



**U. S. Department of Housing and Urban Development
Office of Public and Indian Housing**

Special Attention of:	NOTICE PIH 2009- 29 (HA)
Public Housing Agencies; Public Housing Directors	Issued: August 19, 2009 Expires: August 31, 2010

Subject: Request for Applications under the Moving to Work Demonstration Program

1. Purpose

This notice offers eligible public housing agencies (PHAs) the opportunity to apply for admission to the Moving to Work (MTW) demonstration program. MTW allows PHAs to design and test innovative, locally designed housing and self-sufficiency strategies for low-income families by permitting PHAs to combine assistance received under Sections 8 and 9 of the United States Housing Act of 1937 (1937 Act) into a single agency-wide funding source and by allowing exemptions from existing public housing and Housing Choice Voucher (HCV) program rules, as approved by the United States Department of Housing and Urban Development (HUD).

The MTW demonstration program was authorized by section 204 of the Omnibus Consolidated Rescissions and Appropriations Act of 1996 (Public Law 104-134, 110 Stat. 1321-281) (Section 204 of the 1996 Act). Section 236, title II, division I of the Omnibus Appropriations Act, 2009 (Public Law 111-8, 123 Stat. 981) (Section 236 of the 2009 Act), enacted March 11, 2009, authorizes this solicitation for applications from eligible PHAs.

Section 236 authorizes HUD to increase the number of existing MTW agencies by three, subject to the following requirements of the selected applicants as of the effective date of this notice:

1. The PHA is currently designated as a High Performing agency under the Public Housing Assessment System (PHAS);
2. The PHA is a HOPE VI grantee; and
3. The PHA administers no more than 5,000 aggregate housing vouchers and public housing units.

Section 236 adds that no PHA granted the MTW designation per this solicitation shall receive more funding than it otherwise would have received absent this designation.

Based on the criteria of Section 236 of the 2009 Act and information available as of the date of this notice, HUD has identified the following PHAs as potentially eligible to apply:

PHA Code	PHA Name
CT007	Housing Authority of the City of Stamford
FL002	St. Petersburg Housing Authority
FL004	Orlando Housing Authority
FL023	Bradenton Housing Authority
GA264	Housing Authority of Fulton County
IL006	Champaign County Housing Authority
IL012	Decatur Housing Authority
MA007	New Bedford Housing Authority
MD003	Frederick Housing Authority
MD006	Hagerstown Housing Authority
MN003	Duluth Housing and Redevelopment Authority
MT004	Helena Housing Authority
NC006	Housing Authority of the City of High Point
NC009	Fayetteville Housing Authority
NJ003	Elizabeth Housing Authority
NJ059	Pleasantville Housing Authority
NY006	Utica Housing Authority
PA004	Allentown Housing Authority
TN006	Kingsport Housing Authority
WA005	Tacoma Housing Authority

If a PHA that is not on this list believes it meets the criteria of Section 236 of the 2009 Act and is eligible for consideration, it should contact the MTW Office at MTW-Info@hud.gov, and should provide supporting documentation that it meets the eligibility criteria as set forth in Section 3 below.

2. Background

The purpose of the MTW demonstration, as stated in Section 204 of the 1996 Act, is to give PHAs and HUD the flexibility to design and test various approaches for providing and administering housing assistance that:

- (1) Reduce cost and achieve greater cost effectiveness in federal expenditures;
- (2) Give incentives to families with children where the head of household is working; is seeking work; or is preparing for work by participating in job training, educational programs, or programs that assist people to obtain employment and become economically self-sufficient; and
- (3) Increase housing choices for low-income families.

Section 204 of the 1996 Act also requires MTW agencies to establish a reasonable rent policy, which is designed to encourage employment and self-sufficiency by participating families.

In order to achieve the statutory purpose of MTW, the PHAs selected for participation in the MTW demonstration may request statutory and regulatory relief from public housing and HCV program rules, thereby providing them with considerable flexibility in determining how to use program funds to most effectively provide housing and related services to low-income families based on local strategies. HUD may allow PHAs to combine their operating, capital, and HCV assistance into a single PHA-wide funding source. For further information about the MTW demonstration and the specific programs of current MTW participants, please refer to the MTW website at www.hud.gov/mtw.

