



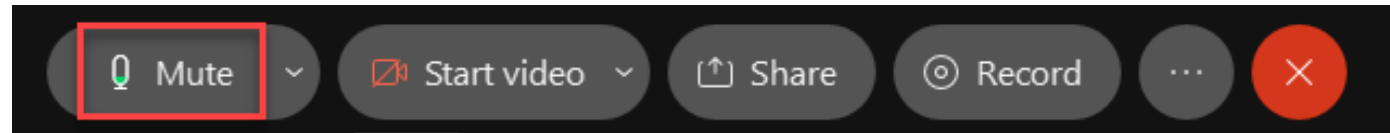
# **HUD Moving to Work Expansion Training**

**Landlord Incentives Cohort Onboarding – Planning Your MTW Agency's  
Finances Part 1: Financial Policies and Procedures**

**March 9, 2022**

# Muting & Unmuting

- You are **muted** upon entry.
- You can mute and unmute yourself throughout this webinar.
  - Red = Muted
  - Green = Unmuted/Audible



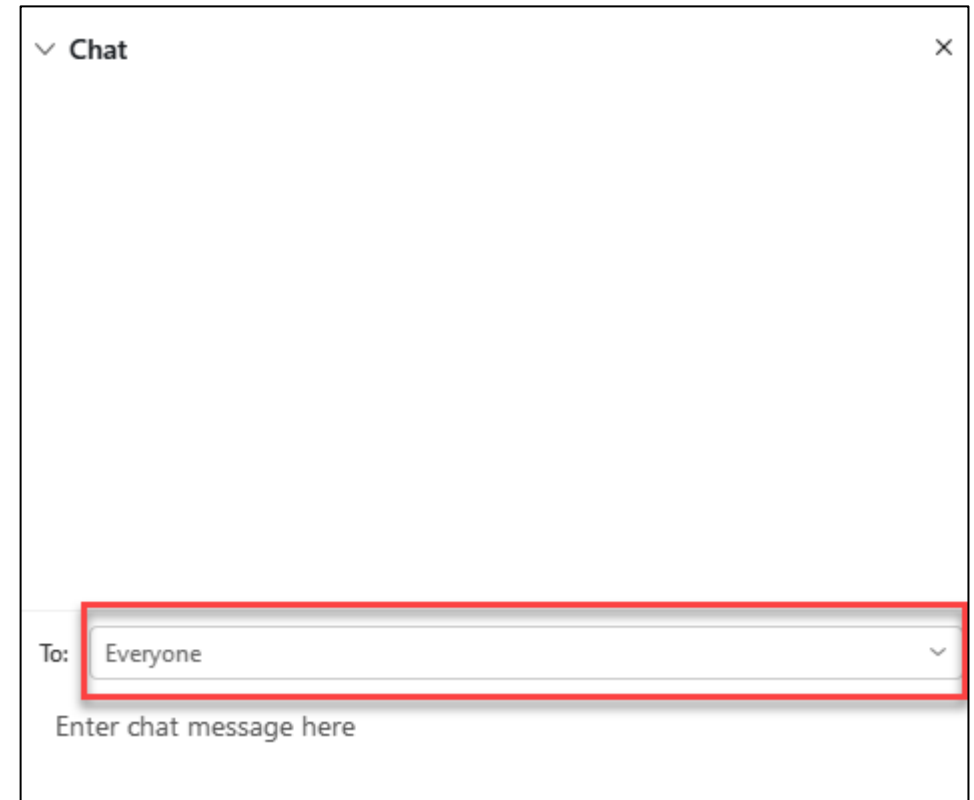
- Please remain muted throughout, unless you would ask a question or provide input.
- To speak, click the Microphone button to unmute; ask your question or provide your comment. Please mute yourself when you are done.

# Questions?

- You can ask your question or provide your input verbally by simply unmuting yourself and speaking aloud (remember to re-mute when you're done!)

**OR**

- Type your question or comment in the Chat box (send to Everyone)

A screenshot of a chat interface. At the top, there's a header bar with a downward arrow and the word 'Chat', and a close button (X) on the right. The main area is empty. At the bottom, there's a 'To:' dropdown menu with 'Everyone' selected, and a text input field with the placeholder text 'Enter chat message here'. A red rectangular box highlights the 'To:' dropdown menu.



