



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

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**Special Attention of:**

**NOTICE PIH-2018-17**

**Public Housing Agency Directors;  
Public Housing Hub Office Directors;  
Public Housing Field Office Directors;  
Program Center Coordinators;  
Resident Management Corporations;  
Resident Councils**

**Issued: October 11, 2018**

This Notice remains in effect until amended, superseded, or rescinded.

**Cross Reference:** FR-5994-N-04  
FR/Vol. 83, No. 197/10-11-2018

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**Subject:** Request for Letters of Interest and Applications under the Moving to Work Demonstration Program for Fiscal Year 2019:  
COHORT #1 – Overall Impact of Moving to Work Flexibility

**1. Purpose and Background**

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 use assistance received under Sections 8 and 9 of the United States Housing Act of 1937, as amended, 42 U.S.C. 1437, *et seq.*, (1937 Act) more flexibly and by allowing certain exemptions from existing public housing and Housing Choice Voucher (HCV) program rules, as approved by HUD.

The MTW Demonstration Program was originally authorized by Section 204 of the Omnibus Consolidated Rescissions and Appropriations Act of 1996, P.L. 104-134; 42 U.S.C. 1437f note (1996 MTW Statute). Section 239 of the Fiscal Year 2016 Appropriations Act, P.L. 114-113, (2016 MTW Expansion Statute), authorizes HUD to expand the MTW Demonstration Program by an additional 100 PHAs over seven years (here after, the “MTW Expansion”). The 2016 MTW Expansion Statute provides that PHAs selected as part of the MTW Expansion must be high performers, meet certain size and site selection requirements, and represent geographic diversity across the country.

This Notice lays out the two-step application process by which PHAs will be selected for the first cohort of the MTW Expansion. In the first step, interested PHAs that meet the eligibility criteria in Section 4(B) of this Notice will submit a letter of interest package to HUD and HUD will conduct an eligibility review of these interested PHAs. Regional lotteries will then be held to determine which of the eligible, interested PHAs will be invited to apply under this Notice, which will be placed on a waitlist, and which will not receive MTW designation under this Notice or continue to the next step of the application process.

In the second step, the regional lottery selectees will be invited to submit a full MTW Plan and application requesting MTW designation. A waitlisted PHA may be invited to apply to replace a selected PHA that withdraws or does not successfully complete its application. Upon sufficient

completion of the application requirements, regional lottery selectees will then be offered MTW designation in the first cohort of the MTW Expansion.

Eligibility and selection criteria in both steps are based on the requirements of the 1996 MTW Statute, the additional criteria in the 2016 MTW Expansion Statute, and other indicators that ensure qualified PHAs are selected. These criteria will also allow HUD to test important policy priorities of interest to the Department and the assisted housing community. Applications for other cohorts of the MTW Expansion will be sought through separate, future selection notices.

Section 2 of this Notice highlights important elements of the program structure and evaluative components of the MTW Expansion. Section 3 explains the general framework and selection process for this first cohort of PHAs under the MTW Expansion. Section 4 provides information on submitting a letter of interest package, the first step of the application process. Section 5 provides information on submitting an MTW Plan and application, the second step of the application process. Finally, Section 6 gives administrative details and contact information.

## **2. Program Structure for PHAs Selected to Participate in the MTW Expansion**

### **A. MTW Expansion Overview**

The MTW Demonstration Program was first established under the 1996 MTW Statute to provide statutory and regulatory flexibility<sup>1</sup> to participating PHAs under three statutory objectives. Those three statutory objectives are to:

- reduce cost and achieve greater cost effectiveness in federal expenditures;
- give incentives to families 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
- increase housing choices for eligible low-income families.

Also established under the 1996 MTW Statute are five statutory requirements that PHAs participating in the MTW Demonstration Program must meet throughout the term of their MTW participation. As a part of their application plan<sup>2</sup> before obtaining MTW designation, and throughout the term of MTW participation, PHAs will certify as to compliance with these requirements in accordance with the MTW Operations Notice. Throughout the term of MTW participation, HUD will also quantifiably monitor these requirements in accordance with the MTW Operations Notice. These are:

- to ensure at least 75% of families assisted are very low-income as defined in Section 3(b)(2) of the 1937 Act;

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<sup>1</sup> The MTW Demonstration Program may only provide certain policy changes (flexibilities) related to provisions of the 1937 Act. The MTW Demonstration Program does not provide any waivers of other applicable federal, state or local laws or regulations. For more information on the history of the MTW Demonstration Program, please go to: [www.hud.gov/mtw](http://www.hud.gov/mtw).

<sup>2</sup> During the second step of the application process, PHAs will submit the “Certifications of Compliance” with the application plan. This document is found in Attachment 2 of this Notice.

- to establish a reasonable rent policy that is designed to encourage employment and self-sufficiency;
- to continue to assist substantially the same total number of eligible low-income families as would have been served absent MTW;
- to maintain a comparable mix of families (by family size) as would have been provided had the funds not been used under the MTW Demonstration Program; and
- to ensure housing assisted under the MTW Demonstration Program meets housing quality standards established or approved by the Secretary.

The 2016 MTW Expansion Statute requires that HUD increase the MTW Demonstration Program by 100 PHAs over seven years. Per the 2016 MTW Expansion Statute, PHAs selected must be high performers and represent geographic diversity<sup>3</sup> across the country. Further, these PHAs may administer HCVs only, public housing only or HCVs and public housing, but must fall within the following categories:

- no less than 50 PHAs shall administer 1,000 or fewer aggregate authorized public housing and HCV units;
- no less than 47 PHAs shall administer 1,001-6,000 aggregate authorized public housing and HCV units;
- no more than 3 PHAs shall administer 6,001-27,000 aggregate authorized public housing and HCV units;
- no PHA shall be granted the designation if it administers in excess of 27,000 aggregate authorized public housing and HCV units; and
- five of the PHAs selected shall be agencies with portfolio awards under the Rental Assistance Demonstration (RAD).

