



# HUD Moving to Work Expansion Training

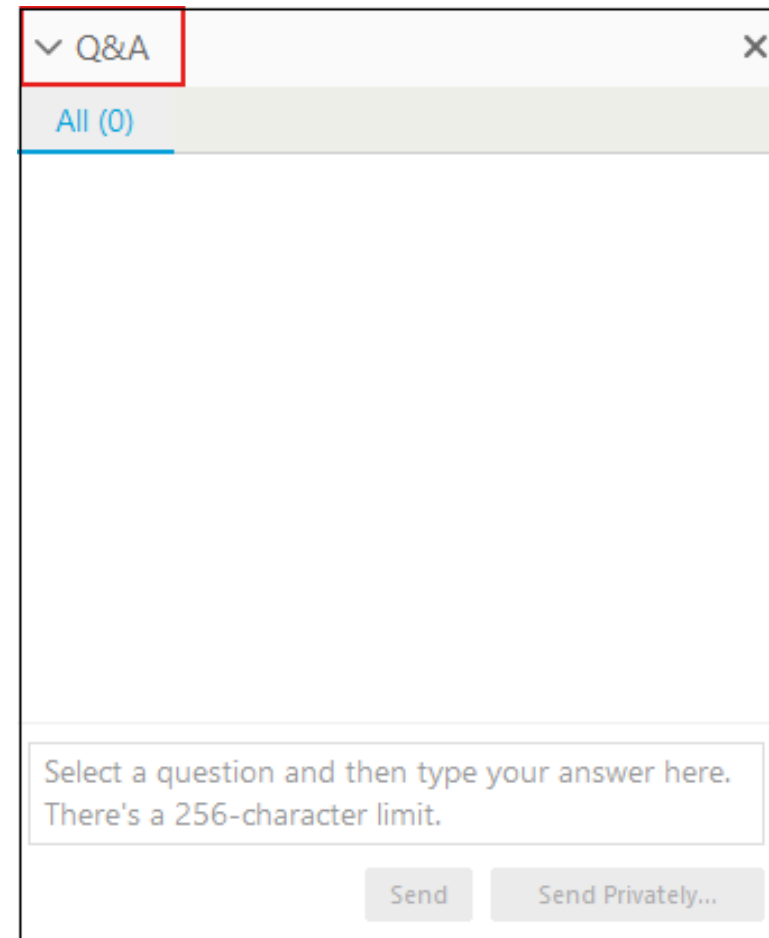
Webinar 2:

Funding Flexibilities, Funding Calculation, and Statutory Requirements

October 28, 2020

# Questions?

- All attendees have been muted
- Please submit your content related questions via the Q&A box throughout the webinar
- Send to All Panelists



Q&A

All (0)

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There's a 256-character limit.

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Webinar 2:

Funding Flexibilities, Funding Calculation, and Statutory Requirements

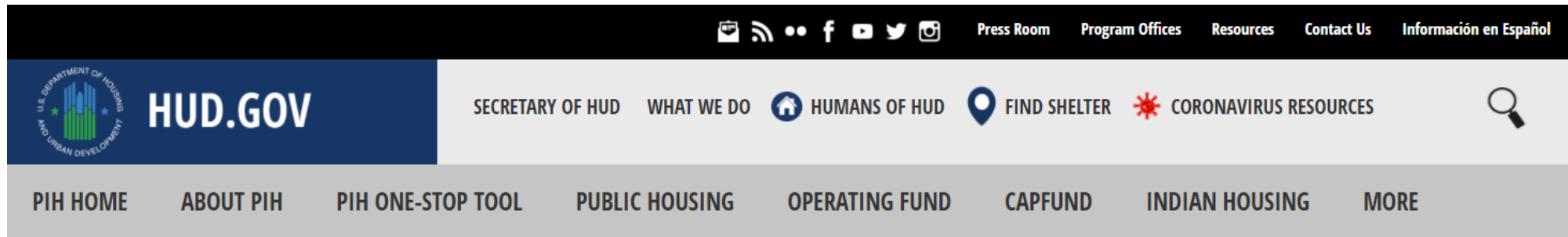
October 28, 2020

# Introduction & Overview



# MTW Expansion on HUD.gov

[https://www.hud.gov/program\\_offices/public\\_indian\\_housing/programs/ph/mtw/expansion](https://www.hud.gov/program_offices/public_indian_housing/programs/ph/mtw/expansion)



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## MOVING TO WORK (MTW) EXPANSION

HUD is thrilled to rollout of the expansion of the Moving to Work (MTW) Demonstration Program with the publication of the final MTW Operations Notice and by inviting eligible PHAs to submit complete applications for the first two cohorts of the MTW expansion. To view the press announcement, [click here](#). You can also [view Secretary Carson's announcement](#) of the rollout of the MTW Expansion.

