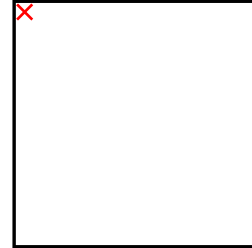


CITY OF FLAGSTAFF

STAFF SUMMARY REPORT

To: The Honorable Mayor and Council
From: Sarah Darr, Housing Director
Date: 11/27/2018
Meeting Date: 12/11/2018



TITLE:

Consideration and Adoption of Resolution No. 2018-60: A resolution stating the desire of the City of Flagstaff Housing Authority to obtain a Moving to Work designation and agreeing to comply with the Moving to Work objectives and statutory requirements, as well as the operations notice.

STAFF RECOMMENDED ACTION:

- 1) Read Resolution No. 2018-60 by title only
- 2) City Clerk reads Resolution No. 2018-60 by title only (if approved above)
- 3) Adopt Resolution No.2018-60

Executive Summary:

The Moving to Work (MTW) demonstration project was established in 1996 to provide statutory and regulatory flexibility to participating public housing agencies (PHA) under three statutory objectives:

- To reduce cost and achieve greater cost-effectiveness in Federal expenditures
- To give incentives to families with children whose heads of household are either working, seeking work, or are participating in job training, educational or other programs that assist in obtaining employment and becoming economically self-sufficient
- To increase housing choices for low-income families.

Legislation in 2016 expanded MTW to include 100 additional PHAs and the first application process opened in October. Staff has determined the City of Flagstaff Housing Authority (CFHA) meets all eligibility criteria to apply to be part of the first expansion cohort. Since program creation, only 39 PHAs nationwide have been afforded the opportunity to participate in the demonstration. The vast majority of the current MTW agencies are large PHAs.

Financial Impact:

While participation in MTW will not bring new funding into the programs, the flexibilities allowed within the program offer many benefits, including:

MTW PHAs can combine Housing Choice Voucher/Section 8, Operating Funds and Capital funds, allowing greater flexibility in how resources are spent. Many participating agencies have used administrative cost savings to invest in new affordable housing units. Other participating agencies have used administrative cost savings to implement additional programs to improve tenant/participant self-sufficiency, increase earned income and accomplish educational goals.

Simplifications in the certification and recertification process have resulted in 35-45% time savings for currently-participating housing authorities.

Participating PHAs have reported about a 10-15% reduction in their overall administrative costs.

Policy Impact:

There is a two-step application process by which PHAs will be selected for participation in the first expansion cohort studying the impacts of flexibility. In the first step, interested PHAs that meet the eligibility criteria will submit a Letter of Interest package to HUD by January 11, 2019, 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, which will be placed on a waitlist, and which will not receive MTW designation 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. If chosen in the lottery and, upon further analysis, it is determined to no longer be in the best interest of the programs to become an MTW designated agency there are no consequences for withdrawing. PHAs selected for the demonstration are permitted to seek exemption from many existing Public Housing and Housing Choice Voucher program rules found in the United States Housing Act of 1937 in pursuit of the three MTW statutory objectives:

- Reduce cost and achieve greater costs 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 low-income families.

PHAs in the MTW Demonstration also have the flexibility to combine Federal funds from the public housing operating and modernization programs and Housing Choice Voucher/Section 8 program into a "block grant" to help them better meet the purposes of the demonstration and the needs of their communities. While MTW agencies have considerable flexibility, they must still abide by all other federal rules and regulations, including the Fair Housing Act, the Civil Rights Act, labor standards, environmental rules, procurement guidelines, demolition and disposition procedures, and relocation regulations. For all activities that affect their residents' rent payments, PHAs must also conduct an impact analysis that recognizes the unforeseen circumstances that may affect their residents and develop an appropriate hardship policy. These safeguards help minimize any potential negative impact of MTW on residents and communities.

HUD recently submitted a report to Congress titled, [Moving to Work: Interim Policy Applications and the Future of the Demonstration](#). The report finds that MTW status provides Public Housing Agencies the flexibility to fund and design unique strategies to address local needs. This has produced significant successes such as allowing MTW Housing Agencies to serve additional families, improve residents' quality of life and preserve public housing. Recognizing that MTW Agencies operate differently from other PHAs, MTW Agencies have different reporting requirements that allow HUD to learn from their activities. Unlike other PHAs, MTW PHAs are required to submit a comprehensive framework for their MTW program in their [Annual MTW Plans and Reports](#) to HUD, which includes outcome measures for all proposed activities and reports on the progress of all MTW activities. The purpose of the Annual MTW Plans and Reports is to provide local stakeholders and HUD with a clear understanding of the Agency's activities. In addition to MTW Plans and Reports, MTW Agencies are also required to report into most of the same HUD reporting systems as other PHAs. Though HUD approves MTW Plans and Reports, HUD approval does not supersede any of the terms of an agency's Moving to Work Agreement, and the approval does not necessarily constitute an endorsement of any particular policies described in an agency's Plan. The [Standard MTW Agreement](#) (also known as the Amended and Restated MTW Agreement), executed in 2008, standardized reporting requirements for all MTW Agencies and allowed for better cross-site comparisons. For all activities, MTW PHAs now outline baselines, benchmarks, and data collection methods to measure the progress of each activity in meeting the three MTW statutory objectives. In 2009, HUD developed an internal database designed to capture information from Annual MTW Plans and Reports that will eventually allow HUD to analyze the types of activities implemented by MTW agencies and to track reporting metrics within and across sites. At this time the database has not

been fully developed due to a lack of resources. A full-time staff is dedicated to monitoring MTW agencies, working with them to measure the impacts of their activities and providing them with technical assistance.

Connection to Council Goal, Regional Plan and/or Team Flagstaff Strategic Plan:

Team Flagstaff Strategic Plan:

- Foster a resilient and economically prosperous city.
- Work in partnership to enhance a safe and livable community.
- Enhance the organization's fiscal stability and resourcefulness.
- Promote policies that reflect a positive and safe community.

Has There Been Previous Council Decision on This:

No, however, the Flagstaff Housing Authority Board approved a resolution for the same purpose on November 14, 2018.

Attachments: Res. 2018-60

Minutes Attachments

No file(s) attached.
