

## MTW Cohort #2 Rent Reform Dallas Housing Authority Draft Plan

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Version 2.0

This is a copy of the draft MTW Cohort #2 Plan application DHA intends to submit to HUD by January 8, 2021. The draft plan is organized based on HUD prescribed format found in HUD Notice PIH-2020-21, Request for Applications under the Moving to Work Demonstration Program for Fiscal Year 2020: Cohort #2 Rent Reform.

DHA is actively soliciting community input through virtual meetings, surveys, and feedback from its residents and key stakeholders as it develops the final version of its MTW Plan. DHA may modify this draft MTW plan in response to written comments received. As such this draft plan may be updated before January 8, 2021. DHA posts all updated versions of this draft on its website. Additionally, DHA may make edits to the narrative to provide clarifying and/or additional information to more completely respond to HUD questions or as necessary to meet other HUD requirements.

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## **MTW Plan**

### Vision for PHA's Local MTW Program

The Dallas Housing Authority (DHA) is pleased to submit its application to participate in the HUD Moving To Work Program. DHA passionately supports the MTW Program and commends HUD for developing an evidenced based initiative as the basis for housing program reform.

***DHA's MTW Program Vision:*** To implement and research cost effective, evidenced-based strategies by combining Rent Reform and housing choice policies that places our families in the best possible position of escaping the debilitating effects of generational poverty and becoming economically self-sufficient.

***How do we realize this ambitious Vision?*** In 2018, DHA launched a series of strategic initiatives to effectuate the aforementioned vision. A paradigm shift in the relationship value with applicants and clients has become the critical cornerstone to affecting meaningful long-term change in outcomes. In the administration and delivery of our nation's affordable housing services, agency-client relationships center on rigid administrative process determinations of eligibility and regulatory compliance. Agency communications solicit answers to questions such as: what is your source of income; how many people are in our household, complete your annual recertification or you may lose your housing assistance, etc. These conversations, though necessary to effect regulatory compliance, minimize our ability to assist the client with their unique needs and life goals. In the limited time agencies spend with each family it would be more beneficial for clients to be served by life coaches helping families attain their aspirational goals rather than primarily serving as rent setting enforcement officers. DHA would prefer to engage clients in self-sufficiency-oriented conversations pertaining to job search, obtaining additional job skills, children school performance, and neighborhood search. Client conversations in the HCV program

are currently [80% administrative / 20% self-sufficiency]. Clients are less likely to discuss their true self-sufficiency needs. Through MTW rent reform, DHA would like to invert the communications ratio and spend 80% of our conversions with clients discussing their self-sufficiency and 20% related to administrative requirements of the program. We believe this change will create more meaningful trust relationships and ultimately help more families achieve financial independence. To help facilitate this new relationship value with our clients, DHA has already embarked on some major foundational strategies, using technology to increase efficiency and productivity, developing internal capacity to create evidence based policies, and developing programs to increase housing choice. These steps and others allow for redeployment of existing personnel more time helping clients attain their life-goals and escape generational poverty.

**Technology:** DHA is an innovative leader among PHAs in its utilization of technology to increase productivity, enhance operational efficiency, automate workflow processes, improve client accessibility to programs and services, track individual client as well as aggregate demographic and geographic data to evaluate client needs, and create evidenced based policy/programs, etc. Here are a few examples of how the use of technology is increasing value added outcomes at DHA. Yardi Voyager 7s is the housing data management platform employed by DHA. In 2020, DHA launched Yardi's Rent Café Tenant portal which allows clients to complete recertifications and report other changes through the internet. DHA employs 42 employees that complete this work. As a result of the use of this technology DHA can repurpose a segment of this work team to serve as mobility/self-sufficiency counselors without the agency incurring incremental payroll expenses otherwise needed to hire more staff. This technology has also created efficiencies in staff processing time. While the Yardi software provides excellent functionality in program management, DHA needed an equally functional software platform to track client quality of life