Per the 2016 MTW Expansion Statute, in the MTW Expansion PHAs will be added to the MTW Demonstration Program in cohorts that will test specific policy changes. These policy changes have been established with advice from an MTW Research Advisory Committee.<sup>4</sup> The policy change that will be tested by the first cohort of PHAs selected under this Notice, as well as the other policies to be tested by future cohorts of the MTW Expansion, are discussed in more detail in Section 2(C) of this Notice.

## **B. Program Structure**

The proposed program structure of the MTW Expansion is explained in greater detail in the Federal Register Notice, “*Operations Notice for the Expansion of the Moving to Work Demonstration Program; Republication and Extension of Comment Period.*”<sup>5</sup> The

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<sup>3</sup> Decisions on geographic diversity will take under consideration both PHAs to be added under the MTW Expansion and current MTW PHAs.

<sup>4</sup> For more information on the establishment, purpose, members and meeting content of the MTW Research Advisory Committee, please go to: [http://portal.hud.gov/hudportal/HUD?src=/program\\_offices/public\\_indian\\_housing/programs/ph/mtw/expansion](http://portal.hud.gov/hudportal/HUD?src=/program_offices/public_indian_housing/programs/ph/mtw/expansion).

<sup>5</sup> This Federal Register Notice may be accessed at: <https://www.gpo.gov/fdsys/pkg/FR-2018-10-11/pdf/2018-22158.pdf> and seeks public comments on the draft Operations Notice during a 45-day window after publication.

Department selected this program structure with the intent to balance the desire to preserve maximum flexibility for the PHAs selected under the MTW Expansion with the need to retain key protections for assisted families and the mandate to conduct robust evaluation.

When the final version of the Operations Notice is published at a later date, it will govern the participation of all PHAs in the MTW Expansion, including those in the first cohort selected under this Notice and those in later cohorts selected under future notices. It will establish program structure, detail terms and conditions and provide all available MTW waivers and associated activities. The Operations Notice will be informed by public comment, finalized by HUD and published before any PHAs in the MTW Expansion may begin implementation of a local MTW program, including those selected for the first cohort under this Notice.

In order to participate in the MTW Expansion, PHAs will need to have the information technology capability to upgrade their Inventory Management System/Public and Indian Housing Information Center (IMS/PIC) software to accommodate the MTW flexibilities. HUD will provide modest funding to new MTW PHAs to defray a portion of the costs associated with meeting new reporting requirements.

### **C. Evaluation of MTW Expansion PHAs**

The MTW Expansion Statute directs HUD to add PHAs to the MTW Demonstration Program by cohort and to test one specific policy change for each cohort. Under the advisement of the MTW Research Advisory Committee, HUD has established the overall policies to be studied by the cohorts in the MTW Expansion as well as what will be studied by the first cohort selected under this Notice.<sup>6</sup>

Cohorts may receive specific waivers to facilitate the policy being tested. In addition, each of the MTW waivers and associated activities described in the Operations Notice will be available to each cohort to the extent the waiver does not impact the evaluation of a specific policy to be studied within that cohort.

While the policies to be tested for the first and second cohorts have been determined, the order of cohorts in which future policies will be studied has not yet been decided. Additional information on the order, timing and research design of future policies to be tested under the MTW Expansion will be given in greater detail in the selection notices for those cohorts. Policies to be tested under the MTW Expansion, in no particular order except for the first and second cohorts, include:

- *Overall Impact of MTW Flexibility:* In the first cohort, the overall effects of MTW flexibility on a PHA and the residents it serves will be evaluated.
- *Rent Reform:* In this cohort, different rent reform models that may or may not be income based, to include tiered rents, and/or stepped-up rents, will be evaluated.
- *Work Requirements:* In this cohort, work requirements for residents/participants who are

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<sup>6</sup> For more information on this meeting of the MTW Research Advisory Committee, please go to: [http://portal.hud.gov/hudportal/HUD?src=/program\\_offices/public\\_indian\\_housing/programs/ph/mtw/expansion](http://portal.hud.gov/hudportal/HUD?src=/program_offices/public_indian_housing/programs/ph/mtw/expansion).

at least 18 years old, non-elderly and non-disabled will be evaluated.

- *Landlord Incentives*: This cohort will evaluate how to improve landlord participation in the HCV program through incentives such as participation payments, vacancy payments, alternate inspection schedules and other methods.

The first cohort of the MTW Expansion will evaluate the overall effects of MTW flexibility on a PHA and the residents it serves. In order to understand the overall effect of MTW flexibility, HUD will compare outcomes related to the three MTW statutory objectives - cost effectiveness, self-sufficiency and housing choice - between applicant PHAs assigned to a treatment group (that receive MTW designation) and applicant PHAs assigned to a control group (that do not receive MTW designation) based on the results of the regional lotteries.

The overarching evaluation question for this first cohort is: “What is the impact of MTW flexibility?” The outcome measures will be aligned with the MTW statutory objectives of:

- Cost effectiveness (for example, how does MTW participation impact staffing, resource allocation and leveraging of other funds?)
- Self-sufficiency (for example, how does MTW participation impact who is served, how long and what happens after they leave assistance, does household income increase?)
- Housing choice (for example, how does MTW participation impact the housing quality, neighborhood safety and access to community resources?)

To support the evaluation of the first cohort, all applicant PHAs will be required to complete a web-based PHA Baseline Research Survey as a part of the initial letter of interest package. However, the data from the PHA Baseline Research Survey will not be used in determining selection of applicants. The purpose for collecting the data is to identify the baseline characteristics of all applicant PHAs in order to (i) describe the characteristics of all applicant PHAs at time of application; and (ii) be able to ensure that the PHAs who are selected for MTW designation (the treatment group) are similar to the PHAs who are not selected for MTW designation (the control group).

