This week, HUD issued a new notice requesting letters of interest under its Moving to Work (MTW) program from PHAs with 1,001 or more total public housing and housing choice voucher (HCV) units. MTW participants are able to implement policies that vary from those required under HUD’s statutes and regulations, and also are able to use their funding in a more flexible manner than non-MTW PHAs.

Per Congressional mandate, 100 MTW PHAs will be added in 4 cohorts over a 7-year period. Each cohort will be required to implement a certain type of affordable housing policy, which HUD will study to identify successful MTW innovations that can be applied to all PHAs. The letters of interest requested this week are for the second cohort of the MTW expansion, which will target larger PHAs who seek to implement alternative rent policies intended to increase resident self-sufficiency and reduce PHA administrative burdens.

As explained in more detail in the new MTW notice, PHAs interested in the second MTW cohort may implement rent policies that focus on one of the following areas:

- Fixed rents within income-based tiers
- Stepped rents: 5% annual increase, decoupled from income
- Stepped rents: 3% annual increase, decoupled from income
- PHA proposed alternative tiered or stepped rent that varies from the above

PHAs interested in the second MTW cohort must have 1,000 or more non-elderly, non-disabled public housing and/or HCV households that are eligible for the rent reform evaluation. Among other eligibility criteria, the PHA must also:

- Be high performers under PHAS or SEMAP and not be designed “troubled” under either system
- Be up-to-date in a number of HUD-required submissions
- Be in compliance with Capital Fund obligation and expenditure deadlines for the past three years
- Have no unaddressed findings from the OIG, annual audits, or other HUD reviews, nor have unresolved litigation with HUD or outstanding nondiscrimination or civil rights issues

Letters of interest for the second MTW cohort are due on or before June 12, 2019. All PHAs who submit a letter of interest timely and meet the other eligibility criteria in the new notice will be invited to apply to the second step of the application process, the full selection criteria for which will be published by HUD after the Department reviews the second cohort letters of interest.

HUD last year issued a notice for smaller PHAs (1000 or fewer units) to submit a letter of interest in the first MTW cohort, and last week extended the deadline for receipt of letters for that cohort from January 11, 2019, to May 13, 2019. The MTW expansion may include no less than 50 PHAs with 1,000 or fewer total public housing and HCV units.
units; no less than 47 PHAs with 1,001 – 6,000 total public housing and HCV units; and no more than 3 PHAs with 6,001-27,000 total public housing and HCV units.

Copyright © by Ballard Spahr LLP

Source URL: https://www.natlawreview.com/article/hud-to-accept-mtw-first-round-applications-larger-phas