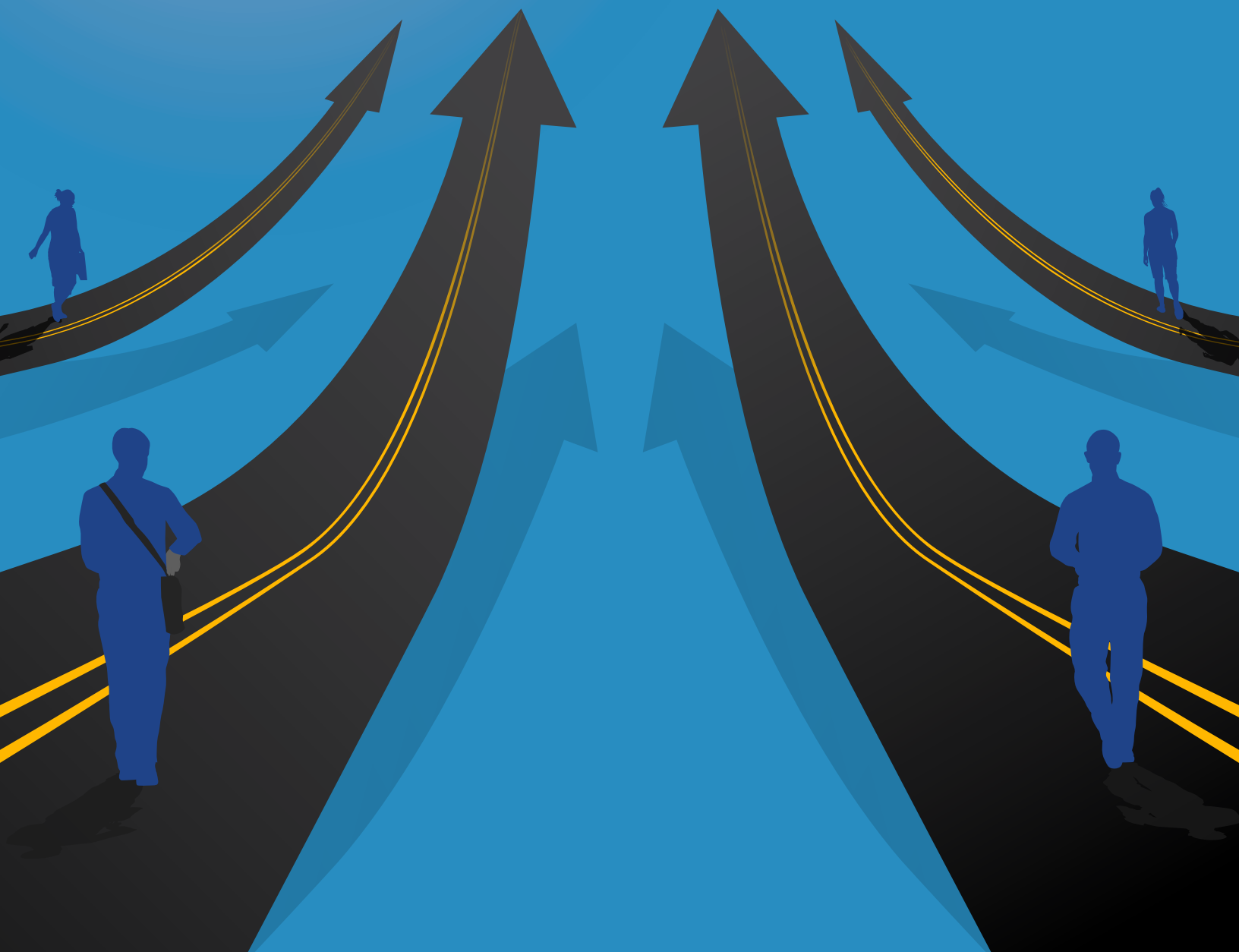




BOLD  
THINKERS  
DRIVING  
REAL-WORLD  
IMPACT

# TESTING PERFORMANCE MEASURES FOR THE MOVING TO WORK PROGRAM

HOUSING | SERVICE | INNOVATION



CONTENTS

Introduction ..... 1

Approach to Developing Performance Measures ..... 2

Increasing Cost Effectiveness ..... 5

Increasing Self Sufficiency ..... 6

Increasing the Quantity & Quality of Affordable Housing ..... 7

Expanding the Geographic Scope of Assisted Housing ..... 10

Promoting Residential Stability ..... 10

Conclusion ..... 12

References ..... 13

HAI Group, in collaboration with the Council of Large Public Housing Authorities (CLPHA), the Public Housing Authority Director’s Association (PHADA), the National Association of Housing and Redevelopment Officials (NAHRO) and the MTW Steering Committee, commissioned Abt Associates to conduct a two-part study of the MTW program. The first phase of this study focused on innovations adopted by the first 34 participating PHAs that received MTW authorization prior to 2013. That work resulted in **Innovations in the Moving to Work Demonstration**, a descriptive report that classified and highlighted practices adopted by MTW agencies that represent interesting and potentially impactful changes that could help achieve the program’s goals. The second phase of the MTW study, represented in this report, focuses on developing MTW performance measures and testing the collection and analysis of these measures with available administrative data or other readily reportable information from PHAs.

ACKNOWLEDGEMENTS

The authors thanks the U.S. Development of Housing and Urban Development (HUD) for providing data necessary for the study and appreciate the helpful input and guidance provided by the Public and Affordable Housing Research Corporation (PAHRC) at HAI Group, in collaboration with the Council of Large Public Housing Authorities (CLPHA), National Association of Housing and Redevelopment Officials (NAHRO), the Public Housing Authorities Directors Association (PHADA), and the MTW Steering Committee.

AUTHORED BY

Lary Buron, Melissa Vandawalker, and Tyler Morrill with input from Jill Khadduri, Jeffrey Lubell, and Azim Shivji

# INTRODUCTION

## MOVING TO WORK PROGRAM OVERVIEW

The Moving to Work Demonstration program, enacted by Congress in 1996, permits a limited number of public housing authorities to test ways to increase the cost effectiveness of federal housing programs, to increase housing choices for low-income families, and to encourage greater economic self-sufficiency of assisted housing residents. To advance these goals, the legislation has authorized 39 MTW agencies to obtain exemptions from many of the regulations and statutory provisions that apply to the public housing and Housing Choice Voucher programs and to combine the federal funding streams for these programs. In 2016, Congress voted<sup>1</sup> to expand the MTW program and authorized an additional 100 public housing authorities, both large and small, to be selected as MTW agencies through 2020.

