



National Association of Housing and Redevelopment Officials

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April 29, 2016

Colette Pollard
Reports Management Officer, QDAM
Department of Housing and Urban Development
451 7th Street SW, Room 4176
Washington, DC 20410-5000

Re: [Docket No. FR-5916-N-02] [OMB Control Number: 2577-0216] 60-Day Notice of Proposed Information Collection: Form 50900: Elements for the Annual Moving to Work Plan and Annual Moving to Work Report

To Whom It May Concern:

On behalf of the current and future Moving to Work (“MTW”) members of the National Association of Housing and Redevelopment Officials (“NAHRO”), I would like to offer the following comments in response to the 60-Day Notice of Proposed Information Collection (FR-5916-N-02) titled “Form 50900: Elements for the Annual Moving to Work Plan and Annual Moving to Work Report” published in the *Federal Register* on March 1, 2016. While NAHRO thanks the United States Department of Housing and Urban Development (“HUD” or “the Department”) for the opportunity to comment on this proposed form, we are concerned that the proposed Form 50900 offers only relatively minor changes to the current Form 50900 and does not correct the more prominent flaws with the current form.

The proposed Form 50900 is a flawed for several reasons. Some of these flaws are in the current Form 50900 and have been carried over to the proposed form, while others are only in the proposed form. When crafting reporting requirements, an agency should try and balance the utility gained from those reporting requirements with the additional burdens imposed on the entities that are complying with the requirements. The proposed Form 50900 fails to adequately find an appropriate balance between these two concerns, but instead falls more on the side of additional administrative burdens without concomitant benefits.

There are several primary reasons that the current Form 50900 imposes a large administrative burden, but does not provide utility in the form of meaningful data. This comment letter touches on the primary reasons, but should not be viewed as a complete list of all the proposed form’s deficiencies. The primary defects of the proposed form listed in this letter are projecting and

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reporting costs of individual MTW activities; the lack of clear and fair reporting requirements for reserves; the inclusion of low-utility standard metric requirements; the requirements for re-authorization of activities; and the overly burdensome single-fund reporting requirements.

1. It Does Not Make Sense to Project and Report Costs for Each MTW Activity by Financial Data Schedule (“FDS”) Line Item

It is difficult or impossible to project or report costs of many MTW activities. It may be difficult to determine the cost of an MTW activity because the activity may have many minor impacts that are hard to quantify in the aggregate or because the activity may be beneficial, but it is hard to quantify that “benefit.” Some MTW activities simultaneously impact efficiency goals, housing choice goals, and self-sufficiency goals. Disentangling how these activities are impacted can be a difficult process. For example, a self-sufficiency lease requirement implemented in certain neighborhoods would be implemented in the same way all other lease requirements would be implemented. It is difficult to disentangle the cost of the self-sufficiency lease requirement from the other lease requirements.

Other MTW activities may be beneficial, but hard to quantify. For example, one of our members works with partners to project-base their Housing Choice Vouchers. In their partnership agreement, they allow for renewal terms of up to 40 years. It is difficult to quantify the cost of this change, though the change may be beneficial in terms of finding and keeping partners to help implement the program.

Since it is so difficult to accurately gauge the cost of many of these activities, forcing MTW agencies to engage in this exercise imposes a cost (in terms of time and scarce employee capacity), but yields “data” that may be nothing more than guesswork. The Department should only require MTW agencies to go through the process of reporting data when the data collected has real value, which in this case, it may not.

2. Clearer Reserve Reporting

The Department should work with MTW agencies to determine an appropriate and a fair definition of reserves, if the Department is going to require that MTW agencies report this figure. Any definition should allow for obligations and commitments that MTW agencies are more likely to have because of their innovative practices. A standardized definition should also take into account the liquidity of a MTW agency’s assets. An incorrect understanding of how MTW agencies are using their “reserves” may lead to devastating consequences in the event of an offset that would adversely impact the operation of an agency and potentially lower the quality of housing assistance provided.

3. HUD’s Standard Metrics Do Not Collect Useful Information

The Department’s standard metrics do not provide useful data. The purpose of metrics is to measure how effective certain MTW activities are. Unfortunately, the Department’s metrics do

not serve this function because variables other than the MTW activities being measured may affect the metric. For example, though an MTW activity is designed to decrease operating costs, measuring average agency unit costs over time may not be the appropriate metric by which to judge whether an MTW activity is decreasing operating costs. This is because average agency unit costs are a function of many variables. The MTW activity may be working to decrease operating costs, but if other variables, outside the scope of control of the agency or the MTW activity, are working to have an effect in the opposite direction, then utility of the MTW activity is not being properly gauged. For a more concrete example, an agency may implement MTW activities to increase the efficiency of its inspections policy, but it may also concurrently encounter increased maintenance and turnover costs from serving special populations. This may result in an overall increase in average unit costs, but, again, this does not mean that efficiencies from the inspections policies are not working.

Any set of metrics used should take into account the study being performed by Abt Associates. They have made an effort to develop metrics that better reflect the value of the work that MTW agencies perform.

4. Re-authorization of Ongoing Activities

The proposed form does not correct the current form's requirement of reproposing previously approved activities. Additionally, new language has been added which requires that activities with "significant changes" require a full reproposal in the plan. Existing activities should have a more streamlined process for "significant changes" than new proposed activities. The proposed form also requires an update on "non-significant changes" to all existing activities. The terms "significant changes" and "non-significant changes" have been defined in ways that make it unclear what constitutes a "significant change" and what constitutes a "non-significant change." NAHRO is concerned about the potential misapplication of these vague terms.

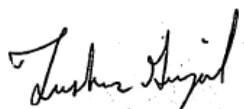
5. Single Fund Flexibility Reporting

The proposed form requires an excessively detailed level of reporting on single fund flexibility. This diminishes the utility of single fund flexibility, since one of the anticipated benefits of using a combined fund is having a simplified set of reporting requirements. Particularly burdensome are the new elements of the form that require that agencies provide a cost estimate for all new MTW activities and an explanation of how a surplus or deficit will be managed; the new field requiring a description of any variance between estimated total revenue and estimated total expenses; and the requirement that an agency provide a description of how using single fund flexibility responds to local needs by allocating funds at a higher or lower level than would be possible without single fund flexibility.

NAHRO believes that the best way to create an effective form that adequately balances the twin concerns of collecting useful data, while still minimizing unneeded administrative burden is to actively engage the MTW community. Additionally, utilizing the work of Abt Associates would make this task considerably easier with respect to standard metrics for both HUD and MTW

agencies, while yielding more valuable information. We hope that the Department gives serious consideration to these comments and moves toward greater collaboration in the near future.

Sincerely,

A handwritten signature in black ink, reading "Tushar Gurjal". The signature is written in a cursive, flowing style with a prominent initial 'T'.

Tushar Gurjal
Policy Analyst, Section 8 Programs