

Comparison of Moving To Work (MTW) Demonstration Expansion Operations Notices, 2018 and 2017
National Low Income Housing Coalition, October 2018

The 2018 version establishes “MTW Waivers” that do not require HUD approval; the 2017 draft had “Conditional Waivers that did require HUD approval. The 2018 MTW Waivers will enable the 100 expansion MTW Public Housing Agencies (PHAs) to carry out work requirements, term limits, and increased rent burdens without HUD approval as called for in the statute, and without the rigorous evaluation of each PHA and its MTW waivers as required by the statute.

WORK REQUIREMENTS			
2018 “MTW Waivers” (Do Not Require HUD Approval)		2017 “Conditional Waivers” (Require HUD Approval)	
<u>Public Housing</u>	<u>Vouchers</u>	<u>Public Housing</u>	<u>Vouchers</u>
<ul style="list-style-type: none"> * May impose for residents who are at least 18 years old *Must only apply to residents who are non-elderly/disabled *PHA defines whether resident is non-elderly/disabled * Requirement must not be for more than 30 hours per week * Supportive services must be provided 	Same	<ul style="list-style-type: none"> * Would apply to residents between the ages of 18 and 61 *Would be no less than 15 hours and no more than 30 hours per week * Supportive services must be provided * Requirement cannot apply to persons with a disability or households that include a person with a disability 	Same
<u>Safe Harbor</u>	<u>Safe Harbor</u>	<u>Parameters</u>	<u>Parameters</u>
<ul style="list-style-type: none"> * May apply to household members or whole households * Impact Analysis * Hardship Policy * Hardship must apply to households actively trying to comply, but who are having difficulty obtaining work or acceptable substitute * Services must be provided to support households to prepare for assistance termination *ACOP must describe consequences of failure To comply 	Same	<ul style="list-style-type: none"> *Residents must have opportunity to Grievance Procedure to resolve dispute regarding determination that resident failed to comply *ACOP must describe hardship policy and circumstances residents will be exempt *ACOP should describe what is considered work and acceptable substitutes * Services must be provided to support households to prepare for assistance termination *ACOP must describe consequences of failure To comply 	Same

TERM-LIMITED ASSISTANCE

2018 "MTW Waivers" (Do Not Require HUD Approval)		2017 "Conditional Waivers" (Require HUD Approval)	
<u>Public Housing</u>	<u>Vouchers</u>	<u>Public Housing</u>	<u>Vouchers</u>
PHA may limit duration of assistance	Same	Same	Same
<u>Safe Harbor</u>	<u>Safe Harbor</u>	<u>Parameters</u>	<u>Parameters</u>
<ul style="list-style-type: none"> *Term must be at least four years *Must exclude elderly/disabled *Services must be provided to support households prepare for assistance termination * Impact Analysis * Hardship Policy 	Same	<ul style="list-style-type: none"> *Term must be at least five years *Services must be provided to support households prepare for assistance termination * Impact Analysis * Hardship Policy 	Same as 2017 Public Housing

INCREASE ELDERLY AGE

2018 2018 MTW Waivers (only) Do not require HUD approval

PHA may change the definition of "elderly" person to someone who is at least 65, but only for new admissions.

RENT POLICIES

Income Bands

2018 "MTW Waivers" (Do Not Require HUD Approval)		2017 "Conditional Waivers" (Require HUD Approval)	
<u>Public Housing</u>	<u>Vouchers</u>	<u>Public Housing</u>	<u>Vouchers</u>
Two Variables: 1) income bands or ranges that assign locally determined dollar increments, and 2) bedroom size.	Same	Same, but capped at 30% of gross income	Did not indicate any cap
PHA may use flat rents within each band (instead of calculating rent based on adjusted income).			
Total Tenant Payment may not exceed 35% of gross income.			
<u>Safe Harbor</u>	<u>Safe Harbor</u>	<u>Parameters</u>	<u>Parameters</u>
<ul style="list-style-type: none"> *Bands must be by bedroom size *Impact Analysis *Exclude elderly/disabled *Hardship Policy 	Same	<ul style="list-style-type: none"> *Bands by bedroom size *Hardship Policy 	Hardship Policy

