



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

Special Attention of:

NOTICE PIH-2012-16

Public Housing Agencies;
Public Housing Directors

Issued: February 27, 2012
Expires: February 27, 2013

Subject: Request for Applications under the Moving to Work Demonstration Program for Fiscal Year 2011.

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 certain exemptions from existing public housing and Housing Choice Voucher (HCV) program rules, as approved by the 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 1996¹ (Section 204 of the 1996 Act). The Consolidated Appropriations Act, 2010² (Section 232 of the 2010 Act), enacted December 16, 2009, authorized HUD to increase the number of existing MTW agencies by three, subject to the following requirements of the selected applicants:

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

The Department of Defense and Full-Year Continuing Appropriations Act, 2011³ carries over from 2010 to 2011 the provision that the Secretary may add an additional three MTW agencies with the eligibility criteria listed above. Section 232 of the 2010 Act adds that no PHA granted the MTW designation per this solicitation shall receive more funding than it otherwise would have received absent this designation.

¹ Public Law 104-134, 110 Stat. 1321-281.

² Section 232, title II, Division A, Public Law 111-117, 123 Stat. 3105.

³ Public Law 112-10, 125 Stat. 103, Section 1104, Title 1, Division B.

Additionally, because the Department filled only two of the three authorized slots made available pursuant to the 2010 Act, the Department will solicit applications for one remaining MTW agency authorized in 2010, and the three agencies authorized for 2011 under this notice.

Based on the criteria of Section 232 of the 2010 Act and information available as of the date of this notice, HUD estimates over 1,500 PHAs are eligible to apply. As a result, HUD has instituted additional eligibility requirements for applicants to ensure the four most qualified agencies are selected. These additional criteria will also allow HUD to test important policy priorities of interest to the Department and the assisted housing community. These requirements are detailed in Section 3 below.

2. Background

The statutory purpose of the MTW demonstration 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 families⁴ 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 eligible low-income families.

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

In order to achieve the statutory purposes of MTW, the PHAs selected for participation in the MTW demonstration may request statutory and regulatory relief from certain 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: <http://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 agencies, both

⁴ “Families” include but are not limited to: (1) A family with or without children (the temporary absence of a child from the home due to placement in foster care shall not be considered in determining family composition and family size); (2) An elderly family; (3) A near-elderly family; (4) A disabled family; (5) A displaced family; (6) The remaining member of a tenant family; and (7) A single person who is not an elderly or displaced person, or a person with disabilities, or the remaining member of a tenant family. 24 CFR 5.403. Participation in the MTW demonstration brings no flexibilities related to fair housing or civil rights requirements. See PIH Notice 2011-31 “Guidance on non-discrimination and equal opportunity requirements for PHAs,” which can be accessed at: http://portal.hud.gov/hudportal/HUD?src=/program_offices/public_indian_housing/publications/notices/2011 for more information.

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 as stated on form HUD-50900. Activities where PHAs may waive statutory or regulatory requirements are provided in Attachment C of the Standard MTW Agreement. A copy of the Standard MTW Agreement is provided on the MTW website at:
http://portal.hud.gov/hudportal/HUD?src=/program_offices/public_indian_housing/programs/ph/mtw/mtwsa.

Each MTW PHA's Standard MTW Agreement runs until the end of its 2018 fiscal year regardless of the date it received the MTW designation. There is no guarantee that a PHA's MTW designation will be authorized beyond the expiration of these Agreements.

Participation in MTW does not bring any opportunity flexibility on regulations outside the 1937 Act. The continued applicability of fair housing and civil rights requirements on PHAs participating in the MTW demonstration is explained at length in PIH Notice 2011-31 "*Guidance on non-discrimination and equal opportunity requirements for PHAs.*"⁵

3. Statutory Requirements and Applicant Eligibility

All applicants under this notice must meet the requirements included in Section 204 of the 1996 Act and Section 232 of the 2010 Act. Applicants must be fully compliant in their operation of federal public housing and Housing Choice Voucher programs. Additionally, applicants must meet the eligibility criteria set forth by HUD and be willing to test policy priorities defined by the Department. 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, as defined by Section 3(b)(3) of the 1937 Act, 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

⁵ PIH Notice 2011-31 "*Guidance on non-discrimination and equal opportunity requirements for PHAs*" can be accessed at: http://portal.hud.gov/hudportal/HUD?src=/program_offices/public_indian_housing/publications/notices/2011.

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 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) and Section 3(b)(3) of the 1937 Act.⁶
 - b. Section 18 of the 1937 Act, which governs demolition and disposition, shall continue to apply to public housing notwithstanding any use of the housing under MTW.⁷
 - c. Section 12 of the 1937 Act⁸, 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

The following criteria are Threshold Criteria. HUD reviews applications and determines eligibility of applicants as of the application due date. In order for a PHA’s application to be considered eligible for participation in the MTW demonstration under this notice, a PHA must, as of the date applications are due, meet the following requirements:

- (1) Designated as a High Performer under the Public Housing Assessment System (PHAS);⁹
- (2) No more than 5,000 total public housing units and HCVs;
- (3) Reporting rate in the Inventory Management System-Public and Indian Housing Information Center (IMS-PIC) of at least 95% of households in both the public housing and HCV programs;
- (4) All required submissions into the Voucher Management System (VMS) must have been submitted and up-to-date;
- (5) All required submissions for the preceding three fiscal years into the Financial Assessment Sub-System (FASS-PH), Financial Data Schedule (FDS) must have been submitted;
- (6) Absence of unaddressed findings from Inspector General (IG) audits, Independent Public Accountant (IPA) audits, Fair Housing and Equal Opportunity (FHEO) reviews, Tier I or II reviews, Rental Integrity Monitoring (RIM) reviews, American Reinvestment and Recovery Act (ARRA) monitoring, litigation, or from any other on-site or remote reviews;

⁶ 42 U.S.C. 1437a(b)(2)

⁷ (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),

⁸ 42 U.S.C. 1437j

⁹ Requirements 1 and 2 are required Section 232 of the 2010 Act, all others are requirements that HUD is imposing as a condition of application.