services. For this purpose, DHA utilizes a Customer Relationship Management (CRM) software system. CRM allows the user to track client needs, automate and route various workflows, manage large data both at individual client record and aggregate level. DHA successfully deployed the use CRM software in its Children First North Texas (CFNTX) mobility counseling initiative; its delivery of CARES Act Temporary Rental Assistance; its COVID-19 Wellness Check initiative, and its economic job development initiative for Chime Solutions. CRM capabilities played an important role beneficial to lower income households in each of these initiatives. DHA is also utilizing artificial intelligence in its operational processes. DHA and BoodsKapper, a Dallas based tech firm, designed and implemented an App that improved DHA's HQS housing inspections process. Prior to the creation of the "InspectionMate" App, HQS inspections were scheduled manually by DHA staff with communications occurring primarily by posted mail. DHA's housing inspection process transformed from a programmatic weakness into a strength as the app manages HQS inspections appointment scheduling and re-scheduling in real time, communicates appointment schedules to clients through SMS messaging or email, conducts route optimization for the inspector, and sends "Uber"-like messaging to clients who can now know exactly when to expect the inspector to arrive at their unit. Inspection results are also transmitted to clients - same day. These represent just a few of the technology based initiatives that DHA has accomplished with more in development.

**Formation of Policy Development & Research (PD&R) Dept.** In 2018, DHA established a Policy Development and Research (PD&R) department responsible for developing evidence-based strategies to combat segregation and poverty, foster upward mobility, and enable system-wide operational improvements. DHA's leadership and the PD&R team have designed a series of initiatives intended to generate empirical evidence about the relative success of various strategies

to create pathways to self-sufficiency through relocation, education and mobility counseling, employment, and connection with supportive services. Our agency has the appetite and technical capacity to participate in applied research and strongly believe that such participation will carry practical implications for our agency and community partners and ultimately the families we serve.

**Housing Choice/Mobility Counseling:** Research has shown that one of the most important indicators in the probability of families breaking the generational cycle of poverty is the decision about where to live. HCV families tend to live in high poverty, under resourced areas which ultimately stifles their economic growth. DHA believes it is critically important to earn a deeper level of trust with the clients we serve and to take an active role in assisting clients to attain self-sufficiency. In January 2020 DHA launched its *Children First North Texas (CFNTX)*. The purpose of CFNTX is to educate existing HCV families living in Racially/Ethnically Concentrated Areas of Poverty (R/ECAP) on the importance and impact of housing choice.

**Creating Moves to Opportunity Expansion (CMT0x):** In 2020, DHA was selected to be one of three housing agencies in the nation to participate in Opportunity Insights (OI) academic research related to benefits of HCV families residing in high opportunity neighborhoods. DHA is designing a direct case management program to assist families in their pursuit of economic independence; a key component to couple with rent reform.

**Unique Challenges and Opportunities:** 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 disproportionally reside in highly segregated neighborhoods. Operational challenges DHA faces includes extensive poverty - *1 in 4 children in Dallas grow up in poverty; the expansive DFW area lacks regional mass transit, inadequate supply of affordable housing, high rates of rental occupancy, insufficient supply of affordable rental housing, concentration of HCV families*

*living in Racially or Ethnically Concentrated Areas of Poverty (R/ECAPs), and Small Area Fair Market Rents - which can place financial pressure on housing assistance payment (HAP) budget authority.* 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 challenges. Currently the location in which HCV families reside is greatly affected by market constraints, landlord participation, limited access to information about neighborhoods - among others. To address these challenges, DHA's application includes proactive and integrated case management services to remove barriers to housing choice, incentivize landlord participation and support employment engagement. Managing these and other challenges will be an important to the program's success. We approach this work with the mindset that challenges are meant to be overcome and solved.

DHA possess unique professional and programmatic attributes that will bring quantifiable results in the implementation of the MTW program. The DHA team presents a professional discipline that will ensure the MTW program is well designed and implemented. DHA's affordable housing programs are large, complex and diverse in scope which lend itself nicely to drawing national parallels. Some of DHA's unique attributes include program size & complexity, seven-county operational jurisdiction, Small Area Fair Market Rents (SAFMR) Experience will be good barometer for HUD to assess national relevance. DHA's operational paradigm shift - improved efficiency, increased client accessibility, team members can spend more time in client conversations about self-sufficiency; DHA's investment in & use of technology - Artificial Intelligence, and CRM software; DHA Leadership: 120+ years' experience in affordable housing; DHA's Organizational strength – expertise to oversee design, implementation, program evaluation and reporting; PD&R Dept. - supports DHA's framework for data driven decision making; DHA's

Performance - Finding free Single Audit - 7 consecutive years, HUD designated SEMAP High Performing PHA-5 consecutive years. DHA has gained national recognition amongst experts and PHAs regarding its use of technology to advance PHA operation and self-sufficiency for under-resourced communities. Community Engagement - DHA significantly expanded into the greater community and is blessed with numerous Business Partners who support our efforts to expand housing choice for our clients in high opportunity areas; Fertile Labor Market - DFW marketplace continues produce a healthy volume of good paying jobs, making Dallas a conducive environment for client self-sufficiency.

