

**Dallas Housing Authority
Moving To Work Demonstration Program
Fiscal Year 2020
Cohort #2 Rent Reform
DRAFT PROPOSAL**

Enabling Authorization:

Federal Agency: **U.S. Department of Housing and Urban Development (HUD)– Office of Public and Indian Housing (PIH)**

Notice PIH: **2020-21**

Subject: **Request for Applications under the Moving To Work Demonstration Program for Fiscal Year 2020: COHORT #2 Rent Reform**

Issuance Date: **August 28, 2020**

**Dallas Housing Authority’s (DHA’s) Moving To Work – Cohort #2 Rent Reform
Proposal Response**

In response to the above referenced U.S. Department of Housing and Urban Development’s (HUD’s) enabling authorization which creates the opportunity for eligible public housing agencies to compete for a grant opportunity, DHA intends to submit on or about January 8, 2021 its Moving To Work (MTW) Cohort #2 Rent Reform Proposal to HUD for consideration of award. This is a highly competitive application process for public housing agencies meeting HUD’s qualification criteria. Public Housing Agencies seeking to become a Moving To Work agency were provided an opportunity to submit a letter of interest. HUD viewed favorably our letter of intent and invited DHA to submit an application and plan. HUD will review and rate each proposal received from individual public housing agencies in accordance with its established criteria. DHA is not assured of an award. We are aware of other very large public housing agencies who like DHA intend to submit a proposal to HUD competing for only three awards nationwide. A copy of Notice PIH 2020-21 as well as other relevant MTW documentation may be found on HUD’s website at https://www.hud.gov/program_offices/public_indian_housing/programs/ph/mtw

The content of this version of DHA’s MTW – Cohort #2 Rent Reform Proposal is currently in draft form and is consistent with HUD prescribed submission criteria found in Notice PIH 2020-21. Resident and community input is a key element in the formation of DHA’s MTW Proposal. DHA is actively engaged in soliciting public comment as it relates to the final formation of its MTW program design. Therefore, we anticipate that the content of the draft MTW proposal will change to incorporate public comments. As clarification, it is important for the reader to understand that this current version of DHA’s proposal is a draft to stimulate conversation and to receive public comment and that this draft is not the final version which will be submitted to

HUD. As a part of DHA's comprehensive community engagement process, a virtual Public Hearing regarding DHA's MTW Cohort #2 Rent Reform proposal is scheduled for November 23, 2020 at noon. The purpose of the MTW Cohort #2 Rent Reform Public Hearing is to provide additional opportunity for DHA residents and the public to express their comments regarding the draft MTW Plan prior to submission of the Grant Application to HUD. To join the virtual Public Hearing please follow the steps below:

- On-line – click on the following link <https://dhantx.zoom.us/j/95221096047> Meeting ID: 952 2109 6047; ([use the “raise hand” feature for permission to speak](#))
- by Phone – (346) 248-7799, or toll free (888) 788-0099 and then enter Meeting ID: 952 2109 6047# (use *9 for permission to speak)

After the Public Hearing, DHA shall consider all public comments received and finalize its MTW Proposal. It is anticipated that on or about but no sooner than December 6, 2020, DHA's Board of Commissioners will consider an official resolution adopting the final version of the MTW Cohort #2 Rent Reform Proposal and authorizing its submission to HUD.

The public engagement and public participation process is critically important to DHA in the development of the final design of DHA's MTW Proposal and we are currently actively engaging our residents, key stakeholders and the general public to help form the best most comprehensive MTW Proposal possible. As such, content contained in each section will change as DHA continues to collaborate with its residents, key stakeholders and the public regarding the development of its proposed MTW plan.

If you would like more information about DHA's MTW Cohort #2 Rent Reform proposal, please log onto DHA's website: <https://dhantx.com/moving-to-work/>

Background

This section is intended to give the reader perspective and context of the current rent structure and a general overview statement of what DHA is proposing as a test to determine if an alternative methodology of determining housing participants portion of rent would produce better outcomes for families participating in HUD rental housing assistance programs with the intended goal of providing participants with the ability to break the cycle of generational poverty and attain economic independence.