- (7) Obligation and expenditure of Capital Fund Program (CFP) grants in accordance with the requirements of Section 9(j) of the 1937 Act for the past three years;
- (8) Compliance with the Enterprise Income Verification (EIV) for tenant income verifications, reexaminations, and recertifications as required by the December 29, 2009 Final Rule (74 FR 68923);
- (9) Obligation and expenditure of ARRA grants, if applicable, in accordance with ARRA requirements, including all reporting requirements;
- (10) If an outstanding repayment agreement with the Department is in place, payments must be being made according to that agreement; and
- (11) The applicant meets requirements under Section 3 of the Housing and Urban Development Act of 1968 (12 U.S.C. 1701u) and implementing regulations at 24 CFR part 135.

In addition to the threshold requirements listed above, the PHA must test two priority policy initiatives if it receives an MTW designation. The priority policy initiatives are:

- (1) Rent Reform Controlled Study – HUD is interested in rigorously testing the effects of alternate rent strategies. Alternate rent strategies are defined as variations of the tenant rent calculations required by statute in order to promote one of the MTW statutory objectives given on page 2 of this notice. By submitting an application in response to this notice, applicants certify an alternate rent strategy will be designed and implemented via MTW within two years of the execution of an MTW Agreement with HUD. As part of the study, applicants agree to institute a random assignment process for participants to treatment and control groups to address research standards.
- (2) Applicants must select one of the following:

- a. *Housing Choice Mobility Demonstration* – To further the third statutory objective of the MTW demonstration, increasing housing choice, applicants will design and test an activity that uses MTW flexibility to increase housing choices for residents through mobility programs. An increase in housing choice is defined as providing more types and locations for assisted housing in areas where affordable housing may not be many, and may entail geographic mobility programs that result in residents moving to more racially or economically diverse neighborhoods.

The study may encompass public housing, vouchers, or both and may be a subset. The study does not need to encompass the PHA’s entire public housing and/or HCV portfolio, but if a subset of the portfolio is used, HUD requires that the PHA establish statistically valid treatment and control groups that will enable a rigorous evaluation of the activity’s outcomes.

- b. *Detailed MTW Block Grant Evaluation* – MTW agencies have the ability to combine funds in an “MTW block grant” as set forth in the Definition of Terms below (see item 4). Applicants will be required to propose and design a method that measures and evaluates those aspects of the MTW block grant that result in quantifiable cost savings and other direct measurable outcomes, including

additional families served and other quantifiable outputs that support the MTW statutory objectives. The MTW block grant evaluation strategy should make adjustments for any cost increases incurred as a result of the rent reform controlled study and the costs of the MTW block grant evaluation itself, so that an accurate picture of cost savings from streamlining initiatives can be provided.

Non-Eligible Applicants

Applications submitted by multiple PHAs or from a consortium of PHAs will not be considered, nor will applications from Section 8-only PHAs or from public housing-only agencies.

An applicant will not be eligible if it fails under any of the following categories without taking steps to resolve the matter to the satisfaction of HUD's Office of Fair Housing and Equal Opportunity (FHOO):

- (1) has received a charge from HUD concerning a systemic violation of Title VIII of the Civil Rights Act of 1968, as amended by the Fair Housing Amendments Act of 1988 (42 U.S.C. 3601 et seq.) (Fair Housing Act) or has received a cause determination from a substantially equivalent state or local fair housing agency concerning a systemic violation of a substantially equivalent state or local fair housing law proscribing discrimination because of race, color, religion, sex, national origin, disability or familial status;
- (2) is a defendant in a Fair Housing Act lawsuit filed by the Department of Justice alleging a pattern or practice of discrimination or denial of rights to a group of persons raising and issue of general public interest pursuant to 42 U.S.C. 3614(a);
- (3) has received a letter of findings identifying 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 or Title II of the Americans with Disabilities Act;
- (4) has received a cause determination from a substantially equivalent state or local fair housing agency concerning a systemic violation of provisions of a state or local law proscribing discrimination in housing based on sexual orientation or gender identity; or
- (5) has received a cause determination from a substantially equivalent state or local fair housing agency concerning a systemic violation of a state or local law proscribing discrimination in housing based on lawful source of income.

Applicants may still be eligible if the charge, cause determination, lawsuit, or letter of findings referenced in subparagraphs 1, 2, 3, 4, or 5 above has been resolved to FHOO's satisfaction before the application deadline. However, if the matter has not been resolved, then the applicant is ineligible for funding.

