

Metropolitan Council Housing and Redevelopment Authority

Moving to Work Request

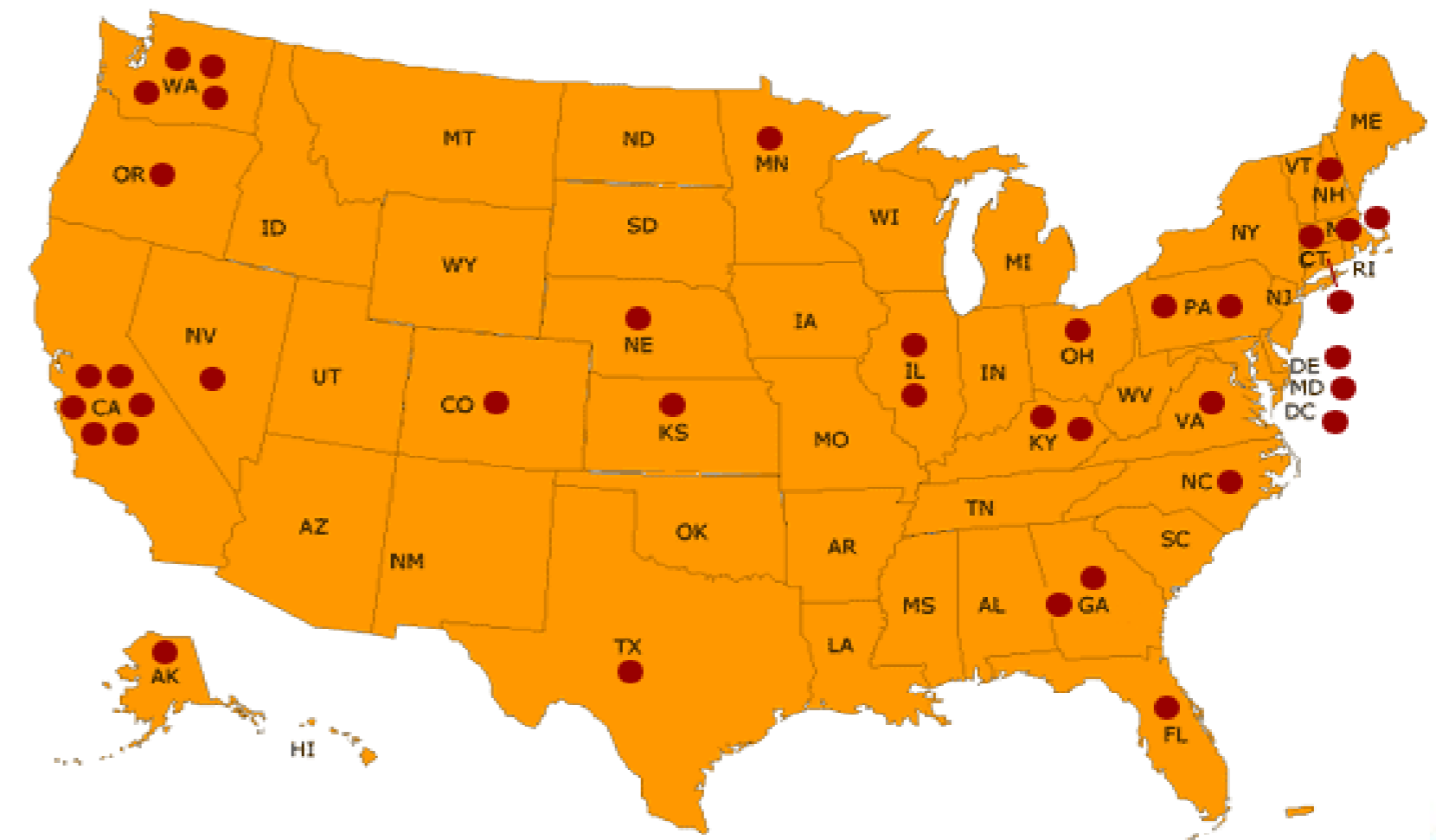
May 6, 2019

Community Development Committee



What is Moving to Work?

- Federal program designation
- Allows public housing authorities (PHA) to create innovative, locally designed strategies in providing housing assistance.
 - Gives PHAs exemptions from many program rules and regulations
 - Provides flexibility in how federal funds are used
- There are 39 Moving to Work (MTW) agencies
 - 3,300 PHAs nationally
 - Minneapolis Public Housing Authority (MPHA)