In 2008, HUD, in consultation with existing MTW agencies, developed a Standard MTW Agreement to provide consistent, clear, and standardized language for all MTW sites, both current and potential. The Standard MTW Agreement emphasizes the importance of MTW agencies' obligation to report outcome information to HUD so it can evaluate the effects of MTW policy changes on residents, the agency's operations, and the local community. PHAs selected under this notice must agree to execute the Standard MTW Agreement and provide information in accordance with approved reporting requirements, which are stated on form HUD-50900. Activities where PHAs may waive statute and/or regulation are provided in Attachment C of the Standard MTW Agreement. A copy of the Standard MTW Agreement is provided on the [MTW website](http://www.hud.gov/offices/pih/programs/ph/mtw/mtwsa.cfm) at <http://www.hud.gov/offices/pih/programs/ph/mtw/mtwsa.cfm>.

3. Statutory Requirements and Eligible Applicants

All applicants under this notice must meet the requirements included in Section 204 of the 1996 Act and Section 236 of the 2009 Act. Applicants should be aware that HUD's generally applicable nondiscrimination and equal opportunity requirements at 24 CFR 5.105(a) apply to MTW.

Requirements of Section 204 of the 1996 Act

All participants in the MTW demonstration must meet the following requirements, as specified in Section 204 of the 1996 Act:

- (1) Ensure that at least 75% of the families assisted by the PHA under the demonstration will be very low-income families (i.e., families with incomes of less than 50% of area

- median income) at the time they initially receive housing assistance under the demonstration;
- (2) Establish a reasonable rent policy that is designed to encourage employment and self-sufficiency on the part of participating families;
 - (3) Continue to assist substantially the same total number of low-income families under the demonstration as would have been served had the PHA not participated in MTW;
 - (4) Maintain under the demonstration a comparable mix of families, by family size, as would have been assisted had the PHA not participated in MTW;
 - (5) Assure that housing assisted under the demonstration meets housing quality standards established or approved by HUD; and
 - (6) The following Sections of the 1937 Housing Act shall continue to apply:
 - (a) The terms “low-income families” and “very low-income families” shall continue to be defined by reference to Section 3(b)(2) of the 1937 Housing Act (42 U.S.C. 1437a(b)(2)).
 - (b) Section 18 of the 1937 Housing Act (42 U.S.C. 1437p, as amended by Section 1002(d) of Public Law 104–19, Section 201(b)(1) of Public Law 104–134, and Section 201(b) of Public Law 104–202), which governs demolition and disposition, shall continue to apply to public housing notwithstanding any use of the housing under MTW.
 - (c) Section 12 of the 1937 Housing Act (42 U.S.C. 1437j), governing wage rates and the community service requirement, shall apply to housing assisted under MTW, other than housing assisted solely due to occupancy by families receiving tenant-based assistance.

Eligible Applicants

In order to be considered eligible for participation in the MTW demonstration under this notice, a PHA must have, as of the date that this notice is published, meet the following requirements, as specified in Section 236 of the 2009 Act:

- (1) A current PHAS score of 90 or above;
- (2) A current grant award under either the HOPE VI demonstration program appropriations acts or the HOPE VI program as authorized in Section 24 of the United States Housing Act of 1937; and
- (3) No more than 5,000 total public housing units and HCVs.

After considering the applications received from PHAs, HUD will select PHAs for participation in the demonstration under the requirements of Section 204 of the 1996 Act. PHAs selected for participation in MTW must agree to execute the Standard Moving to Work Agreement and provide information in accordance with approved reporting requirements.

Non-Eligible Applicants

Applications must come from a single PHA meeting the above eligibility requirements. Applications submitted by multiple PHAs or from a consortium of PHAs will not be considered.