# **HUD Moving to Work Expansion Training**

**Landlord Incentives Cohort Onboarding – Planning Your MTW Agency's  
Finances Part 1: Financial Policies and Procedures**

**March 9, 2022**

# Today's Agenda

- MTW ACC Amendment and Funding Flexibility
- Eligible Uses of Funds Under Section 8 and Section 9
- Break Out Room Discussion
- Section 8 and 9 Funding Calculations
- Financial Policy and Procedures
- Applied Change Management
- Q&A





# MTW ACC Amendment and Funding Flexibility

## **When should the agency begin processing the ACC Amendment?**

- HUD strongly encourages your agency to execute your MTW ACC Amendment as expeditiously as possible
- Agency discretion when board signs MTW ACC Amendment and submits to HUD for signature



# 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

- MTW funding flexibility only allowable under the following funding sources:
  - HCV (HAP/HCV Admin Fee)
  - Operating Fund
  - Capital Funds
- Agencies may propose activities that free up funds to be used flexibly
- All required HUD approvals must be received, if needed, e.g., for:
  - Mixed Finance Developments
  - Acquisitions
  - Demolition/Disposition, etc.





# Section 8 & 9 - Ineligible Uses

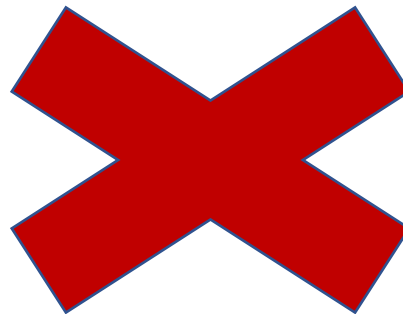
- Activities not permitted under MTW Demonstration include:
  - Using Section 8 & 9 funds for Section 8 Project-Based Rental Assistance (PBRA) programs run by Office of Multifamily Housing
  - Repaying ineligible costs related to audit findings (must use non-Federal funds)
- These are examples of ineligible uses, not an exhaustive list!
  - If you have any questions regarding whether an activity is eligible or not, please email [mtwlandlordincentives@hud.gov](mailto:mtwlandlordincentives@hud.gov)



# Implementing Funding Flexibilities

- Funding fungibility/flexibility does not apply to Special Purpose Vouchers (SPVs) including Emergency Housing Vouchers (EHVs) from the American Rescue Plan of 2021
- SPV FAQ:

<https://www.hud.gov/sites/dfiles/PIH/documents/SpecialPurposeVouchersFAQ.pdf>



# Breakout Session

**What is the long-term goal that you hope to achieve with MTW funding fungibility?**

**What steps does your agency need to take to prepare for your MTW status?**

**What topics would you be interested in learning more about as it pertains to MTW funding fungibility?**



# Questions?



# 10 Minute Break



# Funding Calculations: Sections 8 and 9

	Public Housing Operating Funds	Public Housing Capital Funds	HCV Program
Funding Calculation	Same as for non-MTW	Same as for non-MTW	Administrative Fees are earned as they are for non-MTW agencies  HAP Renewal Eligibility is based on HAP and MTW Expenses
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: Sections 8 and 9

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
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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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# Funding Calculations: Sections 8 and 9

- 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 Policies and Procedures



# Financial Policies and Procedures

- Changes may be needed to accommodate funding flexibility
- Consider topics such as:
  - Financial policies and procedures
  - IT systems



# Financial Policies and Procedures



**Note: 2 CFR Part 200 Requirements still apply**



# MTW Agency Perspectives





# Maria Razo

## Executive Director



HOUSING AUTHORITY OF THE  
COUNTY OF SAN BERNARDINO



# Agency Background

- Located in Southern California, largest geographical county in the contiguous U.S.
- 9,737 Housing Choice Voucher Units (per MTW baseline)
- 99 Public Housing Units
- 1,863 Special Purpose Voucher Program Units (HOPWA, CoC, Mainstream, VASH, EHV)
- 2,883 Authority-Owned Units
- 140 staff



# MTW Activities by Statutory Objective

Administrative Efficiency
Single-Fund Budget
Strategic Investment Policies (closed)
Alternate Assessment Program (on hold)
Biennial Recertifications
Simplified Income Determination
Elimination of Assets (closed)
Controlled Program Moves (closed)
Local Inspection Standards
Property Management Innovation
Utility Allowance Reform (closed)
Streamlined Lease Assistance Program