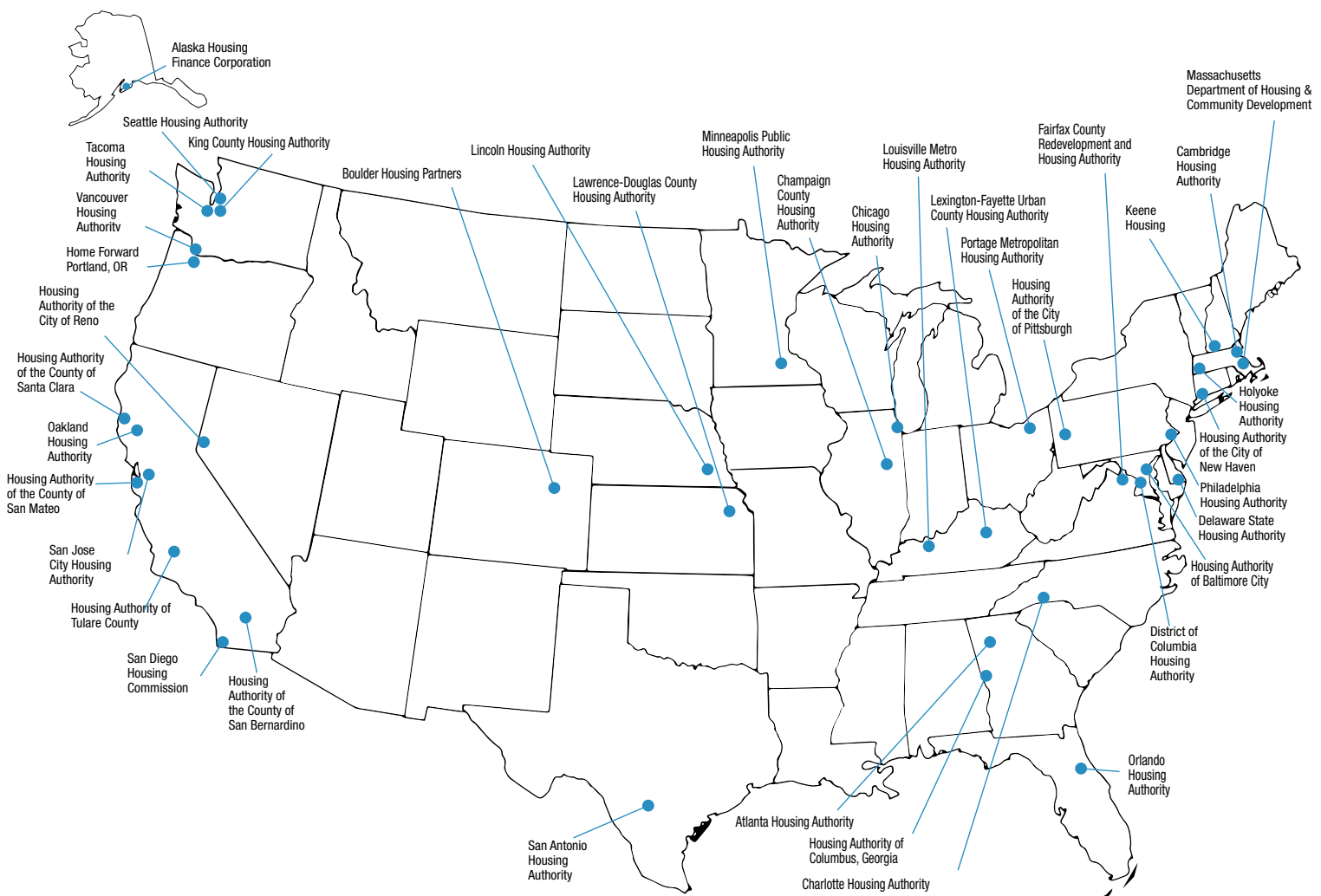
More than 20 years have passed since Congress first authorized the MTW demonstration. In this time period, the 39 participating public housing agencies (PHAs) have adopted a wide range of modifications to the public housing and Housing Choice Voucher (HCV) programs to advance the goals of the demonstration. However, there has never been a systematic evaluation of the MTW program to determine whether MTW agencies have achieved the goals of the program or whether they have been more effective at meeting the needs of residents than other similar public housing authorities without MTW flexibilities.

This report summarizes the results of a study to identify and test a series of performance indicators to track the performance of MTW programs in advancing core goals. Read the full report of **Testing Performance Measures in the Moving to Work Program** on PAHRC's website: [www.housingcenter.com/research/MTW](http://www.housingcenter.com/research/MTW).

MTW agencies have adopted a wide range of innovative practices to meet the statutory purposes of MTW (increasing cost effectiveness, promoting economic self-sufficiency, and promoting housing choice) and achieving other key local goals, such as reducing homelessness and meeting the needs of people with short term or other nontraditional housing subsidies. This study provides the first ever attempt to quantify the impact of these efforts across MTW agencies and through a quasi-experimental design, compare them to outcomes for a similar set of peer agencies. Using imperfect data, our findings suggest that the MTW program has succeeded in its goal of providing a vehicle for local public housing authorities to experiment with new approaches to find programs that work for their local communities.

From an agency-wide perspective, MTW agencies do better on most, but not all of the comparison measures. Despite the wide variation in scores across MTW agencies, they tend to outperform their peers on outcomes related to the goals of the MTW program such as self-sufficiency and housing choice. MTW agencies are able to serve a significant number of individuals and families not likely reached by traditional housing assistance. In many cases, they are also able to offer additional supportive services that may enhance a family's ability to achieve self-sufficiency and help them exhibit higher earnings growth. MTW agencies may also be better able to extend the life of their housing stock through increased investments in preservation. MTW agencies tend to do worse than their peers on a few measures, such as HCV administrative costs and voucher utilization. However, these outcomes may be related to successes in other areas such as adding services to vouchers and creating innovative non-traditional vouchers to stabilize hard to reach populations. Finally, MTWs perform similarly to their peers in other areas, such as operating costs, public housing occupancy, and placing voucher holders in low poverty neighborhoods. On average, both MTW and non-MTW agencies meet the standard PHA requirements for serving extremely low-income (ELI) households.