Notwithstanding the civil rights certifications of the applicant under Attachment C, HUD will determine if actions to resolve the charge, cause determination, lawsuit, or letter of findings taken before the deadline are sufficient to resolve the matter. Examples of actions that would normally be considered sufficient to resolve the matter include, but are not limited to:

- a. Current compliance with a voluntary compliance agreement signed by all the parties;
- b. Current compliance with a HUD-approved conciliation agreement signed by all the parties;
- c. Current compliance with a conciliation agreement signed by all the parties and approved by the state governmental or local administrative agency with jurisdiction over the matter;
- d. Current compliance with a consent order or consent decree; or
- e. Current compliance with a final judicial ruling or administrative ruling or decision.

Definition of Terms

- (1) MTW Activity is any activity the MTW agency engages in that requires MTW flexibility to waive statutory or regulatory requirements.
- (2) Public housing units are units under an Annual Contributions Contract (ACC) in the federal public housing program.
- (3) Housing Choice Vouchers are vouchers issued under a housing assistance payments contract pursuant to an ACC.
- (4) Combined assistance received under Sections 8 and 9 of the 1937 Act (MTW Block Grant): 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 Operating and Capital Fund subsidies provided under Section 9 of the 1937 Act (and assistance provided under Section 8(o) of the 1937 Act for the HCV program.

However, the following funds cannot be combined: (a) assistance 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) payments to other PHAs under HCV portability billing procedures; or (c) particular purposes funds 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).

- (5) Unaddressed findings are findings not resolved to the satisfaction of HUD, not under a corrective action plan agreed to by HUD, not part of an approved management decision, or in a corrective action plan that in HUD's sole judgment the PHA is not compliant. This also includes any investigations that, in HUD's sole judgment, may impair the applicant's ability to effectively participate in the MTW demonstration.
- (6) Rent reform is any change from the Regulations to the way rent is calculated for an assisted household. Participants in the MTW demonstration must establish a rent reform that is designed to encourage employment and self-sufficiency on the part of participating families.
- (7) HCV utilization is a calculation of the number of HCVs leased as of the application due date as a percentage of the number of units under the ACC between HUD and the PHA at the beginning of the PHA's current fiscal year.

- (8) HCV budget authority utilized in calendar year 2010 is calculated as the amount of the PHA's 2010 HCV budget expended for the year as a percentage of PHA's 2010 calendar year HCV budget authority.
- (9) Public Housing Occupancy as of the application due date is calculated based on the total occupied assisted, special use, and non-assisted units divided by the total units under ACC (subtracting any uninhabitable units as reflected in IMS-PIC).

4. Submission Requirements for Applications

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

A. Eligibility Certification: Applicants must provide a certification to each of the following items:

- (1) Certification to the eligibility requirements are set forth in Section 3 of this notice (see Attachment A for the standard certification sheet). This sheet, in addition to the certifications included in Attachment B, should be completed and executed by the applicant and submitted with the application.
- (2) Compliance with Fair Housing and Civil Rights Laws
 - a. Applicants and their sub-recipients must comply with all applicable fair housing and civil rights requirements in 24 CFR 5.105(a), including, but not limited to, the Fair Housing Act; Title VI of the Civil Rights Act of 1964; Section 504 of the Rehabilitation Act of 1973; Title II of the American with Disabilities Act; Section 109 of the Housing and Community Development Act of 1974.

If the applicant's state or local government has passed a law or laws proscribing discrimination in housing based on sexual orientation or gender identity, or a law or laws proscribing discrimination based on lawful source of income, the applicant and any proposed sub-recipients must comply with those laws.
 - b. If the applicant is conducting programs or activities with funds received under a HUD program NOFA in a state or local jurisdiction that has passed a law or laws proscribing discrimination in housing based upon sexual orientation or gender identity, or a law or laws proscribing discrimination in housing based on lawful source of income, the applicant and its sub-recipients must comply with those laws of the states or localities in which the programs or activities are conducted.
- (3) Consistency of the applicant's PHA Plan, amendments to the PHA Plan, and MTW Plan with the Consolidated Plan, which must include a certification showing preparation of an Analysis of Impediments to Fair Housing Choice. The applicant's certifications of consistency must show the need, the proposed activities are consistent with the jurisdiction's strategic plan, and the location of the proposed activities is consistent with the geographic areas specified in the consolidated plan.

B. Evidence of Capability

- (1) Summary of the relevant experience and skills of the personnel with primary

responsibility for implementing the PHA's MTW demonstration.

- (2) Discussion of the PHA's experiences, activities, or accomplishments demonstrating ability to participate in the MTW demonstration. Please also include a discussion of any achievements where the applicant has shown excellence in fair housing or environmental compliance and/or innovation. This discussion should include only those instances above and beyond the threshold and eligibility requirements cited throughout this notice.
- (3) Description of how the PHA exhibits innovation and creativity in at least three of the following HUD programs: Resident Opportunities and Supportive Services, Family Self-Sufficiency, HOPE VI, Mixed-Finance Transactions, Section 8 Homeownership Program, Section 32 Homeownership Program, energy efficiency improvements, or the Capital Fund Financing Program.
- (4) The Public Housing Assessment System (PHAS) sub-scores that were used in calculating the PHA's most recent composite PHAS score.
- (5) The PHA's most recent Section Eight Management Assessment Program (SEMAP) score.
- (6) PHA's HCV utilization rate as of the application due date and PHA's percent of HCV budget authority utilized in calendar year 2010.¹⁰
- (7) PHA's public housing occupancy rate as of the application due date.¹¹
- (8) Certification that the agency has submitted its last three Agency Plans on time.
- (9) Certification that the PHA is in compliance with HUD's asset management policy.
- (10) PHA request for authority to use and combine assistance received under Sections 8 and 9 of the 1937 Act to the extent necessary to implement the MTW Plan.