# MTW Activities by Statutory Objective

Economic Independence
Local Policies for Portability
Elimination of Earned Income Disallowance (closed)
Minimum Rent
Pilot Work Requirement (closed)
Local Income Inclusion
Local FSS Program
Term-Limited Lease Assistance Program
No Child Left Unsheltered
Transition for Over-Income Families



# MTW Activities by Statutory Objective

Expanding Housing Opportunities
Local Project-Based Voucher Program
Local Payment Standards
Operating Subsidy for Vista del Sal (closed)
Project-Based Voucher Flexibility for Horizons at Yucaipa Senior Housing
Local Disaster Short-Term Rental Assistance
Local Project-Based Voucher Subsidy for Tax Credit Developers



# Financial Lessons Learned

- Create separate fund for “MTW” in your general ledger/chart of accounts
- Create separate fund for “MTW Local Non-Traditional Activities”
- Create separate accounts in your general ledger for transfers in/out of MTW fund, separate account by program:





# Financial Lessons Learned

- Housing Choice Voucher Program and MTW
  - Transfer **IN** from MTW to Housing Choice Voucher Program
  - Transfer **OUT** from Housing Choice Voucher Program to MTW
- Public Housing and MTW
  - Transfer **IN** from MTW to Public Housing Operating Funds
  - Transfer **OUT** from Public Housing Operating Funds to MTW
- Public Housing Capital Funds and MTW
  - Transfer **IN** from MTW to Public Housing Capital Funds
  - Transfer **OUT** from Public Housing Capital Funds to MTW
  - Important to continue to keep track of expenses separately, by original source of funds



# Financial Lessons Learned

- Financial Data Schedule
  - Will need to report MTW expenses in FDS separately, and create new columns
  - Create mapping from Chart of Accounts to FDS line items (in software system preferably)
- Software
  - Will your current system accommodate the changes that are needed?
- Do not assume fungibility will solve all financial problems
  - Subject to proration
  - Do not receive additional funding
  - Additional implementation costs (create implementation plans)
  - Potential additional costs (research, analysis, technology...)



# Implementation Plan Section Suggestions

- Purpose (evaluate local needs)
- Regulatory Relief
- Administrative Policies
- Administrative Procedures (effective date)
- Families Impacted (new only, new and current)
- Communication to Participants
- Communication to Owners
- Communication to Staff
- Communication to other Stakeholders (HUD, other PHAs, Board, other Partners)
- Process workflows
- Additional Costs
- Anticipated Cost Savings/Financial Impact
- Software Modifications Needed
- Attachments:
  - Timeline with tasks needed, who responsible, deadlines
  - Process workflows
  - Letters to participants, owners
  - Fact sheet/overview (internal and external if needed)
  - Q&A document, if needed
  - Talking points for staff



# Lessons Learned

## Potential additional responsibilities for financial/accounting staff:

- Changes to chart of accounts
- Additional reporting requirements (VMS, FDS, MTW plans)
- Important for finance team to understand the *why* behind program changes
- Communication key between operations and finance (monthly planning/overview meetings)

## Do your homework:

- Read the appendices
- Know what waivers you have, which ones you have to request
- Understand the timing of public notices, public hearings, submission deadlines,



# Lessons Learned

- Consultant
- Legal
- New/expanded analytical/reporting responsibilities (tracking, reporting, analysis, evaluation of metrics/expected outcomes)
- Overtime (i.e., implementation)
- Software modifications
- Third party research
- Specialized training



# Communication Plan

- Agency's team
  - Listening/education/input sessions with staff at agency-wide/department levels
  - Address concerns, educate about benefits, and share ideas for how MTW flexibilities can be used
- Residents/Participants
  - Inform of what can be expected from MTW, their role in the decision-making process, benefits and provide clarity on name of designation "Moving to Work".
- Board
  - Involve the board early and often in providing feedback and providing education-board building sessions. Help them understand their role as a messenger/champion for the agency.



# Communication Plan

- Community, Elected Officials, Other Stakeholders
  - Share how MTW flexibilities facilitate partnerships (while being careful to educate that MTW funds are not unlimited/unrestricted). Help partners understand the goal/purpose of MTW. Build relationships.
- HUD
- Other PHAs
- Keep it simple & easy for stakeholders to understand (e.g., fact sheets, talking points for staff, Q&A).



# Fact Sheets

## MOVING TO WORK DESIGNATION



### HACSB MOVING TO WORK

In 2008, the Housing Authority of the County of San Bernardino (HACSB) was designated as a Moving to Work (MTW) Agency by Congress. This designation allows HACSB to waive some HUD program requirements to develop local policies adapted to the diverse communities that make up San Bernardino County.