## Exhibit 1: Moving to Work agencies authorized through 2017



## APPROACH TO DEVELOPING PERFORMANCE MEASURES

The principal goals for developing performance measures were to focus on measuring outcomes rather than inputs, to use common rather than locally-defined measures, and to identify measures that could be used to compare MTW and non-MTW programs. The study focused measures on agency-wide outcomes rather than the outcomes of specific policy changes. The study team reviewed the performance measures developed by HUD and other industry groups but developed measures for this study largely independently.

Recommended performance measures are organized according to five main categories:

- Increasing Cost Effectiveness
- Increasing Economic Self-Sufficiency
- Increasing the Quantity & Quality of Affordable Housing
- Expanding the Geographical Scope of Affordable Housing
- Promoting Residential Stability

## DETERMINATION OF COMPARISON AGENCIES

To understand whether the MTW program has an effect on PHA performance, the study developed a counterfactual to assess how PHAs with MTW authority would have performed if they had not been in MTW. The study team selected non-MTW PHAs with characteristics similar to those of the MTW PHAs and tested how well they performed under the recommended performance measures. After categorizing by program type,<sup>ii</sup> the team selected comparison PHAs that most closely matched the MTW PHA based on a number of PHA and community characteristics (see Exhibit 2).

The study team created an index score<sup>iii</sup> that weighted these characteristics as shown in Exhibit 2 and selected 118 comparison PHAs with the highest scores (3 to 5 comparison agencies for each MTW). See the full report for the complete list of the comparison PHAs.

### **Exhibit 2: Components of the MTW Comparison Agency Index Score**

Match Characteristics of MTW and Comparison PHAs	Weight
Number of vouchers and Number of public housing units	<b>60%</b>
Average Two-bedroom Fair Market Rent of the PHA	<b>10%</b>
Poverty rate in the county	<b>10%</b>
Median county income of renters	<b>10%</b>
Unemployment rate in the county	<b>10%</b>

The estimates used throughout this report are averages of PHA-level averages. Comparison agency data is weighted so that each comparison PHA for an MTW PHA has the same weight and the sum of those weights equal one (thus ensuring each group of comparison PHAs for an MTW PHA have the same combined weight).<sup>iv</sup>

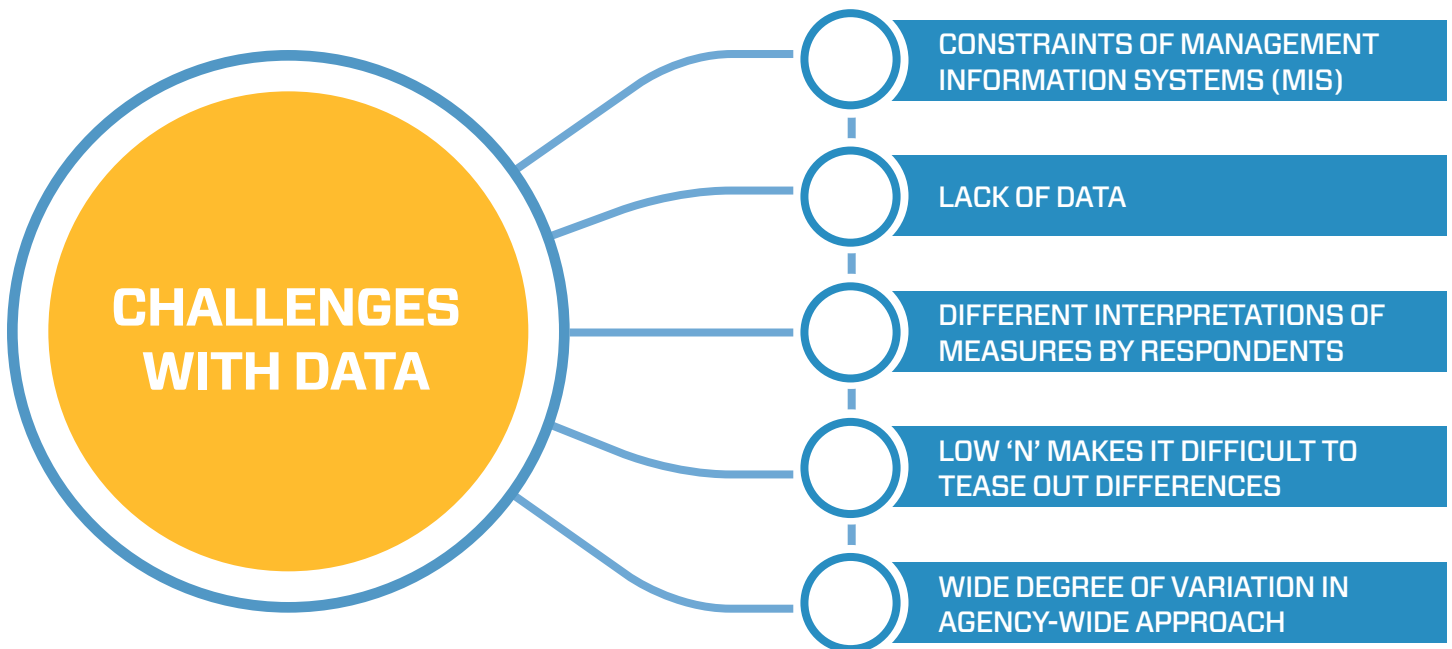
***Only differences between MTW and comparison agencies that are shown with a\* indicates a statistically significant difference, meaning that the difference identified is not likely due to chance. Significant results are highlighted blue.***

Estimates show the aggregate performance for all responding MTW agencies, but it is important to note the wide variation in scores among MTW agencies. This wide variation is likely due to the different local environments, varying policy choices, and distinct cultures exhibited across agencies. This degree of variation means that on most measures, some MTW agencies are doing much better than the MTW average and some are doing worse. It also makes it more difficult to find statistically significant differences.