Moving to Work (MTW) Flexibilities

Minor Administrative Changes

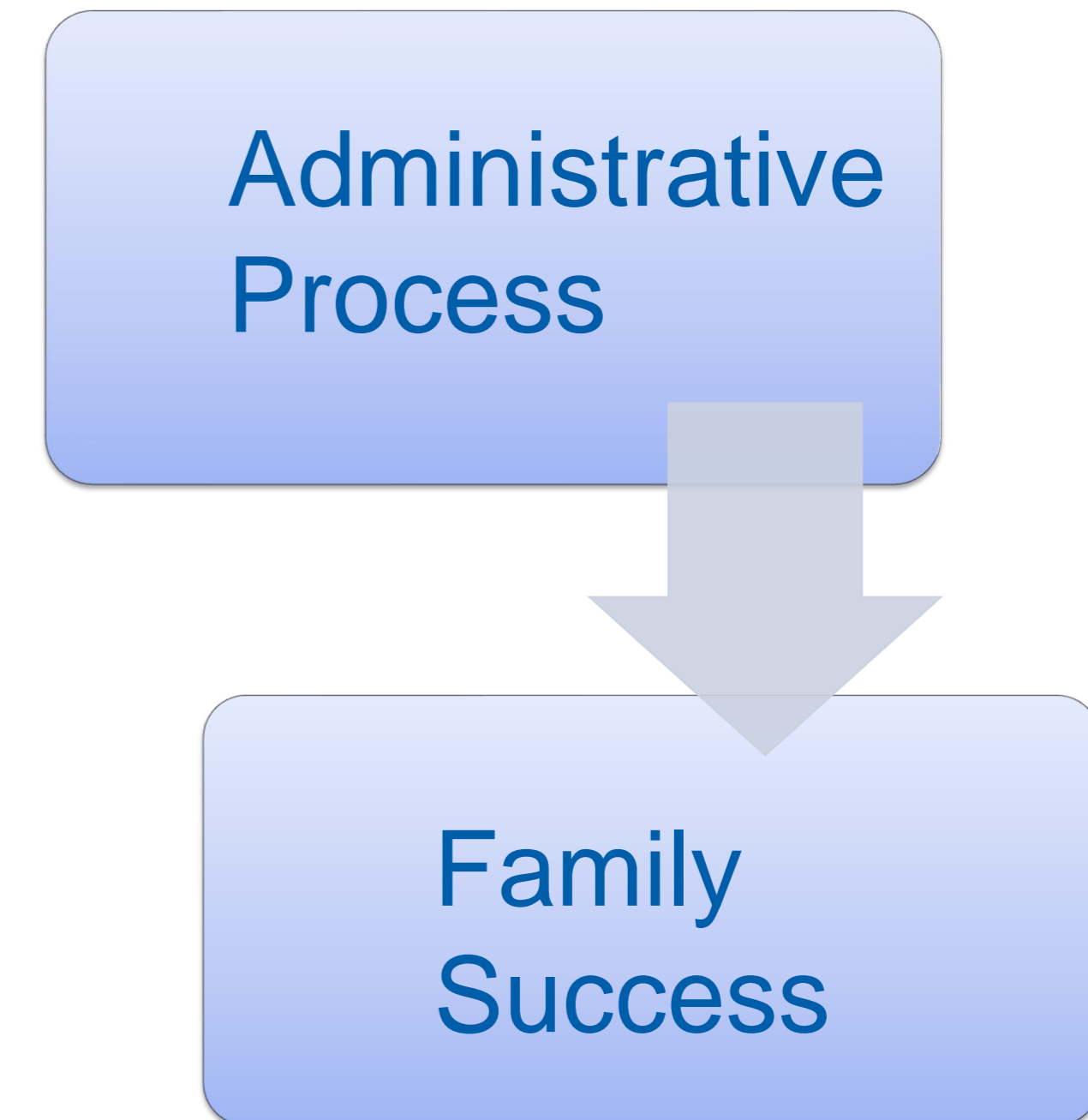
- Simplify rent calculation
- Ease administrative process
- Simplify medical deductions
- Implement triennial recertifications
- Use alternative inspection process
- Eliminate cap on project-based vouchers
- Award project-based vouchers opportunistically instead of competitively

Complete New Business Models

- Develop new partnerships
- Develop new programs
- Implement work incentives with service provisions
- Exclude certain income sources
- Develop landlord incentives
- Change affordability limits
- Waive or expand 12-month stay requirement for project-based vouchers

Statutory Requirements

- MTW Agencies must meet the following statutory requirements
 - Achieve greater cost effectiveness
 - Increase housing choices for low-income families
 - Help residents make progress toward economic self-sufficiency
 - Ensure at least 75% of families assisted are very low-income
 - Assist substantially the same number of families
 - Ensure assisted units meet health and safety standards



Moving to Work (MTW) Potential

- The 2016 Consolidated Appropriations Act:
 - Includes language authorizing the HUD Secretary to expand existing MTW designations to adjacent agencies
 - The Council submitted a formal request to HUD in August 2018 to approve a Regional Moving to Work designation for the MPHA and the Council
 - Dialogue is occurring with HUD but moving slow
 - Authorizes HUD to expand the MTW program to an additional 100 PHAs
 - Notice issued March 14, 2019
 - Only 3 large PHAs will be selected (6,000+ vouchers)
 - Letter of Interest due June 12, 2019

MTW Expansion

- HUD will select an additional 100 PHAs in 4 separate cohorts, each offered separately and testing one specific policy change
 - MTW flexibility overall
 - Small agencies only
 - **Rent Reform**
 - **Letter of Intent due June 12, 2019**
 - **3 Large agencies; 27 small agencies**
 - Work Requirements
 - Notice not issued yet
 - Landlord Incentives
 - Notice not issued yet



