



HUD Moving to Work Expansion Training

MTW Expansion Onboarding

Office Hours

June 8, 2022

Today's Agenda – Office Hours

Questions and Answers around key concepts:

- ① First Steps
- ② Financial Policies and Procedures
- ③ Financial Reporting
- ④ MTW Supplement to the PHA Plan



First Steps



Questions?



Key Takeaways

- **Communication is Key!**
 - Share MTW plans and gather feedback from residents and stakeholders throughout the process.
 - Involve the board to get their input and buy-in
- **MTW ACC Amendment Execution**
 - Send PHA Board Resolution and PDF of ACC Amendment with wet signature to the appropriate MTW cohort mailbox.
 - MTW ACC Amendment is not executed until HUD signs
 - The execution date is the PHAs official entry date into the MTW Demonstration program



Key Resources

- [Welcome to MTW Webinar](#)
- [MTW Operations Notice](#)
- [Public Engagement](#)
- [Sample Board Resolution](#)

MTW Selection Notices:

- [Flexibilities for Smaller PHAs Cohort](#)
- [MTW Stepped and Tiered Rent Cohort](#)
- [MTW Landlord Incentives Cohort](#)



Financial Policies and Procedures



Questions?



Key Takeaways

MTW funding flexibility means using Operating, Capital, and HCV funds for purposes they were not originally appropriated for (e.g., use of Operating Funds to issue additional HCV vouchers), or when using MTW Administrative flexibilities.

MTW funding flexibility is only allowable under specific funding sources (Capital, OP, and HCV); flexibility is not allowable for Multifamily PBRA or special purpose vouchers.

Obligation and expenditure requirements remain unchanged.

Requisitioning requirements change for Capital Funds and HCV (but not for Operating Funds).

Some funding calculations change:

- Operating and Capital Funds remains unchanged under MTW
- HCV: no change to admin fees, but MTW HAP renewal compares actual HAP/non-HAP eligible expenses with the HAP renewal eligibility cap

Key Resources

- [October 2020 Webinar: Funding Flexibilities, Funding Calculation, and Statutory Requirements](#)
- [Section VI.5.b. of the MTW Operations Notice](#)
- MTW Online Training
 - [Understanding and Using Funding Flexibilities](#)
 - [Operating MTW with Other Programs](#)



Financial Reporting



Questions?



Key Takeaways

Timing of FDS, EPIC, and VMS reporting changes are based on execution of the ACC; specific effects are different for each system.

MTW Expansion agencies must have systems in place to trace funds from source to final use. This includes maintaining internal accounting records to differentiate fund balances for all voucher types.

Key Resources

- [Section 5 of MTW Operations Notice](#)
- [FDS Reporting Guidance](#)
- [Updated FDS Line Definition Guide](#)
- [MTW ACC Amendment FAQs](#)
- [VMS Quick Reference Guide](#)
- CARES Act
 - [PIH Notice 2020-24: FDS CARES Act Reporting Notice](#)
 - [PIH Notice 2021-36 CARES Act Supplemental Operating Fund Close Out Procedures](#)
- [MTW SPV FAQs](#)



MTW Supplement to the PHA Plan



Questions?



Key Takeaways

The MTW Supplement summarizes information about waivers requested and activities to be undertaken and needs to convey your plans clearly to the public.

Attachments to the MTW Supplement include:

- Impact analysis
- Hardship policy
- Documentation of public comments and how the agency addressed them
- Certifications of Compliance.

Plan ahead! The MTW Supplement development process can take 8 months.

Use the OMB approved form "HUD-50075 - MTW Supplement to the Annual PHA" to prepare for the online MTW Supplement form.



Key Resources

- [MTW Supplement Information at HUD.gov](#)
- [MTW Certifications of Compliance](#)
- [Section 4 of the MTW Operations Notice](#)
- [Types of Waivers and Their Requirements](#)
- [Appendix II of the Ops Notice](#)
- [How to Approach an MTW Impact Analysis Interactive Training](#)
- [Impact Analysis & Hardship Policies Webinar](#) and [Slides](#)
- [Appendix II of the Operations Notice: Hardship Policy Requirements](#)
- [MTW Expansion Training Sample Hardship Policy \(hudexchange.info\)](#)
- [MTW Supplement – Tips for Success Webinar \(Tips for Writing Strong MTW Supplement Narratives\)****](#)



Questions?