If you, the applicant:

- (a) Have been charged with an ongoing systemic violation of the Fair Housing Act; or
- (b) Are a defendant in a Fair Housing Act lawsuit filed by the Department of Justice alleging an ongoing pattern or practice of discrimination; or
- (c) Have received a letter of findings identifying ongoing systemic noncompliance under Title VI of the Civil Rights Act of 1964, Section 504 of the Rehabilitation Act of 1973, or Section 109 of the Housing and Community Development Act of 1974, and the charge, lawsuit, or letter of findings referenced in subparagraphs (a), (b), or (c) above has not been resolved to HUD's satisfaction before the application deadline, then you are ineligible and HUD will not review or approve your application. HUD will determine if actions to resolve the charge, lawsuit, or letter of findings taken before the application deadline are sufficient to resolve the matter.

Definition of Terms

- (1) MTW Activity: An MTW Activity is any activity the MTW agency is engaging in that requires MTW flexibility to waive statutory or regulatory requirements.
- (2) Current HOPE VI grant: Current HOPE VI grants are grants that have not been closed, audited, and had the audit accepted by HUD.
- (3) HOPE VI grant: HOPE VI grants are grants including revitalization, demolition, elderly and planning grants provided under either the HOPE VI demonstration program as authorized under appropriations acts or the HOPE VI program as authorized in Section 24 of the 1937 Act.
- (4) Public housing units: Public housing units are units under an Annual Contributions Contract (ACC) in the federal public housing program.
- (5) Housing Choice Vouchers: Housing Choice vouchers are vouchers issued and under a housing assistance payments contract (HAP), pursuant to an ACC.
- (6) Combine assistance received under Sections 8 and 9 of the 1937 Act: PHAs participating in MTW may combine assistance under Sections 8 and 9 of the 1937 Act by creating a pool of fungible resources using funds from any of the following types of HUD assistance: (a) Operating and Capital Fund subsidies provided under Section 9 of the 1937 Housing Act (42 U.S.C. 1437g); and (b) Assistance provided under Section 8(o) of the 1937 Housing Act for the Housing Choice Voucher program (42 U.S.C. 1437f). However, notwithstanding this general authority to combine different types of HUD assistance, the PHA cannot combine the following funds: (a) assistance that is required to meet existing contractual obligations of the PHA to a third party (such as housing assistance payments contracts with owners under the PHA's HCV program); (b) for payments to other PHAs under HCV portability billing procedures; or (c) to meet particular purposes for which HUD has expressly committed the assistance to the PHA (such as a grant under the HOPE VI program or funds provided under the HCV Program targeted to specific populations, e.g. Mainstream vouchers, Family Unification vouchers, etc.).

4. Submission of Applications

Applications submitted in response to this notice must include each of the following items:

- (1) The PHA's latest PHAS score as issued by HUD.
- (2) A listing of the PHA's current HOPE VI grants.
- (3) The total number of the PHA's public housing and HCV units.
- (4) A request from the PHA for authority to use and combine funds received under Sections 8 and 9 of the 1937 Act to the extent necessary to implement the MTW plan.
- (5) Evidence (in the form of sign-in sheets, etc.) that the PHA has provided for community and PHA resident participation in developing its MTW application, including a public hearing.
- (6) An MTW Plan for the PHA's first year of operation under the MTW demonstration, following the format set forth in form HUD-50900, that fully describes the PHA's vision and proposed activities, states and quantifies the PHA's goals and objectives for the demonstration, addresses the evaluation criteria described below, and includes the following elements:
 - (a) Table of Contents, which includes all the required elements of the Annual MTW Plan.
 - (b) Overview of the PHA's MTW goals and objectives, including proposed MTW activities, as defined above.
 - (c) Housing Stock Information, including the number and general characteristics of public housing units, or other housing units, involved in the plan;
 - (d) Demographic information, including income levels, of families currently assisted by the PHA (in both the public housing and HCV programs) and of families to be assisted by the PHA under the proposed MTW Plan;
 - (e) Whether and how assistance will be targeted to families of different income levels by program and/or by site;
 - (f) The PHA's proposed rent and occupancy policies;
 - (g) The PHA's long-term vision for the direction of its MTW program, including an effective strategy that addresses the statutory purposes of MTW. This section should include the PHA's experiences, activities, or accomplishments that demonstrate its ability to participate in the demonstration. It should also include the potential local and national impact of the MTW Plan if it were implemented, the scale of the Plan and the extent to which the Plan has the potential of being a replicable program model promoting the purposes of the MTW demonstration.
 - (h) The PHA's proposed MTW activities: (each MTW activity as defined above should include the following listed items);
 - A. Describe each proposed MTW activity;
 - B. Describe how each proposed activity relates to at least one of the three statutory objectives;
 - C. Identify and discuss the anticipated impact of each proposed MTW

