



Resident Meeting #2 – Discussion of Moving To Work (MTW) Demonstration

Prepared for the Housing
Authority of the City of Durham

December 2, 2020

Meeting Objectives

1. Background on the Moving to Work (MTW) program
2. Review Durham Housing Authority's (DHA) options for participation in the program – review alternative rent policies.
3. Provide program benefits and requirements – we'll give examples of programs and activities that are possible under MTW, and discuss the benefits for Public Housing residents, HCV participants, and DHA.
4. Hear your voice – tell us some of your ideas for the program, give us your priorities, and we'll respond to your questions about MTW participation.
5. Plan and next steps – timeline for the application process, and opportunities to provide input.

What is MTW?
Why Does DHA
Want it?

What is the Moving to Work (MTW) Demonstration Program?

- Established in 1996 by HUD
- EXEMPTIONS from some existing public housing and voucher rules
- FLEXIBILITY with how they use their federal funds
- PHAs DO NOT receive *more* money from HUD

Why is DHA seeking MTW designation?

- Streamline administrative procedures
- Reduce burdensome processes for residents/participants
- Use funds flexibly
- Local solutions for local needs
- Improve customer service and responsiveness

3 Statutory MTW Program Objectives

All activities undertaken by MTW agencies must support one or more of the following objectives:

ECONOMIC SELF-SUFFICIENCY

Provide incentives to families with children where the head of household is working; is 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.

HOUSING CHOICE

Increase housing choices for eligible low-income families.

EFFICIENT OPERATIONS

Reduce cost and achieve greater cost effectiveness in federal expenditures.

5 Statutory MTW Requirements

- **Very Low-Income:** 75% of families assisted must be very low-income
- **Reasonable Rent Policy:** Reasonable rent policy to encourage employment and self-sufficiency
- **Substantially the Same:** Assist substantially the same total number of eligible low-income families as would have been served absent participating in the demonstration.
- **Comparable Mix:** Maintain a comparable mix of families (by family size) as would have been provided had the amounts not been used under the demonstration.
- **Housing Quality Standards (HQS):** Housing must meet Housing Quality Standards.

What's
Required to
Participate?
- Rent Reform

Rent Reform (5 Cohorts)

- **Cohort #1: Overall Impact of MTW Flexibility on small PHAs** (under 1,000 combined public housing and HCV units).
- **Cohort #2: Rent Reform.** Different alternative rent models, including tiered rents and/or stepped-up rents, will be evaluated.
- **Cohort #3: Work Requirements.** Work requirements for residents/participants who are at least 18 years old, non-elderly and non-disabled will be evaluated.
- **Cohort #4: Landlord Incentives.** Will evaluate how to improve landlord participation in the HCV program through incentives such as participation payments, vacancy payments, alternative inspection schedules and other methods.
- **Cohort #5: Overall Impact of MTW Flexibility.** The overall effects of MTW flexibility on a PHA and the residents/participants it serves will be evaluated for the remaining PHA slots available in the MTW Expansion.

Cohort #2: Alternative Rent Policies

DHA will implement an alternative rent policy designed to increase the self-sufficiency of Public Housing residents and HCV participants, and reduce administrative burdens for residents/participants/staff.

Several groups will be excluded from the alternative rent policy:

1. Elderly and disabled households
2. Households with special purpose vouchers and homeownership vouchers
3. Households already participating in the Family Self-Sufficiency program
4. Households paying a public housing flat rent or ceiling rent

For all other households, a lottery will be held to randomly assign each household to one of two groups. One group will be transitioned to the alternative rent policy. The other group will continue to have their rent calculated as it is currently calculated.

The alternative rent policy will be evaluated for a period of six years.

