252	9,710
Year 2 (2022)	27.9	28.5	– 0.6	.602	4,010	9,457
Year 3 (2023)	29.1	28.7	0.4	.782	4,123	9,374
<b>Percentage of HCV households with children living in census tracts with a poverty rate below the median for the PHA's jurisdiction<sup>HCV</sup></b>						
Year 1 (2021)	57.7	55.5	2.2	.284	4,252	9,710
Year 2 (2022)	57.1	56.6	0.5	.824	4,010	9,457
Year 3 (2023)	57.8	56.1	1.7	.390	4,123	9,374

C = Comparison. HCV = housing choice voucher. TBV = tenant-based voucher. PBV = project-based voucher. PHA = public housing agency. T = Treatment.

<sup>HCV</sup> Means are estimated using HCV households at PHAs with Housing Choice Voucher programs.

<sup>PBV</sup> Means are estimated using only households in project-based voucher units.

<sup>TBV</sup> Means are estimated using only households with tenant-based vouchers.

\*/\*\*/\*\* denotes statistical significance at the  $p < .10$ ,  $p < .05$ , and  $p < .01$  levels, respectively.



Notes: The sample includes 13,152 HCV households in Treatment PHAs and 44,498 HCV households in Comparison PHAs. As discussed in exhibit 4-3, households from five Treatment PHAs and their matched Comparison PHAs were excluded from the HCV analysis sample due to issues with the 2023 Inventory Management System/Public and Indian Housing Information Center (IMS/PIC) data. These exhibits display the raw means for the Treatment PHAs and the regression-adjusted means for the Comparison PHAs. The outcomes and impact estimates shown here for 2021 and 2022 differ slightly from those previously published for two reasons. First, these outcomes and estimates reflect the latest data from IMS/PIC. Second, the impact estimates are based on a revised regression model that accounts for the covariance of annual impact estimates and takes a more conservative approach to estimating the clustered standard errors (for details, see appendix D).

Source: HUD household-level data from IMS/PIC through December 31, 2023

#### Exhibit C-5. Impacts on Households' Housing Choice: Supply of Quality, Affordable Housing

Outcome	Treatment	Comparison	Impact Estimate	p-Value	Sample Size (T)	Sample Size (C)
<b>Total number of households served through HCV and public housing programs in average month<sup>PIC</sup></b>						
Year 1 (2021)	523	517	6	.562	26	77
Year 2 (2022)	510	512	- 2	.956	26	77
Year 3 (2023)	523	513	10	.548	26	77
<b>HCV unit utilization rate (percent)<sup>HCV, VMS</sup></b>						
Year 1 (2021)	86.0	86.4	- 0.4	.644	29	80
Year 2 (2022)	83.6	85.4	- 1.9 *	.096	30	88
Year 3 (2023)	82.1	84.9	- 2.8 **	.034	30	88
<b>HCV budget utilization rate (percent)<sup>HCV, VMS</sup></b>						
Year 1 (2021)	97.5	93.4	4.1 **	.026	29	80
Year 2 (2022)	98.1	96.9	1.2	.674	30	88
Year 3 (2023)	95.0	98.0	- 3.0	.170	30	88
<b>Public housing occupancy rate (percent)<sup>PH, PIC</sup></b>						
Year 1 (2021)	94.7	96.2	- 1.6	.458	14	43
Year 2 (2022)	92.2	98.1	- 5.9	.122	14	42
Year 3 (2023)	91.4	98.2	- 6.8 **	.048	14	41
<b>Number of unique HCV landlords (by TIN/SSN) per 100 voucher households<sup>HCV, PIC</sup></b>						
Year 1 (2021)	35.4	35.6	- 0.2	.770	25	75
Year 2 (2022)	36.2	34.9	1.3	.248	25	74
Year 3 (2023)	34.0	33.9	0.1	.910	25	74
<b>Public housing units scoring 90 or above on the most recent physical inspection (percent)<sup>PH, REAC</sup></b>						
Year 1 (2021)	85.5	85.0	0.5	.330	20	54
Year 2 (2022)	85.5	85.4	0.2	.756	20	54
Year 3 (2023)	80.9	84.9	- 4.0	.112	20	54
<b>The economic useful life of public housing units (measured as the ratio of total capital assets net of depreciation, excluding land, and total capital assets including accumulated depreciation)<sup>PH, FDS</sup></b>						
Year 1 (2021)	27.7	25.7	2.0	.320	20	49
Year 2 (2022)	26.5	23.8	2.7	.306	18	54
Year 3 (2023)	13.5	17.5	- 4.0	.580	5	8
<b>Percent of HCV units that were inspected in this calendar year<sup>HCV, PIC</sup></b>						
Year 1 (2021)	59.2	50.7	8.5	.136	25	75

