



Local Decision-making in the Moving to Work (MTW) Program

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Introduction

The MTW program allows participating agencies a greater level of flexibility to tailor their services to best meet local needs and to be more closely involved in community decision-making processes. It also provides agencies the opportunity to operate more like a mission-driven business, seeking to make smart decisions to best meet the current and future needs of their communities. These abilities are illustrated by the recent studies conducted by Abt and published by the Public and Affordable Housing Research Corporation (PAHRC) at HAI Group, '[Innovations in the MTW Demonstration](#),' and '[Testing Performance Measures for in the MTW Program](#)'.¹ The following analyses builds on these reports and leverages their data to speak to the policy trade-offs that many MTW agencies make to better serve local needs. In doing so, the analysis demonstrates how the successes of the MTW program can help agencies cultivate long-term benefits for the agency's community.

Preservation

One common MTW activity noted in the Abt studies is the preservation of public and project-based housing units to maintain a physical stock of affordable housing in the community². Many MTW agencies operate in markets in which the affordable housing supply is short, rents are high, and vouchers can be difficult to use. In these places (as in many) having a physical inventory of move-in ready public and affordable housing is essential to house low-income families quickly. Nearly 100,000 public housing units have been lost from the nation's inventory since 2005 and the affordable housing supply continues to shrink, making it more difficult for families to find affordable rental units or use vouchers in many high-cost areas³. In 2015, MTW's were given just 62%, via the Public Housing Capital Fund, of the yearly amount needed to maintain their current public housing stock⁴. Moreover, 2015 capital grants represented just 6% of the \$3B in capital needs reported by 26 MTW agencies in the Abt study⁵. Given the ongoing disinvestment in public housing properties, many MTWs have made the local decision to mitigate this loss by preserving properties that otherwise would be lost, bringing previously unlivable units online, and developing new affordable housing properties to increase the local inventory. Nearly half of MTW agencies noted in the Abt survey that they had engaged in preservation activities in 2014⁶. Abt also found that MTW agencies were concurrently

¹ Abt Associates. 2014. "[Innovations in the Moving to Work Demonstration](#)," published by Public and Affordable Housing Corporation (PAHRC).

Abt Associates. 2017. "[Testing Performance Measures for the MTW Program](#)," published by Public and Affordable Housing Corporation (PAHRC).

² Abt Associates. 2017. "[Testing Performance Measures for the MTW Program](#)," published by Public and Affordable Housing Corporation (PAHRC).

³ PAHRC tabulation of Picture of Subsidized Housing (POSH) 2005 and 2015.

Joint Center for Housing Studies of Harvard University. 2017 '[The State of the Nation's Housing 2017](#),' Harvard University.

⁴ PAHRC tabulation of 2015 Capital Grants for MTW agencies and POSH unit counts. MTW's maintenance needs are represented by their total unit count multiplied by \$3,155, which is the per unit maintenance accrual amount estimated by the 2010 Abt study, '[Capital Needs in the Public Housing Program](#).'

⁵ Twenty-six of the 39 MTW agencies providing data on their capital needs in the Abt study reported a total backlog of \$3B in repairs through a survey administered by Abt. This figure represents most recent agency estimate of unmet capital needs through a Physical Needs Assessment (PNA), similar external evaluation, or staff input.

⁶ Abt Associates. 2017. "[Testing Performance Measures for the MTW Program](#)," published by Public and Affordable

building their physical stock of affordable housing by project-basing vouchers at a higher rate than their non-MTW peers in the sample, an activity which commits more stable funding streams to physical units in the community⁷.

Because of the more flexible funding arrangements enjoyed by MTW agencies, many MTW agencies are able to stop the ongoing loss of public housing by re-allocating Housing Assistance Payments (HAP) from unleased Housing Choice Vouchers (HCVs) to help keep public housing families in their homes, who may have lost their units due to properties aging out of safe use, and to preserve these properties for future use. While some groups have expressed concern about agencies making this trade-off⁸, the Abt performance measures study provides evidence that the strategy is working. MTW agencies in the study reported preserving more units of affordable housing than did their non-MTW peers in the sample⁹. MTWs also reported a lower percentage of their total housing stock having unmet capital needs and fewer MTW agencies noted that their overall capital needs had grown in recent years than did their non-MTW peers in the study sample. At the same time, the study reported that MTWs had a significantly higher proportion of units scoring above 90 on HUD's REAC assessment, suggesting that MTWs are using their flexibilities to equip units to remain available for low-income families in future years¹⁰. Additional analyses show that from 2000 to 2015, a larger percentage of MTWs increased their public housing occupancy rates than did non-MTW agencies in the Abt sample¹¹.