Summary of Resources

Reference and Training

- [MTW Operations Notice](#)
- [Moving to Work page on HUD.gov](#)
- [Moving to Work Expansion page](#)
- [MTW Expansion Training](#)
- [MTW Expansion Webinars](#)
- [MTW Supplement Webpage](#)
- [MTW Online Manual](#)

Impact Analysis/Hardship Policies

- [How to Approach an MTW Impact Analysis Interactive Training](#)
- [MTW Expansion Training Sample Hardship Policy \(hudexchange.info\)](#)
- [Impact Analysis & Hardship Policies Webinar](#)
- [Appendix II of MTW Operations Notice](#)

MTW System Guidance

- [Getting Started with the MTW Expansion Process and Resources Job Aid](#)
- [MTW Supplement System Job Aid for PHA Users - Information about Getting Started](#)
- [MTW Supplement System Job Aid for PHA Users - How to Use the System](#)
- [Known issues affecting PHA users](#)
- [User access request](#)

Guidance for Completing the MTW Supplement

- [Completing the MTW Supplement - Reference Guide](#)
- [Section 7\(a\)\(ii\): MTW Supplement to the Annual PHA Plan](#)
- [Appendix I: Waivers, Associated Activities and Safe Harbor\(s\)](#)
- [Appendix II: Requirements for Safe Harbors: Impact Analysis/Hardship Policies](#)
- [MTW Supplement to the Annual PHA Plan](#)
- [MTW Certifications of Compliance](#)



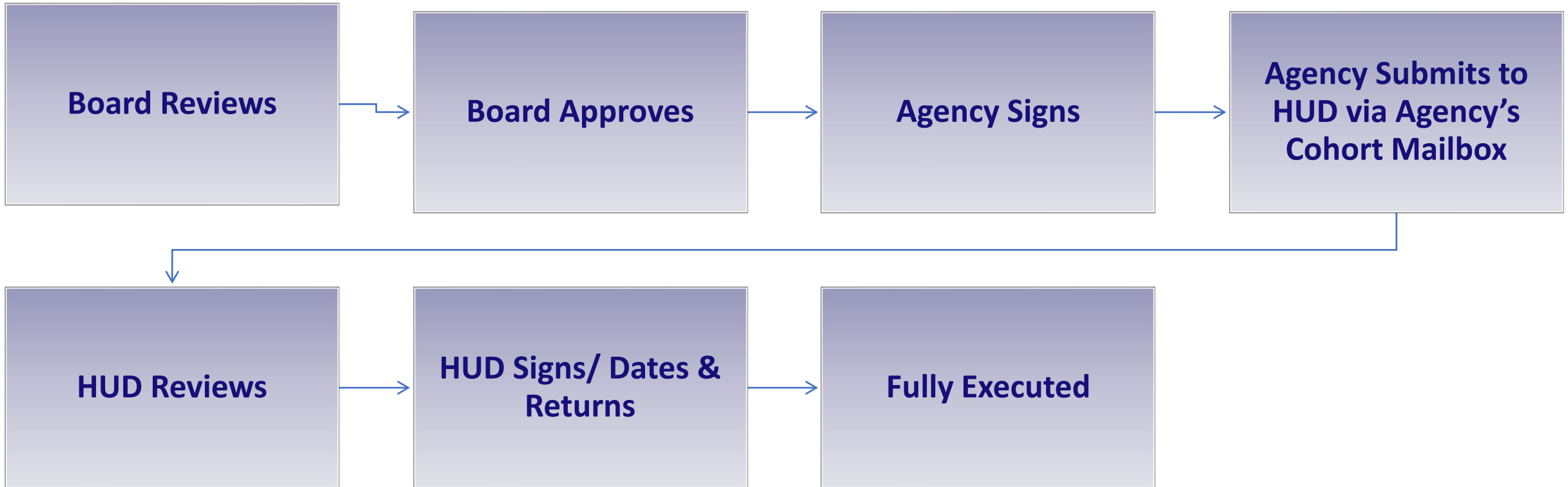
Thank you!