RENT POLICIES

Stepped Rent

2018 "MTW Waivers" (Do Not Require HUD Approval)		2017 "Conditional Waivers" (Require HUD Approval)	
<u>Public Housing</u>	<u>Vouchers</u>	<u>Public Housing</u>	<u>Vouchers</u>
<ul style="list-style-type: none"> * May create stepped rents that increase household rent on a fixed schedule in both frequency and amount. * May be disaggregated from household income. <p><u>Safe Harbor</u></p> <ul style="list-style-type: none"> *Rent increases limited to one per year *Exclude elderly/disabled *Hardship Policy *Impact Analysis * Services must be made available to support preparing households for assistance termination 	<p>Same</p> <p><u>Safe Harbor</u></p> <p>Same plus, Must have grace period policy for when household reaches zero HAP. Policy must allow household to receive zero HAP for at least six months before transfer off HCV.</p>	<p>No Provision</p>	<p>Same, but only if used with another rent policy waiver.</p> <p><u>Parameters</u></p> <ul style="list-style-type: none"> *Rent increases limited to one per year *Exclude elderly/disabled * Must have grace period policy for when household reaches zero HAP. Policy must allow household to receive zero HAP for at least six months Before transfer off HCV.

Minimum Rent

2018 "MTW Waivers" (Do Not Require HUD Approval)		2017 "Conditional Waivers" (Require HUD Approval)	
<u>Public Housing</u>	<u>Vouchers</u>	<u>Public Housing</u>	<u>Vouchers</u>
<p>May set minimum higher than allowed under statute and regulation</p> <p><u>Safe Harbor</u></p> <ul style="list-style-type: none"> *May not exceed: <ul style="list-style-type: none"> \$.250 per month for non-elderly/disabled \$.100 per month for elderly/disabled *Impact Analysis *Hardship Policy 	<p>Same</p> <p><u>Safe Harbor</u></p> <p>Same</p>	<p>Targeted to work able households</p> <p><u>Parameters</u></p> <ul style="list-style-type: none"> *May not exceed \$250 per month *Rent may be calculated between 25% to 50% of adjusted income. *Impact Analysis *Hardship Policy 	<p>Same</p> <p><u>Parameters</u></p> <ul style="list-style-type: none"> *May not exceed \$250 per month *Rent may be calculated between 25% to 50% of adjusted income. *Impact Analysis *Hardship Policy

RENT POLICIES

Total Tenant Payment as Percentage of Gross Income

2018 "MTW Waivers" (Do Not Require HUD Approval)		2017 "Conditional Waivers" (Require HUD Approval)	
<u>Public Housing</u>	<u>Vouchers</u>	<u>Public Housing</u>	<u>Vouchers</u>
Calculate Total Tenant Payment (TTP, resident-paid rent) as percentage of gross income without deductions or exclusions	Same	Same	Same
<u>Safe Harbor</u>	<u>Safe Harbor</u>	<u>Parameters</u>	<u>Parameters</u>
*TTP (resident-paid rent) may not exceed: .35% of gross income for non-elderly/disabled .30% of gross income for elderly/disabled * Impact Analysis * Hardship Policy	Same	*Gross income calculation may not exceed .40% for working households .27% for elderly/disabled	*Rents may be calculated between 25% to 50% of <i>adjusted</i> income * Hardship Policy

Fixed Rents/Subsidies

2018 "MTW Waivers" (Do Not Require HUD Approval)		2017 "Conditional Waivers" (Require HUD Approval)	
<u>Public Housing</u>	<u>Vouchers</u>	<u>Public Housing</u>	<u>Vouchers</u>
*May have flat rents based on bedroom size *Rent may not exceed: .35% of gross income for non-elderly/disabled .30% for elderly/disabled	May have fixed subsidy, whereby household pays the difference between gross contract rent and the fixed subsidy If gross contract rent is at or less than 90% FMR, fixed subsidy may not result in household paying: .35% of gross income for non-elderly/disabled .30% for elderly/disabled	Same	No provision
<u>Safe Harbor</u>	<u>Safe Harbor</u>	<u>Parameters</u>	
* Impact Analysis * Hardship Policy	Same	none	