As noted in the Abt study, tracking the outcomes of preservation can be difficult, since HUD systems are not designed to assess these types of activities¹². For example, physical units preserved through preservation investments do not materialize in higher unit counts for MTW agencies because no new units of public

Housing Corporation (PAHRC). Seventeen of the 36 reporting MTW agencies indicated in the Abt survey that they had preserved units (Santa Clara/San Jose combined).

⁷ *Ibid.* Abt found that MTW PHAs had 8% of vouchers that were project based (units receiving a project-based voucher as opposed to project based rental assistance, public housing funding, or voucher funding) compared to 4.7% of their non-MTW sample peers. Twenty-eight out of 39 MTWs had some project-based vouchers. Only 4 MTWs had over 20% of vouchers project-based.

⁸ Fischer, W. 2017. "[New Report Reinforces Concerns About HUD's Moving to Work Demonstration.](#)" Center for Budget Policy and Priorities.

⁹ Abt Associates. 2017. "[Testing Performance Measures for the MTW Program.](#)" published by Public and Affordable Housing Corporation (PAHRC). The study also notes that MTWs and their sample peers had preserved a similar percentage of their stock, both preserving 2.3% since 2005. However, since MTWs tend to be larger, they would have to engage in more preservation activities and leverage more money to achieve the same preservation rate across their portfolio as a smaller agency. There for the total number of units preserved is a more valid comparison and is significant.

¹⁰ *Ibid.* While the average MTW REAC score in the study was just slightly above their non-MTW peers, the distribution of higher-quality units shows the important trend toward higher quality, longer-life units.

¹¹ PAHRC tabulation of POSH 2000-2015. Represents change in occupancy from 2000 (one year after the beginning of the MTW program) to 2015. Excludes MTW agencies that transferred their portfolios to Section 8 funding streams. A larger percentage MTWs experienced increases in occupancy rates than did the non-MTW agencies in the Abt sample. However the mean change in occupancy rates from 2000-2015 for MTWs versus their peers was not significantly different. Occupancy rates fluctuate greatly in POSH and can reflect portfolio transformations, demolition, and disposition.

¹² Abt Associates. 2017. "[Testing Performance Measures for the MTW Program.](#)" published by Public and Affordable Housing Corporation (PAHRC).

housing are added to HUD systems. The preserved unit was never completely lost so that it would have exited HUD's system and then returned when it was given an extended use life. To add additional complexity in assessing preservation activities through unit counts, many of the original MTW agencies had a large stock of severely distressed unlivable units that were removed during their tenure as MTWs, recording unit losses over time for these agencies¹³. Likewise several MTW agencies transformed their public housing to Section 8 funding streams, removing these units from public housing data systems and placing them in project-based Section 8 data systems¹⁴. Thus preservation investments made through unleased HAP funds would only register as 'unleased HAP funds' in HUD's data collection systems and preserved or transferred units would be difficult to count. As a result, Abt's measures of changes to capital needs and agency-reported preservation is a more telling measure of preservation outcomes given current data systems.

Data obtained from MTW agencies¹⁵ in the table below illustrates how HAP funds are spent and tracked outside of HUD's Voucher Management System (VMS), which tracks only traditional voucher-related HAP expenses (green row). As shown in Table 1 below, 34 MTWs, the number for whom these data were collected, spent HAP funds on preservation and other MTW activities that were not able to be inputted into the traditional VMS system. These MTWs spent \$108M in HAP dollars repairing and developing physical units of housing in 2014 and \$63M rehabbing current units. They also spent 99% of their HAP budget authority on traditional and non-traditional vouchers or subsidies, preservation, development, resident support programs, and enhanced program administration. Spending on traditional voucher activities made up 82% of their total budget authority.