10 Minute Break

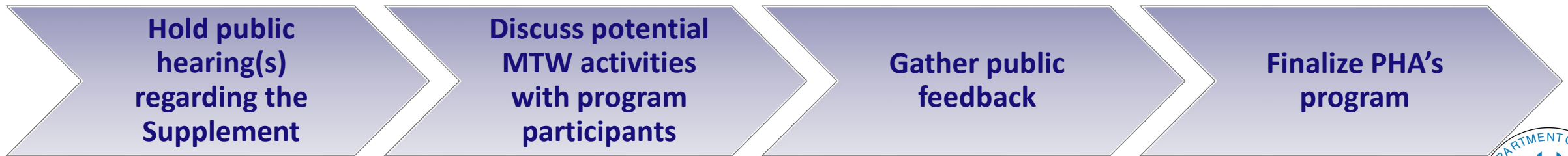


Finalizing & Executing the MTW ACC Amendment



Conduct Public Process and Complete Development of the MTW Supplement

- The MTW Supplement
 - Informs HUD, residents, community about planned MTW activities
- The Public Process
 - Up to two required public meetings
 - Receive feedback regarding potential MTW Activities to be implemented
 - Potential modification based on public's feedback



First Steps – Selection to Implementation

1

- ACC Amendment Executed (funding flexibility can be applied)

2

- Develop MTW Supplement (in coordination with stakeholders)

3

- Submit MTW Supplement

4

- MTW Supplement Approval

5

- Update ACOP and/or Admin Plan

6

- Begin MTW Activity Implementation

Implementing Funding Flexibilities

When can MTW expansion agencies begin to use funding flexibilities and implement activities?

- Funding flexibility can be used for eligible purposes under Section 8 and 9 starting on the first day of the month following HUD's execution of the MTW ACC Amendment
- Activities that require waivers cannot begin until the MTW Supplement to the PHA Plan is approved

Example:

An MTW agency could begin to use Operating Funds to issue HCV vouchers after the MTW ACC Amendment has been executed, but it cannot implement a local, non-traditional activity unless it has received approval in the MTW Supplement to the PHA Plan.



MTW Funding Flexibilities

Eligible Uses

- MTW funding flexibility allowable under:
 - HCV (HAP/HCV Admin Fee)
 - Operating Fund
 - Capital Funds

Ineligible Uses*

- Using Section 8 & 9 funds used for Section 8 Project-Based Rental Assistance (PBRA) programs run by Office of Multifamily Housing
- Special Purpose Vouchers (SPVs) including Emergency Housing Vouchers (EHVs) from the American Rescue Plan of 2021
- Repaying ineligible costs related to audit findings (must use non-Federal funds)

* Not an exhaustive list!



Funding Obligation, Expenditure, and Requisitioning

| | Public Housing Operating Funds | Public Housing Capital Funds | HCV Program |
|---|--------------------------------|--|---|
| Obligation and Expenditure Requirements | Same as for non-MTW | Same as for non-MTW | Same as for non-MTW |
| Requisitioning | Same as for non-MTW | Use MTW BLI 1492 in HUD's Energy and Performance and Information Center (EPIC) system. Funds are still disbursed through LOCCS | No requisitioning needed: monthly disbursement based on monthly HAP expenses from VMS, <i>unless</i> current expenses exceed disbursements Non-HAP expense disbursements must be requested by contacting FA in HCV FMC |



Funding Calculations for HCV

HAP Renewal Eligibility Based on 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 |
|-----------------------------|---|--|---|--|

2) The Re-Benchmark Year's Actual HAP/non-HAP eligible expenses, calculated as:

| | | | | |
|-------------------------|---|--------------|---|-------------------------------|
| Total Eligible Expenses | = | HAP Expenses | + | Eligible Non-HAP MTW Expenses |
|-------------------------|---|--------------|---|-------------------------------|