#### WHAT IS IT?

MTW is a national demonstration program for public housing authorities to design and test affordable housing strategies. Lessons learned by MTW agencies can influence national housing policy to improve programs and services for all families. Fewer than 2% of housing authorities are designated MTW agencies.

#### WHAT DOES IT DO?

MTW agencies can waive some program regulations to design local strategies to meet local needs. The Housing Authority of the County of San Bernardino (HACSB) was designated by Congress as a MTW agency in 2008.

Using MTW flexibilities, we have executed 27 innovative initiatives based on the three statutory objectives of the MTW demonstration:

- 1.** Save taxpayer dollars through efficient work.
- 2.** Help our families achieve economic independence.
- 3.** Ensure a family's freedom of housing choice.

### SPOTLIGHT ON SUCCESS PARTICIPANT PROFILES

#### JODI

A single mother of three, Jodi became a participant in HACSB's Term-Limited Lease Assistance Program (TLA) with the goal of becoming a homeowner and providing for her kids. Together, with staff she was able to exit the program a year and a half early to buy a home in the High Desert, leaving room for more program participants.



#### JULIAN



Recent Term-Limited Lease Assistance Program participant Julian states that "there is no secret to achieving homeownership". Combining hard work and coaching from HACSB staff, Julian was able to organize his budgeting and pay off over \$22,000 in credit card debt. Julian recently moved into his own home and is now a part of HACSB's Homeownership Program.

[hacsb.com](http://hacsb.com)



### LOMA LINDA UNIVERSITY RESEARCH PARTNERSHIP

Since 2010, the Housing Authority of the County of San Bernardino (HACSB) has partnered with Loma Linda University (LLU) for third-party research and evaluation of our Moving to Work (MTW) initiatives. The LLU School of Behavioral Health has conducted eight nationally recognized research studies and needs assessments of six HACSB initiatives, helping to inform policy and shape program design.

This program restored a sense of independence and gave me the opportunity to see myself as capable and worthy again.

—Anonymous participant

### EVALUATING THE HACSB TERM-LIMITED LEASE ASSISTANCE PROGRAM

HACSB Term-Limited Lease Assistance (TLA) initiative offers five years of housing assistance coupled with services to assist families on their path to self-sufficiency. Since 2010, LLU spearheads longitudinal research of current TLA families and, since 2017, post-assistance research of former TLA families for up to two years after they exit housing assistance. These research endeavors are notable for their duration, unique areas of study, and size.



[hacsb.com](http://hacsb.com)

## MOVING TO WORK ACHIEVEMENTS

We are proud to report the results from some of our endeavors:



#### Saving Taxpayers' Dollars

Saved **231,000 staff hours** through streamlining the income and rent process.



#### Assisting Families to Achieve Self-Sufficiency

We actively seek out partnerships with expert service providers to help our customers work toward their goals.

Loma Linda University (LLU): LLU has conducted several needs assessments to determine the top needs of our residents, which include mental health services, family counseling, and case management.

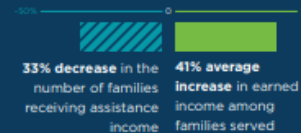


#### Ensuring Housing Choice

Nearly **2,300 families** leased units that would have been out of reach under traditional program regulations. Leasing in areas of opportunity increased by **30%**



#### Promoting Economic Independence



## WHO WE ARE



As one of the most progressive housing authorities in the country and the largest provider of affordable housing in San Bernardino County, the Housing Authority of the County of San Bernardino (HACSB) proudly assists approximately 25,000 people, most of whom are seniors, individuals with disabilities, veterans, and children.

### OUR MISSION

HACSB empowers all individuals and families in need to achieve an enriched quality of life by providing housing opportunities and resources throughout San Bernardino County.

### OUR VISION

HACSB is committed to creating a world in which all people have a stable and enriched quality of life.

#### Housing Families

We help low-income families attain safe and stable housing through a variety of rental assistance programs funded by the U.S. Department of Housing and Urban Development (HUD). More than 10,500 families are served through housing assistance payments made to landlords on behalf of the families. Other families reside in units owned and managed by HACSB. These programs provide a critical safety net for families in San Bernardino County, where families would need to earn nearly twice the minimum wage to afford rent for a two-bedroom apartment.