¹³ PAHRC tabulation of POSH 2000-2015. On average, MTWs experienced greater unit reductions over this time period than did their non-MTW peers in the Abt sample, excluding agencies transforming funding streams.

¹⁴ San Diego Housing Commission, Keene Housing, Atlanta Housing Authority, Vancouver Housing Authority, San Mateo, and San Jose/Santa Clara were among those MTW agencies that experienced a significant transition of public housing units to Section 8 funding streams.

¹⁵ PAHRC tabulations of self-reported data collected by 34 MTW agencies for CY2014 and provided to PAHRC.

Table 1: MTW 2014 HAP Spending Tracked and Untracked in HUD's Voucher Management System (VMS)

CY2014 Budget Authority (minus embedded admin fees)	\$	2,326,330,815
CY2014 HAP Expenses (VMS)		
Housing Only Portion - Local, Non-Traditional Rental Subsidy Programs	\$	9,070,715
Total Amount Expended CY2014 Towards Development Resulting in New Units	\$	66,010,875
Total CY2014 HAP Expenses	\$	1,994,234,239
HUD Other identified Uses		
Supportive Services	\$	30,014,952
Mod-Rehab of Public Housing	\$	55,546,531
Mod-Rehab of PBV	\$	7,239,516
Mod-Rehab of Local	\$	262,584
Program Evaluation	\$	1,258,779
Long-Term Capital Project Planning	\$	10,902,994
Special Purpose Voucher Reserves	\$	376,482
Reserves	\$	8,838,612
Voucher Program Uses	\$	14,100,246
Admin Expenses In Excess of Funding	\$	13,336,312
HAP Expense Shortfall	\$	37,310
2014 HAP Expense Corrections	\$	726,624
Operating Support of Housing Portfolios	\$	30,727,768
Funding Public Housing Operations	\$	19,032,996
MTW Operating for Local Housing	\$	5,511,075
Security	\$	5,638,547
Homeownership	\$	545,150
Capital Preservation and Expansion of Low Income Housing	\$	41,860,881
Asset Preservation	\$	22,100,333
Development - New Units	\$	19,760,548
Administration of MTW	\$	32,386,405
Reserve Balances and/or Undistributed HUD-held Funds ¹⁶	\$	68,635,893
Total Other Identified Uses	\$	302, 151, 643
Total Spending		
	\$	2,296,385,882
Total Utilization Rate		99%

34 MTW agencies reporting

¹⁶ It is also important to note that an adequate reserve balance is necessary to leverage private funds for preservation and development. Thus MTWs also report \$68M in reserves in Table 1, some of which are held by HUD.

Preserving and expanding the current affordable housing stock as opposed to issuing more vouchers is an important policy trade-off with the added benefit of keeping an inventory of move-in ready affordable housing in places where it is difficult to use a voucher. For example in 2015, the 39 MTW agencies could have repaired 24,000 public housing units using the \$600M in funds from unleased vouchers recorded in HUD's VMS system, making these units available for families for the next 20 years¹⁷. The 68,000 unleased vouchers that funded the initial investment would then be available for families to use the following year as would the 24,000 public housing units for a total of 92,000 units for the following 19 years¹⁸. Small investments in unleased voucher funds can slowly address MTWs' unmet capital needs. In 2014, it would have taken 345,000 vouchers to meet all the capital needs of the 26 reporting MTW agencies' public housing units and keep them online to house families for the next 20 years¹⁹. Alternatively, if the 26 MTWs continued to use unleased HAP dollars to meet their unmet capital needs at the rate they did so in 2014, it would take them 10 years to stabilize their public housing properties at risk of loss.

In some ways, the trade-off to preserve and develop more physical housing may also be more cost-effective than investing primarily in vouchers. Because of the capital investments already made in public housing properties, housing families in preserved public housing units could be less costly than using a voucher to house these families over time or rebuilding units later. Using vouchers to house 24,000 families for the next 20 years instead of repairing public housing would cost \$4.1B at 2015 rates, not accounting for inflation, shifts in the rental market, or yearly administrative fees²⁰. Maintaining the preserved public housing would cost just slightly less at \$4B over 20 years, including maintenance accrual costs and operating costs, but not accounting for inflation, changes in HUD funding, or other HUD fees²¹. Additionally, research estimates that the cost of preserving units could be nearly one-half as much as building new units²². Development and preservation activity can act as a local economic multiplier, stimulating more spending and boosting revenues for other local businesses²³. Thus preservation activity could have an additional local economic impact.