Outcome	Treatment	Comparison	Impact Estimate	p-Value	Sample Size (T)	Sample Size (C)
Year 2 (2022)	60.8	58.6	2.2	.666	25	74
Year 3 (2023)	54.7	60.3	- 5.6	.262	25	74
<b>Percent of PBV units that were inspected in this calendar year<sup>HCV, PIC</sup></b>						
Year 1 (2021)	28.6	31.9	- 3.3	.820	7	26
Year 2 (2022)	44.1	37.8	6.4	.858	7	26
Year 3 (2023)	26.2	33.6	- 7.4	.698	7	25
<b>Percent of TBV units that were inspected in this calendar year<sup>HCV, PIC</sup></b>						
Year 1 (2021)	60.6	52.9	7.7	.192	25	75
Year 2 (2022)	63.2	60.0	3.3	.534	25	74
Year 3 (2023)	56.2	63.5	- 7.3	.122	25	74
<b>Percent of vouchers that are TBV<sup>HCV, PIC</sup></b>						
Year 1 (2021)	91.1	90.9	0.2	.254	25	75
Year 2 (2022)	91.1	91.1	0.0	.916	25	74
Year 3 (2023)	90.8	90.9	- 0.1	.780	25	74

C = Comparison. FDS = Financial Data System. HCV = housing choice voucher. PBV = project-based voucher. PH = public housing. PIC = Public and Indian Housing Information Center. REAC = Real Estate Assessment Center. T = Treatment. TBV = tenant-based voucher. TIN/SSN = Taxpayer Identification Number/Social Security Number. VMS = Voucher Management System.

<sup>FDS</sup> Outcome is based on data from HUD's Financial Data System.

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

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

<sup>PIC</sup> Outcome is based on household-level data from HUD's Inventory Management System/Public and Indian Housing Information Center (IMS/PIC). As discussed in exhibit 4-3, households from five Treatment PHAs and their matched Comparison PHAs were excluded from the HCV analysis sample due to issues with 2023 IMS/PIC data.

<sup>REAC</sup> Outcome is based on data from HUD's Real Estate Assessment Center.

<sup>VMS</sup> Outcome is based on data from HUD's Voucher Management System.

\*/\*\*/\*\* denotes statistical significance at the  $p < .10$ ,  $p < .05$ , and  $p < .01$  levels, respectively.

Notes: Sample includes 33 Treatment PHAs and 99 Comparison PHAs. These exhibits display the raw means for the Treatment PHAs and the regression-adjusted means for the Comparison PHAs. The outcomes and impact estimates shown here for 2021 and 2022 differ slightly from those previously published for two reasons. First, these outcomes and estimates reflect the latest data from IMS/PIC. Second, the impact estimates are based on a revised regression model that accounts for the covariance of annual impact estimates and takes a more conservative approach to estimating the clustered standard errors (for details, see appendix D).

Sources: HUD household-level data from IMS/PIC through June 2023; quarterly data from the VMS through December 2023; REAC scores available at the time of analysis (June 2024); HUD's FDS (PHA annual fiscal reports through December 2023)

**Exhibit C-6. Impacts on Households' Housing Choice: Hard-to-House Population Levels**

Outcome	Treatment	Comparison	Impact Estimate	p-Value	Sample Size (T)	Sample Size (C)
<b>Percentage of households served that have a nonelderly family member with a disability</b>						
Year 1 (2021)	30.2	29.0	1.1 ***	.002	13,596	32,729
Year 2 (2022)	29.6	28.6	1.1 *	.050	13,267	32,777
Year 3 (2023)	29.2	27.4	1.8 ***	.002	13,587	32,870
<b>Percentage of households served that have three or more minors</b>						
Year 1 (2021)	12.0	11.6	0.3	.338	13,596	32,729
Year 2 (2022)	11.6	11.7	– 0.1	.810	13,267	32,777
Year 3 (2023)	11.7	11.5	0.1	.794	13,587	32,870
<b>Percentage of households served that were homeless at the time of admission</b>						
Year 1 (2021)	6.4	6.3	0.1	.852	13,593	32,631
Year 2 (2022)	7.5	6.9	0.7	.386	13,262	32,748
Year 3 (2023)	8.8	7.5	1.3	.296	13,583	32,849

C = Comparison. T = Treatment.