C. MTW Plan

- (1) MTW Plan for the PHA's first year of operation under the MTW demonstration, **following the order and format set forth in Attachment B of this Notice**, 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 in Attachment B to this notice, and includes all required elements in the order listed. The Plan must identify which of the priority policy initiatives defined in section 3 will be tested via a controlled study and/or evaluation, and a descriptive outline detailing how the study or evaluation will be conducted.

D. Evidence of Community Support and Involvement

¹⁰ In order to verify utilization figures of applicant PHAs, HUD may review the utilization figures submitted and/or the previous three months of utilization figures in VMS.

¹¹ In order to verify occupancy information of applicant PHAs, HUD may review the occupancy information submitted and/or the previous three months of occupancy information IMS/PIC.

- (1) Evidence (in the form of sign-in sheets, comments received, notices, etc.) that the PHA has provided community and PHA resident participation in developing its MTW application, including a public hearing.
- (2) Board resolution approving the MTW application and adopting the Annual MTW Plan Certifications of Compliance, included with Attachment B to this notice.
- (3) 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) and any partnerships that link the provision of housing to transportation, energy, recreation, public health services and education providers. The applicant should clearly explain how such partnerships will help to achieve the objectives of the PHA's demonstration and the Department's cross-cutting policy priority of sustainability, based upon HUD's 2010-2015 Strategic Plan.
- (4) Description of how the PHA intends to leverage funding and other in-kind resources in the implementation of its MTW program.
- (5) Description of how the MTW Plan, PHA Plan, and any amendments to the PHA Plan are consistent with the applicable Consolidated Plan(s) and a Certificate of Consistency showing that such plans or amendments have been determined by the appropriate jurisdiction(s) to be consistent with the applicable Consolidated Plan(s).

E. Additional Information Regarding Implementation of MTW Plan¹²

- (1) 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.
- (2) Whether and how assistance will be targeted to families of different income levels by program and/or by site.
- (3) Proposed schedule showing significant dates and milestones for implementation of the PHA's MTW application.
- (4) Potential local and national impact of the MTW Plan if it were implemented.
- (5) Extent to which the Plan has the potential as a replicable program model promoting the purposes of the MTW demonstration and furthering HUD's goal of expanding cross-cutting policy knowledge, in line with the agency's 2010-2015 Strategic Plan.

Applications that meet all threshold requirements will receive points according to the scoring methodology given in Attachment C of this notice. Applications will be assessed based upon the information received in the application package as of the application due date. Applicants will not have an opportunity to cure application deficiencies beyond the due date.

¹² For more information on required compliance with site and neighborhood standards, please see pages 10-13 of PIH Notice 2011-31 "*Guidance on non-discrimination and equal opportunity requirements for PHAs*," which can be accessed at: http://portal.hud.gov/hudportal/HUD?src=/program_offices/public_indian_housing/publications/notices/2011.

5. Selection of MTW Participants

Application Evaluation Criteria

After eliminating PHAs that fail to meet the threshold criteria described in Section 3 of this Notice, 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 evaluates applications based on the four criteria set forth in Attachment C of this notice. Each criterion 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. PHAs must address the relevant criteria in those locations to ensure complete reviews.

Selection Process

HUD evaluates, scores, and ranks complete applications using the point values assigned to the evaluation criteria set forth in Attachment C. HUD reserves the right to limit the size or scope of a PHA's proposed program if proposed activities are not allowed under law or if it is determined in HUD's sole judgment that such limitation is in the best interests of the MTW demonstration and/or public housing and HCV programs. HUD selects only PHAs meeting requirements of Section 232 of the 2010 Act and other HUD eligibility criteria as stated above, in accordance with the requirements of Section 204 of the 1996 Act.

Applicants under this notice are required to commit to testing two policy priorities of interest to the Department as a condition of eligibility. Further, applicants must detail these activities in the Annual MTW Plan component of the application for evaluation and scoring. Applicants are required to test a rent reform policy, and have a choice of two other policy priorities – a housing choice mobility demonstration or an MTW block grant evaluation. After reviewing the applications, HUD reserves the right to determine the number of applications selected in each of the policy priority areas in order to fulfill the strategic objectives of the MTW demonstration.

If a scoring tie should occur that affects HUD's ability to rank applications, HUD will utilize the following tie-breakers to finalize the ranking process:

- Points received by each agency under Capability criteria, item b, as listed in Attachment C to this notice;
- Points received by each agency under Capability criteria, item c, as listed in Attachment C to this notice;
- Points received by each agency under Feasibility of the MTW Plan criteria, item c, as listed in Attachment C to this notice;
- Points received by each agency under Feasibility of the MTW Plan criteria, item d, as listed in Attachment C to this notice.

After exhaustion of the preceding measures without adequate resolution of the scoring tie, a ranking will be completed by blind random selection.

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 limited to provisions of the U.S. Housing Act of 1937 and its implementing regulations, narrowly tailored specific to the MTW plan, and are limited to the term of the demonstration. The continued applicability of fair housing and civil rights requirements on PHAs participating in the MTW demonstration is explained at length in PIH Notice 2011-31 “*Guidance on non-discrimination and equal opportunity requirements for PHAs.*” Participation in MTW does not bring any flexibility on these requirements that are not detailed in that Notice.¹³

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 HUD assistance.

