

Q & A: Request for Applications under the Moving to Work Demonstration Program

NOTICE PIH 2010-29 (HA)

Background

This document contains a listing of questions regarding PIH notice 2010-29 (HA), issued on July 30, 2010. The contents of this document will be updated periodically, as questions arise that can be addressed by HUD. Additional questions and answers will be added sequentially to the end of the document as they become available. The footer will be updated to denote the updated version number and revision date. If you are applying under this notice, please check back for updates prior to the submission deadline of November 30, 2010.

For more information on the requirements for applying to the MTW Demonstration please review the full notice at:

<http://www.hud.gov/offices/pih/publications/notices/10/pih2010-29.pdf>

Q & A

1. Section 232 of the 2010 Act provides two requirements for agencies applying for the MTW demonstration. Must applicants meet both of these requirements? Is there any way to obtain an exception to one of the requirements? Are there other requirements applicants must meet to be eligible to apply under this notice?

Applicants must meet both of the requirements laid out in Section 232 of the 2010 Act as of the date applications are due, November 30, 2010. Given that the two requirements are mandated by Congress in the 2010 Act, HUD cannot consider an application from an agency that did not meet these two requirements as of November 30, 2010.

As detailed in Section 3 of the notice, HUD has imposed additional eligibility requirements for applicants. PHAs must meet both the statutory requirements of the 2010 Act and all of HUD's additional eligibility requirements in order to be considered for this designation.

2. Section 232 of the 2010 Act states that applicants must administer no more than 5,000 aggregate housing choice vouchers and public housing units. If an agency previously had in excess of 5,000 units, but demolished or disposed of units and no longer has more than 5,000 combined units, is the agency eligible to apply under this notice?

As stated on page 3 of the notice, agencies must meet the eligibility criteria as of the date applications are due, November 30, 2010. To determine eligibility, potential applicants should calculate their current combined number of housing choice vouchers

under contract and public housing units and then estimate future changes to this number, to determine whether or not they will fall under the cap mandated in Section 232 of the 2010 Act as of the application due date. Potential applicants should review the definitions of public housing units and Housing Choice Vouchers provided on page 6 of the notice when calculating the number of combined units. Should an agency demolish or dispose of units after the application due date that reduce the total combined units to 5,000 or less, that agency will not become eligible under the terms of this notice.

3. Are existing MTW participating PHAs administering more than 5,000 public housing and Housing Choice Voucher units? For this application process, if 5,000 combined units is the maximum, would an agency that administers more than this number be eligible to administer the MTW to a portion of the program, for instance their metropolitan areas only?

There are existing MTW PHAs that administer more than 5,000 combined public housing and Housing Choice Voucher units; however, these PHAs were admitted to the demonstration based upon alternate statutory requirements, which allowed for PHAs of this size to be admitted. Currently, all of these slots are filled, and HUD can only add PHAs to the demonstration through Congressional authorization.

In the 2010 Appropriations Act, Congress authorized HUD to select three additional MTW agencies, but required that these agencies be both high performers in the Public Housing Assessment System (PHAS) and not administer in excess of 5,000 combined public housing and Housing Choice Voucher units. Given that these are statutory requirements, HUD cannot waive these requirements, and any agency with more than 5,000 combined units is not eligible under PIH Notice 2010-29 (HA).

4. Section 4 of the notice requires agencies to certify to submission of an application in the first available round of Preservation, Enhancement and Transformation of Rental Assistance (PETRA) implementation, pursuant to passage of PETRA legislation. I didn't think it was possible for MTW agencies to participate in PETRA; is that true?

There is no exclusion of MTW agencies from PETRA, and indeed several current MTW agencies have expressed interest in participating if the legislation were adopted. HUD believes that MTW participation in PETRA would be beneficial.

5. Section 4, item C.1. of the notice requires that applicants prepare an MTW Plan for the PHA's potential first year of operation under the MTW demonstration, based on the format of form HUD-50900. Upon reviewing HUD-50900 on the HUD website, there are some sections of the form that are optional. Are these sections optional in applications submitted in response to this notice?