MTW Amendment to the ACC and MTW Financial Reporting

| Reporting System | Trigger for Change | What to Do Differently |
|---|---|---|
| <ul style="list-style-type: none">Financial Data Schedule (FDS) | <ul style="list-style-type: none">PHA begins <u>using</u> funding flexibility | <ul style="list-style-type: none">Adhere to MTW-specific reporting requirements |
| <ul style="list-style-type: none">Capital Fund (i.e., EPIC) | <ul style="list-style-type: none">ACC Amendment execution | <ul style="list-style-type: none">Begin using BLI 1492 (MTW) and cease using BLI 1406 |
| <ul style="list-style-type: none">Voucher Management System (VMS) | <ul style="list-style-type: none">Month following ACC Amendment execution | <ul style="list-style-type: none">Begin using MTW specific fields |

Learn more by reading the [MTW ACC Amendment FAQs](#)



Timing of MTW Amendment to the ACC & Effect on FDS Reporting

Option A

Follow MTW FDS reporting instructions if implementing funding flexibility prior to end of current PHA fiscal year.

Option B

Follow current FDS reporting instructions if agency does not elect to implement funding flexibility during current PHA fiscal year.

After completion of PHA's current fiscal year, begin following MTW FDS reporting instructions.

[FDS Reporting Guidance](#)

[Updated FDS Line Definition Guide](#)



MTW-Specific Financial Reporting: Capital Fund

Reporting/Using Budget Line Items (BLI)

- Traditional Cap Fund BLI(s) for activities requested under Section 9(d)
- BLI 1492 (MTW) for activities under Section 9(e), Section 8(o), and LNT.