### **3. Selection Process Overview for First Cohort of the MTW Expansion**

The first cohort of the MTW Expansion to be selected through this Notice will consist of approximately 30 PHAs with 1,000 or fewer aggregate authorized public housing and HCV units. To select these 30 PHAs, HUD will conduct a two-step application process.

In the first step, as detailed in Section 4 of this Notice, PHAs interested in receiving MTW designation that believe they meet the eligibility criteria must submit a letter of interest package to HUD by the submission deadline. After the letter of interest package submission deadline in Section 4(C) of this Notice, the Department will utilize HUD systems and the materials submitted by the interested PHAs to confirm eligibility under this Notice.

All interested PHAs with confirmed eligibility will be separated into the five following geographic areas: Northeast (HUD Regions 1, 2, 3); Southeast (HUD Region 4); Midwest (HUD

Region 5); Southwest (HUD Regions 6, 7) and West (HUD Regions 8, 9, 10).<sup>7</sup> A lottery will then be conducted for each geographic area to randomly assign eligible, interested PHAs into the following categories:

- The treatment group (will be invited to apply to the first cohort of the MTW Expansion and proceed to the second step of the application process described in Section 5 of this Notice);
- The waitlist group (will be invited to apply to the first cohort of the MTW Expansion if a PHA in the treatment group chooses to withdraw itself from consideration or does not successfully complete the second step of the application process described in Section 5 of this Notice); or
- The control group (will not receive MTW designation in the first cohort of the MTW Expansion under this Notice but is still expected to participate in the first cohort evaluation of the MTW Expansion).

The target numbers of eligible, interested PHAs to be randomly assigned to the treatment group by geographic area are: Northeast (5 PHAs); Southeast (7 PHAs); Midwest (5 PHAs); Southwest (10 PHAs); and West (3 PHAs).<sup>8</sup> Three PHAs from each geographic area will also be randomly assigned to the waitlist group. Each of the PHAs in the five geographic area waitlist groups will be randomly assigned a priority of one, two, or three.

Depending on the number of eligible applications received, the geographic regions represented, and prevalence of RAD participation, HUD may adjust the overall number of applicants to be selected for the treatment group and/or the number of applicants to be selected for the treatment group in each geographical area. HUD will consider the location of current MTW PHAs in assessing geographic diversity.

Once the lottery is conducted, all PHAs that submitted a letter of interest will be notified by HUD via email of their eligibility status, and if eligible, of the group to which they have been assigned (i.e., treatment, waitlist, control).

In the second step, PHAs assigned to the treatment group will be invited via email to apply to the first cohort of the MTW Expansion. As detailed in Section 5 of this Notice, in order to receive MTW designation, the treatment group PHA must submit an MTW Plan and the other application materials by the submission deadline in Section 5(B) of this Notice. After the application submission deadline, the Department will verify that the treatment group PHA has submitted all required elements of the MTW Plan and application.

Once the MTW Plan and application is verified, the treatment group PHA will then be notified by HUD via email and letter that it has successfully completed the second step of the application process and has been selected to receive MTW designation in the first cohort of the MTW Expansion. HUD will also announce selected applicants on the MTW website at: [www.hud.gov/mtw](http://www.hud.gov/mtw). Selection does not constitute formal entry into the MTW Demonstration Program. Selected PHAs may not flexibly use Section 8 and Section 9 funding or invoke any

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<sup>7</sup> A map and more information on HUD's regions can be accessed at: [http://portal.hud.gov/hudportal/HUD?src=/program\\_offices/public\\_indian\\_housing/about/field\\_office](http://portal.hud.gov/hudportal/HUD?src=/program_offices/public_indian_housing/about/field_office).

<sup>8</sup> The target numbers of applicant PHAs to be assigned to the treatment group by region was determined proportionally according to the number of PHAs with 1,000 combined units or less in that region.

MTW flexibility before formal entry into the MTW Demonstration Program when a Consolidated Annual Contributions Contract (CACC) amendment detailing MTW participation is executed by both HUD and the PHA and any other requirements of the Operations Notice are met.

PHAs in the waitlist group will be notified by HUD via email of a possible invitation to apply to the first cohort of the MTW Expansion and their assigned priority on the geographic area waitlist. Should any PHA in the treatment group withdraw from consideration or fail to successfully complete the second step of the application process, HUD will notify via email the next priority waitlisted PHA in the corresponding geographic area that it has been moved to the treatment group. Once notified, the waitlisted PHA will have three months from the date of the notification to submit the MTW Plan and application materials described in Section 5(A) of this Notice for review. The PHA will then be considered a treatment group PHA and be subject to the same consideration as other treatment group PHAs except for the amended submission deadline.

PHAs that remain in the waitlist group will be moved to the control group once the treatment group reaches 30 PHAs that successfully complete the second step of the application process. PHAs in the waitlist group will be notified by HUD via email once this change of status occurs.

Applicant PHAs that are not selected to the treatment group in this first cohort will not be prohibited from applying to future cohorts under the MTW Expansion, provided they are eligible under the cohort selection notice, from receiving MTW designation.

#### **4. Application Step 1 – PHA Letter of Interest Package**

##### **A. Letter of Interest Package Submission Format**

PHAs interested in joining the MTW Demonstration Program that believe they meet the eligibility requirements in Section 4(B) of this Notice must submit a letter of interest package to HUD by the submission deadline given in Section 4(C) of this Notice.