No, the optional items including Sections III (Non-MTW Related Housing Authority Information) and IV (Long-term MTW Plan) of form HUD-50900 are not optional in applications submitted in response to this notice. All items in the Annual MTW Plan portion of HUD-50900 are required to be submitted in the application, regardless of whether they are optional in Form 50900.

6. Section 4, item C.1., Section VI requests that agencies provide information on ongoing MTW activities. Should this be left blank?

Yes, applicants should leave this section blank or list it as "not applicable" in the application.

7. Would an agency be disqualified or penalized for proposing an activity in their application that is not legal?

No, agencies will not be disqualified from the competition or penalized in the scoring system for proposing an activity in their application that is not legal. In responding to this notice, agencies must cite the Attachment C authorization needed for each proposed MTW activity, and the cited authorization should plausibly relate to the proposed activity. This should eliminate potentially illegal activities. Should HUD determine that a proposed activity is not legally permissible and the agency is selected for participation in the MTW demonstration, the agency will need to remove the activity prior to the approval of the Annual MTW Plan.

8. Section 4 of the notice requires agencies to list proposed MTW activities and provide a list of required elements for each (see item C.1.). This section of the proposal will likely be quite long. Does HUD have any recommendations for how to best present this information?

Agencies should provide a written narrative that details each of the required elements for each activity proposed in Section 4, item C.1. of the notice. Existing MTW agencies have been provided with a sample matrix that can be used to summarize these required elements and to ensure that all elements are in fact provided. The sample matrix has been attached to this document.

9. Section 4, item C.1., Section VII.A. of the Annual MTW Plan portion of the application contents asks for the planned sources of operating, capital and Housing Choice Voucher funds, as well as planned uses of the funds. Should only these three funding streams be included in this application element? Or, should sources such as HOPE VI, ROSS grant funds, FSS grant funds, etc. be placed here as well?

The response to this application element should include only operating, capital, and HCV funds. Together, these three funding sources combine to create the MTW block grant.

Other funding sources such as HOPE VI, ROSS grants, and FSS grants can be noted in element item C.1., Section VII.B. of the Annual MTW Plan portion of the application.

10. Are applicants required to combine operating, capital and voucher funds (Section 8 and 9 funds) into a block grant?

No, but agencies applying to join the MTW demonstration must request the authority to combine funds. Section 204 (c)(1) of the 1996 Appropriations Act states that "An application to participate in the demonstration shall request authority to combine assistance under sections 8, 9 and 14 of the United States Housing Act of 1937." However, Section 4, item B.9. in the notice says that PHAs must request authority to combine funds, "to the extent necessary to implement the MTW plan." If your agency does not need to combine funds in order to implement your MTW plan, you should still request the authority to do so, but note in the response to this item in the application that you do not intend to block grant funds and explain why.

11. Can agencies propose activities outside of Sections 8 and 9 of the United States Housing Act of 1937?

Yes. As of October 1, 2009, MTW agencies are permitted to use Section 8 and 9 funds for uses beyond those authorized in Sections 8 and 9, provided those activities continue to serve families at or below 80% of area median income (AMI) and meet one of the three MTW statutory purposes. Activities that become permissible with Uses of Funds language include:

- Financing affordable housing units (particularly tax credit projects) that are neither ACC units nor project-based voucher units
- Purchasing property using operating or capital funds for non-public affordable housing, including tax credit properties
- Establishing and providing project level replacement reserves (currently prohibited in the Capital Fund)
- Establishing endowments (allowed in HOPE VI sites, but not explicitly allowed in Sections 8 or 9)
- Funding supportive housing programs and services
- Funding homeless/transitional housing programs and services
- Using funds to prevent foreclosure or provide mortgage assistance to low-income homeowners
- Financing state and local public housing programs

12. The notice references a public hearing and meaningful resident and community participation. Does this mean the agency has to post its draft application and, if so, for what time period?

The agency must make the proposed application available for public comment for at least thirty (30) days and hold at least one public hearing. There should be no less than

fifteen (15) days between the public hearing and the approval of the application by the Board of Commissioners or Board of Directors in order to incorporate any public comments into the application. The agency should include the required documentation as set forth in Section 4 of PIH Notice 2010-29 (HA).

13. If I am missing elements of the application, or if portions are not clear, will HUD contact my agency for additional information during the application review process?

