

# PRRAC

## *Poverty & Race Research Action Council*

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June 5, 2017

Regulations Division  
Office of General Counsel  
Department of Housing and Urban Development  
451 7<sup>th</sup> St SW, Room 10276  
Washington, DC 20410-0500

Re: Docket No. FR 5994-N-02, Operations Notice for the Expansion of the Moving to Work Demonstration Program Solicitation of Comment; Waiver Revision and Reopening of Comment Period

Dear Sir or Madam,

We are writing to comment on the operations notice for the 2016 MTW Expansion statute. While we are pleased with some of the policy improvements over current MTW policies, we are concerned that the notice does not significantly prioritize fair housing or include other significant policy modifications to further the statutory goal to “increase housing choices.”

### **Waivers**

#### *Greater transparency needed*

HUD should make the waiver process more transparent. The notice allows MTW agencies to make three types of waivers: general, conditional, and cohort-specific. While the conditional waivers require additional information and approval by HUD, the notice does not specify how these waivers will be evaluated or the approval criteria HUD will use. HUD should include these in the final notice.

#### *More scrutiny needed for certain conditional waivers*

The notice allows conditional waivers for work requirements, term limits, and rent changes. HUD should only approve these as cohort-specific waivers in order to be able to assess whether these changes are actually achieving the program’s statutory goals of helping families achieve economic self-sufficiency and increasing housing choice. HUD has indicated that it will require more rigorous evaluation of some new policies, but it should also seek to evaluate policies already in place and should make clear that it will prohibit agencies from adopting risky measures like time limits and work requirements unless funding for a rigorous evaluation is available.

## **Funding**

### *90% voucher renewal funding*

We support the notice's requirement of basing 90% of voucher renewal funding on MTW agencies' housing assistance payment (HAP) expenses from the previous year. This will prevent MTW agencies from diverting significant resources out of their housing programs into unrestricted cash reserves or towards uses that contradict MTW's statutory goals.

### *Are there other factors HUD should consider in the calculation of funding?*

HUD should implement strong financial incentives such as increases in annual funding or access to special grant funds for MTW agencies that deconcentrate racially and ethnically concentrated areas of poverty (R/ECAPs) or increase access to low poverty and high opportunity neighborhoods through housing mobility programs, site selection, or other means.

## **Evaluation**

### *Identify and replicate successful practices*

Accurate MTW program assessments are needed to help HUD and public housing agencies identify successful practices that advance housing choice. HUD guidance should emphasize mobility outcomes as an important feature of such assessments. This requires that agencies more rigorously and consistently track and analyze data on housing mobility. Practices that are shown to be successful in expanding choice and access to low poverty communities can then be expanded and lifted up as best practices, serve as models for other PHAs, and be fostered by targeted support from HUD.

### *Provide guidance on what it means to "increase housing choices"*

HUD should clarify what it means to increase housing choices. MTW agencies need guidance on how to implement policies that advance this statutory requirement. As the GAO report and our own research found, there is a significant degree of confusion and inconsistency among PHAs on this definition. "As GAO has also recommended, HUD should more fully define its expectations about what it means to increase housing choice and HUD and PHAs should assess program outcomes accordingly. In addressing this statutory goal, HUD's MTW guidance should emphasize mobility strategies, and make clear that policies characterized as increasing housing choice should not simply reinforce existing, segregated options, but instead should affirmatively further fair housing by expanding residents' housing choices to include areas of opportunity."<sup>1</sup>

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<sup>1</sup>Increasing Housing Choices: How Can the MTW Program Evolve to Achieve its Statutory Mandate? <http://www.prrac.org/pdf/MTW-HousingOpportunity.pdf> (2013).

*What are measures of MTW activities that “increase housing choices for low-income families” that can apply to and are either being reported in existing HUD systems or can be reported by every MTW agency?*

Measures of MTW activities that “increase housing choices for low-income families” that should be required to be reported by every MTW agency in order to evaluate this statutory obligation include 1) the annual percentage of families with young children in low poverty neighborhoods; 2) the annual percentage of families with young children in high poverty neighborhoods; and 3) the annual percentage of families with young children in high performing schools (*See* PRRAC’s report on housing and schools for an example).<sup>2</sup>

*Is there any information not captured in HUD administrative data systems?*

Although there have been significant advances in the data tools provided by HUD, especially during the development of the data tools relating to the AFFH Rule, many advocates and researchers still rely on the HUD Resident Characteristics Report (RCR) to understand the aggregate demographic income information for households assisted by Section 8 and Public Housing, and the distribution of Housing Choice Vouchers within a jurisdiction. The RCR allows stakeholders to disaggregate the numbers of vouchers from different PHAs within a particular geography, but at least as of last year, the RCR is of limited use in regions with an MTW agency, because the RCR report did not include tenant information submitted to Moving to Work (MTW) module in IMS/PIC. If this is still the case, the exclusion of MTW agency data in the RCR is a significant loophole to accessing data on the distributions of vouchers by originating PHAs within a jurisdiction.

*In the list of performance metrics...should any be clarified or removed?*

The metric in the “potential performance metrics” list in the notice, “Changes in the percentage of households moving to or living in areas with lower rates of poverty” should be changed to “low rates of poverty.” This term should be clarified or defined by HUD to refer to neighborhoods with a poverty rate of 10% or below. We have observed that some public housing agencies will consider it a success if families make moves from high poverty areas to “slightly” lower poverty areas, even though this type of move is not making a significant impact on the family, which is the goal of the metric.

Sincerely,

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<sup>2</sup> Ingrid Gould Ellen and Keren Mertens Horn, *Do Federally Assisted Households Have Access to High Performing Public Schools?* (PRRAC, November 2012)