## MEASUREMENT AND DATA CHALLENGES

In order to compare MTW performance to that of traditional housing agencies, the majority of measures that were selected could be estimated using data extracted through current housing agency information systems. However, it is challenging to ensure that performance measures are measured consistently across PHAs given the different purposes for which these data sources were designed, differences in how MTW and non-MTW PHAs report their data, and inconsistencies in the same measures across sources. We believe most of the data consistency issues (both within and across PHAs) could be solved if PHAs knew in advance that the data would be used for performance measures, that the definitions for data elements were well defined, and that data quality checks were built into reporting systems. Additionally, many ideal measures are not collected in current housing agency information systems, such as contextual nuances that allow researchers to further understand the story behind performance scores. We provide suggestions on how housing agencies may capture some of these data and which unavailable performance indicators would be helpful for further research. Finally, our agency-wide approach to comparing MTW agencies to a set of like peers necessitates that all agencies' data be included in each performance measure even if a given agency has not implemented a specific policy to that end. For example, we report on measures of cost effectiveness for all MTW and comparison agencies even though not all MTW agencies enacted policies to reduce housing or administrative costs. Thus some scores on certain performance measures will be lower than if only agencies with specific policy initiatives were considered.

**Exhibit 3: Data Challenges**



# INCREASING COST EFFECTIVENESS




One of the goals of the Moving to Work program is for public housing authorities to test ways to increase the cost effectiveness of federal housing programs. The most common way MTW agencies have used MTW flexibility to increase the cost-effectiveness of assisted housing programs is by streamlining administrative procedures and reducing the number of staff hours needed to perform common functions. Many MTW agencies have also simplified the procedures for calculating income and rent or have changed inspection protocols. It is difficult to measure cost savings at MTW agencies because as money is saved, it is often reinvested in other efforts.

The study compared three measures of cost effectiveness. **Administrative costs of vouchers** and **operating costs of public housing** are important summary measures of cost effectiveness. PHAs have less control over subsidy costs as they have little control over the rents in their jurisdiction. However, subsidy costs greatly outweigh administrative costs and PHAs have also enacted initiatives to reduce in per-unit subsidy costs. Due to our agency-wide approach, cost effectiveness measures focus on per-unit costs across the entire agency rather than on savings associated with any one specific policy change.

## MONTHLY HOUSING ASSISTANCE PAYMENT (HAP) COSTS

The study calculated the amount of MTW funds spent on monthly HAP subsidies per household with a voucher. The average HAP, adjusted for differences in Fair Market Rents across PHAs<sup>v</sup>, are less than \$4 higher per month (\$44 per year) for MTW PHAs than for comparison PHAs: \$617.17 compared to \$613.50. The difference is not statistically significant.

**Exhibit 4: Costs per Unit of Housing Assistance, 2014 Comparison**

	MTW AGENCIES	COMPARISON AGENCIES	DIFFERENCE PER UNIT MONTH
ADJUSTED HCV HOUSING ASSISTANCE PAYMENT COSTS PER LEASED VOUCHER PER MONTH	\$617.17	\$613.50	 \$3.67
ADJUSTED HCV ADMINISTRATIVE COSTS PER LEASED VOUCHER PER MONTH	\$78.83	\$65.25	 \$13.58*
ADJUSTED MONTHLY PUBLIC HOUSING OPERATING COSTS PER OCCUPIED UNIT	\$594.42	\$582.42	 \$12.00

## MONTHLY PUBLIC HOUSING OPERATING AND HCV ADMINISTRATIVE COSTS

The study compared the average administrative costs per month of voucher assistance (all HCV costs except for Housing Assistance Payments) and average operating costs per public housing unit. After adjusting for local wage rates, average per-unit public housing operating costs for MTW agencies are \$12 a month higher per occupied public housing unit (\$594 compared to \$582). Similarly, after the local wage adjustment, estimated HCV administrative costs are \$14 per leased voucher per month higher for MTW agencies (\$79 compared to \$65). The difference in public housing operating costs is not statistically significant, but the difference in HCV administrative costs is significant.

The differences in the median values between PHA groups are much smaller for both public housing operating costs (approximately \$2 per month) and HCV administrative costs (approximately \$4 per month). This suggests that a few MTW agencies with much higher administrative costs account for some of the difference between per-unit averages. In sum, HCV administrative costs are slightly higher for MTW agencies, which may be related to MTW agencies providing additional supportive services to voucher holders, shorter lengths of stay, covering gaps in administrative fees caused by pro-ration, or higher turnover at MTW agencies. See the full report for more details.

### PHA SPOTLIGHT: VANCOUVER HOUSING AUTHORITY (VHA)

VHA instituted a number of administrative cost savings policies that they estimate save the agency over \$25,000 per year. Administrative savings such as these are reinvested in addressing backlogged administrative tasks and providing programs and services to current voucher holders to improve self-sufficiency.



# INCREASING SELF SUFFICIENCY




A second statutory goal of the MTW program is to help residents move toward economic self-sufficiency. MTW agencies have adopted a range of approaches encouraging more assisted households to increase their income and move toward economic self-sufficiency. These include establishing rent structures that encourage work (e.g., charging a lower percent of income in rent), exempting earnings increases from requiring interim recertifications, implementing work requirements, and providing supportive services to overcome barriers to work. Self-sufficiency can be difficult to measure as many agencies do not track household data once households exit their programs. Likewise, many agencies understand self-sufficiency differently and target different age groups, some of whom will not realize self-sufficiency until they become adults.

To capture the effect of MTW initiatives with the goal of increasing resident income, the principal performance measures for self-sufficiency are defined in terms of household earnings. These self-sufficiency measures all focus on non-elderly, non-disabled households.<sup>vi</sup> While the study focused on measuring changes in household earnings, a performance measurement system should also include measures for the share of households making positive exits (i.e., exits that suggest self-sufficiency) from the program. While most PHAs do not currently collect data on the nature of exits from assisted housing, this could be a reporting requirement going forward.