No parts of this application are curable and thus HUD will not contact agencies to obtain follow-up information. Page 9 of the notice states that “applications will be deemed ineligible for failure to submit the above information” and that “applicants will not have an opportunity to cure application deficiencies beyond the due date.”

14. Do I need to submit a hard copy of the application?

PIH Notice 2010-29 states the following:

Submission Information.

Applications in response to this notice must be received by 5:00 p.m., Eastern Time, on Tuesday, November 30, 2010.

Submit applications electronically as converted PDFs or as Microsoft Word documents (1997 version or higher) to: Dominique Blom; Deputy Assistant Secretary for Public Housing Investments; e-mail: mtw-info@hud.gov.

The notice is specific about the means of submission, stating that applications should be submitted electronically to mtw-info@hud.gov. Applicants are not required to send hard copies to HUD, given it is not requested in the notice. If an applicant wishes to submit a hard copy it may do so; however, **the electronic copy of the application will be considered the official submission**, per the terms of the notice.

Applicants also wishing to submit in hard copy should send the application to Ms. Blom by FedEx or other overnight carrier to ensure delivery before 5 PM on November 30, 2010. Note that U.S. Mail submissions are screened and sent through an irradiation process which significantly delays delivery, so please DO NOT use the regular mail service to make your submission. Please mark the outside of all packages with the phrase “COPY OF MTW APPLICATION.” Ms. Blom’s mailing address is:

Dominique Blom, Deputy Assistant Secretary for Public Housing Investments
Department of Housing and Urban Development
451 7th Street, SW, Room 4130
Washington DC 20410

15. What are the size limitations of HUD's email system for receiving attachments?

HUD's email system cannot receive attachments larger than 12 megabytes in total size and an agency's email provider may have lower size limits. Also, when email volume is high, emails over 5 megabytes in size may be temporarily housed on HUD's server and not transmitted to an email address until after normal business hours. Given applications are due by 5pm on November 30, 2010, agencies should send emails early to ensure that the application is in fact received on time. HUD will not accept late applications, as stated in the notice.

16. What do I do if my document is too large to send via email? Does HUD have any recommendations for how I can ensure that the size of my document remains small enough to email?

If an application is too large to send over email, there are a number of ways to reduce file size to facilitate email transmittal. The following strategies are suggested:

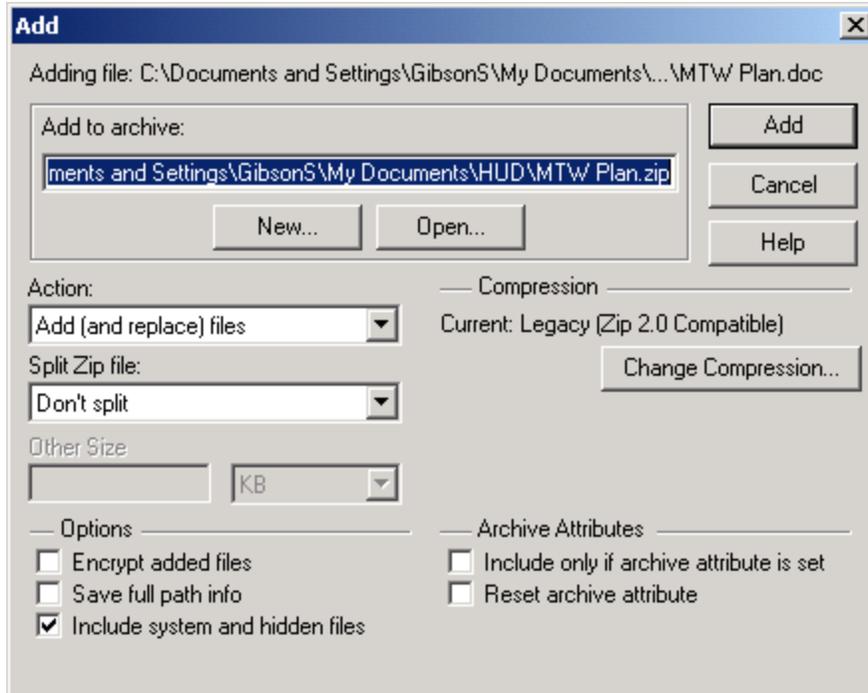
- A. Compress files,
- B. Remove ancillary pictures or graphics, or
- C. Split the document into multiple files.