\*/\*\*/\*\* denotes statistical significance at the  $p < .10$ ,  $p < .05$ , and  $p < .01$  levels, respectively.

Notes: Sample includes 17,884 households in Treatment PHAs and 59,872 households in Comparison PHAs. As discussed in exhibit 4-3, households from seven Treatment PHAs and their matched Comparison PHAs were excluded from the analysis sample due to issues with the 2023 Inventory Management System/Public and Indian Housing Information Center (IMS/PIC) data. These exhibits display the raw means for the Treatment PHAs and the regression-adjusted means for the Comparison PHAs. The outcomes and impact estimates shown here for 2021 and 2022 differ slightly from those previously published for two reasons. First, these outcomes and estimates reflect the latest data from IMS/PIC. Second, the impact estimates are based on a revised regression model that accounts for the covariance of annual impact estimates and takes a more conservative approach to estimating the clustered standard errors (for details, see appendix D).

Source: HUD household-level data from IMS/PIC through December 31, 2023

**Exhibit C-7. Impacts on Other Tenant Outcomes: Changes in Households Served Levels**

Outcome	Treatment	Comparison	Impact Estimate	p-Value	Sample Size (T)	Sample Size (C)
<b>Number of Households Served in MTW-eligible Programs—Overall</b>						
Year 1 (2021)	523	517	6	.562	26	77
Year 2 (2022)	510	512	– 2	.956	26	77
Year 3 (2023)	523	513	10	.548	26	77
<b>Number of Households Served in MTW-eligible Programs—Public Housing<sup>PH</sup></b>						
Year 1 (2021)	126	122	4	.548	29	86
Year 2 (2022)	124	121	3	.684	29	86
Year 3 (2023)	118	118	0	.972	29	86
<b>Number of Households Served in MTW-eligible Programs—Housing Choice Vouchers<sup>HCV</sup></b>						
Year 1 (2021)	377	376	1	.940	28	83
Year 2 (2022)	368	372	– 4	.732	28	83
Year 3 (2023)	385	377	8	.508	28	83
<b>The proportion of newly admitted households with income at or below the greater of 30 percent of AMI or the federal poverty level—Overall</b>						
Year 1 (2021)	92.5	90.4	2.1	.120	1,147	2,589
Year 2 (2022)	89.9	90.7	– 0.7	.586	945	2,408
Year 3 (2023)	90.5	89.9	0.6	.694	1,079	2,725
<b>Proportion of newly admitted households with income at or below the greater of 30 percent of AMI or the federal poverty level—Public Housing<sup>PH</sup></b>						
Year 1 (2021)	92.7	87.0	5.7 **	.022	314	627
Year 2 (2022)	88.4	88.2	0.3	.886	319	531
Year 3 (2023)	88.4	85.6	2.7	.266	292	552
<b>Proportion of newly admitted households with income at or below the greater of 30 percent of AMI or the federal poverty level—Housing Choice Vouchers<sup>PH</sup></b>						
Year 1 (2021)	92.7	92.0	0.7	.598	865	2,138
Year 2 (2022)	91.9	92.4	– 0.5	.652	603	1,902
Year 3 (2023)	91.3	91.9	– 0.5	.740	783	2,298
<b>Percentage of households with at least one child younger than 18—Overall</b>						
Year 1 (2021)	37.7	36.9	0.8	.332	13,596	32,729
Year 2 (2022)	36.6	36.9	– 0.3	.676	13,267	32,777
Year 3 (2023)	36.2	36.8	– 0.6	.432	13,587	32,870
<b>Percentage of households with at least one child younger than 18—Public Housing<sup>PH</sup></b>						
Year 1 (2021)	31.5	31.1	0.3	.956	3,652	7,659
Year 2 (2022)	31.1	31.8	– 0.7	.622	3,580	7,549
Year 3 (2023)	30.7	32.0	– 1.3	.314	3,413	7,316
<b>Percentage of households with at least one child younger than 18—Housing Choice Vouchers<sup>HCV</sup></b>						
Year 1 (2021)	40.3	38.8	1.5	.100	10,557	27,204
Year 2 (2022)	39.0	38.8	0.2	.820	10,307	27,362