¹⁷ PAHRC tabulation of special HUD extract of VMS data provided to PAHRC. Unleased voucher funds for the 39 MTW agencies were tabulated using total voucher budget authority minus HAP spending on leased vouchers. This figure, rounded to \$600M, divided by the estimated \$25,000 in repairs per unit at MTW agencies reported by the Abt study is equal to 24,000 units repaired. Does not include any additional operating expenses for 24,000 preserved units.

¹⁸ PAHRC tabulation of special HUD VMS extract. PAHRC estimate of unleased vouchers derived by dividing unleased voucher funds by per unit per year voucher costs.

¹⁹ PAHRC tabulation of special HUD VMS extract and survey data from Abt study. On average, MTW agencies had an \$8,530 per unit per year cost in 2015. 26 MTW agencies reported nearly \$3B in unmet capital needs divided by the \$8,530 per unit year cost of each voucher.

²⁰ PAHRC tabulation of special HUD VMS extract. At an average of \$8,530 per unit cost per year for the 39 MTW agencies, 24,000 vouchers would cost \$4.1B over 20 years, not accounting for inflation or administrative fees.

²¹ PAHRC tabulation of 2015 Project Expense Levels (PELs) plus Abt (2010) estimate of annual maintenance accrual per unit per year costs of \$3,155. Does not account for inflation, PILOTS, audit fees, or transition funding.

²² Brennan, M. et al. 2015. '[Comparing the Cost of New Construction and Acquisition-Rehab in Affordable Multifamily Rental Housing](#),' Center for Housing Policy.

²³ Econsult. 2010. '[Assessing the Economic Benefits of Public Housing](#),' Published by the Council of Large Public Housing Authorities (CLPHA). Every \$1 spent by housing agencies on capital projects leads to \$2.12 in total regional spending.

Preservation investments made with unleased HAP dollars ensure that the same number of voucher families are served at MTWs as were served in the past year. MTW agencies continue to lease just a slightly lower (1.4 percentage points) amount of their authorized vouchers than their non-MTW peers, suggesting that they are serving a similar proportion of families to their overall allotment of vouchers as are their peers. Additionally, 18 MTWs, or 46%, utilize 90% of their authorized vouchers. In comparison, 58% of peer agencies in the Abt study sample utilize over 90% of their authorized vouchers. Authorized voucher utilization rates over time at MTWs have also remained similar to their peers in the Abt sample. The change in voucher utilization from 2000 to 2015 was no different for MTWs than for their non-MTW sample peers²⁴. Some MTW agencies receive HAP funds above the amount needed to re-authorize leased vouchers. However, as noted in Table 1, 99% of all HAP funds are spent on voucher-related activities.

Like unit counts and occupancy rates, voucher utilization rates can also be thorny outcome measures. Vouchers (and funds) are added to HUD systems over the course of the year, so that an average count or point in time count is not an adequate reflection of how many vouchers an agency might be able to immediately lease. Moreover, MTW agencies have different funding agreements, have different restrictions on how many vouchers they can lease, and do not track all voucher activity in the VMS system.

In summary, there is evidence that MTW flexibility is allowing agencies to make the decision to preserve their stock of physical affordable housing in their communities. This trade-off has important benefits that these agencies believe will help their communities and prepare them to meet future housing needs.

Resident Support

At the same time, over 80% MTW agencies also made the decision to provide enhanced services along with housing to their residents²⁵. Services and case management wrapped around housing assistance can help move the needle on a greater variety of residents' long-term economic trajectories, making it more likely that low-income households can afford housing on their own for the long-term²⁶. Similar to preservation outcomes, the Abt study noted that resident 'self-sufficiency' outcomes may be difficult to measure in the short-term, since many agencies do not have the capacity to collect data post program exit²⁷. Despite measurement difficulties, there are a number of positive resident outcomes demonstrated in the study that can be linked to a greater likelihood of long-term self-sufficiency. For example, the Abt performance measures study found that more residents experienced income gains and fewer families had zero earnings at MTW agencies compared to their sample peers. Likewise, the study found that households at MTW

²⁴ PAHRC tabulation of POSH voucher utilization rates 2000-2015 using Abt's MTW/peer pairing method.