**Why do we want to participate?** Low-income households including HCV participants have been denied equitable access to community services and resources for far too long. People in poverty have been marginalized and regulated to live in neighborhoods that have suffered from decades of blight which research has proven they are not likely to escape. The current subsidized rent formula could act as a disincentive to client employment. As a nation and a community, we are only as strong as our weakest link. With direct access to many households in poverty, DHA has a responsibility to engage them in a transformative manner. We believe DHA and other PHAs, given the opportunity, can adopt a more meaningful role in helping clients break the poverty cycle. Creating and testing new policy at the intersection of rent reform and housing choice will help more families break the devastating effects of generational poverty.

**Description of Experience and skills of the PHA personnel with primary responsibility for the administration of the MTW Plan.** DHA has the organizational capacity to effectively and efficiently administer the MTW program. DHA has 300 team members delivering affordable housing solutions to more than 55,000 persons on a daily basis. DHA's HCV program assists more than 16,000 families with annual HAP budget authority of \$186M. In the administration of the

HCV program, DHA has earned HUD’s SEMAP “*High Performer*” designation for 5 consecutive years. DHA has received finding free *Single Audits* since FY-2013. DHA will bring this same professionalism in the administration of the MTW plan. The table below provides lead departmental responsibilities to the major MTW objectives.

Major Objective	Lead Departments				
	Executive	PD&R	HCV	Finance	Compliance
Community Engagement					
Research & Evaluation					
Program Design					
Policy & Procedure					
Staff Training					
Program Reporting					
Internal Reviews					

Beyond the operational framework, DHA has a compassionate, mission-focused team of professionals that will lead the MTW work. Collectively the leaders represent more than 120 years of experience in the affordable housing industry.

#### *Leading & Representing the Executive team: Vision/Resource Allocation*

Troy Broussard, CEO 27 years in the affordable housing industry all with DHA, will provide program vision; David Zappasodi, COO/SR VP, 43 years of experience will be responsible for the day-to-day MTW operations oversight.

#### *Leading & Representing PD&R Team: Research/Policy Design/Evaluation/*

Dr. Myriam Igoufe, lead researcher in the North Texas Affirmatively Furthering Fair Housing study, 21 municipalities and PHAs - largest consortium in the country. Dr. Maggie Diechart and William Sanders have unique expertise in program design, research evaluation, and technology development

#### *Leading & Representing HCV Team:*

Brooke Etie, LCSW, Vice President of Voucher programs, 14 years' experience, leads a team of 100 professionals. responsible for implementing MTW Rent Reform operations

*Leading & Representing Finance Team:*

Chetana Chaphekar, CPA, 30 years' experience, financial and IT management

*Leading & Representing Compliance Team:*

Jeni Webb, Director of Compliance, former HUD official, responsible for drafting policy, procedures, staff training, internal reviews and compliance

**Statements of fair housing and other civil rights goals, strategies and specific actions**

DHA certifies it will carry out the MTW program in conformity with title VI of the Civil Rights Act of 1964, the Fair Housing Act, section 504 of the Rehabilitation Act of 1973, and title I of the Americans with Disabilities Act of 1990, and will affirmatively further fair housing by examining their programs or proposed programs, identifying any impediments to fair housing choice within those program, addressing those implements in a reasonable fashion in view of resources available and working with local jurisdictions to implement any of the jurisdiction's initiatives to affirmatively further fair housing that require the PHA's involvement and by maintaining record reflecting these analyses and actions.

**Plan for Future Community/Resident Engagement**

DHA focus is our residents and program participants. DHA will continue to actively listen to our residents and community to further our understanding of their needs, as well as any challenges and benefits. DHA has and will continue to solicit input through a variety of communication platforms including but not limited to in-person or virtual meetings, surveys, website postings, newsletters, email campaigns, etc. DHA has discovered considerable success in gaining resident opinion through the use of well-crafted surveys. High survey response rates among residents is attributed

to the convenience of the survey tool and the resident's willingness to have their opinion shared with DHA. DHA will continue the use these and other communication channels. Additionally, DHA has organized a *MTW Advisory Committee*. The MTW Advisory Committee is comprised of key private and public sector partners as well as clients. The purpose of the MTW Advisory Committee will be to review proposed MTW policy, make recommendations and provide direct services to augment the MTW plan. The MTW Advisory Committee shall meet monthly as needed during the MTW Planning process.