Outcome	Treatment	Comparison	Impact Estimate	p-Value	Sample Size (T)	Sample Size (C)
Year 3 (2023)	38.4	38.4	0.0	.972	10,776	27,749
<b>Percentage of households whose head of household, spouse, or co-head is younger than 62 and has a disability—Overall</b>						
Year 1 (2021)	26.5	25.4	1.1 **	.010	13,596	32,729
Year 2 (2022)	25.8	24.8	1.0 *	.050	13,267	32,777
Year 3 (2023)	25.2	23.5	1.7 ***	.002	13,587	32,870
<b>Percentage of households whose head of household, spouse, or co-head is younger than 62 and has a disability—Public Housing<sup>PH</sup></b>						
Year 1 (2021)	22.7	22.2	0.5	.530	3,652	7,659
Year 2 (2022)	20.8	21.2	– 0.4	.486	3,580	7,549
Year 3 (2023)	19.8	20.3	– 0.6	.494	3,413	7,316
<b>Percentage of households whose head of household, spouse, or co-head is younger than 62 and has a disability—Housing Choice Vouchers<sup>HCV</sup></b>						
Year 1 (2021)	27.8	26.6	1.3 **	.018	10,557	27,204
Year 2 (2022)	27.5	26.4	1.2	.110	10,307	27,362
Year 3 (2023)	26.8	24.7	2.1 ***	<.001	10,776	27,749

AMI = area median income. C = Comparison. HCV = housing choice voucher. MTW = Moving to Work. PH = public housing. PHA = public housing agency. T = Treatment.

<sup>HCV</sup> Means are estimated using only PHAs with voucher programs. The sample for these outcomes includes 13,152 HCV households in Treatment PHAs and 44,498 HCV households in Comparison PHAs. As discussed in exhibit 4-3, households from five Treatment PHAs and their matched Comparison PHAs were excluded from the HCV analysis sample due to issues with 2023 Inventory Management System/Public and Indian Housing Information Center (IMS/PIC) data.

<sup>PH</sup> Means are estimated using only PHAs with voucher programs. The sample for these outcomes includes 4,730 households in public housing in Treatment PHAs and 15,345 households in public housing in Comparison PHAs. As discussed in exhibit 4-3, households from four Treatment PHAs and their matched Comparison PHAs were excluded from the public housing analysis sample due to issues with 2023 IMS/PIC data.

\*/\*\*/\*\* denotes statistical significance at the  $p < .10$ ,  $p < .05$ , and  $p < .01$  levels, respectively.

Notes: Unless otherwise indicated, the sample includes 17,884 households in Treatment PHAs and 59,872 households in Comparison PHAs. As discussed in exhibit 4-3, households from seven Treatment PHAs and their matched Comparison PHAs were excluded from the analysis sample due to issues with 2023 IMS/PIC data. These exhibits display the raw means for the Treatment PHAs and the regression-adjusted means for the Comparison PHAs. The outcomes and impact estimates shown here for 2021 and 2022 differ slightly from those previously published for two reasons. First, these outcomes and estimates reflect the latest data from IMS/PIC. Second, the impact estimates are based on a revised regression model that accounts for the covariance of annual impact estimates and takes a more conservative approach to estimating the clustered standard errors (for details, see appendix D).