The letter of interest package must consist of:

- i.** A letter of interest from the PHA stating the desire to obtain MTW designation under the first cohort of the MTW Expansion. The letter must be no more than two pages<sup>9</sup> long and be signed by the PHA's Executive Director (or equivalent PHA executive);
- ii.** A resolution signed by the Board of Commissioners (or equivalent governing body) approving the PHA's desire to obtain MTW designation under the first cohort of the MTW Expansion and stating the intention to comply with the MTW objectives and statutory requirements and the Operations Notice. There is no prescribed format for this resolution; and
- iii.** A certification of commitment to participate in the first cohort evaluation completed and

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<sup>9</sup> Any pages beyond the two-page limit will not be reviewed, potentially causing failure to meet the eligibility requirements. Pages must be double-spaced, on 8½ x 11-inch paper, use Times New Roman 12-point font, and contain a one-inch margin on all sides. If one or more of these requirements are not met on a particular page, that page will be counted as two pages.

signed as directed in Attachment 1 of this Notice.

All three of these items must be submitted electronically as a converted PDF or as a Microsoft Word document (1997 version or higher) to: Marianne Nazzaro; Director, Moving to Work Demonstration Program; e-mail: [mtw-info@hud.gov](mailto:mtw-info@hud.gov). The submittal e-mail should be titled “MTW Expansion Cohort #1 Letter of Interest” and should include the name of the PHA and relevant contact information in the body of the email.

In addition to these three items, the PHA must complete the PHA Baseline Research Survey online by the submission deadline given in Section 4(C) of this Notice. The PHA Baseline Research Survey may be accessed at: <https://www.huduser.gov/webapps/public/pha/part1>. After completing the PHA Baseline Research Survey, the system will thank the PHA for its participation. There is no need for the PHA to submit any additional information on the PHA Baseline Research Survey with the letter of interest package, as HUD will verify that it has been completed.

The addressee that transmitted the letter of interest package will receive an email confirming receipt within 72 hours of submission.

## **B. Letter of Interest Package Criteria for Eligibility**

By the letter of interest package submission deadline, PHAs must meet all the eligibility requirements included in this section in order to be entered into the lottery to proceed to the second step of the application process. All eligibility requirements will be verified as of the letter of interest package submission deadline date provided in Section 4(C) of this Notice unless otherwise noted. Some of the eligibility requirements will be verified by HUD and others will be demonstrated by items in the letter of interest package submitted by the PHA. The sources used to verify the eligibility requirements are given below.

### **i. Eligibility Requirements**

#### ***a) List of Statutory Eligibility Requirements***

- (1) Administration of 1,000 or fewer aggregate public housing and/or HCV units as verified by HUD;<sup>10</sup>
- (2) Designation as a High Performer under the Public Housing Assessment System (PHAS) or Designation as a High Performer under the Section Eight Management Assessment Program (SEMAP) as verified by HUD; and
- (3) The applicant is a PHA.

#### ***b) List of Additional Eligibility Requirements***<sup>11</sup>

HUD will verify the following eligibility requirements through HUD systems independent of information submitted by the PHA with the letter of interest package:

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<sup>10</sup> All authorized public housing and HCV units will be counted towards the aggregate amount, including any special purpose vouchers.

<sup>11</sup> In assessing eligibility, HUD will take into consideration any HUD-provided flexibility granted to the PHA associated with disaster relief.



- (1) The PHA is not “troubled” under either PHAS or SEMAP (as applicable to the PHA’s inventory) as of the submission deadline date provided in Section 4(C) of this Notice;
- (2) The PHA submitted the PHA Baseline Research Survey information as directed by HUD in Section 4(A) of this Notice;
- (3) The PHA has a reporting rate in the IMS/PIC of at least 90% of households in both the public housing and HCV programs (as applicable to the PHA’s inventory);
- (4) If the PHA administers an HCV program, the PHA is up-to-date on all required submissions into the Voucher Management System (VMS);
- (5) The PHA submitted all required submissions for the preceding three fiscal years into the Financial Assessment Sub-System (FASS-PH), Financial Data Schedule (FDS);
- (6) The PHA submitted its most recent PHA Plan that was due to HUD;
- (7) There are no unaddressed findings from Inspector General audits, Independent Public Accountant (IPA) audits, Tier I or II reviews, litigation with HUD, or any other on-site or remote reviews for the PHA. The PHA has resolved outstanding nondiscrimination or equal opportunity charges, cause determinations, lawsuits, or letters of finding in accordance with Section 3(A)(ii) of this Notice. The PHA is not currently the subject of any unresolved Departmental challenge to the validity of the PHA’s civil rights certification under 24 CFR 903.7(o) and 903.15;
- (8) If the PHA administers a public housing program, the PHA complied with obligation and expenditure deadlines of Capital Fund Program (CFP) grants in accordance with the requirements of Section 9(j) of the 1937 Act for the past three years; and
- (9) If an outstanding repayment agreement with HUD is in place, the PHA has made payments according to that agreement or has come into compliance with the agreement.

HUD will verify the following eligibility requirements according to information submitted by the PHA in the letter of interest package:

- (10) The PHA submitted a letter of interest that was no more than two pages and signed by the Executive Director (or equivalent executive) indicating the desire to obtain MTW designation under the first cohort of the MTW Expansion;
- (11) The PHA submitted a Board Resolution signed by the Board of Commissioners (or equivalent governing body) approving the PHA’s desire to obtain MTW designation under the first cohort of the MTW Expansion and stating the intention to comply with the MTW objectives and statutory requirements and the Operations Notice; and
- (12) The PHA submitted certification of the PHA’s commitment to participate in the HUD-sponsored evaluation of the first cohort of the MTW Expansion (as explained in Section 4(A)(iii) and Attachment 1 of this Notice) regardless of placement in the treatment, waitlist or control group.

## ii. Non-Eligible Applicants

A letter of interest package submitted by multiple PHAs or from a consortium of PHAs will not be considered, nor will letter of interest packages from individuals or other non-PHA entities.