²⁵ Abt Associates. 2017. "[Testing Performance Measures for the MTW Program](#)." published by Public and Affordable Housing Corporation (PAHRC). The Abt study notes that in 2014, 28 out of 34 (82%) MTW PHAs had some type of service partnerships in place compared to 35 out of 55, or 64% of their non-MTW peers in the non-MTW comparison sample. The Abt study notes that 20 agencies out of 33 completing this Abt survey question had service coordinators in 2014.

²⁶ Dunn, A. (2011) "Resident Services in Subsidized Housing for Low-Income Families." Non-Profit Housing Association. Santiago, M. et al. (2017). "Evaluating the Impacts of an Enhanced Family Self-Sufficiency Program." Housing Policy Debate, 27(5):772-788.

²⁷ Abt Associates. 2017. "[Testing Performance Measures for the MTW Program](#)." published by Public and Affordable Housing Corporation (PAHRC).

agencies exited housing assistance programs more quickly, on average²⁸. And with over twice as many service coordinators overall and 7 times as many for HCV households at MTW agencies, it is likely that these households were provided with skills to better access the labor market and resources to increase their earnings²⁹. According to Table 1, MTW's spent \$30M in HAP funds that were put toward supportive services; improving resident outcomes and achieving the results documented by the Abt study.

Many MTW agencies also chose to expand housing choices for vulnerable populations in dire need of housing, but not able to be reached via the traditional housing assistance system. The trade-off to reach vulnerable households instead of expanding traditional rental assistance to less vulnerable populations is also part of the local decision-making calculus afforded to MTW agencies. For example, MTW agencies reported creating special programs serving households experiencing homelessness, addiction, and domestic violence; households who were previously unreached in their communities³⁰. Several of MTW agencies conducted program-specific evaluations of such efforts and reported reductions in housing instability, lower rates of area homelessness, and lower costs to their cities' support systems³¹. According to Table 1, \$9M in HAP funding was used for non-traditional local vouchers and subsidies in 2014. In 2014, Abt documented 11 MTWs setting aside vouchers or public housing units for such target populations, 7 providing sponsor-based assistance programs, 5 project-basing vouchers for these purposes, and 5 who had created an alternative subsidy to help these individuals and families³². These efforts led to nearly 8,000 units of non-traditional housing provided by MTW agencies in 2014³³.

Some MTW agencies have also made difficult trade-offs aimed at spreading housing assistance more equitably across their community and stabilizing neighborhoods and local schools. In 2014, 8 MTW agencies had established subsidy time limits and 11 had developed work requirements for non-elderly, non-disabled households³⁴. However, few of these agencies have yet terminated families from housing assistance and each agency has extensive case management and hardship exemptions in place to ensure that families are able to meet their goals. A study of Charlotte's work requirements found that participants experienced employment gains and more frequent positive exits than the comparison group. At the same time there was

²⁸ *Ibid.* Income boosts and quicker exits may mean that households with lower incomes are more likely to not enter or to exit the program more quickly due to MTW program requirements. However, since only a few agencies enforce such requirements, this outcome is unlikely to only be a reflection of this effect.

²⁹ *Ibid.* The study did not have data from each agency on specific program inputs, outputs, and outcomes.

³⁰ Abt Associates. 2014. "[Innovations in the Moving to Work Demonstration](#)." published by Public and Affordable Housing Corporation (PAHRC).

³¹ Building Changes. "[The South King County Housing First Pilot](#)." 2010.

Gubits et al. 2015. "[Family options Study: Short-Term Impacts of Housing and Services Interventions for Homeless Families](#)." Department of Housing and Urban Development, Policy Development and Research

Spellman, B. et al. 2010. "[Costs Associated with First Time Homelessness](#)." Department of Housing and Urban Development, Policy Development and Research.