- activity on the stated objective;
- D. Describe baselines, proposed benchmarks, and metrics to assess outcomes, include anticipated schedules;
- E. Describe the data collection process and the proposed metrics the PHA will use to measure how this activity will achieve one or more of the MTW statutory objectives;
- F. Cite the authorization(s) detailed in Attachment C of the Standard MTW Agreement that give the PHA the flexibility to conduct the activity. Every reasonable effort should be made by the PHA to reference the complete and correct statute or regulation to a particular initiative; however, failure to cite the correct or entire statute or regulation will not be grounds for disapproval of such initiative in an Annual MTW Plan nor will such failure invalidate the use of the MTW authority necessary to implement and support the initiative; and
- G. Provide detailed information for any proposed rent reform initiatives, including the following: an impact analysis on family contributions, and the effect on different protected classes of families and individuals; criteria to be used to consider hardship cases, the proposed transition period for implementing the rent reform initiative; and documentation of a public hearing (this may be the same as the hearing for the entire application).
- (i) Sources and Uses of Funding.
 - A. List planned sources (Operating, Capital, HCV) and uses of funds;
 - B. How the PHA proposes to combine funds from different types of HUD assistance, the particular program purposes for which all such funds were originally committed to the PHA (and any specific restrictions on the use of such funds), and the purposes for which any combined funds will be used;
 - C. List planned sources and uses of State or local funds;
 - D. If applicable, list planned sources and uses of the Central Office Cost Center (COCC);
 - E. If using a cost allocation or fee-for-service approach that differs from 1937 Act requirements, describe the deviations and the reasons therefore; and
 - F. List or describe use of single-fund flexibility, if applicable, describe uses across traditional program lines or special circumstances in support of an MTW activity.
- (j) The anticipated impact of the MTW Plan on PHA revenues and expenses;
- (k) Any significant linkage between the MTW Plan and other state, local, or federal housing, self-sufficiency, supportive service, or community or economic development initiatives;
- (l) Describe the means used to address comments from the public hearing, other public comments, and comments from current and prospective public housing

residents and recipients of Section 8 Housing Choice Voucher assistance potentially affected by the MTW Plan.

- (7) A resolution signed by the Board of Commissioners, or other authorized PHA official if there is no Board of Commissioners, adopting the Annual MTW Plan Certification of Compliance (provided at the end of HUD-50900). The resolution certifies that the PHA will:
 - (a) Provide that at least 75% of the families initially assisted under MTW by the PHA will be very low-income families (i.e., families with incomes of less than 50% of area median income);
 - (b) Establish a reasonable rent policy that is designed to encourage employment and self-sufficiency on the part of participating families;
 - (c) Continue to assist substantially the same total number of low-income families under the demonstration as would have been served if HUD funding sources had not been combined;
 - (d) Maintain under the demonstration a comparable mix of families, by family size, as would have been assisted if HUD funding sources had not been combined;
 - (e) Ensure that housing assisted under MTW meets housing quality standards established or approved by HUD;
 - (f) Comply with the reporting requirements as set forth in form HUD-50900;
 - (g) Comply with Fair Housing and Equal Opportunity Requirements as listed in 24 CFR Part 5, and the Americans with Disabilities Act of 1990; and
 - (h) Comply with 24 CFR Part 50 or Part 58 environmental review procedures. The PHA agrees (i) to carry out any required mitigating measures or select an alternate eligible property, if permitted by HUD, and (ii) not to acquire, rehabilitate, convert, lease, repair, or construct property, or commit HUD or local funds to such program activities with respect to any eligible property until approval by the cognizant unit of general local government under 24 CFR Part 58, or HUD approval under 24 CFR Part 50 is received.
- (8) A description of any significant partnerships between the PHA and other public agencies or private nonprofit or for-profit entities (particularly local welfare offices and local providers of job training and related services) that will help to achieve the objectives of the PHA's demonstration. Also include any partnerships that link the provision of housing to transportation, energy and education providers.
- (9) A summary of the relevant experience and skills of the personnel who would have primary responsibility for implementing the PHA's demonstration.
- (10) A proposed schedule showing significant dates and milestones for implementation of the PHA's MTW application.