HUD understands the importance of thinking outside the box, focusing on best practices and providing creative housing solutions for those serving the most vulnerable by allowing agencies to merge their funding streams and design creative policies. The most important lesson HUD has learned from MTW is that local agencies and their stakeholders are in the best position to assess the needs and challenges of their communities and rental markets. It is important that local leaders have the flexibility to utilize and leverage their strengths, resources and partnerships in a way that best serves their communities. MTW is key in moving away from a “one-size-fits-all” approach to affordable housing and in allowing communities to effectively address the specific issues they face. The innovative and locally tailored policies adopted by current and future MTW Agencies will be a

### Quick Links:

- [MTW marketing brochure](#)
- [Final MTW Operations Notice \(official\)](#)
- [Final MTW Operations Notice \(reader-friendly\)](#) ←

  - [Sections I-V](#)
  - [Section VI](#)

- [Cohort #1 - MTW Flexibility](#) ←
- [Cohort #2 - Rent Reform](#) ←
- [Research Advisory Committee](#)




# MTW Expansion Training

<https://www.hudexchange.info/programs/mtw/mtw-expansion-training/welcome/>

Home > Programs > Moving to Work Expansion > MTW Expansion Training > Welcome!

## MTW Expansion Training

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- All Available MTW Waivers ▶
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### Welcome!

Welcome to the Moving to Work (MTW) demonstration program's training for newly designated MTW Expansion agencies!

The MTW demonstration program is giving a new set of agencies the flexibility to create solutions that meet the housing and services needs of low-income families in their local communities. There's a lot to learn about this unique opportunity – and you've come to the right place!

This resource will help recently-designated MTW Expansion agencies understand the MTW Expansion's requirements and think about strategies for making the best use of MTW flexibilities. Residents, community members, and others who want to know more about the program can learn about it here too.



Current MTW agency leaders Karen Kreutzberg (Boulder Housing Partners), Karen DuBois-Walton (Housing Authority of the City of New Haven), and Suket Dayal (San Diego Housing Commission) highlight some of the advantages of MTW.



# Overview of Funding Flexibilities



# MTW Funding Flexibility

- MTW agencies have the flexibility to apply fungibility among three core funding programs' funding streams:
  - Public housing Operating Funds,
  - Public housing Capital Funds, and
  - HCV Funds (to include both HAP and Administrative Fees)
- The three MTW funding streams are all awarded separately and disbursed through the same systems as non-MTW agencies (i.e., LOCCS, HUDCAPS)





# What Funding Sources Can be Used Flexibly?

- Funding Sources that Can be Used Flexibly
  - Public housing Operating Funds
  - Public housing Capital Funds
  - Housing Choice Voucher (HCV) Funds
- Funding Sources that Cannot Be Used Flexibly
  - Enhanced Tenant Protection Vouchers (depends on the situation)
  - Section 8 Mod Rehab program funding
  - Most Special Purpose Vouchers
    - See MTW and SPV Q&A guidance [here](#).



# Requirements for Using Funds Flexibly

- Document plans and obtain required approvals
  - Approved 5-Year Action Plan
  - Approved Annual PHA Plan
    - Including MTW Supplement to the Annual PHA Plan.
- Abide by funding caps for HCV HAP funding
- Continue to meet the 5 MTW statutory requirements.



# Ways to Use Funds Flexibly

Flexible MTW Funding may be used for:

- Any eligible activity under
  - Section 9(d)(1)
  - Section 9(e)(1)
  - Section 8(o)
- MTW Waivers
  - Local, Non-Traditional (LNT) Activities
    - Activities 17a, b, c
- Activities implemented through Safe Harbor and Agency-Specific waivers



# Use of MTW Flexibilities

Cost Savings	Self-Sufficiency	Housing Choice
Using the MTW Funds to leverage funds	Linking rental assistance with supportive services	Developing mixed-income, tax credit properties, and other affordable housing
Streamlining HUD processes	Earned income exclusions	Developing sponsor-based voucher program to assist homeless and other at-risk groups
Simplification of rent calculations	Self-sufficiency/employment requirements	Encouraging moves to opportunity areas

[www.hud.gov/mtw](http://www.hud.gov/mtw)



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# Discussion of Funding Flexibilities



# Overview of Funding Calculation



# Funding Overview for Public Housing Operating and Capital Funds

- Funding calculation: Public housing Operating and Capital Funding calculations are the same as for non-MTW agencies.
- Obligation and Expenditure Requirements: Same requirements that apply to non-MTW agencies.
- Requisitioning: Same process as for non-MTW agencies, **except** when requisitioning Capital Funds for MTW-eligible purposes, use MTW Budget Line Item (BLI 1492) in HUD's Energy and Performance and Information Center (EPIC) system. Funds are still disbursed through the Line of Credit Control System (LOCCS).