Rent Policies

Initial Rent Burden

2018 "MTW Waivers" (Do Not Require HUD Approval)		2017 "Conditional Waivers" (Require HUD Approval)	
<u>Public Housing</u>	<u>Vouchers</u>	<u>Public Housing</u>	<u>Vouchers</u>
Not applicable	Household may pay more than 40% of adjusted income at time of initial occupancy <u>Safe Harbor</u> * Impact Analysis * Hardship Policy	Not applicable	Same <u>Parameters</u> * Impact Analysis * Hardship Policy

Standard Deduction

2018 "MTW Waivers" (Do Not Require HUD Approval)		2017 "Conditional Waivers" (Require HUD Approval)	
<u>Public Housing</u>	<u>Vouchers</u>	<u>Public Housing</u>	<u>Vouchers</u>
May replace existing deductions with a standard deduction <u>Safe Harbor</u>	Same <u>Safe Harbor</u>	May replace existing deductions with a standard deduction <u>Parameters</u>	May replace existing deductions with a standard deduction <u>Parameters</u>
None	None	* Impact Analysis * Hardship Policy	* Impact Analysis * Hardship Policy

Elimination of Deduction(s)

2018 "MTW Waivers" (Do Not Require HUD Approval)		2017 "Conditional Waivers" (Require HUD Approval)	
<u>Public Housing</u>	<u>Vouchers</u>	<u>Public Housing</u>	<u>Vouchers</u>
May eliminate one, some, or all deductions <u>Safe Harbor</u>	Same <u>Safe Harbor</u>	May eliminate one, some, or all deductions <u>Parameters</u>	May eliminate one, some, or all deductions <u>Parameters</u>
None	None	* Impact Analysis * Hardship Policy	* Impact Analysis * Hardship Policy

Rent Policies

Alternate Income Inclusions/Exclusions

2018 "MTW Waivers" (Do Not Require HUD Approval)		2017 "Conditional Waivers" (Require HUD Approval)	
<u>Public Housing</u>	<u>Vouchers</u>	<u>Public Housing</u>	<u>Vouchers</u>
May include or exclude some forms of income during income review and rent calculation	Same	Same	Same
<u>Safe Harbor</u>	<u>Safe Harbor</u>	<u>Parameters</u>	<u>Parameters</u>
* Impact Analysis * Hardship Policy * Exclude elderly/disabled	Same	* Impact Analysis * Hardship Policy * Must follow 24CFR5.609 that excludes certain income sources from being counted as income	* Impact Analysis * Hardship Policy

Alternative Utility Allowance

2018 "MTW Waivers" (Do Not Require HUD Approval)		2017 "Conditional Waivers" (Require HUD Approval)	
<u>Public Housing</u>	<u>Vouchers</u>	<u>Public Housing</u>	<u>Vouchers</u>
May create utility allowances based on bedroom size, property location, and/or types of utilities paid by residents	Same, plus may have site-based allowances for PBV	Same	No provision
<u>Safe Harbor</u>	<u>Safe Harbor</u>	<u>Parameters</u>	
* Impact Analysis * Must review schedule every year * Must revise allowance if a change of 10% or more from prior year * Maintain information supporting annual review and revisions	Same	Same	

Utility Reimbursements

2018 "MTW Waivers" (Do Not Require HUD Approval)		2017 "Conditional Waivers" (Require HUD Approval)	
<u>Public Housing</u>	<u>Vouchers</u>	<u>Public Housing</u>	<u>Vouchers</u>
May eliminate utility allowance payments when allowance is greater than total tenant payment	Same	No provision	No provision
<u>Safe Harbor</u>	<u>Safe Harbor</u>		
* Impact Analysis * Hardship Policy	* Impact Analysis * Hardship Policy		

