



**BOLD
THINKERS
DRIVING
REAL-WORLD
IMPACT**

MTW Flexibility Cohort: Baseline Report Presentation to PHAs

Larry Buron
Tanya de Sousa
Judy Geyer

September 7, 2021

Today's Agenda



- Welcome & Introductions
- Discussion of the Evaluation and Baseline Year Findings
- Next Steps
- Poll and Questions

Agenda for Presentation



- Evaluation Overview
- Study Samples
- Motivations and PHA Plans
- Outcome Measures
- Evaluation Next Steps
- Polls and Questions



BOLD
THINKERS
DRIVING
REAL-WORLD
IMPACT

Evaluation Overview

MTW Expansion



- 2016: Congress authorized adding 100 MTW PHAs
 - At least 50 PHAs must have fewer than 1,000 combined units
 - Rigorous evaluation is required
 - Statutory objectives are the same as before expansion
 - New waiver process for expansion MTWs
- HUD is adding MTW agencies in cohorts, with each cohort testing a different policy change
- This Flexibility Cohort is testing full MTW flexibility for smaller PHAs

What's Interesting about MTW at Smaller PHAs?

- **First opportunity to learn how MTW used at smaller PHAs**
 - About 80 percent of PHAs in the United States have fewer than 1,000 units
 - Only one existing MTW PHA has less than 1,000 combined units
- **Will smaller PHAs focus on cost-effectiveness to help overcome lower levels of economies of scale?**
 - GAO (2012) found that small PHAs are less cost-effective in administering vouchers than large PHAs are because of lesser economies of scale
- **Do smaller PHAs have the capacity to experiment with providing new types of housing opportunities or self-sufficiency supports?**
 - Smaller PHAs tend to have fewer staff, less complex program management systems, and a smaller funding base with which to experiment

Evaluation Approach



	Process Study	Impact Study
Question	How do smaller PHAs use their flexibility?	What are the impacts of MTW on smaller PHAs and their tenants?
Methods	Qualitative examination of how the MTW PHAs use their flexibility.	(1) Experimental design to compare outcomes of PHAs invited to apply for MTW designation in Flexibility Cohort (treatment group) to other eligible applicants (control group). (1) Quasi-experimental design to compare outcomes of treatment group to comparison group.

Data Sources



Data source	Process Study	Impact Study
HUD admin data	1) Application survey 2) Annual Plan 3) PHA MTW Supplements* 4) Admin plan/ACOP	1) PIC NG/Modernization, using the new MTW 50058* 2) Voucher management system (VMS) 3) Financial data system (FDS) 4) Real estate assessment survey (REAC)
Other federal admin data		5) National Directory of New Hires earnings data 6) American Community Survey
Primary data	5) PHA phone interviews 6) Online surveys	

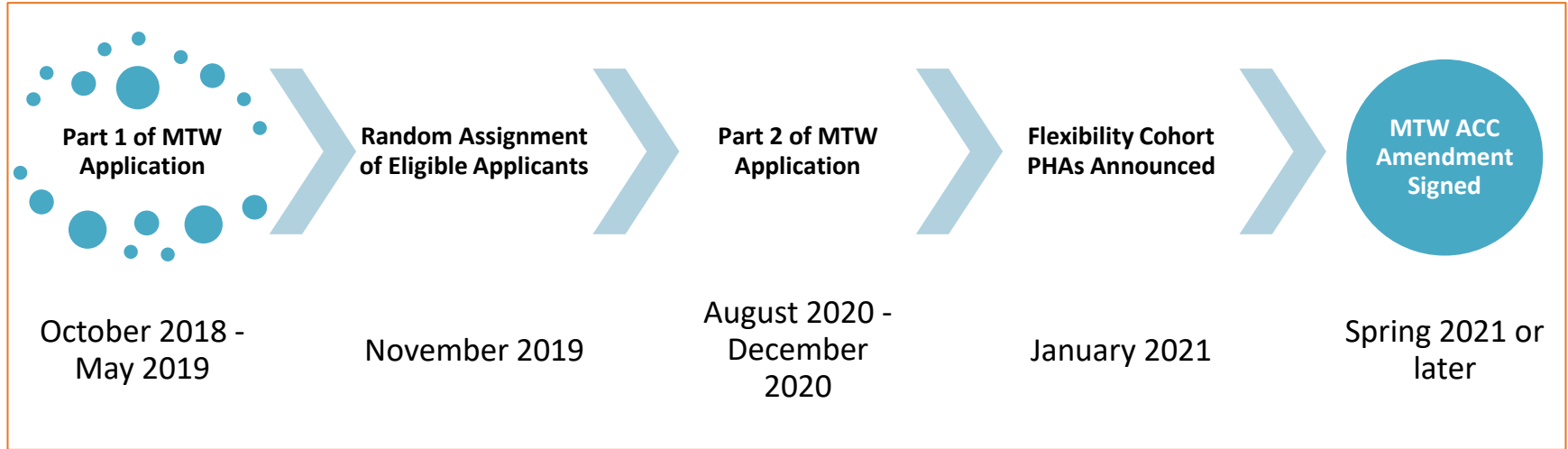
*New instruments that Flexibility Cohort PHAs will be the first to use.