Applications will be deemed ineligible for failure to submit the above information.

5. Selection of MTW Participants

HUD will review applications and determine eligibility of applicants pursuant to Section 236 of the 2009 Act. The criteria that HUD will use to determine eligibility, as of the date of this notice, are as follows:

- (1) The applicant's PHAS score must be 90 or above. HUD will review the PHA's submission information against the most recent score shown in the Integrated Assessment Subsystem ("NASS") to verify the score.
- (2) The applicant must have a current HOPE VI grant award, as defined in this notice. HUD will review the PHA's submission information against the information shown in the Line of Credit Control System ("LOCCS") as well as other documentation available to HUD to verify that grants have not been closed and audited.
- (3) The applicant must have no more than 5,000 total public housing units and HCVs, as defined in this notice. HUD will review the PHA's submission information against information in the Public Housing Information Center (PIC), as well as other documentation available to HUD, to verify that public housing units are under an ACC. HUD will review the PHA's submission information against information in both the PIC and Voucher Management System (VMS), as well as other documentation available to HUD, to verify HCV funding under an ACC.

Selection of agencies to participate in the MTW program does not include approval of a site for development, rehabilitation or construction. Proposed projects or sites are subject to environmental reviews, as noted above in item 7(h) of the application submission requirements and as required by 24 CFR Part 50 or 58.

Application Evaluation Criteria

Section 204 of the 1996 Act directs HUD to evaluate MTW applications on the basis of a PHA's relative public housing management performance; a PHA's potential to plan and carry out a program under the demonstration; and other factors to be determined by HUD. Accordingly, HUD will evaluate applications based on the four criteria set forth in Attachment A. Each of the criteria includes a description, the number of points attributed to each criterion and sub-criterion, and the primary location or locations in the submission requirements set forth in Section 4 of this notice that HUD will review. The PHA should address the relevant criteria in those locations to ensure that it will receive the appropriate credit when the application is reviewed, however HUD reserves the right to review the application in its entirety and consider all information submitted.

Selection Process

HUD will use a panel to evaluate, score, and rank all complete applications using the point values assigned to the evaluation criteria set forth in Attachment A. HUD reserves the right to limit the size or scope of a PHA's proposed program if it is not allowable under law or in HUD's sole judgment determines that is in the best interests of the demonstration and the public housing and HCV programs. HUD will select only PHAs that meet the requirements of Section 236 of the 2009 Act as stated above, in accordance with the requirements of Section 204 of the 1996 Act.

Upon request, HUD will provide an applicant a copy of the total average score received by their application and the average score received for each of the evaluation criteria.

If selected, a PHA may not combine different types of HUD assistance or invoke any MTW waivers of statute or regulation prior to the execution of the Standard MTW Agreement. Waivers of program requirements through an MTW Agreement are to be narrowly tailored specific to the MTW plan and are limited to the term of the demonstration. Waivers of fair housing and other civil rights requirements or waivers of requirements outside of the 1937 Act require reviews and concurrences by offices outside of the Office of Public and Indian Housing. In addition, at all times during the demonstration, participating PHAs must comply with any HUD requirements governing the use of HUD assistance in the demonstration, including management, financial, accounting, or other requirements designed to adequately track and monitor the PHA's use of such HUD assistance.