# Funding Overview for the HCV Program

- Funding calculation:
  - Administrative Fees are funded as they are for non-MTW agencies
  - HAP Renewal Eligibility is based on HAP and MTW Expenses (more on next slide)
- Obligation and Expenditure Requirements: HCV obligation and expenditure requirements for MTW agencies are identical to those for non-MTW agencies
- Requisitioning: No requisitioning needed, as monthly disbursement is based on monthly HAP expenses from VMS, *unless* current expenses exceed disbursements.

The agency may contact the HUD FA to request additional funding due to:

- Increased HAP costs
- One-time or ongoing eligible non-HAP MTW expenses



# HAP Renewal Eligibility is Based on the LOWER of:

1) The MTW HAP Renewal Eligibility Cap, calculated as:

MTW Renewal Eligibility Cap	=	The agency's pre-MTW monthly per-unit cost (PUC) inflated to the re-benchmark year	X	Total number of MTW-eligible ACC-authorized units in the re-benchmark year
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2) The Re-Benchmark Year's Actual HAP/non-HAP eligible expenses, calculated as:

Total Eligible Expenses	=	HAP Expenses	+	Eligible Non-HAP MTW Expenses
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# Eligible HAP Renewal Funding Sources

Must be paid for by the same sources used for non-MTW agencies:

- Housing Choice Voucher (HCV) budget authority,
- HUD-held HAP reserves (undisbursed budget authority),
- PHA-held HAP reserves (i.e., Restricted Net Position),
- Any funds from the HAP set-aside (if available after PHA application and approval), and
- Administrative Fee reserves used for HAP expenses (i.e., Unrestricted Net Position (UNP)).
- Under certain conditions, Tenant Protection Voucher funding



# Treatment of Tenant Protection Voucher Funding

- Replacement Tenant Protection Vouchers (including enhanced vouchers) **are** included - once the initial increment is renewed.
- Relocation Tenant Protection Vouchers **are not**.
- Funding for Tenant Protection Vouchers received as part of a RAD conversion has separate requirements.



# Funding for Special Purpose Vouchers (SPVs)

- Funding for SPVs is separate and distinct from the MTW HAP renewal funding calculation. These include:
  - Mainstream
  - HUD-Veterans Affairs Supportive Housing (HUD-VASH)
  - Non-Elderly Disabled (NED)
  - Family Unification (FUP)
  - Foster Youth to Independence (FYI)
  - Mobility Demonstration
- SPVs are not eligible for fungibility, but other MTW Flexibilities may be applied
- See MTW SPV Q&A:  
<https://www.hud.gov/sites/dfiles/PIH/documents/SpecialPurposeVouchersQA.pdf>.



# Discussion of Funding Calculation



# Overview of Statutory Requirements



# MTW/Traditional Agency Differences – Assessment

- HUD to develop MTW-specific assessment system
  - May be incorporated into PHAS and SEMAP (or successor system(s)).
  - MTW agencies may not opt out
- Until successor system implemented, performance monitored through PHAS sub-scores. MTW agencies:
  - Will receive PHAS sub-scores, if PH program
  - Will not receive overall PHAS designation
- HUD may consider data from other HUD systems in assessment of an MTW agency's activities.





# What Are the Five MTW Statutory Requirements?

- 1 Ensure 75% of households are very low-income
- 2 Establish a reasonable rent policy that encourages employment and self-sufficiency
- 3 Continue to assist substantially the same total number of eligible low-income households
- 4 Continue to assist a comparable mix of households by family size
- 5 Meet Housing Quality Standard requirements



# Discussion of Statutory Requirements



# Additional Discussion: Funding Flexibility, Funding Calculation, and Statutory Requirements



# Resources

- Moving to Work on hud.gov
  - <https://www.hud.gov/mtw>
- Moving to Work Expansion
  - <https://www.hudexchange.info/programs/mtw/>
- MTW Expansion Training
  - <https://www.hudexchange.info/programs/mtw/mtw-expansion-training/welcome/>
- MTW Operations Notice
  - <https://www.hud.gov/sites/dfiles/PIH/documents/FinalMTWExOpsNoticePartVIWeb.pdf>
- MTW Cohorts
  - Information or questions about Cohort 1 (Smaller PHAs): [MTWcohort1@hud.gov](mailto:MTWcohort1@hud.gov)
  - Information or questions about Cohort 2 (Rent Reform): [MTWcohort2@hud.gov](mailto:MTWcohort2@hud.gov)



# What's Next?

- MTW Expansion Training Webinar
  - Funding Flexibility, Funding Calculation, and Statutory Requirements (this webinar)
    - Recording and materials will be posted to the MTW Expansion website on HUD Exchange
  - Office Hours
    - November 18<sup>th</sup>, 3:30pm Eastern – Register now!
- Application Due Dates
  - Cohort #1: December 4, 2020
  - Cohort #2: January 8, 2021



**Thank you!**