A. Zipped or Compressed Files

Winzip is a commonly used compression utility that can be used to compress or zip files into a smaller size. An agency can download a trial version of Winzip at: <http://www.winzip.com/trialpay.htm>. While the following instructions are for Winzip, an agency may use other applications that compress a file into a ZIP format.

To zip a file using Winzip on a PC with Windows:

1. Locate the file to save in Windows Explorer.
2. Right click on the document.
3. Select **Winzip** from the choices displayed in the list.
4. Select **Add to Zip file...** from the choices displayed in the list.
5. The following box will appear:



- a. In the **Add to archive:** field, if you want the Zip file to have the same name as the file you are zipping, you do not need to change anything in this box. Note: While the file name will stay the same, the extension will change to “.zip”. If you want to change the name of your zip file, enter the new name in the field with “.zip” as the extension.
 - b. Under **Options:** select **Include system and hidden files**
 - c. Click the **Add** button
6. The zipped version of the file (with the .zip extension) will be saved in the same location on your computer as the original version of the file zipped.

B. Pictures and Graphics

High-resolution pictures or graphics can significantly expand the file size. If an agency chooses to include these items in its application submission, the resolution of the pictures or graphics should be reduced prior to insertion into the document. Reducing the resolution of the picture or graphic will help to keep the size of the overall file manageable.

Microsoft Office includes a standard utility for picture/graphic viewing and editing called Microsoft Photo Editor. The resolution can be changed via the ‘Properties’ dialogue box in this software package. An agency may also use any other application that can adjust the properties of pictures and graphics.

C. Splitting Documents into Multiple Files

HUD prefers to receive the application submission as one document. But, HUD recognizes that in some instances where the size of the file is too large to effectively transmit electronically to HUD, it may be necessary to divide the application into multiple files. When an agency employs this strategy, the division should occur at the end of a section, i.e. sections should not be split across multiple files. The total number of files that an application can be split into should not exceed three files.

17. How can I confirm that the email transmittal of my application has been received by HUD?

Agencies using Microsoft Outlook as their email client can request a "read receipt" prior to sending the email. Additionally, HUD will issue a reply email to each sender stating "Receipt Confirmed," when the application is received.

18. What if I have a question that is not addressed in this document?

For questions not addressed above, please email your question to:
mtw-info@hud.gov.

19. Page 19 of the notice describes the requirement for a minimum of a 30-day public comment period, with at least 15 days between holding a public hearing and receiving board approval of the Plan from the PHA's Board of Commissioners. Can the public hearing be held during the 30-day public comment period or is a 45-day process required?

Yes, a PHA can choose to hold its public hearing at any time during the 30 day public comment period. But, after the public hearing is held, there must be at least 15 days before the board meeting at which the PHA receives board approval of the Plan. Thus, a 45-day process is not required.

20. Does HUD have a list of agencies that are eligible to respond to this notice?

As stated in the notice, many of the eligibility requirements are "as of the application due date"; thus, HUD cannot provide an accurate list of all eligible agencies. Interested agencies should assess their ability to meet all of the eligibility requirements as of the application due date in order to determine if it can meet the threshold requirements. The optional eligibility tool that is posted with the notice can help in this process.

21. If two PHAs are currently under a consortium agreement, where one agency administers public housing and the other administers Section 8, would the merger of the two programs to one PHA or the merger of the two PHAs be a requirement for eligibility for the Moving to Work program?

PIH Notice 2010-29 (HA) specifically excludes applications from multiple PHAs or from consortiums, and states that an eligible PHA must administer both the Section 8 program and the public housing program to be eligible. The statutory requirements of administering no more than 5,000 combined units and being designated as a High Performer in PHAS, as well as the other eligibility criteria listed in the notice also apply. As per the notice, applicants must meet all of the eligibility requirements as of the date applications are due. While a merger of programs to one PHA or a merger of the two PHAs has the potential to address the statutory requirements, the PHA must be eligible at the time it applies, not at some future point. The time involved to take either of these actions would extend well beyond the November 30, 2010 due date.