Current Rent Structure: (Context for the reader)

Since the implementation of the Brooke Amendment in 1969, families participating in HUD sponsored affordable housing programs pay rent based on their household income. Under an income based method of determining tenant rent, families pay roughly 30% of their household income toward rent. Tenants are responsible to immediately report any changes in their income and Public Housing Agencies are responsible to change the tenant's rent commensurate with any change in household income. *One theory of an unintended negative consequence in this income based rent structure is that it can perpetuate the inability to break the poverty cycle for families participating the nation's affordable housing programs.* This theory is based on the fact that

upon an increase in a family's income (i.e. family obtaining employment), the family is statutorily required to report this increase of income to the public housing agency (PHA). For DHA families must report an increase in income within 10 days of the event. Upon verification of the income by the PHA, the PHA is required to increase the family's portion of rent again based on the increase of their income. Thus, the family is not able to realize the savings in the increased income that may be used as a basis to save a sufficient amount of money to move up and out of assisted housing.

An excerpt from Forbes written by Howard Husock, January 8, 2015; "...the Brooke Amendment hit the trifecta of unanticipated consequences for well-intentioned legislation: it led to the physical decline of public housing, drove working families out of the public housing developments, and provide a work disincentive for the poor. Worse still, the Brooke precedent has been extended to the Housing Voucher program... Quite simply, ...our housing policy is a powerful deterrent to work and upward mobility."

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DHA would like to test an alternative rent structure (Hypothesis)

DHA is proposing rent structure that moves away from income-based (Brooke Amendment) and alternatively adopts a market-based rent with stepped percentage increases over time. Under this market/stepped based rent structure, families would pay rent based on a percentage of the market value of rent. Over time the family's portion of rent would increase as a percentage of the market rent regardless of their income. *The decoupling of family income and rent may lead to more participants in the DHA's affordable housing programs breaking the generational poverty cycle and attaining economic independence.*

Important Note: Elderly and Disabled Families would not be included as eligible participants in DHA's proposed rent reform program.

To help answer questions regarding rent reform, HUD has engaged a group of prestigious academic institutions and leading industry consultants that will help further refine the program design to ensure research questions are derived that yield evidenced based findings which can be extrapolated and potentially replicated across the Nation's affordable housing programs. For purposes of validating the academic research, DHA eligible families (e.g. non-elderly, non-disabled families) will be randomly divided into two groups: an test group and a control group. The test group will pay rent based on DHA's MTW Rent Reform plan while the control group will continue to pay rent based on their household income. DHA's Rent Reform plan, if approved, would be set for an initial term of no less than six years.

Again, the DHA Rent Reform plan is currently being developed in close consultation with DHA residents, key stakeholders and the general public. The attached draft plan is a working document intended to give the reader a directional understanding of the DHA's proposed plan as we continue to engage and listen to our partners to inform us on the final design of DHA's MTW Cohort #2 Rent Reform plan.

Draft MTW Proposal Layout

HUD has established a specific proposal format which all public housing agency respondents are required to follow in the submission of their application. This draft proposal tracks the HUD prescribed format. There are two major sections: Part I – MTW Plan and Rent Reform Information, and Part II – Appendices 1-4. Part I consists of six major segments each containing specific HUD questions/requirements. Applicants must provide a written narrative in response to each of the HUD questions. For ease of reading this draft document, HUD questions and requirements for each section are highlighted in "Green" font. DHA will provide written response to each question. In some cases, DHA will provide a general directional statement where we are currently actively engaged in the community input process that will impact the final program design. DHA's responses to HUD questions will continue to evolve commensurate with the public engagement process. Part II of the application contains the appendices consisting mainly of certifications and format that must be submitted as provided in HUD PIH Notice 2020-21.

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PART I - MTW Plan and Rent Reform Information

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

a) MTW Plan

(I) Vision for PHA's Local MTW Program

HUD QUESTION/REQUIREMENT #1: 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.

