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Submitted electronically to Collette.Pollard@hud.gov

Re: Docket No. FR-7006-N-12, 60 Day Notice of Proposed Information Collection: Public Housing 5-Year and Annual PHA Plan and MTW Supplement to the PHA Plan

These comments are submitted by the Center on Budget and Policy Priorities (CBPP). CBPP is an independent, nonprofit policy institute that conducts research and analysis on a range of federal and state policy issues affecting low- and moderate-income families. Our housing work focuses on improving the effectiveness of federal low-income housing programs.

We appreciate the opportunity to comment on HUD's proposed PHA plan documents. These comments focus on three aspects of the MTW Supplement to the PHA Plan:

- (1) Omission of information regarding sources and uses of MTW funds;
- (2) Omission of information needed to assess compliance with the requirement to serve substantially the same number of low-income families and other MTW statutory requirements; and
- (3) Failure to require agencies to indicate whether MTW activities support the demonstration's statutory goals, other than cost containment.

Overall, the proposed supplement would inexplicably and unwisely keep critical information regarding the MTW demonstration in a black box, inaccessible to affected low-income families, other members of the public, and policymakers (beyond those at MTW agencies and, for some types of information, HUD). Moreover, the proposed supplement — which at agencies admitted under the planned expansion would replace existing requirements to submit annual MTW plans and reports — would actually reduce transparency on some topics compared to the inadequate level required at MTW agencies to date.

HUD's failure to require disclosure of important information is particularly troubling because HUD's proposed operations notice for the expansion of MTW would grant agencies extraordinarily broad flexibility to divert federal funds from the purposes for which they were appropriated and to

disregard key tenant protections and other federal standards.<sup>1</sup> Local decision-making processes will be among the few checks on many agency activities, but HUD fails to require that local communities be provided the information they would need to offer meaningful, informed input.

HUD has solicited comments on MTW reporting numerous times in recent years, and the proposed supplement disregards comments urging HUD to increase transparency and public accountability that were submitted by advocates from many communities with existing MTW agencies and by national organizations such as CBPP, the National Housing Law Project, and the National Low Income Housing Coalition. In addition to making the specific changes we recommend in these comments to improve the supplement, we strongly urge HUD to review and seek to address those earlier comments regarding the types of information MTW agencies should be required to disclose, even if they are not resubmitted during the current public comment period.

### **Sources and Uses of Funds**

The draft does not require any reporting on actual sources and uses of federal funds, beyond a requirement to report total public housing operating subsidy expenditures. Agencies must report on the “cost implications” of planned MTW activities, but it is not clear that this is the same as reporting planned annual expenditures, and in any case there is no requirement to disclose actual costs. The draft supplement omits even an inadequate requirement in the plan template for existing MTW agencies that requires them to include in their MTW plans two tables showing planned sources and uses of funds broken down into broad categories.

MTW agencies use of funds is a major issue with profound implications for the well-being of vulnerable low-income people. MTW agencies divert hundreds of millions of dollars in voucher subsidy funds with the result that tens of thousands fewer needy families receive rental assistance. But many MTW agencies have failed to provide comprehensible public information on how they use diverted funds.

HUD has data on the funding provided to agencies, and MTW agencies must submit data on expenditures to HUD as part of financial reporting requirements applicable to all PHAs. But these data either are not available to the public or are available in formats that would not be readily accessible and useful to members of local communities seeking to provide input on a PHA’s plan.

HUD should require that MTW supplements include the data on sources and uses of funds that members of the public would need to assess the agencies’ use of MTW flexibility and provide informed input. For information that HUD already has in other data systems, HUD could reduce PHAs’ administrative burdens by providing “prepopulated” forms that are filled in with data from those systems.

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<sup>1</sup> See Center on Budget and Policy Priorities, comments on “Operations Notice for the Expansion of Moving to Work Demonstration Program,” November 26, 2018, <https://www.regulations.gov/document?D=HUD-2018-0079-0015>.

The MTW supplement should at a minimum include the following information on funding and expenditures.

- The amount of funding the agency received from each funding source covered by MTW (voucher subsidy funds, voucher administrative fees, public housing operating subsidies, and public housing capital subsidies).
- Separately for each of those funding sources, the amount the agency spent on each of the seven eligible uses of MTW funds (voucher subsidies, voucher administration, public housing operations, public housing capital expenses, local rental assistance, local services, and local development programs). For each of the last three items, the agencies should be required to report the amount spent on each specific local program.
- Separately for each funding source, the amount of unspent funds left over at the end of the year.

For each of these items, agencies should be required to include (1) actual amounts for the last year completed at the time the plan is submitted, (2) estimated amounts for the year that is ongoing when the plan is submitted, and (3) planned amounts for the year covered by the plan.

### **Compliance with Substantially the Same and Other Statutory Requirements**

MTW agencies are required to assist substantially the same number of eligible low-income families as they would have assisted without MTW funding flexibility. In order to assess an agency's compliance with that substantially the same (STS) requirement and understand what policies the agency could adopt in the future without violating the requirement, members of the public would need to know (1) how many families the agency assists; and (2) the baseline number of families that the agency would have assisted without MTW funding flexibility.

HUD's proposed MTW supplement does not contain either of these pieces of information. It does require MTW agencies to report the number of families they assist through local non-traditional programs each month, but not the (typically much larger) numbers assisted through the public housing and voucher programs. In addition, the supplement includes no information on an agency's STS baseline. HUD has calculated STS baselines since at least 2013, but it has not released the baselines to the public. As a result, even if the supplement made it possible to determine how many families an agency assists, it would not be possible to determine if the agency complied with the STS requirement.

There are similar problems with the proposed supplement's treatment of two other MTW statutory requirements: the requirement that 75 percent of assisted households have very-low-incomes, and the requirement that agencies maintain a comparable mix of families by size. The supplement only requires agencies to report income and family size data for families in local, non-traditional programs, and fails to include the mix of families by size that each agency must maintain.

HUD should modify the supplement to require that it include at least the items listed below — which, as with funding data, HUD could provide to agencies in prepopulated forms to reduce burdens in cases when it already has the data through other channels:

- The number of families the agency assists through vouchers, public housing, and separately through each local housing assistance or development program;
- The baseline number of families the agencies is required to assist (which would need to be updated annually because HUD adjusts the baselines up or down under certain circumstances).
- The number of ELI, VLI, and LI families an agency admits to assistance through vouchers, public housing, and separately through each local housing assistance or development program;
- The number of families the agency assists by household size through vouchers, public housing, and separately through each local housing assistance or development program;
- The share of households of each size that the agency must assist in order meet the requirement to maintain a comparable mix.

For each of these, the supplement should include actual data for the last completed year, estimates for the ongoing year, and planned figures for the year covered by the plan.

### **Reporting on Statutory Goals**

MTW has three statutory goals: achieving greater cost effectiveness, assisting families to become self-sufficient, and increasing housing choices for low-income families. HUD's proposed supplement, however, only requires agencies to report the impact of MTW activities in one of those three areas: the cost implications of the policy. HUD should balance the statutory goals by also requiring agencies to indicate whether policies will (1) help participants find or keep jobs and increase their earnings; and (2) help provide participants access to housing in a wider range of neighborhoods, including low-poverty neighborhoods.

Thank you for considering these comments.

Sincerely,

A handwritten signature in black ink, appearing to read 'Will Fischer', written over a horizontal line.

Will Fischer  
Senior Policy Analyst  
Center on Budget and Policy Priorities