

MTW Rent Reform Requirements

The Moving to Work (MTW) Demonstration was authorized under the Omnibus Consolidated Rescissions and Appropriations Act of 1996 (Public Law 104-134, 110 Stat 1321), which included the mandate that MTW agencies develop a plan that establishes the following:

A reasonable rent policy, which shall be designed to encourage employment and self-sufficiency by participating families, consistent with the purpose of this demonstration, such as by excluding some or all of a family's earned income for purposes of determining rent.

What is Rent Reform?

HUD defines rent reform as any change from the Code of Federal Regulations to the way rent is calculated for an assisted household. This includes adopting alternative recertification schedules, flat or tiered rent structures, modifications to current exclusion/deduction requirements, alternate income verification procedures, alternate utility allowance policies, etc. Changes to occupancy policies (e.g., time limits, work requirements, mandatory case-management) or changes to admissions preferences are not considered rent reform, though these policies could be included as part of an overall alternate rent strategy. The authorizing MTW Statute requires MTW agencies to implement at least one alternate rent policy that encourages employment and self-sufficiency among participating families.

How Does HUD Review Rent Reform Activities?

All rent reform activities must be authorized by HUD in advance through the Annual MTW Plan review and approval process. MTW Agencies must provide enough information on the features of their proposed rent reform activities so that the Agency's stakeholders and HUD can make a reasonable assessment of the proposed changes. This information must comply with all of the requirements for proposed MTW activities listed in the Agency's MTW Agreement, Attachment B (Form 50900, Section V):

- A – Description of activity
- B – Relationship to statutory objective
- C – Anticipated impact
- D – Baselines, benchmarks, metrics, anticipated schedule
- E – Data Collection Process
- F – Authorization citation
- G – Requirements for rent reform initiatives:
 - Agency's Board approval of policy
 - Impact analysis
 - Annual reevaluation of rent reform initiative
 - Hardship case criteria
 - Transition period
 - Documentation of public hearing

HUD reviews the Plan to ensure that it is consistent with Form 50900 requirements and the planned activities are permissible under MTW authority, are consistent with the 1937 Act and have a clear connection with the statutory goal (MTW Agreement, Section VII.A.1.g).

Should the MTW Agency wish to propose new rent reform activities mid-fiscal year, the Agency must amend and resubmit its Annual MTW Plan, providing the above information (MTW Agreement, Section V.A.).