DHA's DRAFT RESPONSE:

Vision:

In collaboration with residents and key stakeholders, DHA's vision is to create increased opportunities for families participating in DHA's affordable housing programs to break the generational poverty cycle. One tool proposed is rent reform. DHA will test two methodologies for determining tenant rent; income-based rent and market-based rent with stepped percentage increase.

Impact on HUD Objectives:

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

HUD QUESTION/REQUIREMENT #2: Provide a description of the experience and skills of the PHA personnel with primary responsibility for the administration of the local MTW program.

DHA's DRAFT RESPONSE

To administer its MTW program, DHA will leverage its talent from departments highly-skilled in operationalizing and implementing research-driven initiatives: the DHA departments of (1) Policy Development and Research, and the (2) Voucher Programs.

Housing Choice Voucher program

DHA's housing choice voucher (HCV) program is among the Nations' largest and most complex. DHA ranks in the top 10 of PHAs operating a HCV program with more than 19,000 eligible family size. It has an annual budget authority of \$200M dispersing approximately \$15M per month in the form of Housing Assistance Payments to private market landlords on behalf of the 16,000 families currently participating in the HCV program. DHA is unique in the fact that its geographical operational area covers 7 counties. This will lend well in the study as it

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constitutes a wide array of submarkets to study and understand impact on individual families. The adoption of more than 300 payment standards.

Personnel Specific: (to be added)

Policy Development and Research Department

DHA has internal capacity to not only design but to implement innovative activities and programs that produce evidenced based solutions but to craft new innovative programs based on our experience and findings. DHA will leverage experiences learned in the development and administration of its previous innovations to the MTW program and beyond.

Personnel Specific: (to be added)

HUD QUESTION/REQUIREMENT #3 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).

DHA's DRAFT RESPONSE

DHA participated in a region-wide Affirmative Fair Housing study encompassing the North Texas region that commissioned the University of Texas at Arlington, Texas to administer the study. Seven preminent fair housing issues transpire from this assessment. Below is a list of some of the major findings as well as DHA's specific goals to help alleviate identified barriers. To review a copy of the full report log on DHA's website www.dhantx.com.

Identified AFH Barriers

- Imbalances region/jurisdiction: The non-white population and portion in poverty disproportionately reside in Dallas and Tarrant counties than in the region. Similarly, the rate of housing problems remains greater in these counties than in the region.
- Racial/ethnic inequities:
- Persistence and proliferation of racially/ethnically concentrated areas of poverty:
- Growing segregation
- Source of income discrimination
- Growing affordability pressure
- Transportation/employment

DHA Goals to help alleviate identified barriers: (to be further developed)

- Increase access to affordable housing in high opportunity areas
- Prevent loss of existing affordable housing stock and increase supply of new affordable housing, especially in higher opportunity areas
- Increase supply of accessible, affordable housing for person with disabilities

(II) Plan for Future Community/Resident Engagement

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HUD QUESTION/REQUIREMENT #4 Discuss how the PHA plans to continue to engage assisted households 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, families with children and groups representing such persons.

DHA's DRAFT RESPONSE

DHA acknowledges that conventionally and in the affordable housing industry, significant barriers to meaningful engagement exist which greatly undermine program implementation, outcomes, and authenticity. DHA is committed to the pursuit of an inclusive process, and as such has designed and will implement a wide array of public engagement strategies throughout the development and implementation phases of the MTW plan. DHA's strategies involve various methods and platforms to ensure continuous and meaningful community engagement. In order to remain responsive to the needs of the community, and allow the incorporation of community feedback into the subsequent stages of the development and implementation, our agency anticipates adjusting these strategies as community feedback is received.

Early outreach efforts include a series of electronic surveys, interactive Zoom webinar with embedded interactive survey tools and live Q/As; the development of dedicated webpage (https://dhantx.com/rent_reform_mtw_program/). DHA will continue meaningful engagement through public meeting and public hearings, disseminate topical surveys to various audience including but not limited to residents, landlords, employment and training-focused partners, and fair housing groups. DHA anticipate conducting virtual targeted focus groups to gather local, group-specific information about housing experiences and needs. Finally, DHA envisions building an MTW Advisory Committee to be consulted in conjunction with DHA's existing Resident Advisory Board.