Source: HUD household-level data from IMS/PIC through December 31, 2023

**Exhibit C-8. Impacts on Other Tenant Outcomes: Households Exit**

Outcome	Treatment	Comparison	Impact Estimate	p-Value	Sample Size (T)	Sample Size (C)
<b>Percentage of households ending participation in past 12 months—Overall</b>						
Year 1 (2021)	9.1	7.4	1.7 *	.078	14,991	36,252
Year 2 (2022)	11.1	10.3	0.9	.884	15,257	37,186
Year 3 (2023)	9.1	10.0	– 1.0	.316	15,233	37,220
<b>Percentage of households ending participation in past 12 months—Public Housing<sup>PH</sup></b>						
Year 1 (2021)	11.3	11.7	– 0.4	.690	4,119	8,680
Year 2 (2022)	11.8	12.1	– 0.3	.850	4,060	8,580
Year 3 (2023)	11.3	13.2	– 1.9	.644	3,845	8,409
<b>Percentage of households ending participation in past 12 months—Housing Choice Vouchers<sup>HCV</sup></b>						
Year 1 (2021)	8.4	6.4	2.0 *	.096	11,558	29,955
Year 2 (2022)	8.8	9.6	– 0.8	.382	11,345	30,363
Year 3 (2023)	8.2	9.0	– 0.8	.372	11,773	30,613
<b>Percentage of households ending participation in past 12 months with household income exceeding 2.5 times FMR at the last reexamination—Overall</b>						
Year 1 (2021)	20.4	21.9	– 1.4	.666	1,365	3,435
Year 2 (2022)	14.4	19.8	– 5.4 ***	.002	1,388	3,699
Year 3 (2023)	15.9	18.6	– 2.7	.166	1,340	3,584
<b>Percentage of households ending participation in past 12 months with household income exceeding 2.5 times FMR at the last reexamination—Public Housing<sup>PH</sup></b>						
Year 1 (2021)	11.8	17.0	– 5.2 *	.082	467	1,017
Year 2 (2022)	10.8	17.9	– 7.1 **	.026	481	1,029
Year 3 (2023)	11.5	15.4	– 3.8 *	.064	433	1,085
<b>Percentage of households ending participation in past 12 months with household income exceeding 2.5 times FMR at the last reexamination—Housing Choice Vouchers<sup>HCV</sup></b>						
Year 1 (2021)	25.8	23.6	2.3	.638	971	2,649
Year 2 (2022)	17.2	21.1	– 3.8	.122	998	2,893
Year 3 (2023)	18.8	20.4	– 1.6	.558	968	2,769

C = Comparison. FMR = Fair Market Rent. HCV = housing choice voucher. MTW = Moving to Work. PH = public housing. PHA = public housing agency. T = Treatment.

<sup>HCV</sup> Means are estimated using only PHAs with voucher programs. The sample for these outcomes includes 13,152 HCV households in Treatment PHAs and 44,498 HCV households in Comparison PHAs. As discussed in exhibit 4-3, households from five Treatment PHAs and their matched Comparison PHAs were excluded from the HCV analysis sample due to issues with the 2023 Inventory Management System/Public and Indian Housing Information Center (IMS/PIC) data.

<sup>PH</sup> Means are estimated using only PHAs with public housing programs. The sample for these outcomes includes 4,730 households in public housing in Treatment PHAs and 15,345 in Comparison PHAs. As discussed in exhibit 4-3, households from four Treatment PHAs and their matched Comparison PHAs were excluded from the public housing analysis sample due to issues with 2023 IMS/PIC data.

\*/\*\*/\*\* denotes statistical significance at the  $p < .10$ ,  $p < .05$ , and  $p < .01$  levels, respectively.

Notes: Unless otherwise indicated, the sample includes 17,884 households in Treatment PHAs and 59,872 households in Comparison PHAs. As discussed in exhibit 4-3, households from seven Treatment PHAs and their matched Comparison PHAs were excluded from the analysis sample due to issues with 2023 IMS/PIC data. These exhibits display the raw means for the Treatment PHAs and the regression-adjusted means for the Comparison PHAs. The outcomes and impact estimates shown here for 2021 and 2022 differ slightly from those previously published for two reasons. First, these outcomes and estimates reflect the latest data from IMS/PIC. Second, the

impact estimates are based on a revised regression model that accounts for the covariance of annual impact estimates and takes a more conservative approach to estimating the clustered standard errors (for details, see appendix D).