## EARNINGS GROWTH OF NONELDERLY NONDISABLED HOUSEHOLDS

The study tracked the **percent of households that have experienced earnings growth** since admission to the assisted program or since 2002.<sup>vii</sup> Household earnings were more likely to increase at MTW PHAs than at comparison PHAs. After adjusting for inflation, the average share of assisted households with increased earnings for MTW PHAs is 46.2 percent compared to 42.7 percent at the comparison PHAs. On the other hand, the MTW PHA average share of households with decreased earnings is also slightly higher than for the comparison PHAs after adjusting for inflation (29.9 percent vs. 27.8 percent). This finding results from the fact that a higher share of the comparison PHAs had zero household earnings both at baseline and in the current period.<sup>viii</sup> For MTW agencies, 60.7 percent of households had earnings at baseline compared to 52.5 percent of comparison agencies, a statistically significant difference. Households with zero earnings cannot experience an earnings decrease. Thus MTW agencies with fewer zero earners naturally have higher incidences of income decreases.

**Exhibit 5: Earnings between Baseline and Follow up Comparison, 2014 Comparison**

MTW AGENCIES	EARNINGS BETWEEN BASELINE AND FOLLOW UP	COMPARISON AGENCIES	DIFFERENCE PER UNIT MONTH
46.2%	INCREASED	42.7%	 3.5%*
24.0%	STAYED THE SAME	29.5%	 -5.5%*
29.9%	DECREASED	27.8%	 2.1%*



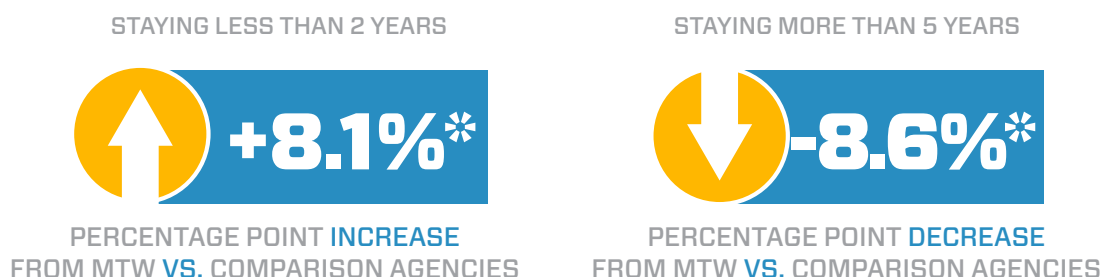
## HOUSEHOLDS REPORTING NO EARNINGS

Of households that had zero earnings at baseline, a higher share of MTW households had positive earnings at follow-up and fewer MTW households continued to have zero earnings (22.6 percent) than the comparison agencies (26.8 percent). Similarly, for households that had positive earnings at baseline, a higher share of MTW households than comparison agency households increased their earnings over time and fewer decreased their earnings to zero. In sum, MTW households show more movement up the income scale.

## LENGTH OF STAY

MTW households also reported a statistically significant shorter a length of stay for HCV households. On average, MTW agencies reported an average length of stay of 7.4 years compared to an average of 8.3 years for their peer non-MTW agencies, a difference of 0.9 years. Moreover, the percent of MTW households staying less than two years was 8.1 percentage points higher than non-MTW agencies and the percent of MTW HCV households staying over five years was 8.6 percentage points lower. The difference in length of stay for public housing households was not statistically significant.

### Exhibit 6: Length of Stay in Assisted Housing, 2014 Comparison



#### PARTICIPATING PHA SPOTLIGHT: TACOMA HOUSING AUTHORITY (THA)

THA combines a time-limited flat voucher subsidy with enhanced supportive services. A voluntary program, residents can meet one-on-one with case managers and link to community services provided by partners. As of 2014, 200 families were enrolled in the program.

## INCREASING THE QUALITY & QUANTITY OF AFFORDABLE HOUSING

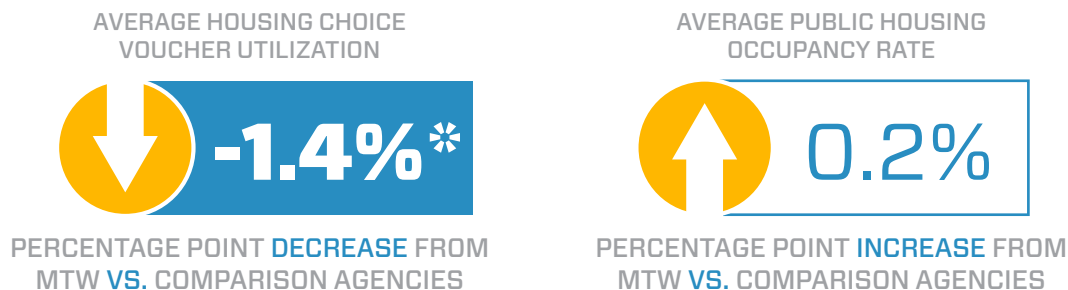
The authorizing statute requires MTW agencies to continue to assist substantially the same number of low-income families and to assure that assisted housing meet housing quality standards. Providing access to a quality place to live is a key component of HUD's housing assistance programs. MTW agencies have adopted a wide range of strategies to increase the number of households they serve and to make sizable investments to improve the quality of their public housing stock. Some PHAs have also used their flexibility to fund alternative approaches to provide housing assistance, which often carry lower per-unit costs. Several difficulties in measuring the quality and quantity of housing provided by MTW agencies include defining and aggregating the number of households served through non-traditional programs and quantifying quality improvements and an increase in the lifespan of buildings through rehabilitation.

To capture the goals of increasing the quality and quantity of housing, performance measures include voucher utilization and public housing occupancy rates, the amount of nontraditional assistance provided by MTW agencies, physical inspection scores for public housing properties, unmet capital needs in agency public housing stock, and preservation of units.

## VOUCHER UTILIZATION/PUBLIC HOUSING OCCUPANCY RATES

Performance measures for the quantity of housing assistance provided include the **utilization of available Housing Choice Voucher slots and public housing units**. The voucher utilization rate is the percentage of units leased in fiscal year 2015.<sup>ix</sup> MTW PHAs have an average unit utilization rate of 89.3 percent, which is lower than the 90.7 percent average for the comparison PHAs. The average public housing occupancy rate is almost exactly the same in MTW PHAs (92.7 percent) as in comparison PHAs (92.5 percent). In a direct comparison, 18 of the 33 MTW PHAs have a higher public housing occupancy rate than their comparison PHAs. While the difference between public housing rates is not statistically significant, the difference in HCV utilization rates is significant. Voucher utilization may be slightly lower for MTW agencies in part due to the use of nontraditional MTW vouchers to serve voucher households. These vouchers are more difficult to measure and are often missing in HUD data systems.

