

Moving To Work (MTW)

Community Meeting



Friday October 30, 2020



Agenda

- Welcome
- Moving to Work
- Rent Reform
- Resident Feedback

What is Moving To Work?

MTW is a demonstration program that provides housing authorities regulatory flexibility to design programs/policies to better meet local needs.

MTW's statutory objectives:

- Use federal dollars more efficiently
- Increase housing choices for low-income families
- Helps residents become self-sufficient with employment and services

MTW Requirements

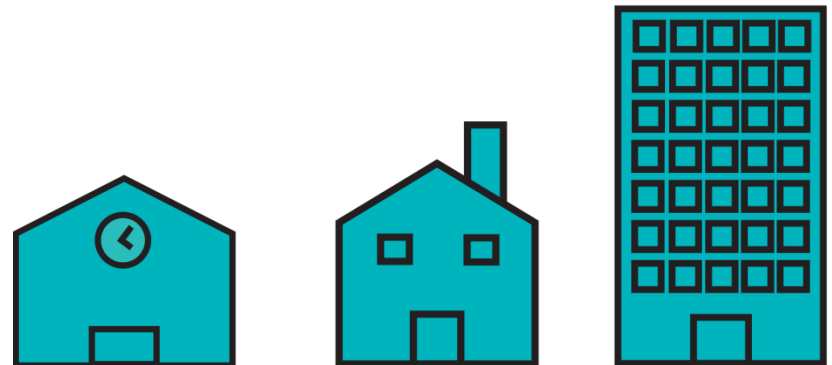
- Ensure 75% of households are very low-income
- Establish a rent policy that encourages employment and self-sufficiency
- Continue to assist substantially the same total number of households
- Continue to assist a comparable mix of households by family size
- Meet HQS requirements

New MTW Expansion

- PHAs
 - 100 MTW Agencies
 - High-Performers
 - Design programs to meet local needs
 - Programs include academic study

New MTW Expansion

- Four Major Study Areas:
 - Flexibility for small sized PHAs
 - Rent Reform
 - Work Requirements
 - Landlord Incentives



Rent Reform

- New calculation to determine how much rent participants pay.
- Applies only to non-elderly, non-disabled households
- Random placement into either control group or test group

Control Group

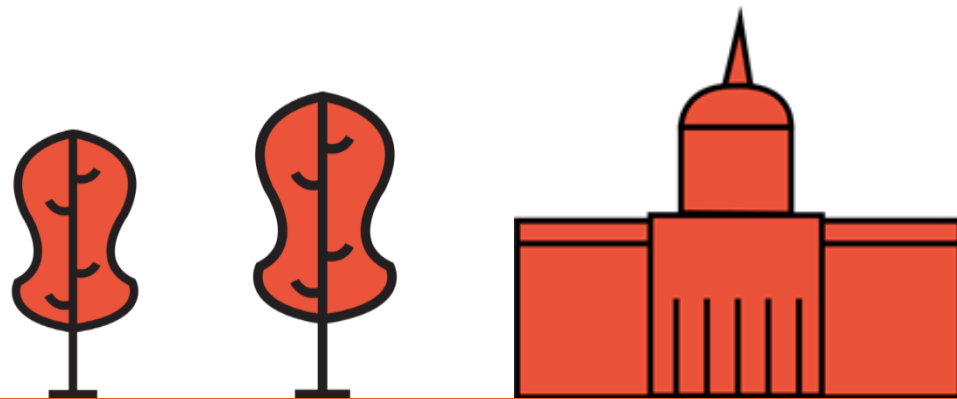
- 50% of households
- No change to rent calculation

Test Group

- 50% of households
- Rent determined based on new calculation

Rent Reform

- Hardship provisions are available for decrease in income
- Triennial Reexams
- Rent is based on Gross Income and deductions are eliminated



Current Rent Policies

Federal regulations determine rent

Rent is based on income

- Rent is calculated at 30% of monthly income after deductions.

Families must report any change of income

- Income increases– rent increases
- Income decreases – rent decreases

Does this help families increase self-sufficiency?

Survey #1

How do rent increases affect you? (Single Choice)

- I feel ready to pay more rent
- I feel stressed
- I don't feel like I have enough time to meet increased rent
- I feel like quitting my job

Survey #2

The proposed rent study under MTW won't increase your rent when you get a raise. What would you do with the extra money?
(select your top 3)

- Pay bills (utility, medical, dental, or other bills)
- Use it for food, gas, or other household expenses
- Put it in savings
- Buy or fix a car, buy a bus pass, or something related to transportation
- Pay off loans and other debts
- Buy clothes / shoes for family members
- Put it toward a vacation or other fun family activity
- Pay school fees for children, or your own education
- Pay for internet connection, computer or other technology
- I'm not sure

Stepped Rent

Rent increases over time (fixed schedule) regardless of income.