³² Abt Associates. 2014. "[Innovations in the Moving to Work Demonstration](#)." published by Public and Affordable Housing Corporation (PAHRC).

³³ Abt Associates. 2017. "[Testing Performance Measures for the MTW Program](#)." published by Public and Affordable Housing Corporation (PAHRC).

³⁴ Abt Associates. 2014. "[Innovations in the Moving to Work Demonstration](#)." published by Public and Affordable Housing Corporation (PAHRC).

no difference in eviction rate³⁵. Moreover, with estimates suggesting that ¾ of work-eligible (non-elderly, non-disabled) households receiving assistance have at least one member working, it is unlikely that such work requirements plus case management and judicious hardship exemptions would overly burden residents³⁶. Fourteen MTW agencies also place some limitations on certain groups of residents' mobility to ensure that children stay in school, to stabilize the local community, or to reduce the harms associated with serial moves³⁷. Though they limit mobility, usually paired with case management, these efforts also help to build resident self-sufficiency by building savings and community ties.

Like the CURS Charlotte study, the Abt study provides no evidence that residents are being harmed by MTW activities and suggests that many of the fears in giving agencies more flexibility are unrealized. Residents port-in to MTW programs at a greater rate and MTW programs still serve similar populations to their peers. There is no statistically significant difference between MTWs and their comparison agencies in the percent of voucher holders living in areas below the median poverty rate of the city or county³⁸. Voucher utilization rates remain similar over time³⁹. Moreover, there are important resident benefits realized at MTW agencies, such as self-sufficiency gains and a lower housing cost burden in the public housing program⁴⁰.

In addition to boosting resident outcomes, the types of resident supports in place at MTW agencies have the added benefit of potentially reducing the number of households in the community who need housing assistance and opening up housing opportunities for underserved families in the community. These goals help to build the long term sustainability of individual residents and the community itself.

Program Support, Measurement, and Evaluation

Housing assistance programs like public housing and Housing Choice Vouchers have seen declines in funding or a failure of funding to keep up with inflation in rental markets⁴¹. Moreover, rental assistance programs are estimated to meet only a quarter of the need⁴². Funding and regulatory flexibilities can help MTWs manage housing assistance and support these programs in more sustainable and innovative ways than

³⁵ Rohe, B. et al. 2015. '[Work Requirements in Public Housing: Impacts on Tenant Employment and Evictions.](#)' Center for Urban and Regional Studies (CURS) University of North Carolina – Chapel Hill.

³⁶ Public and Affordable Housing Research Corporation (PAHRC). 2017. '[2017 PAHRC Report.](#)'

³⁷ Galvez, M. et al. 2017. '[Moving to Work and Neighborhood Opportunity.](#)' Urban Institute.

³⁸ Abt Associates. 2017. '[Testing Performance Measures for the MTW Program.](#)' published by Public and Affordable Housing Corporation (PAHRC). MTWs demonstrate a higher percentage of voucher holders living in census tracts with 10-20% poverty and lower percentage of residents living in census tracts with levels of poverty under 10%. However, due to the widely different distribution of poverty and income levels across different metro areas, comparing the location of voucher holders in census tracts below the area median rate of poverty is more salient. There is no difference in this measure between MTWs and non-MTW peers in Abt's sample.

³⁹ PAHRC tabulation of POSH 2000, 2005, 2010, 2015.

⁴⁰ Abt Associates. 2017. '[Testing Performance Measures for the MTW Program.](#)' published by Public and Affordable Housing Corporation (PAHRC). This finding was statistically significant in the Abt study, but due to the small sample, it may not be representative of all MTWs and peer agencies.

⁴¹ Joint Center for Housing Studies of Harvard University. 2017 '[The State of the Nation's Housing 2017.](#)' Harvard University.

Rice, D. (2017) "Without More HUD Funds, Every State Will Lose Housing Vouchers in 2018." Center for Budget Policy and Priorities.

⁴² Public and Affordable Housing Research Corporation (PAHRC). 2017. '[2017 PAHRC Report.](#)'

would be possible in traditional HUD programs. In addition to engaging in the policy trade-offs discussed above, MTW agencies also make the decision to ensure adequate capacity to provide robust and dynamic affordable housing programs for their communities. Thus many agencies work to build an infrastructure that supports the types of programs, partnerships, and positive results that can more fully meet their communities' affordable housing needs. These types of outcomes take time to achieve as well as careful planning and implementation, and funding. Ensuring adequate capacity and engaging in rigorous evaluation also represents a funding trade-off.