Rent Reform – 3 Options

- Tiered Rent
 - Establish income-based tiers in \$2,500 increments
 - Minimum rent is \$50
- Stepped Rent – 3%
 - Year one rent corresponds to income-based rent in prior year
 - Rent increases by 3% each year
 - \$24 per year increase – not income based
- Stepped Rent – 5%
 - Year one rent corresponds to income-based rent in prior year
 - Rent increases by 5% each year
 - \$40 per year increase – not income based



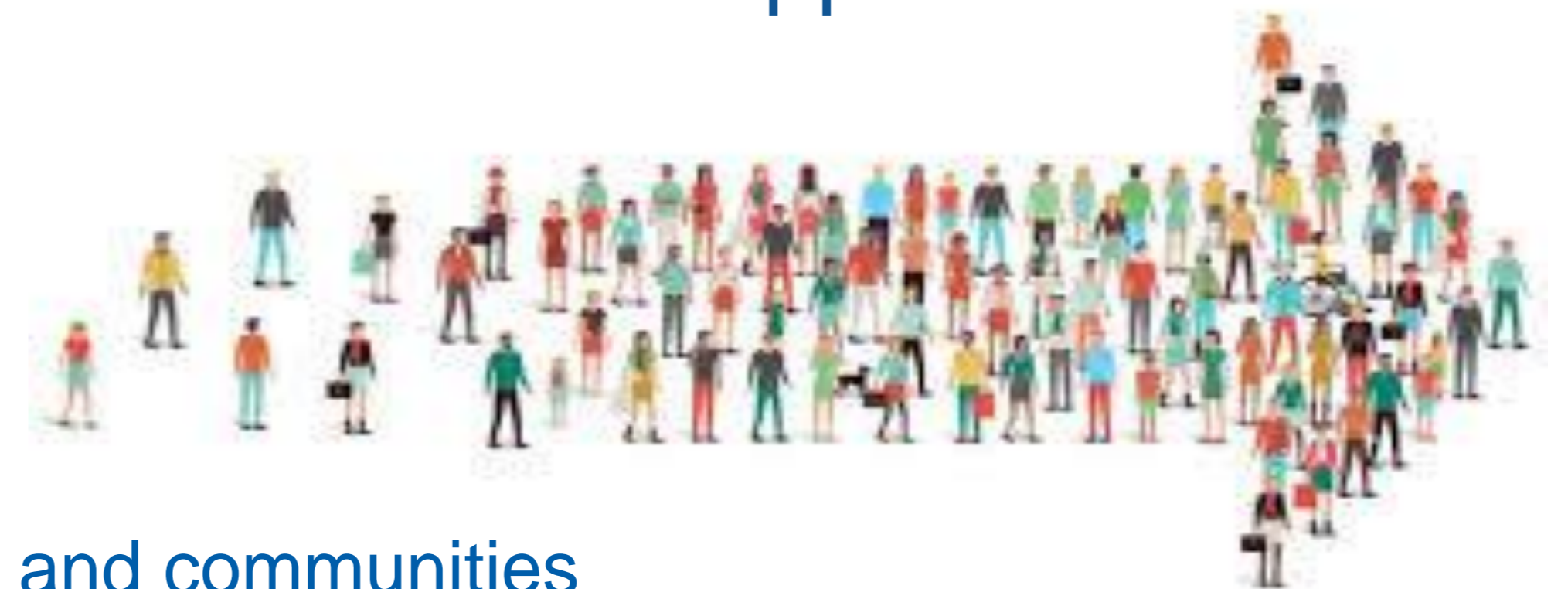
Considerations

- Travel both opportunity paths for obtaining MTW designation

MPHA MTW Authority extended to Council	Expansion Cohort – Rent Reform
Has not been done anywhere in country and requires creativity from federal partner (HUD)	Submitting a letter of interest does not commit the Council to anything
Requirement for MOUs, Cooperative Agreements and cross jurisdictional collaboration	Will the Council be invited to submit a full application? Only 3 large agencies will be selected
Will HUD agree to allow agencies to keep renewal funding, financial reporting and governance structures separate?	PHAs selected under this cohort must forgo the ability to utilize certain MTW waivers and activities – unknown what these limitation are
Collaboration is already happening with MPHA – including research with national partners on voucher mobility	Robust research and evaluation required Even if Council has separate MTW authority – cross jurisdictional collaboration will continue

Next Steps

- Back to Community Development Committee on May 20th and full Council on May 22nd for approval to submit a Letter of Intent to HUD by June 12th
 - Council Board Resolution required
- HUD will review LOIs and invites some PHAS to submit a full application
 - Will include more detail and allow a decision
- If approved by HUD
 - Obtain formal Council approval
 - Develop a Moving to Work Plan
 - Engage with the Council, public, voucher holders, and communities
 - Collaborate with educational and research institutions
- Enter into an Agreement with MPHA (if this is the option chosen)



Moving to Work Designation

Questions?

Terri Smith

Director, Housing and Redevelopment Authority

Terri.smith@metc.state.mn.us

(651) 602-1187

