

# MTW Research Advisory Committee Meeting (Web-based Conference Call)

## Thursday, October 28, 2021 Meeting Summary

### I. Welcome and Introductions

Marianne Nazzaro, Director of the Moving to Work (MTW) Demonstration program, welcomed everyone to the 9<sup>th</sup> meeting of the MTW Research Advisory Committee (Committee). The purpose the meeting is to provide recommendations for the HUD Secretary on the next policies to study in future cohorts of the MTW Demonstration Expansion. The guiding principles of the Committee were revisited, and the Committee agreed to add the following two principles for the discussion: focus on equity and developing an evaluation framework that encourages small PHAs to apply to MTW.

#### **Committee Members Present:**

##### PHA Representatives

Maria Razo, Housing Authority of the County of San Bernardino, CA  
Ed Hinojosa, San Antonio Housing Authority, TX  
Chris Lamberty, Lincoln Housing Authority, NE  
Cynthia Lopez, Housing Authority of Tulare County, CA  
Josh Meehan, Keene Housing, NH  
Austin Simms, Lexington Housing Authority, KY

##### Researchers

Kathy O'Regan, New York University  
Stefanie DeLuca, John Hopkins University  
Jill Khadduri, Abt. Associates, Inc.  
Heather Schwartz, RAND Corporation

##### HUD Staff

Marianne Nazzaro, Moving to Work Office, Public and Indian Housing (PIH)  
Todd Richardson, Policy Development and Research (PD&R)

#### **Committee Members Not Present:**

Janny Castillo, Oakland Housing Authority, CA  
Asia Coney, Philadelphia Housing Authority, PA

### II and III. Agenda Review, Background and Status Updates, Initial Committee Questions

#### Agenda Review

Marianne Nazzaro, Director of the MTW Demonstration Program, reviewed the key takeaways from the previous meeting. The Committee focused on the following three policies for the next MTW Expansion cohort: asset building, direct payment to tenants,

and another MTW flexibility cohort. The purpose of this conversation is to delve deeper into each of these policies, including how to evaluate them.

### Background and Status Updates

Marianne Nazzaro provided an update on the Landlord Incentives cohort: applications were due on October 15<sup>th</sup>, and 32 PHA submitted applications. 28 applications were received from agencies with 1,000-6,000 units and 4 from agencies with over 6,000 units (of which only one can be selected). HUD did not receive any applications from agencies with under 1,000 units. Discussion ensued around the overall marketing and general appeal of MTW to smaller agencies.

Paul Joice, PD&R, led a discussion on the research methodology for the Landlord Incentives cohort, given the number and size of the PHAs that applied.

### Initial Committee Questions

- A PHA representative asked whether HUD could reopen the application to allow more agencies to apply?  
Marianne responded stating that, though possible, such allowance would delay the original applicants and could potentially deter those from participating.
- Multiple PHA representatives questioned whether programmatic differences between initial and expansion MTWs and perceived limitations/restrictions of cohort studies stifled agency interest?  
HUD staff explained that the expansion MTW agencies have the same flexibilities as the Initial 39 MTW agencies, though the framework is different.
- A Researcher representative questioned whether legislation proposed similar to that of the landlord incentive is added cause for lack of applications for agencies under 1,000 units?  
PHA representatives opined that the new legislation may be of more interest to agencies given less restrictions.
- A PHA representative noted that we are still in the midst of a pandemic, which is particularly challenging for small PHAs.

## IV. Goal for this Meeting: Discuss and Provide Recommendations for New Cohort Studies

Todd Richardson, General Deputy Assistant Secretary for PD&R, reminded the Committee that it identified three policies that could be evaluated in the previous Committee meeting: 1) Asset building, 2) Direct Payment to Tenants and 3) MTW Flexibility. The goal of today's discussion was to further define and identify evaluate methodologies for each.

## V. Open Discussion

### Proposal #1: Asset Building

The Committee discussed broadening the idea of asset building to include topics, such as the following:

- Emergency funds and financial literacy
- Goal of homeownership
- Increased credit building and education
- Focusing on adults or children in household, or both

Committee representatives suggested that asset building policies encompass a variety of the above topics. True asset building includes both tangible (i.e., saving accounts) and non-tangible (i.e., financial literary courses) strategies to be most beneficial for participants. A PHA representative reminded the Committee that no additional funding can be provided to MTW Expansion PHAs, so any suggested model should not require additional staff to administer. PHA representatives shared that they receive service coordinators through the traditional FSS program and can apply MTW flexibilities to FSS. PHA representatives described the need for local partnerships and described how these can help their residents build assets. The Committee agreed the first step of defining asset building for tenants to have a bank account. A PHA representative suggested that, counter to the current structure of the FSS program, an asset building strategy that HUD could study could be an “opt-out” rather than an “opt-in” policy (i.e., participants could choose whether or not to participate). The Committee discussed the amount of funding that would go into the savings account. A PHA representative suggested perhaps five percent of a resident’s total tenant payment could be set aside in a tenant’s account as a means for savings, which would not be tied to any goals for the participant to access it. A monthly saving cap was later suggested and included in the Committee’s discussion to attract more PHA participation. The PHA representatives noted there may be some administrative hurdles to overcome such as capacity issues in order to fully implement some aspects of the strategy or to achieve the best result. A researcher thought even a small amount of savings could inform how participants use the funding, particularly if there are little to no restrictions on how the funds can be spent.