#### Moving to Work

As a testament to our high performance, HACSB was designated by Congress in 2008 as a Moving to Work (MTW) public housing agency, allowing HACSB to waive some HUD program requirements in order to develop local policies adapted to the diverse communities that make up San Bernardino County.



#### Real Estate Development

As HUD does not provide HACSB with capital funds for development of additional affordable housing, we rely on a variety of partners to meet this gap. Development of new affordable housing has been made possible through funding and loans from the County of San Bernardino, various cities throughout the county, and other partners.



### Housing Authority of the County of San Bernardino, by the numbers:



[hacsb.com](http://hacsb.com)





# HACSB's Takeaways

- Communication is crucial – to all stakeholders
- Tackle administrative/operational efficiencies first
- Be strategic – consider staffing/software/funding capacities. Start with changes that are low effort & high return. Create implementation plans.
- Existing MTW agencies are here to help
- HUD is your partner
- MTW is embedded into agency's strategic plan (who we are)
- Be ready and excited for a change in your organization's culture.



# Contact Information

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# **John Filip, CFO**

# **Vanoji Balasuriya, Budget Director**



# SINGLE FUND FUNGIBILITY

- The ability to bring funds from various sources into a single pool of funds which is then used for existing and potentially new projects.
- Eliminates unnecessary boundaries from a typical PHA where funds are maintained and used in a “tunnel vision” environment.
- Though less restrictive, it does not eliminate the rules and regulations under Part 200 CFR, but rather provides an agency with some flexibility on how to use such funds.
- Provides the ability to fund activities that may not otherwise receive funding.



# FISCAL CONSIDERATIONS

- General Ledger – chart of accounts, cost centers, departments.
- Establishment of new departments and cost centers, for example
- Policy and Technology Lab , Block Grant , Resident Services
- Maintain and **ENHANCE** existing internal control policies/procedures.
- Assess and re-assess the need for other controls, management oversight, staffing skill set.
- Assess system limitations or potential for additional reporting and budgeting needs.
- Understanding the contract, restrictions and funding formula. \*\*\*
- Board Engagement



# LESSONS LEARNED

- The need and desire to be ready for change across the agency.
- Thinking out of the box top to bottom and bottom to top.
- Need to expand skill set in technical competencies.
- Expanded reporting requirements – VMS, FDS, Annual Plan, and as requested , internally and externally from community stakeholders.
- Public Process and Awareness should not be underestimated.
- Streamlining processes sometimes does not mean less work!!

# BENEFITS & REWARDS

- Stability in funding but it is dependent on analysis of MTW contract and funding formula.
- Ability to expand programs, enrich the lives of the people we serve.
- Improve community engagement.
- Job satisfaction, expansion of departments, career growth.
- Becoming part of the solution for challenging situations such as landlord recruitment, supportive services for residents of all ages.



# Contact Information

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Vanoji Balasuriya

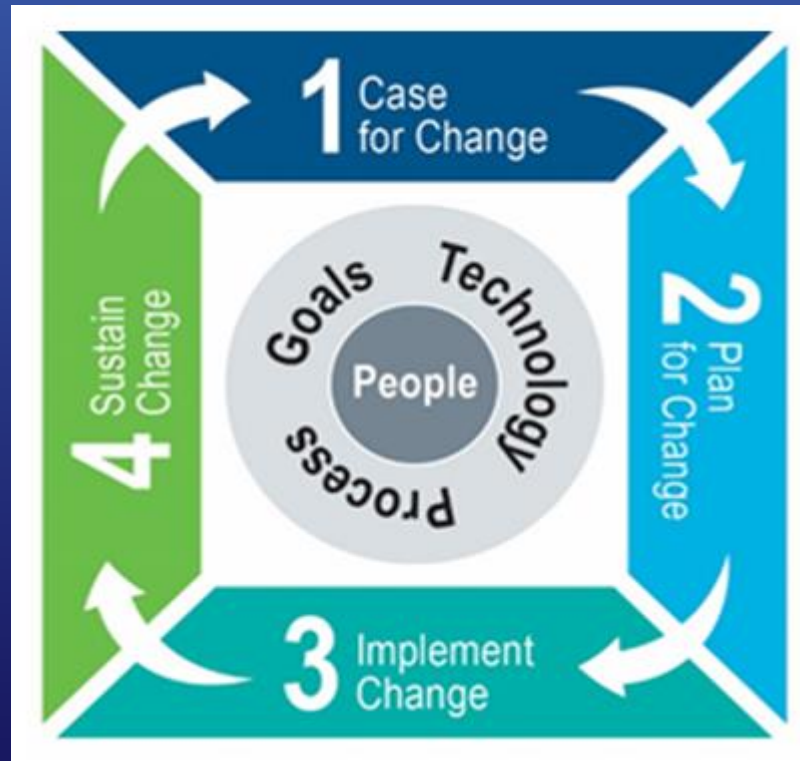
[VBalasuriya@cambridge-housing.org](mailto:VBalasuriya@cambridge-housing.org)



