

Friday, November 7th, 2014

The Honorable Julian Castro, Secretary
U.S. Department of Housing and Urban Development
451 7th Street, SW
Washington, DC 20410

Dear Secretary Castro,

We represent housing advocates who work with clients and community members in the jurisdictions of public housing agencies (PHAs) that have Moving to Work (MTW) status. We look forward to working with you to further HUD's mission to create strong, sustainable, inclusive communities and quality affordable homes for all.

We are writing to ask HUD to take immediate action to create a more open, inclusive, and transparent process as HUD negotiates the terms for any potential extensions to Moving to Work Agreements past their current 2018 expiration. Consistent with the statutory language creating the MTW program, we specifically request that HUD consult with advocates during the contract negotiations. Indeed, Congress was clear that "in making assessments throughout the demonstration, the Secretary *shall* consult with representatives of public housing agencies *and residents*."¹ As a first step, we urge HUD to make the baseline language it is crafting for MTW extension contracts available for public comment and discussion, and solicit and consider input from resident and community advocates on the conditions for extensions and the terms of the extension agreements.

As you undoubtedly know, HUD's MTW demonstration is steeped in controversy. In addition to receiving criticism from advocacy agencies providing services to PHA residents in deregulated jurisdictions, HUD's own Office of the Inspector General and the U.S. Government Accountability Office have released studies critical of the MTW program's underlying structure and HUD's implementation and oversight of the program, including the [GAO's 2012 Evaluation](#) and the [HUD IG's 2013 Study](#). These studies indicate that the Moving to Work program lacks performance standards and evaluation, and HUD has not provided critical oversight to agencies participating in the MTW program to evaluate agencies' compliance with statutory requirements or verify agencies' self-reported performance data.

Based on these pervasive critiques, we believe that any extension of the MTW demonstration must be done with thoughtfulness, diligence, and open discussion of the lessons learned from HUD's previous experiments in deregulation, which simply have not demonstrated any of the programmatic results this venture was designed to achieve.

The current MTW Agreements do not expire until 2018. We understand that HUD's stated goal for beginning MTW extension discussions in 2014 has been to develop better tools and standards to enable more effective regulation and oversight of MTW Agencies moving forward. We support any process that will ensure that new language in MTW contracts will provide clear metrics for performance, clear processes for evaluation, and clear protocols for HUD to monitor and enforce

¹ Omnibus Consolidated Rescissions and Appropriations Act of 1996, Pub. L. No. 104-134, § 204(h)(1), 110 Stat. 1321 (emphasis added).

Agencies' compliance with statutory requirements and standards, even amidst the flexibility the MTW program intentionally allows.

We strongly support some goals HUD has put forward for the extensions, including establishing requirements that agencies use the bulk of their voucher funds for vouchers, higher baselines to determine if agencies are assisting “substantially the same” number of families, and more rigorous evaluation of policies that pose risks to participants. Effective requirements in these areas would have major benefits for low-income families. Without more information on the details, however, it is impossible for us to assess whether the changes HUD plans will bring about meaningful improvements.

As advocacy organizations who work with tenants who are the “end-users” of HUD’s programs in regions de-regulated under the MTW program, we believe we have experiences and observations that can help contribute to HUD’s success in amending the program.

We have documented concerns with the current MTW Agreements that are not adequately addressed by the limited information HUD has released about the planned extensions. These concerns include but are not limited to:

- **How new MTW Agreements will prevent de-regulated PHAs from diverting significant resources out of their housing programs into unrestricted cash reserves or towards other questionable uses such as excessive executive compensation.** These actions clearly contradict MTW’s statutory goal to, “reduce cost and achieve greater cost effectiveness.”² The agreements should, for example, include clear limits on reserve levels and specific sanctions for agencies that exceed those limits.
- **How HUD will evaluate the real effects of proposed or existing major policy changes allowed under MTW, such as time limits, work requirements, and major rent changes,** to assess whether these changes are achieving the program’s statutory goals of helping families achieve economic self-sufficiency and increasing housing choice, or instead just creating a revolving door of homelessness and hardship. HUD has indicated that it will require more rigorous evaluation of some new policies, but it should also seek to evaluate policies already in place and should make clear that it will prohibit agencies from adopting risky measures like time limits and work requirements unless funding for a rigorous evaluation is available.
- **How HUD will define, monitor, and enforce, the new standard of 90% voucher utilization, both before and after new MTW agreements go into effect.** This standard will be far more effective if HUD uses the voucher funding formula to enforce it, and if it prohibits agencies from counting funds spent for purposes other than rental assistance toward voucher utilization.
- **How HUD will define and enforce the requirement to assist substantially the same number of families.** HUD has indicated that it will adjust the baseline number of families agencies must assist upward, but unless HUD also defines “assisted families” to include only families receiving substantial rental assistance this requirement will have little meaning.
- **How HUD will ensure appropriate hardship exemptions are in place.**

² Omnibus Consolidated Rescissions and Appropriations Act of 1996, Pub. L. No. 104–134, § 204(a), 110 Stat. 1321.(emphasis added)

- **How HUD will ensure MTWA jurisdictions increase housing choices and mobility to opportunity communities among program participants.**

Thank you for considering this request.

Through a collaborative, thoughtful, transparent and inclusive approach, we are confident that we can work with HUD and participating public housing agencies to create targeted revisions to the MTW program which clarify performance metrics, and create clear processes for evaluation and oversight. Our goal is to create a structure that provides both flexibility and discipline--- A well-considered framework for any continuation of the program will better ensure we realize the original goals of the MTW program, which were to expand housing choice, increase cost effectiveness, and help families achieve self-sufficiency.

Congratulations on your confirmation as HUD Secretary.

Sincerely,

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San Francisco Bay Area, California
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Atlanta Legal Aid Society, Inc.
Atlanta, Georgia
Margaret L. Kinnear

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Community Alliance of Tenants,
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Cc:

Senator Mark Kirk, Illinois
Senator Dick Durbin, Illinois
Senator Chuck Grassley, Iowa
Senator Jeff Merkley, Oregon
Senator Amy Klobuchar, Minnesota
Senator Al Franken, Minnesota
Senator Patty Murray, Washington State

Congressman John Lewis, 5th Congressional District, GA
Congressman John Yarmuth, 3rd Congressional District, KY
Congresswoman Jan Schakowsky, 9th Congressional District, IL
Congressman Luis Gutierrez, 4th Congressional District, IL
Congressman Danny Davis, 7th Congressional District, IL
Congressman Mike Quigley, 5th Congressional District, IL
Congressman Bobby Rush, 1st Congressional District, IL
Congressman Robin Kelly, 2nd Congressional District, IL
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