Outstanding civil rights matters must be resolved before the letter of interest submission deadline in Section 4(C) of this Notice. Interested PHAs who after review are confirmed to have civil rights matters unresolved at the letter of interest package submission deadline will be determined ineligible; the letter of interest package will receive no further review. Interested PHAs having any of the charges, cause determinations, lawsuits, or letters of findings referenced immediately below that have not been resolved to HUD's Office of Fair Housing and Equal Opportunity's satisfaction by the letter of interest package submission deadline date are ineligible. Such matters include:

- Charges from HUD concerning a systemic violation of the Fair Housing Act or receipt of 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;
- Status as 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 an issue of general public importance pursuant to 42 U.S.C. 3614(a);
- Status as a defendant in any other lawsuit filed or joined by the Department of Justice alleging a pattern or practice or systemic violation of Title VI of the Civil Rights Act of 1964, Section 504 of the Rehabilitation Act of 1973, Section 109 of the Housing and Community Development Act of 1974, Title II of the Americans with Disabilities Act, or a claim under the False Claims Act related to fair housing, non-discrimination, or civil rights generally including an alleged failure to affirmatively further fair housing;
- Receipt of a letter of findings identifying systemic non-compliance with Title VI of the Civil Rights Act of 1964, Section 504 of the Rehabilitation Act of 1973, Section 109 of the Housing and Community Development Act of 1974; or Title II of the Americans with Disabilities Act; or
- Receipt of 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 prohibiting discrimination in housing based on sexual orientation, gender identity, or lawful source of income.

HUD will determine if actions to resolve the charge, cause determination, lawsuit, or letter of findings taken before the letter of interest package submission deadline date are sufficient to resolve the matter. Examples of actions that may be considered sufficient to resolve the matter include, but are not limited to:

- Current compliance with a voluntary compliance agreement signed by all the

parties;

- Current compliance with a HUD-approved conciliation agreement signed by all the parties;
- 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;
- Current compliance with a consent order or consent decree;
- Current compliance with a final judicial ruling or administrative ruling or decision; or
- Dismissal of charges.

### **C. Letter of Interest Package Submission Deadline**

Letter of interest packages in response to this Notice must be received by:  
**11:59 pm Eastern Standard Time (EST) on January 11, 2019.**

## **5. Application Step 2 – MTW Plan and Application**

### **A. MTW Plan and Application Submission Format**

Subsequent to submitting a letter of interest package in the first step of the application process and the regional lottery, PHAs that are notified by HUD that they have been placed in the treatment group and are invited to apply to the first cohort of the MTW Expansion must submit an MTW Plan and other application materials as described in this section.

#### **i. Application Contents and Organization**

##### ***a) Electronic Submission Requirement***

The MTW Plan and application must be submitted electronically as a converted PDF or as a Microsoft Word document (1997 version or higher) to Marianne Nazzaro; Director, Moving to Work Demonstration Program; e-mail: [mtw-info@hud.gov](mailto:mtw-info@hud.gov). The submittal e-mail should be titled “MTW Expansion Cohort #1 Application” and should include the name of the PHA and relevant contact information in the body of the email.

The addressee that transmitted the MTW Plan and application will receive an email confirming receipt within 72 hours of submission.

##### ***b) Instructions on Application Layout and Page Count***

The first part of the MTW Plan and application will consist of narrative information<sup>12</sup> responding to Section 5(A)(ii) of this Notice. All pages should be numbered in this first part of the application. The second part of the application will

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<sup>12</sup> HUD will not use the narrative information for any scoring or ranking, but for context and potential future evaluation of the MTW Demonstration Program.

consist of four appendices that demonstrate Board approval of the MTW Plan and application and provide other required HUD forms and supporting documentation. Pages should be numbered only in Appendix 4 of this second part of the application.

The first part of the application containing the narrative information must contain page numbers and be no more than 10 pages. Any pages beyond this limit will not be reviewed. Pages in the first part of the application must be double-spaced, on 8½ x 11-inch paper, use Times New Roman 12-point font, and contain no less than a one-inch margin on all sides. If one or more of these requirements are not met on a particular page, that page will be counted as two pages. A main cover page and the table of contents will not count towards the page limit. Any other cover pages in the first part of the application will count towards the page limit.

The second part of the application containing the appendices consists mainly of certifications and forms that must be submitted as provided in this Notice or as published by HUD. There are no page limits associated with Appendices 1-3 described below. Appendix 4 must contain page numbers and be no more than 10 pages. There is no prescribed format for the pages in Appendix 4 as they may be letters of support, meeting materials, sign-in sheets, resumes, etc.

HUD may contact the PHA to clarify items in its MTW Plan and application. HUD will uniformly notify the PHA of each curable deficiency by email, give instructions for how to address the curable deficiency, and give a date by which the PHA must respond to the curable deficiency. Failure to respond according to the instructions and deadline may result in the PHA failing to meet the requirements of the MTW Plan and application.

**c) *Public Process Requirements***

The MTW Plan and application must undergo a public process period, elements of which include:

- The PHA must notify public housing residents and/or HCV participants (as applicable to the PHA's inventory) of its intention to participate in the MTW Demonstration Program. This notification must be in advance of developing the MTW Plan.
- The PHA must hold at least two resident meetings (separate from, and before, the required public hearing);
- After the two resident meetings, the PHA must publish a notice that a hearing will be held on the MTW Plan. The draft MTW Plan (in the format described below) and all relevant information, must be available for public inspection for at least 30 days before submission of the application to HUD;
- The PHA must conduct a public hearing to discuss the MTW Plan and invite public comment; and
- The PHA's Board of Commissioners (or equivalent governing body) must approve the MTW Plan by resolution no less than 15 days after that public hearing.