Each public participation strategy and tool is designed to fit each stage of the assessment (i.e. assessing attitudes and preferences, barriers, early non-technical introduction to MTW program, feedback on proposed policy, etc.) and to maximize participation. DHA leverages traditional and non-traditional tools/outlets, mobile friendly tools, to disseminate information and gather local knowledge and data on a continuous basis and through interactive, and engaging exercises (i.e. live polling). The use of non-traditional outlets allow individuals to participate on their terms rather than being restricted to physically attend a public meeting to give input.

(III) PHA Operating and Inventory Information

HUD QUESTION/REQUIREMENT #5. 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

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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.

DHA's DRAFT RESPONSE

DHA provides affordable housing solutions across seven North Texas counties: Collin, Dallas, Denton, Ellis, Kaufman, Rockwall, and Tarrant, and proudly supports 55,000 individuals. DHA owns and operates 4,903 rental housing units in 27 developments, 3,155 are public housing units.

Overall, 46% of DHA's population are seniors or persons with disabilities; 86% are African-American and 83% are female-headed households, and 54% are families with children. In DHA's public housing program, the average household income is \$13,270 and the average tenant rent approximately \$221. About 79% of our Public Housing participants are female-headed households, and 26% of heads of households have a disability and 18% are seniors. The sociodemographic profile of our Voucher program is similar. We currently serve about 16,500 HCV families, whom 86% are female-headed households, and 23% are persons with disability and 23% are seniors. The average household income is \$14,059 and the average tenant rent is \$186. In light of the ongoing pandemic and observed changes, DHA anticipates the average income of its participants to decrease, along with the average tenant rent payment. DHA does not anticipate other changes in sociodemographic attributes.

DHA offers a large sample size for the implementation of the demonstration program. DHA counts approximately 8,328 families who are potential eligible to participate in Rent Reform study (6,758 and 1,570 public housing), and proposed to only include HCV families to participate in the MTW program. The Dallas-Fort Worth region accounts for some of the Country's most severe rates of neighborhood inequity and patterns of segregation, and HCV families disproportionately reside in these highly segregated neighborhoods. The implementation of our proposed MTW policy, which is designed to incentivize relocation to high-upward mobility neighborhoods, is a propitious opportunity to address these growing patterns of segregation and associated lower likelihood for upward mobility. DHA also acknowledges that the residential sorting of HCV families is greatly affected by market constraints, landlord participation, limited access to neighborhood information, as well as limited support system-among others. In that perspective, DHA is advancing the proposed in conjunction with proactive and integrated case management to remove barriers to housing choice, incentivize landlord participation and support employment engagement.

HUD QUESTION/REQUIREMENT #6 Provide specific examples of how the PHA has demonstrated innovation and creativity within its current program (included grants received, participation in other HUD programs, etc.)

DHA's DRAFT RESPONSE

DHA will provide a series of operational examples of programs that demonstrate innovation and creativity, below is a listing of programs discussed with residents so far.

- Children First North Texas - Mobility
- Redbird Mall – Employment

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- COVID-19 Wellness Check – Health/Quality of Life
- Family Self Sufficiency program - Education/employment
- The Century Foundation – National cohort of housing and educational professional to study best practices of crafting solutions to address segregated school and housing patterns. DHA selected as 1 of 53 organizations to participate.
- Opportunity Rising Foundation – Education
- Texas Health Resource – Grant Application for Mental Health care services

(IV) Plan for Local MTW Program

HUD QUESTION/REQUIREMENT #7 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: Cost Effectiveness, Self-sufficiency, and Housing Choice.

DHA's DRAFT RESPONSE (To be more fully developed)

DHA seeks to implement operational enhancement as well as programmatic

Items discussed so far with families:

Operational structure: DHA was gratified to learn from its residents how DHA plays a more profound role in their ability to become self-sufficient with more intentional agency focus on mobility and self-sufficiency services. This resident concept tracks nicely with the technology investments DHA has made over the past 3 years that will allow DHA to redirect and channel its limited resources in a more targeted manner to foster meaningful positive outcomes for DHA families. (Examples)

(V) Proposed Use of MTW Funds Request authority to use public housing and HCV funds flexibly in this section.

