



# MOVING TO WORK DEMONSTRATION



# MTW Program Overview

Moving to Work (MTW) is a rental demonstration program for both public housing and the Housing Choice Voucher (HCV) program.

- Provides select housing authorities with a unique opportunity to become industry leaders.
- MTW agencies are able to design & test innovative, locally-designed housing and self-sufficiency strategies for low-income families rather than administering their public housing and HCV programs under the 'one-size-fits-all' approach.



# Purpose of Presentation

- Charleston-Kanawha Housing Authority applied to become a MTW agency late 2019. CKHA has been selected to complete a 2<sup>nd</sup> application for the final selection of agencies.
- Over thirty agencies have been selected to complete a 2<sup>nd</sup> application.
- Only ten agencies will be selected.
- The purpose of this orientation is to inform our audience of this opportunity and to receive suggestions/comments for policy changes.

# MTW Cohort #2

MTW Cohort #2 is a rent reform cohort or group.

- Rent reform means changing policies that determine the amount of rent paid by HUD-assisted households.
- Includes moving away from the traditional 30% of adjusted income rent calculations.
- Six-year study.
- Two groups: 1. Control group (remain under current policies) and 2. Randomly selected group (impacted by any new program changes).
- The randomly selected group will be required to participate.

# MTW Cohort #2

- Establish a tiered rent structure.

Tier	Tier Income Minimum	Tier Income Maximum	Tiered Rent
1	\$0	\$2,499	\$50
2	\$,2500	\$4,999	\$94
3	\$5,000	\$7,499	\$156
4	\$7,500	\$9,999	\$219
5	\$10,000	\$12,499	\$281

- The midpoint of each range is 30% of gross income.

# Statutory Objectives

The MTW policies must achieve at least one of the three statutory objectives:

1. Cost effectiveness – simplifications of rent calculations. Implement policies.
2. Self-sufficiency – training and employment opportunities. Partner with community initiatives.
3. Housing Choice – encouraging moves to opportunity areas. Implement SMAFR's to increase Payment Standards in higher income neighborhoods.



# Groups Not Able to Participate

The following groups will not be able to participate in the rent reform study:

- Head of household – age 56 and older
- Elderly
- Disabled
- Already participating in the FSS program
- Families that are currently receiving a childcare expense
- Special vouchers, such as, Homeownership, MOD, HUD-VASH, Shelter Plus Care



# Program Goals

The development of the new rent policy within the MTW program must include four goals:

1. Simplify CKHA's administrative burden
2. Create a stronger financial incentive for families to increase their income
3. Continue to provide a safety net for families that cannot readily increase their income
4. Minimize increases in CKHA's average housing subsidy expenditures per family



# Simplify Administrative Burden

- Calculate income using 'gross' instead of adjusted income. Eliminates deductions and childcare expenses.
- Calculate retrospective income, looking at the last 12 months. Eliminates 'current' or 'anticipated' income calculations that are currently used.'
- Increase asset calculations to \$25,000. Use self declaration forms.
- Limit a change of income decrease to one time per year, when income changes to a lower tier.



# Simplify Administrative Burden

- Perform recertifications every three years.
- Implement a modified utility schedule (Example only).

Bedroom Size	0	1	2	3	4	5
Baseline	89	120	152	183	239	280
Electric or oil heat add-on	48	64	80	96	140	159
Water & sewer add-on	28	57	84	112	141	196

- New model provides more accurate information when calculating move in rent
- Eliminates structure type, all other utilities needed to calculate rent



# Incentive to Increase Income

- Perform recertifications every three years. This allows the family to increase income without increasing rental payments.
- Increasing asset calculations to \$25,000 allows the family to begin saving without being penalized.



# Incentive to Increase Income

CKHA has partnered with the City of Charleston on their Charleston Workforce Development Initiative.

The purpose of this program is to:

1. To gather and align local workforce development and training entities
2. To share information on available training resources
3. To outline an outreach effort to increase awareness and utilization
4. To create a pipeline of people getting trained and employed
5. To link with local employers that will result in employment opportunities

# Safety Net

- Calculations for safeguards will change to a 'current' or 'anticipated' income calculation.
- Implement a grace period safeguard (estimated 6 months).
- Request an interim (maximize the amount of requests) when income decreases to another tier below the current tier.
- Establish hardship policies



# CKHA Subsidy

- When families increase their income, CKHA's subsidy lowers.

# Example

- \$2,500 - Gross retrospective income – tier 2
- \$684 – Payment Standard (PS)
- \$550 – Contract Rent (CR)
- \$150 – Utility Allowance (UA)
- \$700 – Gross Rent (CR + UA)

The gross rent is \$16 over the PS. The tier 2 rental payment is \$94. These two total \$110. The UA is \$150, so the family would get a \$40 utility check per month.

# Hardship Examples

Component	Rent Policy
Hardship Policy	<p>Families qualify for consideration of a hardship-based remedy if</p> <ul style="list-style-type: none"><li>• The family's income drops down an income tier</li><li>• The family's hardship cannot be remedied by the one interim recertification permitted each year</li><li>• The family faces eviction for not paying rent and/or utilities</li></ul>
Grace Period	<p>Establish a policy so the family does not experience to drastic of a change – initiate for six (6) months</p>



# Expected Timeline

Resident/Participant Notification – 09/14/2020 – 10/01/2020

Meetings – 10/6/2020 – 10/22/2020

Public Comment Period – 11/01/2020 – 11/30/2020

- Newspaper advertisement 11/3, 11/11, 11/19

Virtual Public Meeting – 11/19/2020 @ 2 p.m.

MTW presented to CKHA Board of Commissioner for approval – 12/15/2020

Application due to HUD – 01/05/2021



# Expected Timeline (cont.)

Development of policies, train staff, and update of software – 6 to 12 months after notification of selection

Enrollment Period of randomly selected eligible households – approximately one year



# Questions

1. What type of questions or recommendations do you have concerning what was presented to you today?
2. What don't you like about our current processes?
3. What would motivate you to increase your income?
4. What obstacles do you face to increasing income?



# Contact Information

Please email me at [ceaster@ckha.com](mailto:ceaster@ckha.com)  
or call 304.348.6451 extension 260

Carmen Easter, Director of Leased  
Housing