

MTW Success Documented HUD Report Recommends MTW Expansion

Congress needs to act

A recent HUD report found that the 11-year old Moving to Work (MTW) demonstration has produced significant efficiencies and innovations that should "inform" affordable housing policy makers. The report to Congress, *Moving to Work: Interim Policy Applications and the Future of the Demonstration*, cites numerous innovations devised and implemented by the 33 participating MTW agencies. These innovations resulted from the funding and regulatory flexibility provided by the MTW demonstration.



PHADA appreciates HUD's breakthrough MTW report and thoroughly supports the report's recommendation that Congress double the size of the MTW demonstration. Expansion of the program to 60 participants will provide more agencies the flexibility to create locally-designed and cost-efficient housing solutions that benefit both agencies and residents.

Some key findings directly from the MTW report:

MTW has shown that alternative rent structures may have positive self-sufficiency outcomes for residents.  Excerpt from HUD's Report to Congress, *Moving to Work: Interim Policy Applications and the Future of the Demonstration*, Page 6

 Excerpt from HUD's Report to Congress, Page 37

MTW agencies have actually served substantially more families than they would have been able to serve without MTW by streamlining operations and using accumulated funds to administer new assisted housing units.

MTW

 Excerpt from HUD's Report to Congress, Page 37

These policies have resulted in considerable administrative and cost savings for agencies.


These



Images above are from the Cambridge (MA) Housing Authority, a successful MTW agency.

 Excerpt from HUD's Report to Congress, Page 54

MTW PHAs have developed ways to better incentivize self-sufficiency in residents by tailoring their self-sufficiency activities to their individual communities.

MTW agencies demonstrate a willingness to make substantial changes to agency operations. HUD is able to learn the most from agencies that continually push the envelope, and evolve their MTW programs over time as new community needs arise.  Excerpt from HUD's Report to Congress, Page 58

PHADA thinks that many of the local solutions described in the MTW report should be implemented as quickly and as broadly as possible to create optimal cost savings, to maximize efficiency, to allow for more self-help redevelopment efforts and broader opportunities for residents. Therefore, PHADA calls on the Department and Congress to pursue prompt implementation of the report's "policy applications" and to expand the MTW demonstration.

Policy applications from the interim report include important and replicable approaches:

Increased capital development and portfolio goals. MTW has allowed agencies to pursue "more ambitious development activities and engage in more strategic long-term capital planning as a result of MTW funding flexibility." These efforts were aided by agencies' ability to combine funds.

Public housing preservation using project-based assistance. MTW agencies have been enabled to leverage funds to preserve public housing by directly converting units to project-based assistance.

Streamlining housing authority operations. MTW agencies have utilized a host of administrative flexibilities to reduce unnecessary costs and labor. These include: streamlining formerly costly rent calculations by reducing recertification frequency for fixed-income households, eliminating or simplifying the earned income deduction, ignoring some or all of asset income, replacing medical and child care deductions with a standard deduction.

Building stronger partnerships with other community organizations. As a result of their funding flexibility and leveraging ability, MTW PHAs have an enhanced ability to collaborate with local community partners and capitalize on existing community resources.

Developing local self-sufficiency programs tailored to community needs.

Providing service-enriched housing. MTW agencies have used their project-based assistance flexibilities in partnership with local community organizations to provide service-enriched housing for homeless or other high-risk individuals and families.

Interested in MTW?

Agencies that have an interest in becoming a MTW agency should:

- Read the full MTW report. The report offers insights into the innovations devised in participating MTW agencies that could be very useful to agencies planning to secure a future slot in the MTW demonstration.
- Agencies should also share their interest in becoming an MTW participant with their elected officials. House and Senate authorizers will want the expansion of MTW to be sized to more closely meet the real demand for the program. MTW

The Report to Congress: Moving to Work: Interim Policy Applications and the Future of the Demonstration can be found at: <http://www.hud.gov/offices/pih/programs/ph/mtw/report-to-congress.pdf>.



Photo shows the Salishan Neighborhood Revitalization for the Tacoma Housing Authority, a newly appointed MTW agency.