### **PHA Operating and Inventory Information**

DHA formed in 1938, provides affordable housing solutions to over 20,000 households across seven North Texas counties: supports 55,000 individuals. DHA owns and operates 3,983 rental housing units in 27 developments, 3,155 are public housing units. DHA's public housing and housing voucher programs combined consists of 50% seniors or persons with disabilities; 87% African-American, 82% female-headed households, and 48% are families with dependent children. The average household income is \$12,011 and the average tenant rent is \$221. DHA offers a large sample size for the implementation of the MTW Demonstration program. DHA counts approximately 8,328 families who are potentially eligible to participate in Rent Reform study (6,758 HCV and 1,570 public housing).

**DHA's challenges occupying Public Housing units and leasing HCV units:** DHA effectively maintains its inventory of public housing units. Properties that are approaching the end of their useful lifespan are scheduled for re-development. DHA maintains an extensive waiting list and enjoys a 98% occupancy in its public housing portfolio. DHA's HCV program has experienced extensive challenges as a result of economic conditions which created a short supply and increased demand for rental housing, driving rents to record highs. Landlords who previously enjoyed the

assurances of receiving HCV rent payments, now reject HCV renters seeking to avoid governmental regulation, oversight, and inefficiency.

**Examples of PHA demonstrated innovation and creativity within its current programs.**

AI Technology: To better align DHA procedures with private sector rental practices, DHA embarked on a journey employing the aid of AI technology to transform its HCV business practices. DHA with the help of AI software experts, has created an App called *InspectionMate* that has transformed the landlord and client experience. The App expedites all aspects of the housing search and lease up process. The technology helps inform applicants about neighborhood characteristics, apartment availability and features, and through the App Landlords schedule inspections, receive Uber-like detailed information showing when the inspector will arrive at the unit, and provides real time inspection results. Other features of the App include chats with DHA representatives improving access to and communications with DHA staff and digital conveyance of critical documents to expedite processing. DHA has significantly improved its overall landlord experience and now housing vouchers are widely accepted among landlords.

Negotiating Employment Opportunities for DHA families: The case of Red Bird Mall: In 2019, a major employer entered the Dallas market place with 400 jobs to be filled in the South Dallas. DHA launched into a series of data analyses, survey outreach instruments, and sessions with the employer to identify competitive candidates within DHA's HCV population in close proximity to the workplace. Upon receiving DHA's report, the employer scheduled 80 interviews for DHA candidates in advance of public recruitment. DHA candidates interviewed in a one-on-one setting, with job offers made the same day. This innovation provides DHA participants a competitive advantage while building a tangible fast-track for them to engage in the market place.

Housing Choice & Upward mobility: Children First North Texas Program: In 2020, DHA launched “**Children First North Texas**” (CFNTX) focusing on families with children living in the most impoverished and segregated neighborhoods in our region. CFNTX is designed to systemically assist these families to relocate to high-upward mobility neighborhood through personalized mobility counseling, automatic matching with social service providers, and financial incentives. Recently in partnership with Harvard University’s research group, Opportunity Insights, DHA has been selected as a Creating Moves To Opportunity expansion (CMT0x) site to expand experimental testing of mobility counseling-focused administration models.

Wellness Check Assessing & Mitigating Food/Medicine Insecurities COVID-19 Pandemic

With the onset of the COVID-19 pandemic in March 2020, DHA launched a wellness check initiative to assess client’s immediate needs; provide resource referrals; and monitor the client needs on an ongoing basis. This outreach prioritized at-risk families; sought to assess food or medicine insecurity; and perceived exposure to COVID. Accordingly, as data was captured and needs identified DHA brokered services and made referrals to address these challenges.

Self-Sufficiency Programs at DHA: Fostering self-sufficiency and enhancing the welfare of low-income communities is the heart of DHA’s mission. DHA has long invested in Family Self-Sufficiency (FSS) and Resident Opportunity and Self-Sufficiency (ROSS) programs and continuously gathers feedback from its residents to assess needs and inform the development of operational strategies to meet these needs.

**Plan for Local MTW Program**

DHA’s MTW program is intended to foster self-sufficiency by supporting housing choice and incentivizing employment engagement for families to increase earnings and improve their quality

of life. DHA intends to leverage the MTW program to meet community needs along two axis through: (1) operational shifts and restructuring and (2) programmatic enhancements.

