Background on the FY2016 Omnibus Moving to Work Expansion

The omnibus bill creates 100 new slots for high-performing PHAs (under PHAS or SEMAP) to participate in the program. The expansion will occur over seven years. NAHRO has long called for meaningful expansion of the MtW demonstration and is deeply supportive of the Congress’s efforts. PHAs that participate in the MtW demonstration enjoy broad funding flexibility and may experiment with alternative program structures to better serve their communities. New MtW agencies would not be eligible for alternative funding agreements, nor would they be allowed to waive portability requirements unless HUD made a finding that such waiver was necessary for implementing comprehensive rent reform and occupancy policies.

The omnibus requires the Secretary to establish a research advisory committee that includes program and research experts from HUD agencies with an MtW designation, and independent subject matter experts in housing policy research. The research advisory committee is responsible for advising the Secretary on specific policy proposals and methods of research and evaluation for MtW. The Secretary will direct one specific policy change for each new cohort of agencies receiving MtW designation. The impact of this policy change will be evaluated through rigorous research. This includes randomized experiments, natural experiments, well-matched comparison group studies, and quasi-experimental methods found in studies published in peer-reviewed social science journals. With approval, newly designated MtW agencies may also implement additional policy changes. Newly designated MtW agencies will provide information requested by HUD to support oversight and evaluation, including targeted policy changes. Research and evaluation will be coordinated under the Secretary in consultation with the advisory committee to determine successful policy changes that can be applied more broadly to all public housing agencies and to propose any necessary statutory changes.

The omnibus stipulates certain size requirements for new MtW agencies to increase the geographic distribution and size of the program. For the expansion, at least 50 of the new slots would be reserved for PHAs that administer 1,000 or fewer aggregate vouchers and units, at least 47 for PHAs that administer 1,001-6,000 aggregate vouchers and units, and no more than 3 that administer 6,001-27,000 aggregate vouchers and units. PHAs with over 27,000 aggregate units and vouchers are ineligible for the expanded program. Furthermore, the omnibus reserves five slots for agencies that have portfolio awards under RAD. The omnibus also authorizes HUD to designate an MtW agency and one or more adjacent public housing agencies in the same area as a regional MtW agency, making the flexibilities specified in the MtW agreement with HUD applicable to all participating PHAs. As written, this authority is flexible enough to allow for designation of consortia as regional MtW agencies.

The omnibus also requires HUD to provide extensions for all existing MtW contracts under their current terms through 2028 unless both HUD and the PHA agree to a change. These extensions would also be required to prohibit offset of any reserve balances below four months’ operating expenses.