**Exhibit 7: Voucher Utilization and Public Housing Occupancy Rates, 2015 Comparison**



## NONTRADITIONAL ASSISTANCE PROVIDED BY MTW AGENCIES

MTW agencies are able to use their block grant authority to implement local, **nontraditional activities for low-income households outside of the traditional public housing and HCV programs**. Non-traditional assistance is often used to serve special populations such as families experiencing homelessness or domestic violence survivors. Based on published MTW Annual Reports for fiscal year 2014,<sup>x</sup> 14 MTW agencies report that they administered property-based nontraditional assistance to 5,455 households, and 18 agencies report that they administered tenant-based non-traditional housing assistance to 2,454 households. MTW agencies point to these non-traditional programs as evidence they are expanding the quantity of affordable housing in their local communities.

**Exhibit 8: Nontraditional Housing Assistance Provided by MTW Agencies, 2014**



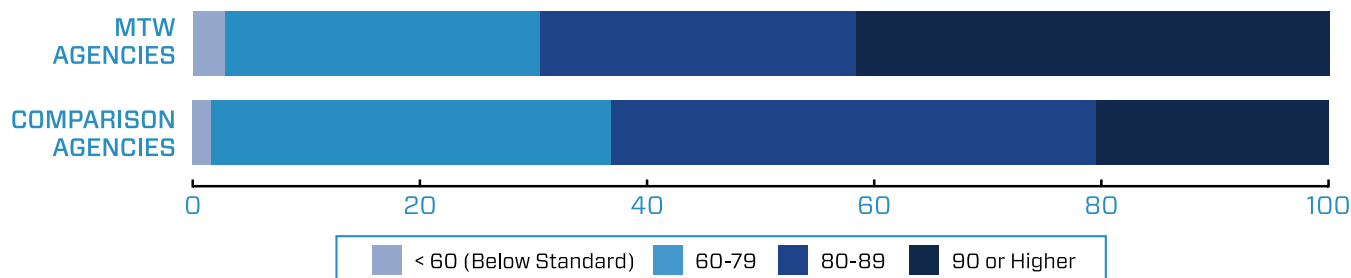
### PARTICIPATING PHA SPOTLIGHT: CAMBRIDGE HOUSING AUTHORITY (CHA)

From 1999 to 2014, CHA invested \$18.6 million in MTW block grant funding toward the new construction of 100 existing affordable housing units and the acquisition of 299 units of affordable housing. CHA spent \$9 million between 1999 and 2005 to rehabilitate its state and federal public housing developments, increasing the lifespan of these units.

## PHYSICAL INSPECTION SCORES FOR PUBLIC HOUSING

One indicator of the housing quality is the **public physical inspection score** from HUD's Real Estate Assessment Center (REAC) inspector. REAC scores are based on a 100-point scale. Scores below 80 require an annual inspection while scores above 80 have either biannual or triannual inspections.<sup>xi</sup> The majority of PHAs in both groups have average inspection scores above 80, but more MTW agencies have average scores of 90 or higher. Over 40 percent of MTW agencies have inspection score 90 or higher, compared to 21 percent of comparison agencies. The average PHA inspection score for MTW agencies of 83.9, compared to 82.0 for comparison agencies, a statistically significant difference.

**Exhibit 9: Average Real Estate Assessment Center (REAC) Score, 2014 Comparison**



## UNMET CAPITAL PUBLIC HOUSING NEEDS

To help understand whether MTW agencies are better able to meet their capital needs, we asked MTW and comparison agencies to estimate the extent of **unmet capital needs in their public housing stock** as of fiscal year 2014.<sup>xii</sup> The average number of public housing units with unmet capital needs is higher for MTW agencies (2,038 units) than for comparison PHAs (1,424 units), however MTW agencies have a statistically significant lower share of all their PH units with unmet needs (76.6 percent) than comparison agencies (90.3 percent). The average cost of unmet need is similar at about \$25,000 per unit with unmet need.

The survey did ask how unmet capital need has changed in the last five years. Comparison agencies were significantly more likely to report unmet needs had increased (73 percent) than MTW agencies (26 percent) whereas MTW agencies were more likely to report unmet need had stayed the same or decreased. This result suggests that MTWs may be positioned to better maintain their housing stock.

**Exhibit 10: Comparison of Unmet Capital Needs**

PERCENT OF AGENCIES REPORTING AN INCREASE IN UNMET CAPITAL NEEDS, 2010-2015 COMPARISON



PERCENTAGE POINT **DECREASE** FROM MTW **VS.** COMPARISON AGENCIES

PERCENT OF UNITS WITH UNMET CAPITAL NEEDS



PERCENTAGE POINT **DECREASE** FROM MTW **VS.** COMPARISON AGENCIES

Given the substantial policy interest in ensuring that government assisted rental units are preserved as affordable housing once their affordability restrictions expire, the study also included a measure that reflects the **number of affordable units the PHA preserved in the community** through the end of each agency's fiscal year 2014. Preservation is defined as a transaction to refinance, recapitalize, or otherwise strengthen the financing or improve the conditions of a housing development.<sup>xiii</sup> About half of the MTW and comparison agencies that responded to the survey stated they are preserving affordable housing in their communities. In the last ten years, MTW agencies reported preserving an average of 200 units, compared to 126 units for comparison agencies, a number significantly more than non-MTW agencies.

# EXPANDING THE GEOGRAPHIC SCOPE OF ASSISTED HOUSING

Increasing housing choices is one of the statutory goals of the MTW program and is usually interpreted as facilitating moves to areas of “opportunity,” areas of lower relative poverty or access to neighborhood amenities. MTW agencies have taken a variety of approaches to helping voucher holders access opportunity areas including increases in payment standards, or creating area-based payment standards. Many MTW agencies have also sought to expand choice by preserving the supply of project-based housing in neighborhoods of opportunity. Definitions of areas of opportunity vary by PHA, but for this test of performance measures we relied only on the poverty.