Affirmatively Furthering Fair Housing (AFFH)¹⁴

Section 808(e)(5) of the Fair Housing Act imposes a duty on HUD to affirmatively further the purposes of the Fair Housing Act in its housing and urban development programs. Accordingly, HUD requires recipients of HUD funds to take affirmative steps to further fair housing. Your application must discuss how you are going to carry out your proposed activities in a manner that affirmatively furthers fair housing.

Prior to the execution of the MTW Agreement, and in support of its civil rights certification under Section 5A of the 1937 Act and the affirmatively furthering fair housing certification in the MTW Annual Plan, a successful applicant will discuss how they are going to carry out proposed activities in a manner that affirmatively furthers fair housing.

To affirmatively further fair housing, the applicant’s proposed activities must help overcome impediments to fair housing choice that are identified in the “Analysis of Impediments to Fair Housing Choice” produced by the state and/or local government(s) in which program activities occur, the effects of those impediments, and any other impediments in housing or urban development activities applicants may identify. Further, the applicant’s proposed AFFH activities must be consistent with the agency’s civil rights certification under Section 5A of the 1937 Act and supporting analysis of impediments and corrective implemented activities as required under 24 CFR 903.7(o).

In addition, the proposed activities must address at least one of the following objectives: (1) help overcome any impediments to fair housing choice related to the assisted program or activity itself; (2) promote racially, ethnically, and socioeconomically diverse communities; or (3) promote housing-related opportunities that overcome the effects of past discrimination because of race, color, national origin, religion, sex, disability, and familial status.

¹³ PIH Notice 2011-31 “Guidance on non-discrimination and equal opportunity requirements for PHAs” can be accessed at: http://portal.hud.gov/hudportal/HUD?src=/program_offices/public_indian_housing/publications/notices/2011.

¹⁴ Information on required compliance with Affirmatively Furthering Fair Housing is discussed in more detail in PIH Notice 2011-31.

HUD encourages applications from PHAs that participate in regional fair housing strategies to overcome patterns of segregated housing, including the effects of formerly de jure segregated public or assisted housing, and to facilitate more integrated living patterns.

For example, for programs that focus on rehabilitation or new construction of housing, activities that affirmatively further fair housing include those that: (1) ensure that housing is sited in a manner to enhance racial or ethnic diversity; (2) ensure that housing units are affordable to persons of low, very low and moderate income; (3) to the extent permitted by program requirements, ensure that buildings and housing units are accessible and visitable by people with disabilities; (4) to the extent permitted by program and relocation assistance requirements, ensure that any existing residents relocated to facilitate construction are afforded preference to return to the new units; and (5) ensure that the units are placed in an area of opportunity, which includes factors such as access to employment centers, effective schools, health care facilities, social services, and public transportation.

New construction activities must refrain from geographically concentrating housing for persons with disabilities. Such housing must be placed in the most integrated setting appropriate to the needs of qualified individuals with disabilities. See other examples of affirmatively furthering fair housing in section 5(b), contained in pages 23-25 of HUD's Fiscal Year (FY) 2011 Notice of Funding Availability (NOFA) Policy Requirements and General Section to HUD's FY2011 NOFAs for Discretionary Programs (General Section).

Requirements Related to Construction, Rehabilitation and Development for MTW Agencies

Selection of agencies to participate in the MTW program does not include approval of a site for development, rehabilitation or construction. HUD will review proposed new construction, rehabilitation and acquisition projects with respect to the applicable site and neighborhood standards at 24 CFR 941.202 (public housing) or 983.57 (HCV) as applicable.

Design and construction must meet the Department's accessibility standards in accordance with applicable requirements pursuant to the Fair Housing Act, Section 504 of the Rehabilitation Act of 1973, the Americans with Disabilities Act and the Architectural Barriers Act. Proposed projects or sites are subject to environmental reviews, as noted in Attachment B, under the Annual MTW Plan Certifications of Compliance, and as required by 24 CFR Part 50 or 58.

Construction, repair, rehabilitation, renovation, and painting in housing constructed before 1978 are covered by regulations under the Residential Lead-Based Paint Hazard Reduction Act of 1992 (Title X; Pub. L. 102-550).¹⁵ There are no flexibilities available through MTW in this area.

¹⁵ These include, in particular: HUD's Lead Safe Housing Rule (24 CFR 35, subparts B through R), incorporated into public housing and section 8 program regulations, applies to construction, conversion, acquisition, rental assistance, rehabilitation and development and EPA's Renovation, Repair, and Painting (RRP) Rule and its Pre-Renovation Education Rule (both in 40 CFR 745, especially subparts E and Q) apply to RRP activities, including weatherization. In addition, for housing constructed before 1978, the HUD/EPA Lead Disclosure Rule (24 CFR 35, subpart A, and 40 CFR 745, subpart F), incorporated into public housing and section 8 program regulations, applies to pre-1978 housing being sold (or otherwise disposed of) or leased, whether or not construction, rehabilitation and/or development activities will occur or have occurred.

Information for Applicants Not Selected

For a period of at least 60 days after the announcement of successful applicants is made, HUD will provide to a requesting applicant a debriefing related to its application. A request for debriefing must be made in writing or by email by an authorized official of the applicant organization and submitted to 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 4120; Washington, DC 20410; e-mail: mtw-info@hud.gov.

Information provided during a debriefing will include, at a minimum, the final scores and evaluator comments the applicant received for each of the four rating factors given in Attachment C of this notice.