BOLD
THINKERS
DRIVING
REAL-WORLD
IMPACT

Study Sample

Flexibility Cohort Experimental Design Sample



(1) 43 Eligible PHA Applicants

(2) 33 Treatment PHAs
10 Control PHAs (randomly assigned within regions to ensure geographic diversity)

(3) 31 of the 33 PHAs invited to apply completed the application

(4) 31 PHAs offered MTW designation

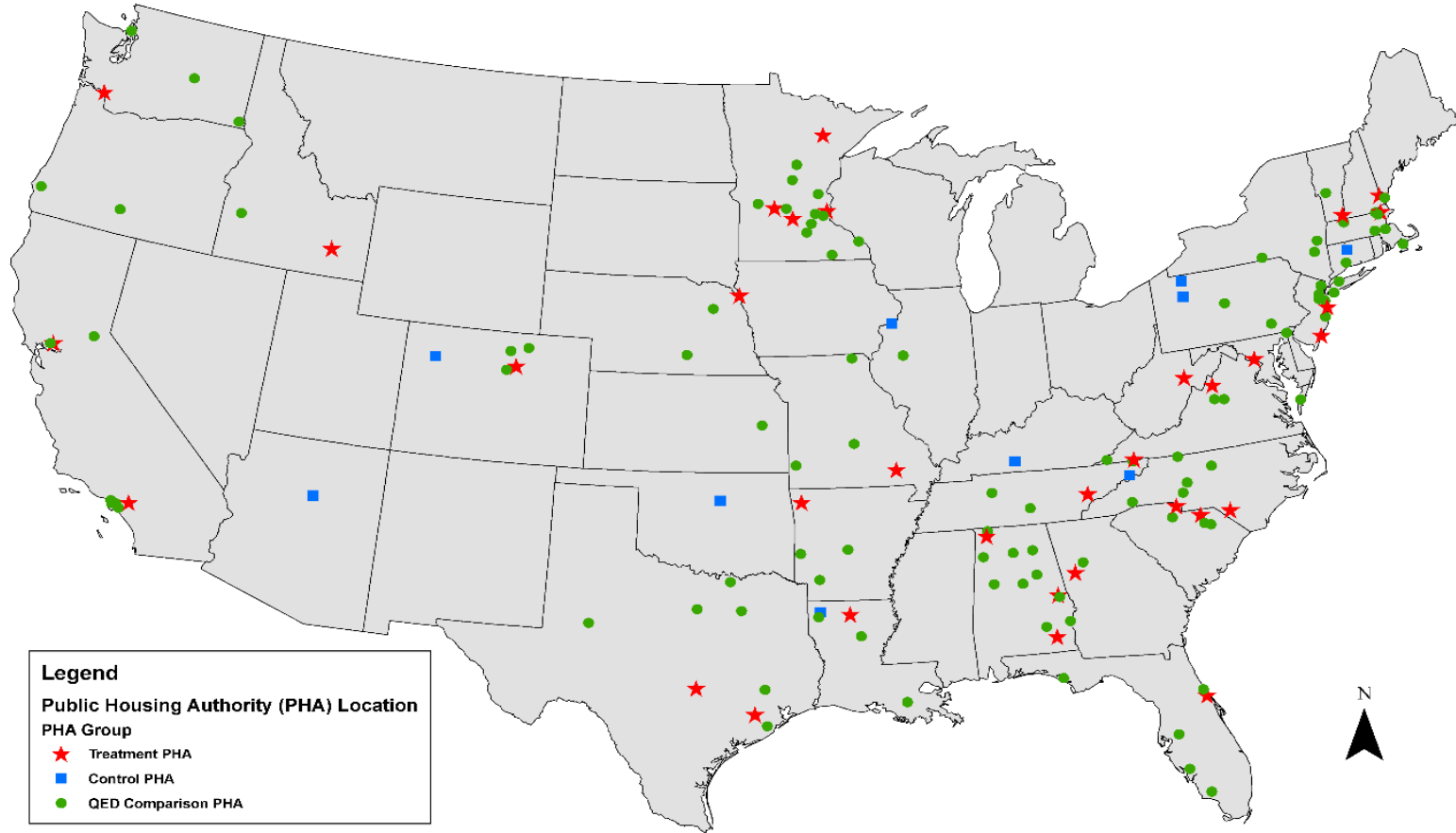
(5) 27 designated MTW to date. Other 4 expected to be designated by end of 2021.