*d) Application Table of Contents*

All applications must be submitted with a table of contents that arranges the application in the following order:

**PART I (Contains no more than 10 pages and has page numbers).**

- MTW Plan – this is a narrative section that responds to Section 5(A)(ii) of this Notice.

**PART II (No page limit or page numbers necessary for Appendices 1-3. Appendix 4 contains no more than 10 pages and has page numbers).**

- Appendix 1: Moving to Work Certifications of Compliance – this must be signed and submitted as described in Section 5(A)(iii)(a) and Attachment 2 of this Notice.
- Appendix 2: Public Process Documentation – this must be signed and submitted as described in Section 5(A)(iii)(b) of this Notice.
- Appendix 3: Required Standard Forms – this must include the completed forms described in Section 5(A)(iii)(c) of this Notice.
- Appendix 4: Other Supporting Documentation – the PHA may provide supporting documentation as described in Section 5(A)(iii)(d) of this Notice.

**ii. PART 1 - MTW Plan**

This section provides narrative information on the scope and quality of the PHA’s planning for its proposed local MTW program.

*a) Vision for PHA’s Local MTW Program*

Provide the PHA’s overall vision for its local MTW program and the unique challenges and opportunities that participation in the MTW Demonstration Program would bring. The vision should be described as it relates to the three statutory objectives of the MTW Demonstration Program – cost effectiveness, self-sufficiency and housing choice. Provide an explanation of the reason(s) why the PHA wants to participate in the MTW Demonstration Program.

Provide a statement of fair housing and other civil rights goals, strategies, and specific actions. This subsection parallels the fair housing statement in the PHA Plan template that corresponds to the type of PHA. The statement supports the PHA’s civil rights certification in its efforts to comply with 24 CFR 5.154, 5.160, 903.7(o)(3) and 903.15(d).

*b) Plan for Future Community/Resident Engagement*

Discuss how the PHA plans to continue to engage residents in its low-income and affordable housing programs, as well as the broader community and stakeholders, in the implementation and development of its local MTW program. Describe any planned affirmative outreach and engagement efforts with racial and ethnic

minorities, persons with limited English proficiency, persons with disabilities and groups representing such persons.

***c) PHA Operating and Inventory Information***

Narratively provide a general description of the PHA's current public housing and HCV program units and the households that it serves. Discuss any major changes the PHA anticipates to the demographics of the households it serves. Discuss any major plans the PHA has for its housing stock as a result of its participation in the MTW Demonstration Program. Discuss challenges that the PHA faces in occupying public housing units, leasing HCV units and/or serving the special needs of specific populations.

***d) Plan for Local MTW Program***

Describe what types of initiatives the PHA seeks to implement in its local MTW program and why. It is not necessary that the PHA put forth discrete activities, but should rather discuss how the PHA seeks to utilize MTW flexibility in its community to address local needs. This discussion should be organized under the three statutory objectives of the MTW Demonstration Program, including:

- (1) Cost Effectiveness
- (2) Self-Sufficiency
- (3) Housing Choice

***e) Proposed Use of MTW Funds***

The PHA must request authority to use public housing and HCV funds flexibly in this section. Then, list or describe the PHA's proposed uses of MTW Funds. Describe how/if the PHA plans to use funds in a fungible manner across the traditional Section 8 and Section 9 programs.

***f) Evidence of Significant Partnerships***

Discuss any significant partnerships between the PHA and other public agencies, city/state/local governments, private nonprofits and/or for-profit entities (particularly local welfare offices and local providers of job training and related services). The PHA should clearly explain how such partnership will help to achieve the vision of the PHA's local MTW program. Discuss how the PHA intends to leverage funding and/or other in-kind resources in the implementation of its local MTW program.

***g) Significant Dates and Milestones for the PHA's Local MTW Program***

To get a sense of the initial milestones of the PHA's local MTW program, provide a detailed schedule from entry into the MTW Demonstration Program through the first two years of MTW participation, which includes resident and community engagement, development of local MTW program/activities and any other important milestones. This timeline should begin at entry to the MTW Demonstration Program after the final Operations Notice is expected to be published (see Section 2(B) of this

Notice) and not exceed the first two years of implementation.

### **iii. PART II - Appendices**

#### ***a) Appendix 1: Moving to Work Certifications of Compliance (Attachment 2 of this Notice)***

The PHA must provide a certification that the application is consistent with the “Moving to Work Certifications of Compliance.” A certification sheet for this purpose is provided in Attachment 2 of this Notice. This should be completed and executed by the PHA according to the provided instructions and submitted with the application.

#### ***b) Appendix 2: Public Process Documentation***

The PHA must provide documentation that the elements of the public process described in Section 5(A)(i)(c) of this Notice were met. There is no prescribed format or page limit for this appendix, but materials must include:

- Evidence that residents and HCV participants (as applicable to the PHA’s inventory) were notified of the PHA’s intention to participate in the MTW Demonstration program;
- Evidence that two resident meetings were held;
- The public notice advertising the public hearing;
- Evidence that the public hearing was held (items could include minutes, sign-in sheet, etc.); and
- A resolution signed by the Board of Commissioners (or equivalent governing body) adopting the application, including the MTW Plan, and certifications contained therein. The resolution must also confirm that the public process requirements described in Section 5(A)(i)(c) of this Notice were met. There is no prescribed format for the Board Resolution.

#### ***c) Appendix 3: Required Standard Forms***

The PHA must provide completed versions of the:

- Certification of Consistency with the Consolidated Plan (form HUD-2991);
- Certification of Payments (form HUD-50071); and
- Disclosure of Lobbying Activities (SF-LLL) if applicable.

Blank copies of these Standard Forms may be accessed at: [www.hud.gov/mtw](http://www.hud.gov/mtw).