6. Paperwork Reduction Act

The information collection requirements contained in the Annual MTW Plan portion of this document are approved by the Office of Management and Budget (OMB) under the Paperwork Reduction Act of 1995 (44 U.S.C. 2501-3520). The OMB control number is 2577-0216. In accordance with the Paperwork Reduction Act, HUD may not conduct or sponsor, and a person is not required to respond to, a collection of information unless the collection displays a currently valid OMB control number.

Submission Information

Applications in response to this notice must be received by 5:00 p.m. Eastern Standard Time on Wednesday, June 27, 2012.

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.

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 4120; Washington, DC 20410; telephone: (202) 402-2488, e-mail: mtw-info@hud.gov.

/s/

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

ATTACHMENT A

Certification of Meeting Applicable Eligibility Requirements

All applicants in response to PIH Notice 2012-16 (HA) must certify to the following items in order to be eligible for consideration. HUD confirms certifications upon receipt of the agency's application. At HUD's sole discretion, if HUD substantiates that an agency has misrepresented certifications, the agency's application is disqualified.

A separate Microsoft Excel file is included with this PIH Notice on the HUD website. Applicants can use the automated Excel spreadsheet to determine if they are indeed eligible to apply under this notice.

All certifications are as of the application due date.

Yes No

	Yes	No	N/A
under the American Reinvestment and Recovery Act (ARRA)?			
10. If your agency has an outstanding repayment agreement with the Department, are payments being made according to the agreement?			
11. Does your agency meet requirements under Section 3 of the Housing and Urban Development Act of 1968 (12 U.S.C. 1701u) and implementing regulations at 24 CFR part 135.			
Additional Assurances			
1. Did your agency provide a certification as to compliance with fair housing and civil rights laws as required by Section 4.A(2) of this notices?			
2. Did your agency provide a certification as to consistency of the applicant's PHA Plan, amendments to the PHA Plan, and MTW Plan with the Consolidated Plan as required by Section 4.A(3) of this notices?			
Agreement to Test Policy Priorities			
11. <u>Rent Reform Controlled Study</u> : The Department is interested in rigorously testing the effects of alternate rent strategies. By submitting an application in response to this notice, your agency certifies commitment to design and implement an alternate rent strategy via MTW. Is your agency certifying it will design and test such a policy within two years of the execution of its MTW Agreement, and to institute a random assignment of participants to treatment and control groups, in order to meet research standards on the effects of such a rent policy change?			

	Yes	No	N/A
<p>12. <u>Testing of One Additional Policy Priority</u>: By submitting an application in response to this notice, your agency certifies commitment to design and test one of the following policies, of interest to the Department:</p> <p>a) <i>Housing Choice Mobility Demonstration</i> - To further the third statutory objective of the MTW Demonstration, increasing housing choice, applicants will be required to design and test an activity that uses MTW flexibility to increase housing choices for residents through mobility programs. The study does not need to encompass the PHA's entire public housing and/or Housing Choice Voucher portfolio, but if a subset of the portfolio is used, HUD requires that the PHA establish statistically valid treatment and control groups that will enable a rigorous evaluation of the activity's outcomes.</p> <p>OR</p> <p>b) <i>Detailed MTW Block Grant Evaluation</i> - Applicants will be required to propose and design a method that measures and evaluates those aspects of the MTW block grant that result in quantifiable cost savings and other direct measurable outcomes, including additional families served and other quantifiable outputs that support the MTW statutory objectives. The MTW block grant evaluation strategy should make adjustments for any cost increases incurred as a result of the rent reform controlled study and the costs of the MTW block grant evaluation itself, so that an accurate picture of cost savings from streamlining initiatives can be provided.</p>			
<p>PHA NAME: _____</p> <p>NAME OF AUTHORIZED OFFICIAL: _____</p> <p>SIGNATURE: _____</p>			

I hereby certify that all the information stated herein, as well as any information provided in the accompaniment herewith, is true and accurate. Warning: HUD will prosecute false claims and statements. Conviction may result in criminal and/or civil penalties. (18 U.S.C. 1001, 1010, 1012; 31 U.S.C. 3729, 3802)

ATTACHMENT B

Required Elements of the MTW Plan

Taken from the MTW Plan section of Form 50900: Elements for the Annual MTW Plan and
Required Certification of Compliance

<u>Annual MTW Plan</u>
I. Introduction
A. Table of Contents, which includes all the required elements of the Annual MTW Plan; and
B. Overview of the Agency's MTW goals and objectives for the year, including new and ongoing MTW activities. An MTW activity is defined as any activity the Agency is engaging in that requires MTW flexibility to waive statutory or regulatory requirements.
II. General Housing Authority Operating Information
A. Housing Stock Information
(1) Number of public housing units at the beginning of the year;
(2) General description of any planned significant capital expenditures by development (>30% of the Agency's total budgeted capital expenditures for the fiscal year);
(3) Description of any new public housing units to be added during the year by development (specifying bedroom size, type, accessible features, if applicable);
(4) Number of public housing units to be removed from the inventory during the year by development specifying the justification for the removal;
(5) Number of MTW Housing Choice Vouchers (HCV) units authorized;
(6) Number of non-MTW HCV units authorized; and
(7) Number of HCV units to be project-based during the Plan year, including description of each separate project.
B. Leasing information, Planned – this information is estimated and may be subject to change during the Plan year.
(1) Anticipated total number of MTW PH units leased in the Plan year;
(2) Anticipated total number of non-MTW PH units leased in the Plan year;
(3) Anticipated total number of MTW HCV units leased in the Plan year;
(4) Anticipated total number of non-MTW HCV units leased in the Plan year; and
(5) Description of anticipated issues relating to any potential difficulties in leasing units (HCV or PH).
(6) Number of project-based vouchers in-use at the start of the Plan year.
C. Waiting List Information
(1) Description of anticipated changes in waiting lists (site-based, community-wide, HCV, merged); and