Quasi-Experimental Design (QED) Sample



- Concern about size of control group (n=10) → added a comparison group
 - Sample size limits subgroup analysis
- Matched on PHA characteristics, region, local housing market, and tenant characteristics
 - Comparison PHAs didn't apply, so may have unobservable differences
- 3 Comparison PHAs for each Treatment PHA means 99 Comparison PHAs
 - For subgroups, Comparison PHAs will be assigned to same group as their Treatment PHA

Map of PHAs in the Study



RCT Sample Compared to all Eligible PHAs



- Of 2,065 PHAs eligible to apply for the Flexibility Cohort, only 43 applied
- The Flexibility Cohort applicants are more likely to
 - have both programs or be HCV only
 - be larger
 - have higher expenditures
 - be in a metropolitan area
 - have higher FMRs

Characteristics (with statistically significant difference at 10% level)	RCT PHAs (n=43)	All Smaller, Eligible PHAs (n=2,065)
PHA Characteristics		
Program Types		
Percentage of PHAs with HCV and public housing	51.2	32.9
Percentage of PHAs with only HCV	37.2	23.2
Percentage of PHAs with only public housing	11.6	42.4
Size category:		
< 250 units	20.9	60.2
250–499 units	11.6	20.3
500–749 units	34.9	12.1
750–999 units	32.6	6.0
Average HUD expenditure per unit per month	\$657	\$481
PHA headquarters is in a metropolitan area (%)	69.8	47.0
Fair Market Rent (FMR) for 2-bedroom unit	\$1,008	\$908
Percentage of households where head or co-head is aged 62 or older OR has a disability	57.3	63.0
Average income of nondisabled adults aged 18-61	\$17,763	\$16,627
Percentage of households in special voucher programs	7.1	4.1



BOLD
THINKERS
DRIVING
REAL-WORLD
IMPACT

Motivations and MTW Plans for Flexibility Cohort PHAs

Motivations for Applying



During our telephone interviews, Flexibility Cohort PHAs shared their motivations for applying for MTW:

- Familiarity with Legacy PHAs' programs
- Programmatic innovation
- Funding flexibility
- Reducing administrative burden

Intended MTW Activities by Flexibility Cohort PHAs

Waiver	Total # Planning to Use Waiver	Total % Planning to Use Waiver
Reexamination	31	100.0
Tenant Rent Policy	28	90.3
Landlord Leasing Incentives	21	67.7
FSS Program with MTW Flexibility	18	58.1
Work Requirements	18	58.1
Housing Quality Standards	15	48.4
Payment Standards and Rent Reasonableness	15	48.4
Project-Based Voucher Program Flexibility	11	35.5
Term-Limited Assistance	9	29.0
MTW Self-Sufficiency Program	7	22.6
Short-Term Assistance	6	19.4

Source: Part 2 of the MTW Application

“Documentation of some assets [is] hard. We’d rather spend time growing clients’ assets than having them certify them.” – PHA Executive Director

Treatment PHAs' Funding Flexibility Plans



Intent to Use MTW Funding Flexibility	# of PHAs	% of PHAs
Yes	21	64%
Maybe	6	18%
No	6	18%

Source: Part 1 of the MTW Application

“We do not have any plans to use funding flexibility this year because it is all changing too much. In the same way we will take... small bites that won't choke us, we have no plans to use funding flexibility this year.”