#### ***d) Appendix 4: Other Supporting Documentation***

The PHA may elect to provide other materials such as letters of support, community meeting materials, resumes, etc. to substantiate and reinforce narrative information provided in the MTW Plan. Pages in this appendix must be numbered and length is limited to 10 pages.

## **B. MTW Plan and Application Submission Deadline**

After the final version of the Operations Notice is published, HUD will notify the PHAs in the treatment group of the due date for the MTW Plan and application in response to this Notice. This date will be no less than three months from the publication of the final version of the Operations Notice.

## **6. Administrative and Contact Information**

### **A. Paperwork Reduction Act**

The information collection requirements contained in 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.

### **B. Additional Resources**

PHAs interested in applying to the first cohort of the MTW Expansion under this Notice will find resources available in compiling applications at: [www.hud.gov/mtw](http://www.hud.gov/mtw). Here, HUD will post this Notice, copies of Attachments 1 and 2, links to the standard forms listed in Section 5(A)(iii)(c) of this Notice, Frequently Asked Questions, and a checklist to help interested PHAs ensure they meet the eligibility requirements contained in this Notice.

### **C. Contact Information**

For further information, contact: Marianne Nazzaro; Director, Moving to Work Demonstration Program; e-mail: [mtw-info@hud.gov](mailto:mtw-info@hud.gov), or visit the MTW Demonstration Program website at: [www.hud.gov/mtw](http://www.hud.gov/mtw).

\_\_\_\_\_/s/  
Dominique Blom  
General Deputy Assistant Secretary  
for Public and Indian Housing



**ATTACHMENT 1**  
**Commitment to Participate in the HUD-Sponsored Evaluation of the**  
**First Cohort of the MTW Expansion**

**COMMITMENT TO PARTICIPATE**

**U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT**  
**OFFICE OF PUBLIC AND INDIAN HOUSING**

**Commitment to Participate in the HUD-Sponsored Evaluation of the First Cohort of the MTW Expansion**

In addition to the elements described in PIH Notice 2018-17, HUD will provide additional scope and information about the HUD-sponsored evaluation of the first cohort of the MTW Expansion and any additional requirements that the PHA must adhere to.

Acting on behalf of the Board of Commissioners of the applicant public housing agency (PHA) listed below, as its Chairman or other authorized PHA official if there is no Board of Commissioners, I agree to ensure participation of the PHA in the HUD-sponsored evaluation of the first cohort of the MTW Expansion as described in PIH Notice 2018-17 understanding the following considerations:

- (1) The PHA must participate in the HUD-sponsored evaluation of the first cohort of the MTW Expansion whether or not it receives an MTW designation through the lottery process described in PIH Notice 2018-17.
- (2) In event the PHA is not selected to be in the treatment group, the PHA may apply to future cohorts of the MTW Expansion to which the PHA is eligible. Despite a potential designation under a future cohort, the PHA may continue to have obligations under the HUD-sponsored evaluation of the first cohort of the MTW Expansion as well.
- (3) The PHA will cooperate fully with HUD and its contractors for the duration of the HUD-sponsored evaluation of the first cohort of the MTW Expansion. Failure to comply with the HUD-sponsored evaluation of the first cohort of the MTW Expansion may affect the PHA's ability to apply to future cohorts of the MTW Expansion.

\_\_\_\_\_  
**PHA NAME**

\_\_\_\_\_  
**PHA NUMBER/HA CODE**

*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\***

\_\_\_\_\_  
**TITLE**

\_\_\_\_\_  
**SIGNATURE**

\_\_\_\_\_  
**DATE**

\* *Must be signed by either the Chairman or Secretary of the Board of the PHA's legislative body. This certification cannot be signed by an employee unless authorized by the PHA Board to do so. If this document is not signed by the Chairman or*

**ATTACHMENT 2**  
**Moving to Work Certifications of Compliance**

**CERTIFICATIONS OF COMPLIANCE**

**U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT**  
**OFFICE OF PUBLIC AND INDIAN HOUSING**

**Certifications of Compliance with HUD and Federal Requirements and Regulations:**  
**Board Resolution to Accompany Application to the Moving to Work Demonstration Program**

Acting on behalf of the Board of Commissioners of the applicant 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 application to the Moving to Work Demonstration Program for the PHA and make the following certifications and agreements with the Department of Housing and Urban Development (HUD) in connection with the submission of the application and implementation thereof:

- (1) The PHA will adhere to HUD guidance in the MTW Operations Notice or successor notice in continuing to ensure at least 75% of families assisted are very low-income as defined in Section 3(b)(2) of the 1937 Act throughout the PHA's participation in the MTW Demonstration Program.
- (2) The PHA will adhere to HUD guidance in the MTW Operations Notice or successor notice in establishing a reasonable rent policy that is designed to encourage employment and self-sufficiency.
- (3) The PHA will adhere to HUD guidance in the MTW Operations Notice or successor notice in continuing to assist substantially the same total number of eligible low-income families as would have been served absent MTW throughout the PHA's participation in the MTW Demonstration Program.
- (4) The PHA will adhere to HUD guidance in the MTW Operations Notice or successor notice in continuing to maintain a comparable mix of families (by family size) as would have been provided had the funds not been used under the MTW Demonstration Program throughout the PHA's participation in the MTW Demonstration Program.
- (5) The PHA will adhere to HUD guidance in the MTW Operations Notice or successor notice in continuing to ensure housing assisted under the MTW Demonstration Program meets housing quality standards established or approved by the Secretary throughout the PHA's participation in the MTW Demonstration Program.
- (6) The PHA published a notice that a hearing would be held, that the application 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 application by the Board of Commissioners, and that the PHA conducted a public hearing to discuss the application and invited public comment.
- (7) The PHA took into consideration public and resident comments (including those of its Resident Advisory Board or Boards) before approval of the application by the Board of Commissioners or Board of Directors in order to incorporate any public comments into the application.
- (8) The PHA certifies that the Board of Commissioners has reviewed and approved the budget for the Capital Fund Program grants contained in the Capital Fund Program Annual Statement/Performance and Evaluation Report, form HUD-50075.1 (or successor form as required by HUD).
- (9) The PHA must certify that it will carry out its application in conformity with Title VI of the Civil Rights Act of 1964 (42 USC 2000d-2000d-4), the Fair Housing Act (42 USC 3601-19), Section 504 of the Rehabilitation Act of 1973 (29 USC 794), and title II of the Americans with Disabilities Act of 1990 (42 USC 12101 et seq.), regulations implementing these authorities, and other applicable Federal, State, and local civil rights law and that it will affirmatively further fair housing, which means that