(2) Description of anticipated changes in the number of families on the waiting list(s) and/or opening and closing of the waiting list(s).
III. Non-MTW Related Housing Authority Information
A. List planned sources and uses of other HUD or other Federal Funds (excluding HOPE VI); and
B. Description of non-MTW activities proposed by the Agency, including applications to other competitive HUD offerings and the agency's associated proposals addressing HUD's Strategic Plan priority goals as outlined in the General Section posted at grants.gov.
IV. Long-term MTW Plan
Describe the Agency's long-term vision for the direction of its MTW program, extending through the duration of the MTW Agreement.
V. Proposed MTW Activities: HUD approval requested (<i>provide the listed items below grouped by each MTW activity</i>)
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 Agency 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 or D of the Restated Agreement (available at http://www.hud.gov/mtw) that give the Agency the flexibility to conduct the activity. Every reasonable effort will be made by the Agency to reference the complete and correct statute or regulation application 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 the following information for any rent reform initiatives:
(1) Agency's Board approval of policy;
(2) Impact Analysis;
(3) Annual reevaluation of rent reform initiative;
(4) Hardship case criteria;
(5) Transition period; and
(6) Documentation of public hearing (may be same as Annual Plan hearing).
VI. Ongoing MTW Activities: HUD approval previously granted
<i>This section of HUD Form 50900 is not applicable to applicants under this notice.</i>
VII. Sources and Uses of Funding
A. List planned sources (Operating, Capital, HCV) and uses of MTW funds;

B. List planned sources and uses of State or local funds;
C. If applicable, list planned sources and uses of the COCC;
D. If using a cost allocation or fee-for-service approach that differs from 1937 Act requirements, describe the deviations and the reasons therefore; and
E. 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.
F. List reserve balances at beginning of the Plan year.
G. In Plan Appendix, provide planned sources and uses by AMP.
VIII. Administrative
The Agency will provide the following:
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 Certifications of Compliance (provided at the end of this Attachment B); and
B. Description of any planned or ongoing Agency-directed evaluations of the demonstration, if applicable.

**Annual Moving to Work Plan
Certifications of Compliance**

**Certifications of Compliance with Regulations:
Board Resolution to Accompany the Annual Moving to Work Plan**

Acting on behalf of the Board of Commissioners of the Public Housing Agency (PHA) listed below, as its Chairman or other authorized PHA official if there is no Board of Commissioners, I approve the submission of the Annual Moving to Work Plan for the PHA fiscal year beginning _____, hereinafter referred to as "the Plan", of which this document is a part and make the following certifications and agreements with the Department of Housing and Urban Development (HUD) in connection with the submission of the Plan and implementation thereof:

1. The PHA published a notice that a hearing would be held, that the Plan and all information relevant to the public hearing was available for public inspection for at least 30 days, that there were no less than 15 days between the public hearing and the approval of the Plan by the Board of Commissioners, and that the PHA and conducted a public hearing to discuss the Plan and invited public comment.
2. The Agency took into consideration public and resident comment before approval of the Plan by the Board of Commissioners or Board of Directors in order to incorporate any public comments into the Annual MTW Plan;
3. The PHA will carry out the Plan in conformity with Title VI of the Civil Rights Act of 1964, the Fair Housing Act, section 504 of the Rehabilitation Act of 1973, and Title II of the Americans with Disabilities Act of 1990.
4. The PHA will affirmatively further fair housing by examining its programs or proposed programs, identify any impediments to fair housing choice within those programs, address those impediments in a reasonable fashion in view of the resources available and work with local jurisdictions to implement any of the jurisdiction's initiatives to affirmatively further fair housing that require the PHA's involvement and maintain records reflecting these analyses and actions.
5. The PHA will comply with the prohibitions against discrimination on the basis of age pursuant to the Age Discrimination Act of 1975.
6. The PHA will comply with the Architectural Barriers Act of 1968 and 24 CFR Part 41, Policies and Procedures for the Enforcement of Standards and Requirements for Accessibility by the Physically Handicapped.
7. The PHA will comply with the requirements of Section 3 of the Housing and Urban Development Act of 1968, Employment Opportunities for Low-or Very-Low Income Persons, and with its implementing regulation at 24 CFR Part 135.
8. The PHA will comply with requirements with regard to a drug free workplace as required by 24 CFR Part 24, Subpart F.
9. The PHA will comply with requirements with regard to compliance with restrictions on lobbying as required by 24 CFR Part 87, together with disclosure forms if required by this Part, and with restrictions on payments to influence Federal Transactions, in accordance with the Byrd Amendment and implementing regulations at 49 CFR Part 24.
10. The PHA will comply with acquisition and relocation requirements of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 and implementing regulations at 49 CFR Part 24, as applicable.