Source: HUD household-level data from IMS/PIC through December 31, 2023

**Exhibit C-9. Outcomes Excluded From Impact Analysis due to Incomplete Data, by PHA**

Outcome	PHAs Excluded from Impact Analysis						
	Ozark (AL)	Rockville (MD)	Kandiyohi (MN)	McLeod (MN)	South Sioux (NE)	Bristol (VA)	Harrisonburg (VA)
<b>Self-Sufficiency Outcomes</b> Annual household earnings Percentage of households with any earnings in Q4 of each calendar year Among households that exited during the year, annual household earnings Among households that exited during the year, the percentage with household earnings in Q4 equivalent to 2.5 times or more of the local FMR	X	X	X	X	X	X	X
<b>Outcomes Defined for Voucher Households</b> Percentage of HCV households with a certification in this calendar year Percentage of HCV households living in low-poverty census tracts Percentage of HCV households living in census tracts with a poverty rate lower than the 25th percentile poverty rate for the PHA's jurisdiction Percentage of HCV households living in census tracts with a poverty rate below the median for the PHA's jurisdiction Percentage of HCV households with children living in census tracts with a poverty rate lower than the 25th percentile poverty rate for the PHA's jurisdiction Percentage of HCV households with children living in census tracts with a poverty rate below the median for the PHA's jurisdiction Number of unique HCV landlords (by TIN/SSN) per 100 voucher households Percentage of HCV units that were inspected in this calendar year Percentage of TBV units that were inspected in this calendar year Percentage of vouchers that are TBV Number of households served in MTW-eligible programs - HCV Proportion of newly admitted households with income at or below the greater of 30 percent of AMI or the federal poverty level - HCV Percentage of households with at least one child younger than 18 - HCV Percentage of households whose head of household, spouse, or co-head is younger than 62 and has a disability - HCV		X	X	X	X		X



Outcome	PHAs Excluded from Impact Analysis						
	Ozark (AL)	Rockville (MD)	Kandiyohi (MN)	McLeod (MN)	South Sioux (NE)	Bristol (VA)	Harrisonburg (VA)
Percentage of households ending participation in past 12 months - HCV Percentage of households ending participation in past 12 months with household income exceeding 2.5 times FMR at the last reexamination - HCV							
<b>Housing Choice Outcomes Defined for Public Housing Households</b> Public housing occupancy rate Number of households served in MTW-eligible programs - Public housing Proportion of newly admitted households with income at or below the greater of 30 percent of AMI or the federal poverty level - Public housing Percentage of households with at least one child younger than 18 - Public housing Percentage of households whose head of household, spouse, or co-head is younger than 62 and has a disability - Public housing Percentage of households ending participation in past 12 months - Public housing Percentage of households ending participation in past 12 months with household income exceeding 2.5 times FMR at the last reexamination - Public housing	X	X	X			X	
<b>Housing Choice Outcomes Defined for All Households</b> Percentage of households with any transaction in this calendar year Total number of households served through HCV and public housing programs in an average month Percentage of households served that have a nonelderly family member with a disability Percentage of households served that have three or more minors Percentage of households served that were homeless at the time of admission Number of households served in MTW-eligible programs - Overall Proportion of newly admitted households with income at or below the greater of 30 percent of AMI or the federal poverty level - Overall Percentage of households with at least one child younger than 18 - Overall Percentage of households whose head of household, spouse, or co-head is younger than 62 and has a disability - Overall	X	X	X	X	X	X	X

Outcome	PHAs Excluded from Impact Analysis						
	Ozark (AL)	Rockville (MD)	Kandiyohi (MN)	McLeod (MN)	South Sioux (NE)	Bristol (VA)	Harrison- burg (VA)
Percentage of households ending participation in past 12 months - Overall							
Percentage of households ending participation in past 12 months with household income exceeding 2.5 times FMR at the last reexamination - Overall							

AMI = Area Median Income. FMR = Fair Market Rent. HCV = housing choice voucher. MTW = Moving to Work. PHA = public housing agency. Q = quarter. TBV = tenant-based voucher. TIN/SSN = taxpayer identification number/Social Security number.

Notes: "X" indicates data from this Treatment PHA and its matched Comparison PHA were excluded from the specified analysis sample due to issues with 2023 Inventory Management System/Public and Indian Housing Information Center data. A crosswalk of abbreviated PHA names is shown in this exhibit, and full PHA names are in appendix A (exhibit A-1).

Source: HUD household-level data from IMS/PIC through December 31, 2023

## Appendix D. Impact Methodology

The *Research Design/Data Collection and Analysis Plan* (Turnham et al., 2021) described the planned methodology for estimating impacts. This appendix presents updates to the methodology and clarifies details that an external researcher would need to know to replicate the evaluation's findings. The changes to the methodology as previously specified in the Research Design (Turnham et al., 2021) are:

- Simultaneous estimation of impacts of the program on outcomes after 1, 2, and 3 years since the offer to apply for MTW designation;
- Use of matched-group fixed effect in the quasi-experimental design (QED) sample (in place of the region fixed effect used in the randomized control trial [RCT] sample);
- Use of the Cameron, Gelbach, and Miller (2008)'s wild cluster bootstrap method to estimate standard errors.