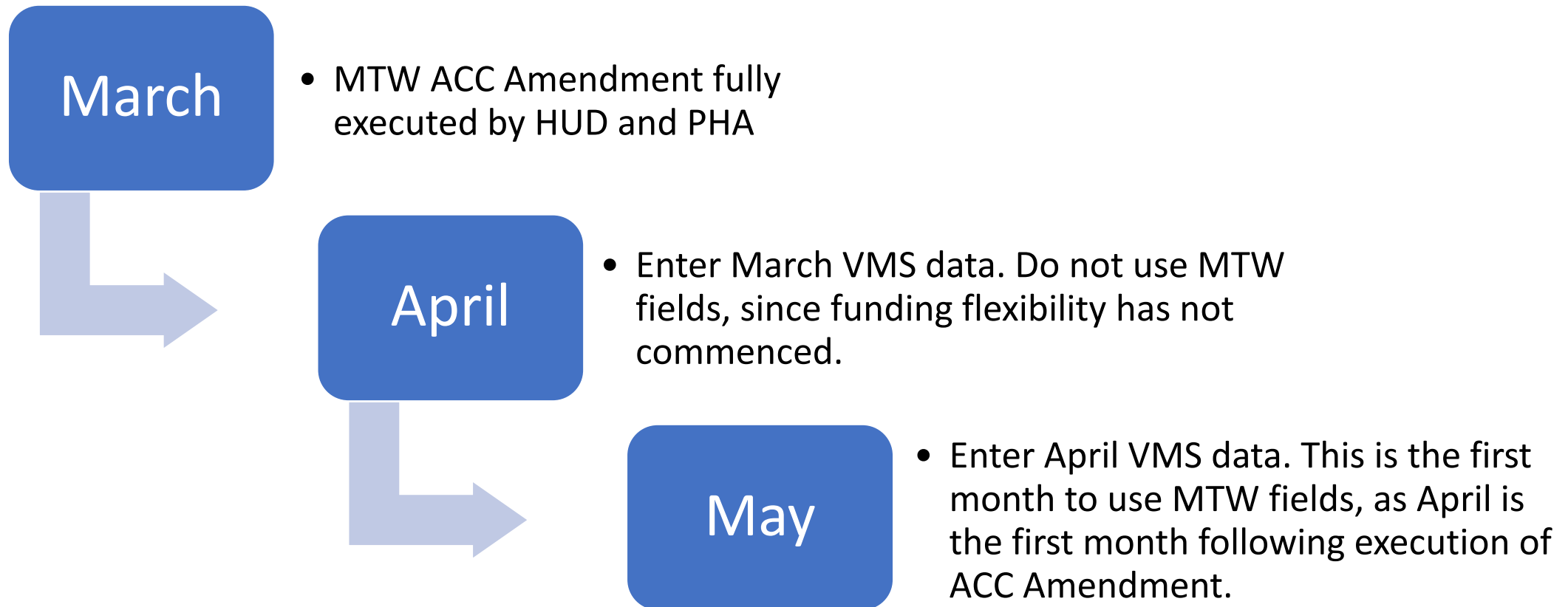
Pre-FY 2022 vs. 2022 Allocation

- Pre-FY 22 allocations – use BLI 1492 or BLI 1406 Transfer to Operations for non-Capital Fund purposes
- Starting with FY22 allocation – use BLI 1492 for non-Capital Fund eligible purposes. Cannot use transfer to operations (BLI 1406) line item.



MTW-Specific Financial Reporting: VMS

Time frame for starting to use MTW-specific fields. Below is an example based on a March 2022 MTW ACC Amendment execution:



MTW Supplement Process



MTW Supplement: Preparing for Submission

Suggested process

Walk through the sections of the PDF form

Gather input from colleagues as needed

Draft text in Word document; paste into Online MTW Supplement Form

Gather your supporting documentation



Remember: Use OMB approved form "HUD-50075 - MTW Supplement to the Annual PHA Plan in your planning before beginning to complete the MTW Supplement online!



! Tips for Writing Strong MTW Supplement Narratives

Before

Nothing measurable

No connection to MTW Objectives

Activities and waivers not linked to a goal

Assertions without substantiation (e.g., “There is no impact”)

No evidence of understanding associated requirements



After

Includes times, dates, anticipated impacts in measurable form

Explicit statement of MTW Objectives

Activities and waivers framed around achieving a goal

Assertions backed up with logical analysis explaining “how we know”

Clear acknowledgement of the need for addressing requirements such as safe harbors, Hardship Policies



Conduct Impact Analysis

Why perform an Impact Analysis?

- Helps assess how effective an activity is (or will be) and helps identify any unintended consequences or hardships likely to affect assisted households.

How to Use Results

- Revise activities to prevent negative impacts
- Add Hardship Policies in case of negative impact
- Submit as attachment to MTW Supplement!

Resources

- [Appendix II of the Ops Notice](#)
- [How to Approach an MTW Impact Analysis](#)



Remember: Impact Analysis must be completed BEFORE Public Hearing notice published.

