

# HUD's Moving to Work Demonstration Program

ROCKFORD HOUSING AUTHORITY

PUBLIC MEETING

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# Overview

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# What is Moving to Work? (MTW)



Established by HUD in 1996



Offers Public Housing Agencies (PHA's) the opportunity to design and test innovative, locally-designed housing and self-sufficiency strategies



Gives PHA's flexibility to design and test different approaches for more cost-effective program administration



Allows PHA's exceptions to certain Public Housing and Housing Choice Voucher rules and to use funds flexibly

# Advantages of MTW Status



REGULATORY RELIEF TO TEST  
INNOVATIVE POLICIES AND  
PROGRAMS



FINANCIAL FLEXIBILITY AND  
ADMINISTRATIVE COST  
EFFICIENCIES



INCREASED RESIDENT SERVICES  
AND HOUSEHOLD EARNINGS



PROVIDE INCREASED HOUSING  
CHOICES FOR ELIGIBLE LOW-  
INCOME FAMILIES



# Application Status

Cohort #2: Will study rent reform alternatives. On August 28, 2020, HUD published [PIH Notice 2020-21](#) to invite 36 eligible PHAs that submitted letters of interest to work with their residents and communities to submit full applications. These applications will be competitively reviewed, and HUD estimates that 10 PHAs will be selected.

Application status: Submission date,  
January 8, 2021

## Eligible/Excluded Households

### ▶ Eligible for alternative rent model:

- ▶ Residents in both the LIPH and HCV programs
- ▶ Existing assisted households and new households admitted during the enrollment period

### ▶ Excluded from alternative rent model:

- ▶ Elderly and disabled households
  - ▶ Families with a head of household, co-head and/or spouse aged 56 and above are also excluded.
- ▶ Households with special purpose and homeownership vouchers.
- ▶ Households paying a PH flat rent or ceiling rent
- ▶ Households already participating in the Family Self-Sufficiency program
- ▶ Households who choose to move to another jurisdiction (portability)



# Rent Reform Requirements and Goals

- ▶ Increase the number and quality of affordable housing choices throughout the Rockford community.
- ▶ Increase the number of families moving toward self-sufficiency.
- ▶ Increase and strengthen the number of community partnerships benefitting residents.
- ▶ Reduce the Agency's administrative costs while limiting the administrative burdens placed on staff and residents.



# Proposed Rent Policy

- ▶ Tiered rent system based on income
- ▶ Within each tier, rents (or payments towards rent for HCV) are fixed
- ▶ Any income increases within a tier does not affect household rent payment
- ▶ Hardships are available to families who experience a loss in income, an increase in expenses or other situations determined by RHA
- ▶ Recertification completed every three years and households placed in the corresponding tier based on new, adjusted income



Tier	Tier Income Minimum	Tier Income Maximum	Tiered rent
1	\$ 0	\$2,499	\$50
2	\$ 2,500	\$4,999	\$94
3	\$5,000	\$7,499	\$156
4	\$7,500	\$9,999	\$219
5	\$10,000	\$12,499	\$281
6	\$12,500	\$14,999	\$344
7	\$15,000	\$17,499	\$406
8	\$17,500	\$19,999	\$469
9	\$20,000	\$22,499	\$531
10	\$22,500	\$24,999	\$594
11	\$25,000	\$27,499	\$656
12	\$27,500	\$29,999	\$719
13	\$30,000	\$32,499	\$781

# Tiered Rent Table

# Benefits of a Tiered Rent Policy

- ▶ Income and Rent calculations are simplified
- ▶ Household income certifications occur every 3 years
- ▶ Families are incentivized to increase their income
  - ▶ Rent burdens decrease within each income tier as income increase
- ▶ Unlike the current policy, families will not see an increase for annual income increases.
- ▶ Household Rents are relatively stable for 3 years
- ▶ Hardship Policy will provide protections for households experiencing significant losses of income or increases in expenses.

# Current Partnerships

- ▶ Rockford Township
- ▶ Habitat for Humanity
- ▶ One Body Collaboratives
- ▶ Life Force Development Institute
- ▶ Comcast
- ▶ Awaken
- ▶ Home Start
- ▶ Renewal Turning Point
- ▶ Youth Services Network
- ▶ Boys and Girls Club
- ▶ YMCA of Rock River Valley
- ▶ 100 Strong
- ▶ Family Credit Management



# Hardships



- ▶ RHA will provide a hardship exemption for a period of three months.
- ▶ During this three-month time frame, the participant will meet with their assigned Empowerment Coordinator to review their status and determine the best path to move forward.
- ▶ Upon the expiration of the three-month time frame, if the Empowerment Coordinator determines that an extension to the hardship is needed, an additional three-months exemption will be granted. The number of extensions will be based on a case-by-case scenario.

# Conclusion

- ▶ If selected, HUD anticipates 6-12 months before policies are implemented
- ▶ Once Enrollment Period begins:
  - ▶ Households are randomly assigned to control or treatment group
  - ▶ Households undergo a regular income examination
  - ▶ HUD expects enrollment period to last approximately one year
- ▶ The study is expected to last 6 years after enrollment period is concluded



# Questions?



[EWOOSLEY@ROCKFORDHA.ORG](mailto:EWOOSLEY@ROCKFORDHA.ORG)