The Committee then discussed reporting participants credit could be studied through MTW. While this does not require MTW authority, MTW status could be the incentive. This could only apply to public housing.

#### [Proposal #2: Direct Payments to Tenants](#)

The next proposal discussed by the Committee was the idea of providing direct payments to tenants instead of having the PHA remit payments to landlords on their behalf. This would only apply to the voucher program. The idea was seen as a more empowering, dignity-enhancing initiative. Additionally, the initiative was considered an option towards removing the PHAs as middlemen. Funds must be used for housing and inspections would have to continue. HUD needs to ensure that this policy is possible through MTW.

Paul Joice (PD&R) highlighted possible benefits:

- Increase landlord acceptance by keeping the subsidy invisible,
- Provide tenants with more autonomy and choice,
- Empower tenants to operate like market-rate renters,

- Simplify PHA administration and decrease cost.

A researcher representative reminded the Committee that when Section 8 was created, many expected the landlord to receive all of its payment from the tenant, instead of having a portion provided directly from the PHA. The landlord may prefer only dealing with tenants, rather than relying on the PHA to submit a timely tenant. A PHA representative questioned whether there were tax implications of direct payments and the potential loss of other benefits, such as SNAPs, that could occur as a result. Another PHA representative, who's agency had been testing this initiative as part of a stepped-rent approach, responded that they did not encounter any issues Federally. However, on a State level, the agency fought several years with other State-led agencies as the payments provided to residents were counted as income, not housing subsidy.

The Committee agreed the proposal could be incredibly beneficial to residents and could empower tenants. While all Committee members agree that ensuring quality housing is important, the need to ensure HQS is a major challenge. With much to learn, and lack of available information, the idea was generated a lot of interest and is something that should be studied. However, given the many administrative challenges of implementing the proposal within the MTW framework for smaller PHAs, Committee members generally believed that it may not be an appropriate study for the MTW expansion.

The Committee highlighted the following unique challenges:

- Restrictions around Federal funds being held in non-Federal accounts.
- Ability to address HQS standards if the PHA is removed from the process.
- The difficulty in figuring out how to determine the comparison group.
- Would be difficult to sell this as an option for smaller PHAs, which often do not have the voucher program.

### **Proposal #3: MTW Flexibility for Small and Medium PHAs**

This proposal would essentially replicate the first cohort study, which is evaluating MTW Flexibility for PHAs under 1,000 aggregate units, but it could also include medium size PHAs (defined as PHAs with up to 6,000 aggregate units) and that this might lower some barriers for smaller PHAs participation in the program.

The Committee discussed whether replicating the MTW Flexibility study would be more appealing to agencies. Further, it was unclear what the difference between the two cohorts would be. PHA representatives underscored their concerns that PHAs' lack of interest could stem from the misperception that MTW expansion is fundamentally different and more prescriptive with the cohort studies. Todd Richardson reminded members that, even under a general cohort flexibility, some study would be required of participating agencies as a condition. Such requirement could come from ideas received from other industry and/or advocate groups. A researcher representative suggested credit reporting as a low-barrier, low-burden activity. The Committee generally agreed that, while reporting public housing rent payments to credit bureaus does not require MTW flexibilities, it could be good to study that in conjunction with another low-barrier study, noting that this is also in line with the asset building strategy.

## VI. Public Input

- National Apartment Association – Our members would like to see the HCV program function more like the regular rental market. Could Section 8 go to an EBT-type payment system and pre-approve landlords for participation?
- HUD, Community Supportive Services Division - FSS without a service coordinator is of interest as we haven't isolated if coaching or escrow is the key ingredient. Provided clarifications of the regular FSS program.
- PHADA representative – Organization is happy to help with the polling. Reminder that small PHAs are “swamped” and MTW needs to be attractive. Recommends research be applicable to both public housing and voucher programs.
- Oakland Housing Authority – It might be worth asking small PHAs what the application process was like, were you interested in this Landlord Incentives cohort or was there something you would have rather applied.
- Prior staff at Center for Budget and Policy Priorities - Cash or EBT methods of taking the PHA out of the relationship between tenant and landlord is an interesting idea to us.
- MTW Collaborative - Regarding re-opening applications, I believe statutorily HUD needs to have all expansion agencies on board in 9/2022 – I've not seen an extension in any of the legislation yet. We would prefer to get the agencies on board within the established timeline.

## VII. & VIII. Committee Debrief and Summary of Discussion

To close the meeting, Todd Richardson recapped the three proposals for a new cohort study and led the Committee in a round of voting to decide which was of most interest.

The tally is as follows:

### Asset Building (6)

- Austin Simms
- Cynthia Lopez
- Ed Hinojosa
- Heather Schwartz
- Jill Khadduri
- Marianne Nazzaro

### Direct Payments (2)

- Kathy O'Regan
- Todd Richardson

### MTW Flexibility Plus (3)

- Chris Lamberty
- Josh Meehan
- Maria Razo

Undecided

- Stefanie DeLuca

**IX. Next Steps**

HUD thanked the Committee for their participation and contributions to conclude the meeting. Recommendations will be shared with Committee leadership.

The meeting adjourned.