Performance measures for expanding geographical choices track PHA efforts to expand options for residents to live in neighborhoods that offer heightened levels of opportunity. These measures include **portability**, the ability of households to use vouchers outside a PHA’s jurisdiction, and the extent to which PHAs **project-base voucher assistance to specific units**.

The study also looked at the **poverty rate of the census tract where participants live** relative to the poverty rate of other census tracts in the PHA’s jurisdiction or broader metropolitan area.<sup>xiv</sup> The study found very few differences and no statistically significant differences in the poverty rates of neighborhoods of voucher holders between the MTW PHAs and comparison PHAs. The hurdles for a family to move to a neighborhood of opportunity include leaving neighborhood support networks, finding rental units with rents within payment standards, locating larger units to accommodate families, and combatting landlord discrimination against voucher holders, families with children, and households of color. New research is being conducted to help mitigate these difficulties. With this new research guiding their efforts, many PHAs are just beginning to address these issues.

## PORTABILITY

A key aspect of the HCV program is the ability of participants to port with their voucher to a location of their choice even if it is outside the issuing PHA’s jurisdiction. The **amount of porting-in and porting-out of vouchers** is one indication of the freedom of participants to exercise this choice. On average,<sup>xv</sup> a smaller share of MTW PHA’s vouchers (2.6 percent) than comparison PHA’s vouchers (3.1 percent) are being administered by other PHAs, but MTW PHAs administer a higher share of their total vouchers for other PHAs (4.3 percent) than do comparison PHAs (3.2 percent). In sum, it appears there are more families coming into MTWs from other agencies than are leaving MTWs for other agencies.

**Exhibit 11: Portability and Project-Based Voucher Assistance, 2014 Comparison**

	MTW PHAs	COMPARISON PHAs	DIFFERENCE PER UNIT MONTH
AVERAGE PHA PERCENT OF PORT-INS AS A PERCENTAGE OF ALL THEIR VOUCHERS	4.3%	3.2%	 1.1%*
AVERAGE PHA PERCENT OF PORT-OUTS AS A PERCENTAGE OF ALL VOUCHERS	2.6%	3.1%	 -0.5%*
AVERAGE PHA PERCENT OF VOUCHERS THAT ARE PROJECT-BASED	8.0%	4.7%	 3.3%*

## PROJECT-BASING VOUCHER ASSISTANCE

Project-basing units—that is, attaching tenant-based vouchers to specific units—can help improve voucher holder’s choices if the units are higher quality or in better neighborhoods than housing units that voucher holders can find on the open market or if the units are attached to supportive services that the household needs. At the time of this study, HUD rules allowed PHAs to project-base up to 20 percent of its voucher assistance,<sup>xvi</sup> but MTW PHAs have the flexibility to project-base a larger share. MTW PHAs use project-basing more than comparison PHAs do. Yet only four MTW PHAs exceed the 20 percent threshold, and the highest share is 29.1 percent. The average MTW PHA share of project-based units is 8.0 percent compared to 4.7 percent for the comparison PHAs, a statistically significant difference.

# PROMOTING RESIDENTIAL STABILITY

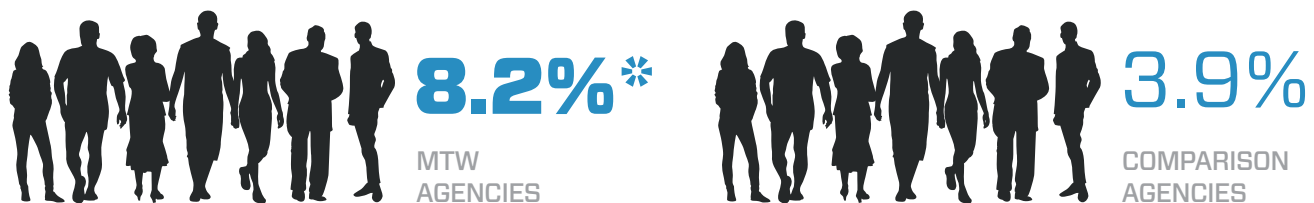
MTW flexibility has allowed PHAs to provide housing to high-needs populations identified by communities as not well served through traditional public housing and HCV programs. PHAs often design these small programs to fill perceived gaps in the community's existing housing programs. To meet the needs of these households, MTW agencies typically partner with service providers that identify and provide services to qualifying households. By providing services that help participants maintain their housing and overcome barriers, the PHA is increasing the housing choices available to their participants.

The study measures PHA efforts to promote residential stability through two measures: the number of households in targeted populations that are served by external service providers that commit services to those receiving housing subsidies; and the number of full-time equivalent case managers that serve assisted households through supportive services.

## SERVICE PARTNERSHIPS

The survey asked PHAs to report on the number of households that receive housing assistance and are provided supportive services through formal partnerships with local service providers. Many of these service partnerships set aside a portion of vouchers or public housing units for specific target populations such as victims of domestic violence, people experiencing homelessness, young adults transitioning out of foster care, or ex-offenders reentering society. MTW agencies have also developed service partnerships for specific tenant goals such as finishing secondary education or homeownership, but only partnerships to serve particularly vulnerable households were included in our analysis. Overall, MTW agencies report serving twice as many households through these partnerships, 8.2 percent of their households, compared to 3.9 percent of comparison agency households. The difference in service partnerships between the two groups is significant.

**Exhibit 12: Percent of PHA's Assisted Households Served by Service Partnerships, 2014 Comparison**



## FULL TIME EQUIVALENT SERVICE COORDINATORS

The study asked PHAs for the number of service coordinators employed by the PHA that connect housing assistant recipients with supportive services in the community.<sup>xvii</sup> The results indicate that MTW PHAs are more likely to have a service coordinator and have a higher average number of Full-Time Equivalent (FTE) service coordinators per PHA. Overall, 16 of the 33 MTW PHAs (48 percent) have at least one service coordinator, compared to 20 of 54 (37 percent) of comparison PHAs that provided this information. On average, MTW agencies report 4.0 FTE service coordinators per agency, compared to 1.8 for the comparison agencies, a significantly higher number.