# Questions?



# Effective Change Management



# Tool: 11 Essential Questions for Change Management

## 11 Essential Questions for Managing Change

Effective change management can positively impact the way staff, program participants, and communities respond to new ways of doing things. A key starting point is asking a set of reflective questions to help you consider your own beliefs about the change and define what success will look like for all parties affected by the change. Asking yourself these questions, then exploring them with others, will help you and your colleagues:

- More fully understand the implications of the change.
- Identify what additional information you need
- Decide how to prepare for the change
- Generate support and buy-in for the change

### Instructions:

- Identify **one upcoming change** that will be triggered by participation in MTW.
- Consider each of the **11 Essential Questions** below with respect to that change.
- Use the space provided to jot down your responses to each of the questions with respect to:
  - Your own views
  - How you imagine your colleagues might respond
  - How you imagine key stakeholders like residents, landlords, and community organizations might respond
- Once you have thought through your views of the upcoming change, use the 11 Questions to guide discussions with your colleagues and other stakeholders

## 11 Essential Questions for Managing Change

1. What is the problem or opportunity that is prompting the change?
2. What exactly is changing? What is not changing? Dig into the specifics.
3. What do you fear might result from the change? What do you hope will result from the change?
4. What are the ripple effects of the change? Will various aspects of the change need to be addressed separately?
5. Why is it important for this change to be occurring?
6. How might timing affect acceptance and support of the change, or the way it will be implemented? What other recent changes needed to be considered as this change is rolled out and communicated?
7. Who will be impacted by this change, and in what ways? Consider tolerance for change right now in light of personal and professional events for those most directly affected.
8. What is the expected outcome of the change?
9. What are the expected benefits of the change, and how do they differ for the agency, the staff, the residents, and the community?
10. What would be the impact of not making this change?
11. What are your personal beliefs about the change and how might that affect your approach to implementing required adjustments? What are some ways you could help others process through any resistance to the change?

# Tool: 11 Essential Questions For Change Management



1. Problem/Opportunity



2. Specific change envisioned



3. Fears and hopes



4. Ripple effects



5. Importance of change



6. Effects of timing



7. Who will be affected



8. Expected outcome



9. Expected benefits



10. Impact of not making the change



11. Personal beliefs about the change

## Case Study Example:

What changes could come with implementing a signing bonus to encourage landlords to join the HCV program?



# For the next webinar:

1

Choose one MTW activity that will require changes

2

Think through answers to the 11 questions for those changes

3

Bonus activity: Discuss your reflections with colleagues in your agency prior to the next webinar!



# Questions?



# Resources

- [MTW ACC Amendment \(available from MTW Expansion page on hud.gov\)](#)
- [MTW Selection Notice](#)
- [MTW Operations Notice](#)
- [Moving to Work page on HUD.gov](#)
- [Moving to Work Expansion page](#)
- [MTW Expansion Training](#)
- [MTW Expansion Webinars](#)
- Welcome Letter, Timeline, and Resources received via email





# Upcoming Landlord Incentives Cohort Onboarding Webinars

Planning Your MTW Agency's Finances – Part II: Financial Reporting	March 23, 2022	2:00 – 4:00 PM EDT
The MTW Supplement to the PHA Plan and the Public Process	April 13, 2022	2:00 – 4:00 PM EDT
The MTW Supplement – Tips for Success	May 4, 2022	2:00 – 4:00 PM EDT
HUD-50058 MTW Expansion Form Changes	May 25, 2022	2:00 – 4:00 PM EDT
Office Hours	June 8, 2022	2:00 – 4:00 PM EDT

\*Note: MTW Office Hours has been moved from May 25<sup>th</sup> to June 8<sup>th</sup>. The MTW-50058 Expansion Form Changes webinar will be held on May 25, 2022. Registration coming soon.



# Thank you!