Rent Policies

Imputed Income

2018 "MTW Waivers" (Do Not Require HUD Approval)		2017 "Conditional Waivers" (Require HUD Approval)	
<u>Public Housing</u>	<u>Vouchers</u>	<u>Public Housing</u>	<u>Vouchers</u>
<p>*May base rent on an assumed number of hours worked per week, up to 30 hours at local, state, or federal minimum wage</p> <p>*Applies to each adult household member who is non-elderly/disabled</p> <p><u>Safe Harbor</u></p> <p>* Impact Analysis</p> <p>* Hardship Policy</p> <p>*Excludes elderly/disabled households</p>	<p>Same</p> <p><u>Safe Harbor</u></p> <p>* Impact Analysis</p> <p>* Hardship Policy</p> <p>*Excludes elderly/disabled households</p>	<p>No provision</p>	<p>No provision</p>

PAYMENT STANDARDS and RENT REASONABLENESS

Payment Standards (Tenant Based Assistance)

2018 "MTW Waivers" (Do Not Require HUD Approval)	2017 "Conditional Waivers" (Require HUD Approval)
<u>Vouchers</u>	<u>Vouchers</u>
<p>* Up to 150% of Small Area FMR</p> <p>* May include payment standard outside of the basic range, and creating multiple standards based on conditions in the local market</p> <p><u>Safe Harbor</u></p> <p>* Impact Analysis</p> <p>* Hardship Policy</p>	<p>* Up to 200% of FMR</p> <p>* May include payment standard outside of the basic range, and creating multiple standards based on conditions in the local market</p> <p><u>Parameters</u></p> <p>* Hardship Policy</p>

Rent Reasonableness

2018 "MTW Waivers" (Do Not Require HUD Approval)	2017 "Conditional Waivers" (Require HUD Approval)
<u>Vouchers</u>	<u>Vouchers</u>
<p>May develop a local process to determine rent reasonableness</p> <p><u>Safe Harbor</u></p> <p>* HUD may ask PHA to explain methodology</p> <p>* Must use third-party to determine rent reasonableness for PHA-owned units</p>	<p>Same</p> <p><u>Parameters</u></p> <p>* HUD must approve alternative measures</p>

REEXAMINATIONS

Alternative Reexamination Schedule for Households

2018 "MTW Waivers" (Do Not Require HUD Approval)		2017 (No Provisions)
<u>Public Housing</u>	<u>Vouchers</u>	
PHA may establish alternative reexamination schedules	Same	
<u>Safe Harbor</u>	<u>Safe Harbor</u>	
*Reexamination must occur at least every three years	Same	
*Must allow at least one interim adjustment per year at household's request if gross income decreased 10% or more		
*Hardship Policy		

Self-Certification of Assets

2018 "MTW Waivers" (Do Not Require HUD Approval)		2017 (No Provisions)
<u>Public Housing</u>	<u>Vouchers</u>	
At reexamination, PHS may allow self-certification of assets up to \$10,000	Same	
<u>Safe Harbor</u>	<u>Safe Harbor</u>	
None	None	

PUBLIC HOUSING LEASES

2018 "MTW Waivers" (Do Not Require HUD Approval)	2017 "Conditional Waivers" (Require HUD Approval)
<u>Public Housing</u>	<u>Public Housing</u>
*PHA may develop a local lease that may have community rules	*May develop a local lease that may have community rules
*Lease changes cannot require regulatory or statutory waiver (eg Grievance Procedures)	*May charge customary management fees through the lease
*Eviction for cause only	
*Must comply with Smoke-Free rules	<u>Parameters</u>
*May charge customary management fees through the lease	*Lease changes cannot require regulatory or statutory waiver (eg Grievance Procedures)
<u>Safe Harbor (applies to fees only)</u>	For Fees:
*Appeals Process	*Appeals Process
*Hardship Policy	*Hardship Policy

VOUCHER LEASING INCENTIVES

2018 MTW Waivers (only) Do not require HUD approval

Vacancy Loss

PHAs may make an additional payment to landlords that are equal to one month of contract rent when vacancies are unforeseen or unexpected.

Damage Claim

If a tenant leaves a unit damaged, a PHA may provide the landlord with compensation up to two month’s contract rent minus tenant’s security deposit.

Other Landlord Incentives

* PHAs may provide an incentive payment to new landlords that join the HCV program and/or landlords that remain in the program to lease to another assisted-household. (The Appendix is silent regarding means to prevent landlords from abusing this incentive.)