### PARTICIPATING PHA SPOTLIGHT: SAN DIEGO HOUSING COMMISSION (SDHC)

SDHC has been a key participant in the citywide effort to address homelessness in the city of San Diego for many years. Using its MTW authority, SDHC has been able to expand its efforts to create new housing solutions for homeless people in the city. Under MTW, SDHC has created a Sponsor-based Subsidy Program for Homeless Individuals in partnership with nonprofit organizations that provide comprehensive social services while SDHC provides permanent housing resources.

# CONCLUSION

## CREATING MTW MEASUREMENT SYSTEMS

The diversity of approaches being employed by MTW agencies poses a challenge for monitoring and measuring program performance and for comparing MTW agencies to their peers. The goal of this report, and the data provided in it, is to help MTW agencies identify measures to track their level performance over time, compare their performance against other MTW agencies, and compare MTW agencies as a whole to non-MTW agencies. It is valuable for agencies to measure outcomes of specific policy initiatives as well as agency-wide indicators of effectiveness. Measurement systems set up to track outcomes of the MTW program as a whole will need to be flexible enough to accommodate a broad range of different types of activities by different PHAs. Systems should also take into account the goals of measuring performance, be it measuring the impact of specific policies implemented by agencies or the overarching goals of the program. A one-time evaluation or PHA-specific evaluation that could examine a specific activity in more detail is a better way than annual performance measures for capturing the effects of individual programmatic changes, while a performance measurement system is important to ensuring that MTW agencies are meeting the objectives of the MTW program as well as housing assistance programs in general.

A number of recommendations on future MTW measurement can be drawn from this study:

- Select the performance measures and tighten the definitions based on the experience and feedback on the tested measures as well as other proposed measures. The measures tested here offer a number of advantages, but need to be tested and refined further.
- Given the broad range of activities at MTW agencies, agencies will do better on some measures than others and need a way to present the full story. As such, measures that better incorporate the context of the empirical outcomes being presented are necessary to incorporate from the onset.
- Collect data prospectively so PHAs know what is being measured and to ensure it is accurately measured.
- Design performance measurement systems so that PHAs can see the building blocks of each measure and verify the accuracy of the measure. If PHAs better understand how the components of each measure direct the overall score, they can provide more accurate data.
- Consider requesting applicable measures for non-MTW agencies as many are appropriate for standard PHAs. Performance measures such as these could be used to evaluate the performance of other housing programs.

# REFERENCES

- i MTW expansion authorized by the 2016 Consolidated Appropriations Act - <https://www.congress.gov/114/bills/hr2029/BILLS-114hr2029enr.pdf>
- ii Comparison agencies were categorized by program type (HCV-only or both HCV and public housing), PHA jurisdiction in metro or non-metro location, and Census Division.
- iii The index score ranges from 0 to 1 and measures how closely matched the non-MTW PHAs are to each MTW PHA in the same category. For this index, the two size measures of the PHA accounted for 60 percent of the score, and the other characteristics accounted for 10 percent each.
- iv PHA-level estimates ensure that each MTW PHA has the same weight in the estimate regardless of the size of the PHA. Similarly, the combined weights for each group of comparison PHAs for an MTW PHA add up to one so that each group of comparison PHAs have the same weight in the estimate regardless of the number or size of the comparison PHAs.
- v HAP costs are adjusted by differences in two-bedroom Fair Market Rents across PHAs (i.e., if the PHA's two-bedroom FMR is 5 percent higher than the national average, the adjusted costs are reduced by 5 percent to estimate costs at the national average FMR).
- vi The study recognizes that some of the households that participate in economic self-sufficiency programs will be headed by a person who is elderly or a person with a disability. However, the share of these households participating in these activities is likely to be small and if we include these households in the measurement of earnings growth, the growth in earnings measure will be artificially small.
- vii The study tracked growth in household earnings from 2002 (the most recent data for which data was available for MTW agencies) or from the date the assisted household was first admitted to the program, through 2015. The most recent records are for October 2015.
- viii After adjusting for inflations, households that had incomes that stayed the same are households that had zero income at baseline and currently. A small number of households (average share of 0.7 percent at MTW PHAs and 0.5 percent at comparison PHAs) had the same non-zero income at baseline and currently, but after the inflation adjustment, their current income is lower than their baseline and thus they show up as having decreased income.
- ix <https://www.huduser.gov/portal/datasets/assthsg.html>
- x The study obtained non-traditional data for 26 out of 28 MTW agencies. Annual Reports were available for 24 PHAs; non-traditional data was obtained for two additional agencies from the study's survey of MTW agencies.
- xi MTW agencies can establish an alternative inspections schedule with HUD approval.
- xii As PHAs are only required to conduct physical needs assessments every five years, the dates of the reported estimates ranged between 2008 and 2016. Sources of cost estimates of unmet capital needs included five-year plans, PHA staff input, resident input, ADA requirements, and REAC inspections.
- xiii Preserved units in affordable housing developments are those that have a project-based subsidy other than public housing or project-based vouchers (for example, Low Income Housing Tax Credit, Section 202/811, and Section 8 new construction projects).
- xiv Sources for poverty concentration measures: Census tract-level poverty data: ACS table S1701 "Poverty Status in the Past 12 Months," 2014 5-year estimates; Available at: [http://factfinder.census.gov/faces/nav/jsf/pages/download\\_center.xhtml](http://factfinder.census.gov/faces/nav/jsf/pages/download_center.xhtml). Metro, county, and place linking dataset: University of Missouri MARBLE; available at: <http://mcdc2.missouri.edu/websas/geocorr2k.html>
- xv Sources: HUD: FY 2013 & 2014 VMS Reports; available at: [http://portal.hud.gov/hudportal/HUD?src=/program\\_offices/public\\_indian\\_housing/programs/hcv/psd](http://portal.hud.gov/hudportal/HUD?src=/program_offices/public_indian_housing/programs/hcv/psd)
- xvi HUD rules allow PHAs to project-base up to 20 percent of its voucher assistance if the owner agrees to either rehabilitate or construct the units or the owner agrees to set-aside a portion of the units in an existing development.
- xvii PHAs were asked to include only service coordinators funded by their regular HCV and public housing funds (or MTW funds for MTW agencies) and to exclude service coordinators funded by other programs such as ROSS and FSS or that serve people funded by other programs such as VASH.





BOLD  
THINKERS  
DRIVING  
REAL-WORLD  
IMPACT