11. The PHA will take appropriate affirmative action to award contracts to minority and women's business enterprises under 24 CFR 5.105(a).
12. The PHA will provide HUD or the responsible entity any documentation that the Department needs to carry out its review under the National Environmental Policy Act and other related authorities in accordance with 24 CFR Part 58.
13. With respect to public housing the PHA will comply with Davis-Bacon or HUD determined wage rate requirements under section 12 of the United States 1937 Act and the Contract Work Hours and Safety Standards Act.
14. The PHA will keep records in accordance with 24 CFR 85.20 and facilitate an effective audit to determine compliance with program requirements.
15. The PHA will comply with the Lead-Based Paint Poisoning Prevention Act and 24 CFR Part 35.
16. The PHA will comply with the policies, guidelines, and requirements of OMB Circular No. A-87 (Cost Principles for State, Local and Indian Tribal Governments) and 24 CFR Part 85 (Administrative Requirements for Grants and Cooperative Agreements to State, Local and Federally Recognized Indian Tribal Governments.).
17. The PHA will undertake only activities and programs covered by the Plan in a manner consistent with its Plan and will utilize covered grant funds only for activities that are approvable under the Moving to Work Agreement and Statement of Authorizations and included in its Plan.
18. All attachments to the Plan have been and will continue to be available at all times and all locations that the Plan is available for public inspection. All required supporting documents have been made available for public inspection along with the Plan and additional requirements at the primary business office of the PHA and at all other times and locations identified by the PHA in its Plan and will continue to be made available at least at the primary business office of the PHA.

PHA Name

I hereby certify that all the information stated herein, as well as any information provided in the accompaniment herewith, is true and accurate. Warning: HUD will prosecute false claims and statements. Conviction may result in criminal and/or civil penalties. (18 U.S.C. 1001, 1010, 1012; 31 U.S.C. 3729, 3802)

Name of Authorized Official

Signature

ATTACHMENT C

Scoring Methodology

<u>Rating Factor and Sub-criteria</u>	Points	Primary Location in Application*
<p><u>RATING FACTOR 1: Capability.</u> [Up to 22 points total] <i>A PHA's demonstrated capability to effectively plan, implement, and administer the MTW program it has proposed, as shown by the following:</i></p>		
(a) Relevant experience and skills of PHA personnel of the PHA with primary responsibility for the demonstration ;	Up to 4 Points	Item B.1. of the submission requirements
(b) specific examples of the PHA's innovation and creativity exhibited in existing HUD programs; and	Up to 8 Points	Items B.2., B.3., and C.1. of the submission requirements
(c) performance indicators confirming the PHA's compliance with HUD requirements, including PHAS sub-scores, SEMAP score, HCV utilization and budget utilized, public housing occupancy rate, timeliness of Agency Plan submissions, and compliance with HUD's asset management policy.	Up to 10 points	Items B.4., B.5., B.6., B.7., B.8 and B.9. of the submission requirements
<p><u>RATING FACTOR 2: Feasibility of the MTW Plan.</u> [Up to 52 points total] <i>The PHA's MTW Plan will be evaluated on the extent to which the MTW Plan:</i></p>		
(a) provides an MTW vision, which includes a broad and effective strategy that addresses the statutory purposes of MTW and concretely relates to the MTW activities proposed;	Up to 5 points	Item C.1 of the submission requirements through Sections I and IV of Attachment B.
(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; and	Up to 25 points	Item C.1 of the submission requirements through Section V of Attachment B.

(c) establishes a reasonable rent policy designed to encourage employment and self-sufficiency by participating families, and that is rigorously tested by assigning program participants to treatment and control groups for study.	Up to 12 points	Item C.1. of the submission requirements through Section V of Attachment B.
(d) establishes an MTW activity to increase housing choices through mobility programs, and that includes a methodology for a rigorous evaluation of the activity's outcomes, OR designs a method that measures and evaluates those aspects of the MTW block grant that result in quantifiable cost savings and other direct measurable outcomes, including additional families served and other quantifiable outputs that support the MTW statutory objectives, with an adjustment made for any cost increases incurred as a result of the rent reform controlled study and the costs of the MTW block grant evaluation itself, so that an accurate picture of cost savings from streamlining initiatives can be provided.	Up to 10 points	Item C.1. of the submission requirements through Section V of Attachment B.
<u>RATING FACTOR 3: Resident and Community Support and Involvement.</u> [Up to 13 points total]		
<i>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:</i>		
(a) by resident organizations, resident councils, resident management corporations, by resident meetings;	Up to 5 points	Items C.1., D.1., and D.2. 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; and	Up to 5 points	Items C.1. and D.3. of the submission requirements
(c) which demonstrates the ability of the housing authority to leverage funds.	Up to 3 points	Item C.1 and D.4 of the submission requirements through Sections V and VII of Attachment B.

<p><u>RATING FACTOR 4: Local and National Impact.</u> [Up to 13 points total]</p> <p><i>The potential local and national impact of the MTW Plan if it were to be implemented, considering the following:</i></p>		
(a) the degree of innovation proposed, as evidenced by the uniqueness of the proposed activities;	Up to 8 points	Item C.1 of the submission requirements through Sections V and VII of Attachment B.
(b) 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 5 points	Items E.1., E.2., E.3, E.4., and E.5. of the submission requirements
TOTAL POINTS AVAILABLE	<p>RATING FACTOR 1: 22 Points</p> <p>RATING FACTOR 2: 52 Points</p> <p>RATING FACTOR 3: 13 Points</p> <p>RATING FACTOR 4: 13 Points</p> <p>TOTAL: 100 Points</p>	

* “Submission Requirements for Applications” can be found on pages 8-10 of this notice and “Attachment B” can be found on pages 18-22.