1. Operational shifts: As a large PHA, DHA deals with large-scale operations and is invariably concerned with the efficient fulfillment of its responsibilities. DHA seeks to leverage the MTW program to (i) further its workforce optimization, and (ii) foster human capital growth.

(i) DHA embraces the premise that our organization's performance is tightly tied to our ability to dedicate workforce resources to high-impact/high-rewards assignments. Currently, caseworkers are primarily tasked with performing thousands of technical transactions such as annual recertifications, interim changes, initial eligibility assessments and rent calculations, in an administrative compliance role. DHA intends to leverage the triennial reexamination of MTW to shift our workforce's primary focus to self-sufficiency.

(ii) DHA seeks to reposition its client facing workforce as life coach partners dedicated to our families' success, to focus on addressing human needs and overcoming impediments to upward mobility. This shift in assignment and relationship dynamics will nurture human capital growth, such as empathy, encouragement, problem-solving and communication skills conducive to mobility and housing choice as demonstrated by Chetty et al (2019). DHA anticipates developing workforce performance metrics tied to performance and success of families in the MTW program.

2. Programmatic enhancements: With the expectation that clients may face barriers accessing employment and housing in areas of high opportunity, DHA anticipates deploying resources to assist families with (i) engaging and enhancing their competitiveness in the job market, (ii) financial literacy and counseling, and (iii) housing search and landlord brokering.

(i) DHA has developed a technology platform designed to serve our families in unprecedented ways to target and streamline outreach, needs assessment, provide resources and opportunity

referrals, and direct connection with service providers. In the MTW implementation, the anticipated automated CRM workflow will be conditioned on individual's preferences, needs, barriers, and socio-demographic to meet client expectations, and to foster service utilization and engagement. This approach will address direct needs and other determinants of under- or unemployment and barriers to educational opportunities. This software serves as the primary repository for self-sufficiency focused initiatives and will continue to be our client services tracking tool which will allow DHA to monitor staff interaction and client progress in real-time, enabling DHA to evaluate the effectiveness of its initiatives. As previously highlighted in *The Case of Red Bird Mall*, DHA seeks to continue brokering employment and training-related partnerships to build pathways for families to increase their earnings and achieve self-sufficiency.

(ii) DHA will increase financial literacy counseling resources to guide families as they increase their earnings and move toward economic independence.

(iii) DHA will deploy resources for landlord recruitment and mobility counseling services to increase housing choice.

### **Proposed Use of MTW Funds**

DHA will use any MTW funds strategically that align with creating pathways to self-sufficiency, reduce administrative costs, streamline operational processes, and increase housing choice for the families receiving housing assistance. DHA requests fungibility in the use of funds across the public housing and HCV program conditioned that the use of such funds meet an identified need and does not jeopardize the financial integrity of either program. DHA will build stringent governance procedures to ensure program integrity and internal controls is not compromised.

### **Evidence of Significant Partnerships**

DHA launches regular survey campaigns to capture client and community needs, gain insight on resident opinions and feedback on current operations and to inform upcoming initiatives. DHA has longstanding diverse community partners in the fields of education, workforce, family services, health and wellness, sports, and business to help drive much needed services to low-income communities. DHA purposefully enters into a memorandum of agreement with 35 partners establishing a written record of roles and responsibilities for each party. These partners offer a broad menu of rich support services. DHA's capacity to enhance the quality of life of its families is tied to its organizational capacity and the resources of its partners. From healthcare to education, athletics and civic engagement, our community partners invest in our families because they understand that their well-being affects the entire community. As we support our families' journey to self-sufficiency, a wide variety of supportive resources are needed to help residents access the services they require to become self-sufficient. DHA's community partners provide their time, expertise, passion and considerable resources so our clients may have a better quality of life. A letter of support and listing of initial MTW Advisory Committee partnership organizations is included in appendix 4.

## **Rent Reform Information**

### (I) Alternative Rent Policy Selection and Rationale

DHA has chosen MTW Test Rent #3, which is a modified stepped rent policy or “mixed stepped rent policy”. Operating within an SAFMR landscape, DHA proposes a lower (3% step) in high-opportunity Zip Code FMRs than in lower opportunity zip code areas (5% step). DHA has chosen this policy because it is location-sensitive and the most likely to foster self-sufficiency, increase in earnings, while increasing housing choice and mobility, and because it is strongly supported by DHA’s residents, and cost-effective.