Affirmatively Furthering Fair Housing

Under Section 808(e)(5) of the Fair Housing Act, HUD has a statutory duty to affirmatively further fair housing. HUD requires the same of its program participants. Prior to the execution of the MTW Agreement, and in support of its civil rights certification under Section 5A of the U.S. Housing Act of 1937 and the affirmatively furthering fair housing certification in the MTW Work Plan, a successful applicant will provide a narrative statement of how it will affirmatively further fair housing in its MTW program that:

- (1) Identifies any impediments to fair housing choice within the HCV or public housing programs that would be covered under an MTW Agreement between the PHA and HUD, as well as relevant impediments identified in the applicable jurisdictions' Analysis of Impediments (AI) to Fair Housing Choice in the PHA's service area;
- (2) Addresses these impediments in a reasonable fashion in view of the resources available under the programs to be covered under the MTW Agreement by specifying activities and policies to overcome these impediments;
- (3) Describes coordination efforts to overcome impediments to fair housing choice with the jurisdictions that prepare the Consolidated Plan and Analysis of Impediments; and
- (4) Describes how the PHA will maintain records of the activities, policies, and coordination of efforts to overcome impediments to fair housing choice, and their impact.

Submission Information.

Applications in response to this notice must be received by 5:00 p.m., Eastern Time, on Tuesday, December 15, 2009.

Applications must be submitted to: Dominique Blom; Deputy Assistant Secretary for Public Housing Investments; Department of Housing and Urban Development; 451 Seventh St., SW; Room 4130; Washington, DC 20410.

For further information contact: Ivan Pour; Program Director, Moving to Work Demonstration Program, Office of Public Housing Investments; Department of Housing and Urban Development; 451 Seventh St., SW; Room 4130; Washington, DC 20410; telephone: (202) 402-2488, e-mail: Ivan.M.Pour@hud.gov.

/s/
Sandra B. Henriquez, Assistant Secretary for
Public and Indian Housing

ATTACHMENT A

Criteria and Subcriteria	Points	Primary Location in Application
Capability. [Up to 10 points total] A PHA's demonstrated capability to effectively plan, implement, and administer the MTW program it has proposed, as shown by the following:		
(a) the relevant experience and skills of the personnel of the PHA who would have primary responsibility for the demonstration ; and	Up to 5 Points	Item 9 of the submission requirements
(b) specific examples of the PHA's experiences, activities, or accomplishments that demonstrate the PHA's capability to participate in the demonstration.	Up to 5 Points	Items 6b, 6c, 6g, and 8 of the submission requirements
Feasibility of the MTW Plan. [Up to 60 points total] The PHA's MTW Plan will be evaluated on the extent to which the MTW Plan:		
(a) provides an MTW vision, which includes an effective strategy that addresses the statutory purposes of MTW;	Up to 15 points	Items 6b and 6g of the submission requirements
(b) presents detailed and coherent proposed MTW activities that describe the anticipated impact of each proposed MTW activity on its stated objective, utilizes relevant and realistic baseline measures, and establishes realistic and well-defined proposed benchmarks and metrics to assess outcomes, include anticipated schedules;	Up to 25 points	All the activities identified in item 6h of the submission requirements, and item 10
(c) establishes a reasonable rent policy designed to encourage employment and self-sufficiency by participating families; and	Up to 10 points	Items 6b, 6f and 6h of the submission requirements
(d) demonstrates the ability to leverage funds.	Up to 10 points	Items 6b, 6i and 8 of the submission requirements

Resident and Community Support and Involvement. [Up to 10 points total] The degree to which public housing residents and the wider local community have been involved in developing the PHA’s application, including support and involvement:		
(a) by resident organizations, resident councils, resident management corporations, by resident meetings; and	Up to 5 points	Item 5 of the submission requirements
(b) by other local nonprofit, for-profit, and public entities as shown by relevant documentation that demonstrates the nature and depth of such support and involvement. These can include partnerships with transportation, energy and education providers.	Up to 5 points	Item 8 of the submission requirements
Local and National Impact. [Up to 20 points total] The potential local and national impact of the MTW Plan if it were to be implemented, considering the following:		
(a) the degree of innovation proposed, as evidenced by the uniqueness of the proposed activities;	Up to 5 points	Items 6b, 6g, and 6h of the submission requirements
(b) the scale of the plan; and	Up to 5 points	Items 6b, 6g, and 6h of the submission requirements
(c) the extent to which implementation of the plan is likely to contribute significantly to HUD’s efforts to identify replicable program models promoting the purposes of the demonstration.	Up to 10 points	Items 6b, 6g, and 6h of the submission requirements