HUD QUESTION/REQUIREMENT #7 List or describe the PHA's proposed uses of MTW Funds. Describe how/if the PHA plans to use funds flexibly across the traditional Section 8 and Section 9 programs.

DHA's DRAFT RESPONSE (To be more fully developed as we continue resident meetings)

DHA will use its funds strategically that alone align with creating pathways to self-sufficiency, reduces administrative costs, streamline operational processes, and/or increases housing choice for the families receiving housing assistance. DHA may exercise flexibility in the use of funds across the public housing and HCV program conditionally on the use of funds meeting an identified need and not jeopardizing the financial integrity of the either program. DHA will build in stringent governing procedures in those cases to ensure program integrity and internal controls are not compromised.

Potential Resident Initiative use of funds: (at a macro level we have learned from residents that would be most impactful)

Mobility counseling services

Community resource awareness in housing search

Landlord engagement/requirement strategies

Self-Sufficiency

Educational Attainment

Employment/job skills training

Financial literacy,

Potential Operational/Administrative use of funds

Use of technology to increase operational efficiency

Training of staff in new service delivery model

(VI) Evidence of Significant Partnerships

HUD QUESTION/REQUIREMENT #8 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 partnerships will help to achieve the vision of the PHA's local MTW program and contribute to the success of the alternative rent policy. Discuss how the PHA intends to leverage funding and/or other in-kind resources in the implementation of its local MTW program.

DHA's DRAFT RESPONSE (To be more fully developed as we continue community engagement)

As part of its community engagement DHA is compiling key public as well as private organizations that will be active partners in the program design, implementation, and refinement as well as providing direct services for DHA families. Below is a listing of a few organizations that are partners in the Implementation program.

- DHA's engagement in CPAL
- Bridges Collaboration
- DISD
- Texas Worksource
- Mercy Street

b) Rent Reform Information

(I) Alternative Rent Policy Selection and Rationale

HUD QUESTION/REQUIREMENT #9 Identify the alternative rent policy (MTW Test Rent #1, MTW Test Rent #2 or MTW Test Rent #3) that the PHA seeks to implement. Select only one policy. Provide a rationale for why that rent policy was chosen, including how it aligns with the PHA's goals and vision. This description must demonstrate a sound understanding of the selected alternative rent policy. Additional detail on the alternative rent policies may be found in Attachment 1 of this Notice.

DHA's DRAFT RESPONSE (To be more fully developed as we continue the community engagement process)

In meeting with and listening to our program participants, DHA is proposing a rent reform policy that meets MTW Rent Test #3 criteria. DHA proposes a unique evidenced-based rent structure that has shown statically to improve the likelihood of a family's ability to break generational poverty cycle. The basis of the rent reform is a stepped approach. Meaning, eligible families (e.g. non-elderly/non-disabled families) in the test group will experience a percentage increase in rent between 2 and 4 percent annually without consideration of income. DHA is also considering ways to incorporate other important factors such as locational, property type, neighborhood factors, school performance, job availability, etc, in the determination of family rent. We are currently flushing these concepts and ideas out during the resident and community stakeholder meetings and look to more fully describe this section once those initial community engagement meetings are concluded. We are attempting to determine if there are tools that the PHA can introduce in the rent structure that provides its families with a better opportunity to become self-sufficient, creates more housing choice and reduces costs.

(II) Describe Alternative Rent Policy to the Public

HUD QUESTION/REQUIREMENT #10 The PHA must go through a public process, as discussed in Section 4(C)(i)(c); therefore, it is important to clearly describe the selected alternative rent policy to the public. Regardless of the selected alternative rent policy, all of the following must be included:

- estimate of when the enrollment period will begin and how the alternative rent policy will be rolled out (see the description and expected time frames in Section 2(C) of this Notice;
- explanation of which assisted households will be eligible to participate in the study, and explanation that random assignment (i.e. a lottery) will be used to determine which assisted households pay the alternative rent;
- explanation of how the alternative rent can be beneficial for assisted households; and
- explanation of how the hardship policy will help assisted households if household income decreases or if it is determined the household cannot keep pace with the rent increases.