Alternative Rent Options

DHA must choose from one of three MTW “test rent” models:

- MTW Test Rent #1 – Tiered Rent: residents/participants are placed in tiers based on their annual income. Everyone in a certain tier will pay the same rent, and their rent won’t increase for three years.
- MTW Test Rent #2 – Stepped Rent: residents/participants pay an initial rent equal to 30% of their income per month. Each year, their rent automatically increases by a set amount based on their bedroom size. Rent increases every year.
- MTW Test Rent #3 – Alternative, PHA-proposed tiered or stepped rent.
- **DHA will implement MTW Test Rest #1 – Tiered Rent.**

MTW Test Rent #1 – Tiered Rent example

Tier Number	Low End of Income Band	Midpoint of Income Band	High End of Income Band	Tenant Rent/Participant Contribution
1	\$0	\$1,250	\$2,499	\$50
2	\$2,500	\$3,750	\$4,999	\$94
3	\$5,000	\$6,250	\$7,499	\$156
4	\$7,500	\$8,750	\$9,999	\$219
5	\$10,000	\$11,250	\$12,499	\$281

Rent will no longer go up because there is an increase in income. Those in the MTW program will only see increases in rent once every three years regardless of income based on a tier of \$2,500 increments.

What does this mean for YOU?

Rent Saving Example

Ms. Smith earns \$6,000 year, but her income increases the next 2 years. How much does she save?

Year	Income	Rent	Yr Total	Savings
1	\$6,000	\$156	\$1,872	\$0
2	\$8,000	\$156	\$1,872	\$756 (Tier 4: \$219-156=\$63)
3	\$10,500	\$156	\$1,872	\$1,500 (Tier 5: \$281-156=\$125)

Total Savings in years 1-3 = \$2,256

How will DHA
use MTW to
address
identified need?

DHA Exploring 3 Core Goals

MTW Program Goals	DHA's Challenges and Opportunities
<p>Economic Self-Sufficiency: Provide incentives to families with children where the head of household is working; is 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.</p>	<ul style="list-style-type: none">➤ Job training and job-readiness needed➤ Need wraparound supportive services for our residents/participants➤ Youth services: increase educational quality and outcomes
<p>Housing Choice: Increase housing choices for eligible low-income families.</p>	<ul style="list-style-type: none">➤ Preserve affordable housing in Durham and help residents move to neighborhoods of opportunity➤ Assist hard-to-house populations
<p>Effective Operations: Reduce cost and achieve greater cost effectiveness in federal expenditures.</p>	<ul style="list-style-type: none">➤ Streamline administrative processes for PH and HCV programs, reduce burden on residents/participants

Examples: Economic Self-Sufficiency

- Job training and vocational training programs for high-demand fields in Durham
- Work-readiness training
- Wrap-around case management and service referrals
- Educational partnerships with neighborhood schools
- Support parental involvement in children's education
- Incentive accounts to encourage work, savings, and wealth development
- Financial incentives for achieving training and educational goals
- *These programs can be made possible through MTW funding flexibility!*

Examples: Housing Choice

- Mobility counseling for HCV participants
- Increased payment standards for high-opportunity neighborhoods
- Landlord recruitment and retention incentives
- Increased use of Project Based Vouchers (PBVs) in high-opportunity neighborhoods
- Voucher set asides, sponsor-based assistance for hard-to-house populations (homeless, re-entry)
- Set aside Public Housing units for medical respite programs in partnership with service providers
- Rehab and modernize existing housing portfolio
- Preserve and develop mixed-income housing units

Examples: Effective Operations

- Increased flexibility to the PBV program: selection, increase caps, increase PBV contract lengths
- Streamlining HQS inspection process: Pre-qualifying unit inspections, self-certifying minor violations to HQS, reduced frequency of HQS inspections
- Simplifying rent calculations (after first 6 years)
- Alternative re-examination schedule (after first 6 years)

We want your
INPUT

We want to hear from you!

- Public Meeting with Public Housing residents and Voucher participants:
 - Tuesday, November 24, 2020 – 6pm via Zoom and teleconference
 - Wednesday, December 2, 2020 – 6pm via Zoom and teleconference
- Draft MTW Plan posted for a 30-day public comment period on Monday, December 7, 2020
- Public Hearing to receive comments on the Draft MTW Plan on Monday, December 21, 2020
- DHA Board meeting to approve the MTW Plan - Wednesday, January 6, 2020
- MTW Plan and Application Package submitted to HUD on **January 8, 2021**

Thank you for participating!

If you want to send additional comments or questions after the meeting:

First Class Mail: ATTN: Ashanti Brown
Durham Housing Authority
330 E. Main St. Durham, NC 27701

E-mail: ABrown@dha-nc.org Subject: MTW WRITTEN COMMENT

All written comments must be received by **January 5, 2021** for consideration.