*PHAs may target incentive payments to landlords leasing in high-opportunity neighborhoods or in areas where it is difficult to use vouchers.

PROJECT BASED VOUCHERS (PBV)

PBV Unit Types

2018 “MTW Waivers” (Do Not Require HUD Approval)

PBVs may attach to or pay for shared housing units, as long as the units are not owner-occupied.

2017 “Conditional Waivers” (Require HUD Approval)

PBVs may attach to or pay for nursing homes, manufactured homes, or transitional housing.

Parameter

PHA must provide a transition plan for residents before the demonstration ends

PROJECT BASED VOUCHERS (PBV)

2018 2018 MTW Waivers (only) Do not require HUD approval

Increase PBV Rent to Owner

PHA may establish initial and re-determined rent to owners that differ from current statutory and regulatory requirements.

PROJECT BASED VOUCHERS (PBV)

2018 2018 MTW Waivers (only) Do not require HUD approval

Increase Total PBV Unit Cap

* PHA may project base up to 30% of its authorized voucher units (up from 20%)

* PHA may project base an additional 20% (rather than 10%) of its authorized units for exception categories:

1. Person meets HUD definition of homeless
2. Household includes a veteran
3. Provides supportive services for elderly or disabled person
4. Unit is located in an area where vouchers are difficult to use (census tract has poverty rate of 20% or less)

In other words, PHA may project base up to 50% of its authorized units (30% general cap plus 20% exception cap)

2018 2018 MTW Waivers (only) Do not require HUD approval

Increase PBV Project Cap

PHA may raise the PBV cap within a project up to 100% (up from 25%)

Safe Harbor

- * At time HAP contract is signed, the property is in census tract with a poverty rate of 20% or less; or
- * PHA seeks to convert an existing PHA-owned development (other than public housing or other exception projects under HOTMA); or
- * PHA is seeking to transition LIHTC property that is approaching the end of its affordability period.

2018 2018 MTW Waivers (only) Do not require HUD approval

Elimination Selection Process for PHA-owned Properties

PHA may eliminate the selection process in awarding PBVs to properties owned by the PHA that are not public housing

2018 2018 MTW Waivers (only) Do not require HUD approval

Alternative Competitive Process

PHA may establish an alternative competitive process in awarding PBVs to properties owned by nonprofits, for-profits, or by the PHA that are not public housing.

SHORT-TERM ASSISTANCE

2018 2018 MTW Waivers (only) Do not require HUD approval

<p><u>Public Housing</u></p> <ul style="list-style-type: none"> * PHA may create short-term assistance in one or more buildings, as long as supportive services are provided * PHA may collaborate with local community-based organizations or government agencies to provide the supportive services * Residents cannot be required to use supportive services targeted to persons with disabilities in general or persons with any specific disability. * Admission cannot be conditioned on a diagnosis or specific disability <p><u>Safe Harbor</u></p> <ul style="list-style-type: none"> * Term of assistance may not be shorter than three months * The activity cannot be extended to an entire public housing or voucher program and must only serve specific populations 	<p><u>Vouchers</u></p> <p>Same</p>
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MTW SELF-SUFFICIENCY PROGRAM

2018 2018 MTW Waivers (only) Do not require HUD approval

<ul style="list-style-type: none"> * A PHA that has an existing HUD Family Self-Sufficiency (FSS) program may create an alternative structure that does not conform to the FSS regulations and that secures local resources. However, any existing FSS funds dedicated to an FSS Coordinator must still be used for the Coordinator according to the NOFA. * PHA may develop its own recruitment and selection process. * PHA may make participation in a self-sufficiency program mandatory for those who are non-elderly/non-disabled. * PHA may modify or eliminate an existing FSS Participation Contract to align with changes made to a self-sufficiency program using MTW flexibility. A PHA can also discontinue using an existing self-sufficiency contract and use a locally developed agreement. However, any contract or agreement must be for at least five years but no longer than ten years. * PHA may set its own policies for addressing income increases, including policies for determining whether income increases are recognized for the purpose of increasing rent or changing the amount of funds moved to escrow/savings. PHA may not use income increases to change a household's eligibility status.