DHA's DRAFT RESPONSE TIMELINE:

DHA anticipates submitting its MTW plan to HUD by or before the HUD deadline, January 8, 2021. The announcement of awardees is expected in March 2021. If DHA is selected, HUD anticipates six to twelve months to finalize the plan and implementation logistics with DHA, which means that the implementation should start between October 2021 and March 2022, after which enrollment will begin.

WHO CAN PARTICIPATE IN THE MTW PROGRAM? Eligible households include existing, currently assisted households in the Housing Choice Voucher Program and new households admitted into the Housing Voucher program during the alternative rent enrollment period. Elderly and disabled households, families in the Family Self-Sufficiency program, and

Public Housing residents will be excluded. If selected, DHA, in partnership with HUD, may consider other exclusions.

Through a lottery process, eligible households will be randomly assigned to one of two groups. The control group will continue to pay rent based on their household income (where tenant rent is approximately 30% of their household adjusted income). The test group will pay rent based on the DHA's proposed MTW rent reform, stepped rent, based on the HUD Small Area Fair Market Rents).

BENEFITS OF PROPOSED MTW RENT: DHA recognizes that the income based rent formula, where a tenant's rent portion increases as they experience increases in their income, may make it more difficult for families to enjoy and appreciate their increased income and to enhance their quality of life. In early DHA outreach, Housing Voucher program participants stated by an overwhelming majority (79%) do not think it is fair for their rent to increase when their income increases, and over 93% of survey respondents prefer the DHA-proposed formula compared to the income based rent formula.

The primary benefit of the proposed MTW rent policy is that families who experience an increase in their income will not experience an immediate increase in their rent as a result of their employment achievements. DHA believes that the proposed rent policy will enable families to further enhance their quality of life, motivate them to pursue additional opportunities, and achieve long-term self-sufficiency. Early survey results support DHA's proposition.

HARDSHIP POLICIES:

DHA seeks to establish multiple hardship policies that will respectively apply under pre-set conditions that will provide relief to qualified families participating under the proposed MTW Rent Reform. DHA, in its discretion, will conduct an investigation to determine whether a household qualifies for the requested hardship consideration.

On-boarding hardship policy: This hardship policy can be requested by zero-income households for whom the initial on-boarding into the MTW program results in an increase in rent portion, and households for whom the first-year payment under the MTW Rent Reform would result in an increase of at least 50% in rent portion. The on-boarding hardship policy will allow qualified households to maintain their current rent payment, that is their rent payment before the institution of the MTW rent reform formula, for a period of up to (3) three months. After the (3) three months, they will resume paying rent designated under the MTW rent reform formula.

Decrease in income hardship policy: This hardship policy can be requested by households experiencing a loss of income due to extraordinary circumstances out of the household's control resulting in extraordinary financial distress and the household's inability to pay rent accordingly to their rent schedule. If granted, the rent payment will be reset to the step closest to 30% the family's income.

Zero-income hardship policy: This hardship policy can be requested by zero-income households who (1) have demonstrated good-faith efforts in securing income, including evidence of submitting job applications, job interviews, and participation in DHA-brokered self-sufficiency activities, and (2) are in financial distress due to extraordinary circumstances out of the household’s control. If granted, the rent payment will be set at the “Minimum Rent” of \$50 for a period not to exceed (3) three months.

Extensions of each hardship policy are available on a case by case basis if a household can demonstrate that they have put in a good-faith effort to secure income, including applying for jobs, pursuing job interviews, and participation in DHA-brokered self-sufficiency activities.

Depending on the alternative rent policy that the PHA has chosen, the PHA must also include additional information. The information requested below must be provided for the specific test rent, delineated on its own page(s), and is exempt from the page count and format requirements given in 4(C)(i)(b).