- Household starts paying 30% of gross income for rent
- Rent does not change when income increases
- If income decreases, household can request hardship
- Household rent will increase every year by a set amount.

| Bedroom Size | 0 | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 |
|------------------|-------|---------|---------|---------|---------|---------|---------|---------|---------|
| Fair Market Rate | \$829 | \$1,001 | \$1,204 | \$1,690 | \$1,892 | \$2,176 | \$2,460 | \$2,743 | \$3,027 |
| 2% Increase | \$17 | \$20 | \$24 | \$34 | \$38 | \$44 | \$49 | \$55 | \$61 |

Scenario 1

Grace makes \$13,000/yr and pays \$306 in rent.
She gets a new job making \$45,000/yr.

Under the current rent calculation

Grace's rent increases from \$306 to \$1058 due to the increased income.

| Year 2 | Year 3 | Year 4 |
|--------|--------|--------|
| \$1058 | \$1058 | \$1058 |

Under a stepped rent calculation

Grace's rent starts higher at \$325, and only increases 2% at recertification.

| Year 2 | Year 3 | Year 4 |
|--------|--------|--------|
| \$345 | \$365 | \$385 |

Sample Household A – Income **Increase**

| | Current Rent Calculation | Stepped Rent Calculation |
|--|--------------------------|--------------------------|
| Enters program earning \$13,000/yr | \$306 / mo | \$325 / mo |
| After 6 months, income increases to \$45,000/yr | \$1,058 / mo | \$325 / mo |
| Total rent paid for the year | \$8,184 / yr | \$3,900 / yr |
| Total income minus rent | \$20,816 / yr | \$25,100 / yr |
| Rent at annual recertification | \$1,058 / mo | \$345 / mo |
| Next year's income minus rent | \$32,304 / yr | \$40,860 / yr |

Sample Household B – Income **Decrease**

| | Current Rent Calculation | Stepped Rent Calculation |
|--|--------------------------|--------------------------|
| Enters program earning \$25,000/yr | \$588 / mo | \$625 / mo |
| After 6 months, income decreases to \$15,000/yr | \$353 / mo | \$375 / mo |
| *Household B qualifies for a hardship rent decrease until their income goes back up. | | |
| Total rent paid for the year | \$5,646 / yr | \$6,000 / yr |
| Total income minus rent | \$14,354 / yr | \$14,000 / yr |
| Rent at annual recertification | \$353 / mo | \$375 / mo |
| *Household's rent does not go up because they have qualified for hardship waiver. | | |
| Next year's income minus rent | \$10,764 / yr | \$10,500 / yr |

Survey #3

What does becoming "self-sufficient" mean to you?

(select your top 3 choices)

- Answer 1: Having a good-paying job
- Answer 2: Moving to a good neighborhood
- Answer 3: Improving my education
- Answer 4: Getting off housing assistance
- Answer 5: Being financially independent
- Answer 6: Providing for all my needs or the needs of my family
- Answer 7: It means something different to me

Tentative Timeline

| | |
|--|--|
| June, 2019 | Housing Connect submitted letter of interest |
| August 28, 2020 | Housing Connect was invited to apply for MTW. |
| September 29, 2020 | Housing Connect mailed notification to residents of intent to participate. |
| October 22 and October 30, 2020 | Resident Participation Meetings |
| November 16, 2020 | Draft of Application made available to public |
| November 30, 2020 | Public Hearing |
| December 23, 2020 | Submit Application |
| March 1, 2021 | Announcement of Award by HUD |
| March 2021 - February 2022 | MTW Planning |
| March 1, 2022 | MTW Policy Changes Implemented |

Survey #4

Do you support Housing Connect's application to HUD's Moving to Work program? (Single Choice)

- Yes, I support the application
- I think so, but I still have some questions
- I don't think so, but I still have some questions
- No, I don't support the application

Housing Connect...

- Believes housing is the foundation for success.
- Seeks opportunities that will make housing easier to access and maintain.
- Creatively respond to local needs



Questions



Mission Statement

Housing Connect's mission is to connect people and communities to quality affordable housing opportunities while promoting self-sufficiency and neighborhood revitalization.