it will take meaningful actions to further the goals identified by the Assessment of Fair Housing conducted in accordance with the requirements of 24 CFR 5.150-5.180 and 903.15, that it will take no action that is materially inconsistent with its obligation to affirmatively further fair housing and that it will address fair housing issues and contributing factors in its programs, in accordance with 24 CFR 903.7(o)(3) and 903.15(d). Until such time as the PHA is required to submit an AFH, and that AFH has been accepted by HUD, the PHA will address impediments to fair housing choice identified in the Analysis of Impediments to fair housing choice associated with any applicable Consolidated or Annual Action Plan under 24 CFR part 91 the PHA will affirmatively further fair housing by fulfilling the requirements at 24 CFR § 903.7(o) promulgated prior to August 17, 2015, which means that it examines its programs or proposed programs; identifies any impediments to fair housing choice within those programs; addresses those impediments in a reasonable fashion in view of the resources available; works with local jurisdictions to implement any of the jurisdiction's initiatives to affirmatively further fair housing that require the PHA's involvement; and maintains records reflecting these analyses and actions. The PHA will carry out its plan in conformity with HUD's Equal Access Rule at 24 CFR 5.105(a)(2).

- (10) The application is consistent with the applicable Comprehensive Plan (or any plan incorporating such provisions of the Comprehensive Plan) for the jurisdiction in which the PHA is located.
- (11) The application contains a certification by the appropriate State or local officials that the application is consistent with the applicable Consolidated Plan, which incorporates a fair housing strategy that reflects the jurisdiction's Assessment of Fair Housing or Analysis of Impediments to Fair Housing Choice, as applicable, and a description of the manner in which the PHA Plan is consistent with the applicable Consolidated Plan.
- (12) The PHA affirmatively furthers fair housing. A PHA shall be considered in compliance with the certification requirements of 24 CFR 903.7(o)(1)-(3) and 903.15(d) if it: (i) Examines its programs or proposed programs; (ii) Identifies fair housing issues and contributing factors within those programs, in accordance with 24 CFR 5.154; (iii) Specifies actions and strategies designed to address contributing factors, related fair housing issues and goals in the applicable Assessment of Fair Housing (AFH) consistent with 24 CFR 5.154, in a reasonable manner in view of the resources available; (iv) Works with jurisdictions to implement any of the jurisdiction's initiatives to affirmatively further fair housing that require the PHA's involvement; (v) Operates programs in a manner consistent consolidated plan under 24 CFR Part 91, and with any order or agreement, to comply with the authorities, specified in paragraph (o)(1) of this section; (vi) Complies with any contribution or consultation requirement with respect to any applicable Analysis of Fair Housing, in accordance with 24 CFR 5.150-5.180; (vii) Maintains records reflecting these analyses, actions, and the results of these actions; and (viii) Takes steps acceptable to HUD to remedy known fair housing and civil rights violations. PHAs that are not yet required to submit an AFH shall adhere to the requirements under 24 CFR 903.7(o) in effect prior to August 17, 2015.
- (13) The PHA complies with the prohibitions against discrimination on the basis of age pursuant to the Age Discrimination Act of 1975.
- (14) The PHA complies with the Architectural Barriers Act of 1968 and its implementing regulations at 24 CFR Part 41, Policies and Procedures for the Enforcement of Standards and Requirements for Accessibility by the Physically Handicapped.
- (15) The PHA complies 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.
- (16) The PHA complies with requirements with regard to a drug free workplace required by 24 CFR Part 24, Subpart F.
- (17) The PHA complies with requirements with regard to compliance with restrictions on lobbying 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.
- (18) The PHA complies 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.
- (19) The PHA will take appropriate affirmative action to award contracts to minority and women's business enterprises under 24 CFR 5.105(a).
- (20) The PHA will provide HUD or the responsible entity any documentation needed to carry out its review under the National Environmental Policy Act and other related authorities in accordance with 24 CFR Part 58. Regardless of who acts as the responsible entity, the PHA will maintain documentation that verifies compliance with environmental requirements pursuant to 24 Part 58 and 24 CFR Part 50 and will make this documentation available to HUD upon its request.
- (21) 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 Housing Act of 1937 and the Contract Work Hours and Safety Standards Act.
- (22) The PHA will keep records in accordance with 2 CFR 200.333-200.337 and facilitate an effective audit to determine

compliance with program requirements.

(23) The PHA will comply with the Lead-Based Paint Poisoning Prevention Act and 24 CFR Part 35.

(24) The PHA will comply with the requirements of the Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Rewards at 2 CFR Part 200.

(25) The application and all attachments are available 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.

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**PHA NAME**

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**PHA NUMBER/HA CODE**

*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).*

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**NAME OF AUTHORIZED OFFICIAL\***

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**TITLE**

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**SIGNATURE**

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**DATE**

*\* Must be signed by either the Chairman or Secretary of the Board of the PHA's legislative body. This certification cannot be signed by an employee unless authorized by the PHA Board to do so. If this document is not signed by the Chairman or Secretary, documentation such as the by-laws or authorizing board resolution must accompany this certification.*