LOCAL NON-TRADITIONAL ACTIVITIES

A “Local Non-Traditional” activity is one funded by the use of public housing capital or operating funds or voucher funds for activities not normally allowed under the public housing or voucher programs.

A Local Non-Traditional activity must meet one of the three MTW statutory objectives: increase efficiency, incentivize self-sufficiency, or increase housing choice.

Rent Subsidy Programs

2018 “MTW Waivers” (Do Not Require HUD Approval)	2017 “Conditional Waivers” (Require HUD Approval)
<p>* PHA may use MTW funds to provide a rental subsidy to a third-party (not a landlord or tenant) to manage intake and administration of a subsidy program.</p> <p>* Subsidy program could be:</p> <ul style="list-style-type: none"> * Provide supportive housing programs and services to help homeless people and households reach independence. * Provide supportive living. * Provide homeless/transitional housing programs. * Provide programs that address special needs populations. <p><u>Safe Harbor</u></p> <ul style="list-style-type: none"> * PHA may spend up to 10% of its MTW budget on Local Non-Traditional activities. * PHA is subject to Notice PIH 2011-45 (Parameters for Local, Non-Traditional Activities under the Moving to Work Demonstration Program) 	<p>* PHA may provide:</p> <ul style="list-style-type: none"> * Supportive housing programs and services. * Homeless/transitional housing programs and services. * A local rental subsidy program that addresses special needs populations. <p><u>Parameter</u></p> <ul style="list-style-type: none"> * PHA is subject to Notice PIH 2011-45 (Parameters for Local, Non-Traditional Activities under the Moving to Work Demonstration Program)

LOCAL NON-TRADITIONAL ACTIVITIES

Provide Services

2018 "MTW Waivers" (Do Not Require HUD Approval)	2017 "Conditional Waivers" (Require HUD Approval)
<ul style="list-style-type: none"> * PHA may use MTW funds to provide HUD-approved self-sufficiency or supportive services that: <ul style="list-style-type: none"> * Are not otherwise allowed under the public housing or voucher programs; or * Are provided to low income households who are not public housing or voucher households. * Eligible activities may include: <ul style="list-style-type: none"> * Providing services for residents of other PHA-owned or managed affordable housing that is not public housing or assisted with vouchers. * Providing services for low income non-residents. * Providing supportive services. <p><u>Safe Harbor</u></p> <ul style="list-style-type: none"> * PHA may spend up to 10% of its MTW budget on Local Non-Traditional activities. * PHA is subject to Notice PIH 2011-45 (Parameters for Local, Non-Traditional Activities under the Moving to Work Demonstration Program) 	<ul style="list-style-type: none"> * PHA may: <ul style="list-style-type: none"> * Provide supportive services for residents of other PHA-owned or managed low income housing that is not public housing or assisted with vouchers. * Provide supportive services for low income non-residents. * Provide supportive services subsidies or budgets of low income households. * Contract with a third party provider to provide supportive services. <p><u>Parameter</u></p> <ul style="list-style-type: none"> * PHA is subject to Notice PIH 2011-45 (Parameters for Local, Non-Traditional Activities under the Moving to Work Demonstration Program)

Housing Development Programs

2018 "MTW Waivers" (Do Not Require HUD Approval)	2017 "Conditional Waivers" (Require HUD Approval)
<ul style="list-style-type: none"> * PHA may use MTW funds to acquire, renovate, and/or build affordable units that are not public housing units for low income households. * Eligible activities include gap financing development of non-PHA housing or LIHTC partnerships. <p><u>Safe Harbor</u></p> <ul style="list-style-type: none"> * PHA may spend up to 10% of its MTW budget on Local Non-Traditional activities. * PHA is subject to Notice PIH 2011-45 (Parameters for Local, Non-Traditional Activities under the Moving to Work Demonstration Program) 	<ul style="list-style-type: none"> * PHA may contribute MTW funds toward development of: <ul style="list-style-type: none"> * a LIHTC project * housing for low income households <p><u>Parameter</u></p> <ul style="list-style-type: none"> * PHA is subject to Notice PIH 2011-45 (Parameters for Local, Non-Traditional Activities under the Moving to Work Demonstration Program)