– PHA Executive Director

Control PHA Activities



During our survey and follow-up interviews, Control PHAs shared some activities they are doing without MTW flexibility:

- Reorganizing staff responsibilities
- Improving internal controls around voucher sizes
- Participating in the Rental Assistance Demonstration (RAD)
- Conducting more landlord outreach



BOLD
THINKERS
DRIVING
REAL-WORLD
IMPACT

Outcome Measures

Confirmatory Outcomes



Statutory Objective	Outcome measure	Source	Baseline Mean
Cost-effectiveness	Total operating and administrative expenditures per household per month	Quarterly Voucher Management System; PHA Financial Data Schedule from most recent fiscal year	\$644
Self-sufficiency	Household earnings in most recent year	National Directory of New Hires wage data	\$14,300
Housing choice	Percentage of HCV households living in low-poverty census tracts	PIC, American Community Survey	27.2

Cost-Effectiveness



Outcome (all per household per month)	Baseline Mean
Confirmatory	
Total operating and administrative expenditures	\$644
Exploratory	
Public housing operating expenses minus utilities ^{PH}	\$514
HCV and local, non-traditional programs' administrative and tenant services expenditures ^{HCV}	\$69
HCV Housing Assistance Payment (HAP) expenditures ^{HCV}	\$617
Total federal funding of MTW-eligible programs	\$537
Total revenue of MTW-eligible programs	\$739
Cash reserves	\$47

Note: 43 RCT PHAs, based on PHA-level averages.

^{HCV}Mean only includes PHAs with HCV programs.

^{PH}Mean only includes PHAs with public housing programs.

Self-Sufficiency



Outcome	Baseline Mean
Confirmatory	
Household earnings in most recent year (Q4 2019-Q3 2020)	\$14,030
Exploratory	
Earnings of heads of household in most recent year (Q4 2019-Q3 2020)	\$11,753
Percent of adults with any earnings in Q3 of 2020	54.1%
Percent of households with any earnings in Q3 of 2020	61.4%

Note: 43 RCT PHAs, based on PHA-level averages

^{HCV}Mean only includes PHAs with HCV programs.

^{PH}Mean only includes PHAs with public housing programs

Housing Choice



Outcome	Baseline Mean
Confirmatory	
Percentage of HCV households living in low-poverty census tracts ^{HCV}	27.2%
Exploratory- Opportunity neighborhoods (selection of outcomes)	
Percentage of HCV households with children living in low-poverty census tracts ^{HCV}	27.7%
Percentage of public housing households with children living in low-poverty census tracts ^{PH}	10.3%
Exploratory- Affordable housing (selection of outcomes)	
HCV unit utilization rate ^{HCV} (%)	87.7%
Number of unique HCV landlords per 100 voucher households ^{HCV}	34.8
Exploratory- Hard-to-House Population Levels	
Percentage of households served that have a nonelderly family member with a disability	30.7%
Percentage of households served that were homeless at the time of admission	5.2%

Note: 43 RCT PHAs, based on PHA-level averages

^{HCV}Mean only includes PHAs with HCV programs.

^{PH}Mean only includes PHAs with public housing programs

Other Outcomes of Interest



Outcome	Baseline Mean
Proportion of newly admitted households with income at or below the greater of 30% of AMI or the federal poverty level	89.8%
Percentage of households ending participation in past 12 months	11.4%
Average rent burden in HCV program	31.1%
Percentage of households in the HCV program with rent burden above 30%	9.2%

Note: 43 RCT PHAs, based on PHA-level averages



BOLD
THINKERS
DRIVING
REAL-WORLD
IMPACT

Evaluation Next Steps

Evaluation Outreach



Date	Activity
Flexibility Cohort PHAs	
Jan 2022	Webinar for Year 1 data collection, with peer learning
Feb-Mar 2022	Interviews
Aug 2022	PHA report briefing
Control Group PHAs	
Aug 2022	PHA report briefing
Jan 2023	Webinar for Year 2 data collection
Feb-Mar 2023	Survey and follow-up interviews



BOLD
THINKERS
DRIVING
REAL-WORLD
IMPACT

Poll



BOLD
THINKERS
DRIVING
REAL-WORLD
IMPACT

Questions?

Study Team Contacts



For questions related to the evaluation, contact

- Larry Buron, Project Director
 - Phone: (301) 634-1735
 - Email: Larry_Buron@abtassoc.com
- Anne Fletcher, HUD PD&R
 - Phone: (202) 402-4347
 - Email: Anne.L.Fletcher@hud.gov

For questions related to MTW, contact
MTWcohort1@hud.gov



BOLD
THINKERS
DRIVING
REAL-WORLD
IMPACT

Thank you for
joining us today!

abtassociates.com