Table 1 demonstrates MTWs' modest investments in capacity and filling funding gaps in current programs to make them continue to operate smoothly. For example, \$13M is spent on administrative fees at a time when administrative fees have been historically low. In 2014, HUD administrative fees were pro-rated at 75% of full funding. Abt found that MTW agencies spent \$163 more per voucher on administrative fees in 2014 than their peers⁴³. This difference equates to 17% more, which is still 8% less than full formula funding and likely includes additional services attached to receipt of an HCV voucher. Operating support and security spending for public housing and local programs represent another \$30M. The programs and services that produce positive outcomes for residents and preserve housing at risk of loss need additional administrative and operating capacity. MTWs have been able to make up the difference in current program costs versus the inadequate amounts provided as well as build innovative new programs.

It is important to note that capacity building in MTWs is not concentrated solely on developing leadership, since MTW leaders have similar salaries to those of leaders at their non-MTW peers. When compared to the weighted peer groups established in the Abt study, the highest paid official at an MTW agency made just \$15k, more, on average, than the highest paid official at its non-MTW peer group⁴⁴. This small difference is likely due to the complexity of managing the MTW program and the ability of MTWs to pay wages more comparable to the market rate. One study noted that housing agency CEOs were already paid less, on average, than their CEO counterparts overseeing similarly sized organizations in the commercial real estate, general nonprofit, and housing nonprofit sectors⁴⁵.

Another important component of ensuring successful results is evaluation and measurement of outcomes. MTWs are actively engaged in measuring and evaluating their own activities. These efforts include conducting external evaluations and studies of their programs, working together to create common definitions of outcomes and standard measures for evaluation, and developing a data portal to input agency data and aggregate results. According to Table 1, MTWs spent over \$1M on evaluation in 2014. New entries into the MTW program will have a mandated focus on measuring results and evaluating outcomes. HUD is also exploring new ways to improve their systems to better collect and understand MTW data⁴⁶.

⁴³ Abt Associates. 2017. "[Testing Performance Measures for the MTW Program](#)." published by Public and Affordable Housing Corporation (PAHRC).

⁴⁴ PAHRC tabulation of HUD 2015 public housing agency compensation data. Data for the highest paid official from each agency are used. Non-MTW data are weighted using the method described in the Abt performance study. Data are also adjusted by the Quarterly Census of Employment and Wages after the method used by Abt.

⁴⁵ Deloitte. 2015. 'Review of Competitive Compensation for the Chief Executive Officers of Housing Authorities.' unpublished.

⁴⁶ Discussions with HUD.

While the Abt study notes many difficulties in measuring aggregate results of the program. It also suggests a number of next steps that could help make a programmatic look at outcomes more refined. For example, the report notes that further defining the specific inputs into measures that are used to represent outcomes, incorporating data checking mechanisms that help agencies review their data for accuracy, developing shared baseline measures, and creating prospective measurement systems could help provide additional insight beyond what is available in HUD systems⁴⁷.

To achieve positive results, MTW agencies appear to be highly conscious of the need to build internal capacity and to engage in ongoing outcome evaluation. This funding trade-off also provides added value by improving the sustainability of programs and giving them the capacity to learn from their experiences to achieve more positive results.

Conclusion

The MTW program allows agencies to best assess their community's needs and distribute housing assistance where it is most needed. For many MTWs, this has been saving and expanding their community's physical inventory of affordable housing and reaching previously unreached highly vulnerable populations. This course, for many, has been more cost effective and sustainable than would have been possible within traditional HUD housing assistance programs. It is important to recognize that agencies make trade-offs to benefit their community and ensure the ability for housing programs to continue to serve their communities into the future. The MTW program has allowed agencies to make these trade-offs with positive results.

⁴⁷ Abt Associates. 2017. "[Testing Performance Measures for the MTW Program](#)." published by Public and Affordable Housing Corporation (PAHRC).