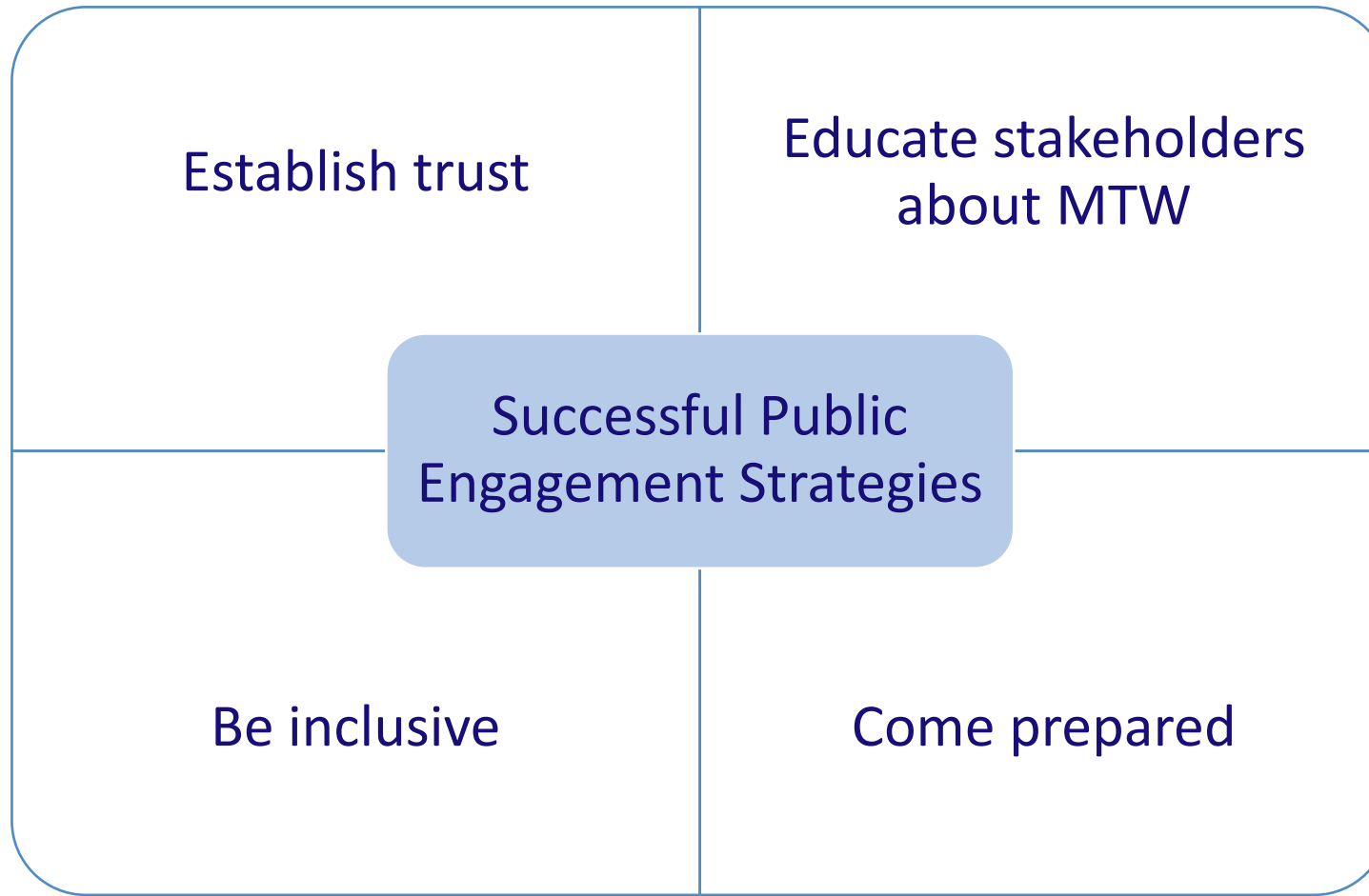
Develop Hardship Policies

- 1 Why develop a Hardship Policy?
 - Required safe harbor
 - Impact Analysis identifies potential hardships
- 2 General policy may cover multiple activities, but:
 - Tailor to the hardships identified
 - Do not parrot the Operations Notice
- 3 You can find a [Sample Hardship Policy](#) in the online manual
- 4 Submit as attachment to the MTW Supplement



Remember: Hardship Policies must be completed BEFORE Public Hearing notice is published.

Public Engagement



Example Timeline for PHA Plan and MTW Supplement Completion

| Action | Jan. 1 FY Start | April 1 FY Start | July 1 FY Start | Oct. 1 FY Start |
|--|--------------------|---------------------|---------------------|--------------------|
| Begin preparations for developing PHA Plan & MTW Supplement | May | August | November | February |
| Draft PHA Plan and MTW Supplement for discussion with staff, residents, & community partners | Mid-July | Mid-Oct. | Mid-Jan. | Mid-April |
| 45-day public review period | Mid-Aug. | Mid-Nov. | Mid-Feb. | Mid-May |
| Public Hearing * | First week of Oct. | First week of Jan. | First week of April | First week of July |
| PHA Plan & MTW Supplement due ** | Mid-Oct. | Mid-Jan. | Mid-April | Mid-July |
| Update Administrative Plan and Admissions and Continued Occupancy Policy (ACOP) | Upon Approval | Upon Approval | Upon Approval | Upon Approval |

* Required # of hearings depends on Safe Harbor or Agency-Specific Waivers are being requested

** Exact due date depends on PHA's fiscal year beginning