MTW Test Rent #3: PHA-Proposed

HUD QUESTION/REQUIREMENT #11 If the PHA selects MTW Test Rent #3, the following must be included: description and justification of the PHA-proposed policy;

- Explanation of how the policy will: incentivize assisted households to increase their income; protect those households that experience hardships; and reduce administrative burden on the PHA;
- Demonstration that the policy: is feasible; might be of interest to other PHAs and the housing policy community; and complies with the parameters set in Attachment 1;
- Explanation of how rents will be set initially; how rents will change over time; how the alternative rent can be beneficial for assisted households; and how the policy will help assisted households if they experience a hardship; and
- Explanation of why the PHA’s policy is different from the HUD-proposed options in MTW Test Rents #1 and #2 and why it would be better suited for the applicant PHA. HUD expects any PHA-proposed policies under MTW Test Rent #3 to offer an interesting and important contrast with the HUD-proposed policies in MTW Test Rents #1 and #2.

DHA’s DRAFT RESPONSE Background:

HUD provides three options.

HUD MTW Test Rent #1 – which is a “Tiered Rent” structure where households are grouped by income into tiers; rents are fixed within each tier.

MTW Test Rent #2 is a Stepped Rent structure where rents are increased annually by a fixed amount. The annual rent is increased in steps, however the stepped increase may not be less than 2% of the Fair Market Rent (FMR) or exceed 4% of the FMR.

MTW Test Rent #3 A PHA can propose a tiered or stepped rent that is different from the two mentioned above.

Description and justification: As mentioned in section “Rent Reform Information -Alternative Rent Policy Selection and Rationale” DHA has opted for MTW Test Rent #3, which allows for an innovative policy to be tested in North Texas. A large body of research has shown the importance of location on upward mobility, health, earnings and educational attainment. Thus, efforts to incentivize self-sufficiency should account for location.

DHA is uniquely positioned to generate strong empirical evidence to foster public policy advancement. DHA’s jurisdiction covers seven counties and offers great geographic and socio-economic diversity enabling researchers to account for varying housing market and economic conditions when evaluating policy impacts. In addition, the unique policy landscape within which DHA operates would enable research investigators to conduct comparative evaluations of stepped rent formula across PHAs with and without SAFMR, as well as PHAs opting for a single step rate as opposed to pre-set ZIP Code-based rates. DHA is confident that the innovative proposed MTW policy will provide HUD and other PHAs with critical operational insight to understand how the pursuit of location-sensitive policies such as SAFMR and Stepped Rent impact the performance of their program and the families they serve.

(III) Information Technology Plan

HUD QUESTION/REQUIREMENT #12 Briefly describe the PHA’s plan for transitioning its information technology systems to accommodate its local MTW program. Give any examples of other systems changes from which the PHA may draw experience

DHA’s DRAFT RESPONSE

DHA has begun collaborative working sessions communicating with its housing software provider, Yardi. DHA has operated Yardi’s Voyager platform for over 4 years. The purpose of our communication sessions are to discuss projected software needs in light of the proposed policy structure and mechanisms involved in respectively tracking treatment and control group households and determining appropriate step rate, payments, and readjustments needed as households relocate and/or experience hardship. Currently, DHA’s PD&R department are drafting a list of algorithms and programmatic rules to guide future sessions.

Part II

Appendices List of Docs

The information in this draft plan is a listing of HUD required documentation for each appendix. DHA is preparing the applicable documentation which will be included in the final MTW Plan.

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Appendix #1 Moving to Work Certifications of Compliance

The PHA must provide a certification that the application is consistent with the “Moving to Work Certification of Compliance.” A certification sheet for this purpose is provided in Attachment 2 of the PIH 2020 -21 Notice.

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Appendix #2: Public Process Documentation

Evidence that residents and HCV participants 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

A resolution signed by the Board of Commissioners 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 PIH Notice 2020-21 were met.

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Appendix 3 Required Standard Forms

Certification of Consistency with the Consolidated Plan (form HUD-2991)

Certification of Payment (form HUD-50071)

Disclosure of Lobbying Activities (SF-LLL) if applicable

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Appendix 4: Other Supporting Documentation

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

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