The impact evaluation relies on regression analysis of the panel dataset that results from tracking outcomes of the Treatment, Control, and Comparison public housing agencies (PHAs) over time. For impact estimation, the dataset is structured as depicted in exhibit D-1, with each observation (row) containing an outcome for a specific year, as well as the baseline value for that outcome in 2020 (the baseline year), indicators for which year the observation is, and an indicator for whether the observation is in the treatment group. The sample for the RCT impact estimates includes observations from the Treatment PHAs and observations from the Control PHAs; the sample for the QED impact estimates includes the same observations from the Treatment PHAs as the RCT sample as well as observations from the Comparison PHAs (but does not include observations from the Control PHAs). The columns (variables) in the dataset for the RCT and the dataset for the QED are otherwise identical.

**Exhibit D-1. Structure of Dataset**

ID	Outcome	Baseline	Treatment	Year 1	Year 2	Year 3
1	$Y_{rp1}$	$Y_{rp0}$	1	1	0	0
1	$Y_{rp2}$	$Y_{rp0}$	1	0	1	0
1	$Y_{rp3}$	$Y_{rp0}$	1	0	0	1

The RCT and QED regression equations control for the baseline value of the outcomes ( $Y_{rp,t=0}$ ). When baseline data for an individual resident or household are unavailable, the analysis uses the PHA average and indicator to determine whether the household has missing baseline data (*BaseMissing*). The regression includes time-fixed effects ( $\gamma_t$ ) to control for differences over time that affect all PHAs. The analysis accounts for clustered standard errors ( $\varepsilon_{p,irt}$ ), with clustering at the PHA level. This clustering allows unrestricted residual correlation within the cluster, including within-cluster time series correlations. The impact estimates reported as impacts in chapter 4 are the estimates of  $\beta_1$  for year 1 (2021),  $\beta_2$  for year 2 (2022), and  $\beta_3$  for year 3 (2023). Each  $\beta_t$  is the impact of the program on outcome  $Y$  after  $t$  years since the offer to apply for the Moving to Work (MTW) designation. The regression to estimate the impacts using the RCT sample includes region fixed effects ( $\sigma_r$ ) because randomization was within geographic regions. The regression equation for the RCT is:

$$Y_{ipr\{t=1,2,3\}} = \sigma_r + \gamma_t + \gamma_0 Y_{ipr,t=0} + \gamma_M \text{BaseMissing} + \sum_{t=1}^3 \beta_t \text{Treat}_p \text{Year}_t + \varepsilon_{p,irt}$$

Where:

$Y_{iprt}$  is the outcome of interest for household ( $i$ ) (where applicable; sometimes observations are at the PHA level; for example, the cost-effectiveness outcomes), at PHA  $p$ , in region  $r$ , at time  $t$ .

$\sigma_r$  are region fixed effects.

$\gamma_t$  are year-fixed effects for year  $t$ .

$\gamma_0$  and  $\gamma_M$  are coefficients corresponding to the baseline values of the outcome measure.

*BaseMissing* indicates whether the observation's baseline value of the outcome measure is imputed.

$\beta_t$  is the impact of the program after  $t$  years since the offer to apply for MTW designation.

$\text{Year}_t$  is a series of dummy variables that reflect which year the outcome measure is collected.

$\varepsilon_{p,irt}$  is a random error term that is correlated for observations at the same PHA and otherwise independently varies by household (if applicable), region, and time.

The regression to estimate impacts using the QED sample is the same as for the RCT sample except that instead of a region-fixed effect, it includes a matched-group fixed effect ( $\sigma_g$ ) to ensure that Treatment PHAs are compared with Comparison PHAs, which were matched using the Coarsened Exact Matching (CEM) matching method.

To report the impact estimate for each year, the analysis reports the “raw” mean of the outcome measure for the treatment group for that year and the regression-adjusted mean for the control (or comparison) group, which is equal to the raw mean of the treatment group minus the impact for that year.

Due to the small number of PHAs in the treatment group (and also in the control group for the randomized control trial sample), the analysis estimates standard errors using Cameron, Gelbach, and Miller's (2008) wild cluster bootstrap method.

## References

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U.S. Department of Housing and Urban Development  
Office of Policy Development and Research  
Washington, DC 20410-6000



August 2025