### (II) Describe Alternative Rent Policy to the Public

The announcement of awardees is expected in March 2021. HUD anticipates six to twelve months to finalize the plan with selected awardees, with a projected enrollment to begin spring 2022. Eligible participants include currently assisted and new households admitted during the alternative rent enrollment period. Elderly and disabled households, Walker settlement and special purpose voucher holders will be excluded. DHA and HUD will consider other exclusions. Through a lottery process, eligible households will be randomly assigned to either of two groups, a control group that pays rent based on the Brooke Amendment income-based rent or the “treatment group” that pays rent based on the DHA’s proposed MTW rent reform.

A primary benefit of the proposed MTW rent reform 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. Participants will also benefit from enhanced case management, increased housing choice, and predictable rent portion. The MTW rent policy will enable families to further enhance their quality of life, motivate them to pursue additional opportunities and achieve long-term economic self-sufficiency. DHA has designed several hardship policies to

ensure that (1) a household will receive a hardship if their rent burden exceeds 40% of their current/anticipated total annual gross income, that (2) if a household is unable to pay rent accordingly to their rent schedule, a hardship can be granted where the rent payment will be reset to the step closest to 30% the family's income or to minimum rent. DHA is considering partnering with an independent entity to review Hardship requests.

#### Technology Plan:

DHA has engaged its IT software provider, Yardi, in collaborative working sessions with regard to software modifications that will be required to Yardi Voyager, if selected for MTW. The purpose of these 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 Yardi during future sessions.

Description and justification of PHA proposed policies: DHA has chosen this policy because it is based on scholarly research, empirical evidence and widely supported by our residents. Proposed policy is location-sensitive to rent reform and promotes to foster self-sufficiency and increase in earnings, while increasing housing choice and mobility, and cost-effective.

Explanation of how the policy will incentivize the participants to increase their income: Survey respondents confirmed the discourse that income-based housing subsidies induce work disincentives, where 84% of the respondents expressed feeling "discouraged" and "stuck" when their rent increases as a result of a growth in earnings. Conversely, 88% of respondents reported that they would feel "encouraged" and "motivated" if their rent would not increase as a result of an increase in income; and 74% would be extremely/very motivated to actively engage in the labor

market to earn more. For complete client survey results, refer to Part II. Additionally, enhanced case management; moves to higher opportunity areas will assist in accessing greater employment and education opportunities.

Protect those households that experience hardships; and reduce administrative burden on the PH:

DHA has designed several hardship policies to ensure that (1) a household will receive a hardship if their rent burden exceeds 40% of their current/anticipated total annual gross income, that (2) if a household is unable to pay rent accordingly to their rent schedule, a hardship can be granted where the rent payment will be reset to the step closest to 30% the family's income or to minimum rent. DHA is considering partnering with an independent entity to review Hardship requests.

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:

DHA is confident that the innovative proposed MTW policy will provide 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. Other PHAs will experience reduced administrative burden and potential to increase and free up the scarce resources of housing vouchers by graduating client.

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; Families selected to participate in the MTW program under the proposed MTW rent policy, which is in the "treatment group", will need to first be set up on a payment schedule. All payment schedules will be determined prior to launching the program, which means that for each and all ZIP Code and bedroom size, there is a corresponding payment schedule. The first year, families will have their income certified and will be placed on their ZIP

Code payment schedule step the closest to, not to exceed, 30% of their income. The subsequent years, the family will move to the next step on the schedule, unless granted hardship. If a tenant relocates to a different ZIP Code, then the tenant will be placed on the corresponding payment schedule for that ZIP Code and bedroom. The tenant will be placed on a step that is the closest to, and not to exceed, their current payment.

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: A large body of research has shown the importance of location on upward mobility, health, earnings and educational attainment. Because the MTW Test Rent #1 Tiered 1 is not location sensitive, it is not chosen by DHA. Because DHA operates under a Small Area Fair Market Rent (SAFMR) policy, a stepped rent structure policy is location sensitive as the rent payment will vary depending on ZIP Code, therefore location. However, a fixed stepped rent structure (such as MTW Test #2) has the potential to incentivize families to stay or relocate to lower ZIP Codes FMR areas which are associated with lower opportunity. Therefore, DHA opts for a mixed-stepped rent (Rent #3) designed to foster housing choice and support moves to high-opportunity neighborhoods. The proposed policy is better suited for DHA as it accounts for the SAFMR policy landscape, is aligned with residents' desire to relocate to better neighborhoods (see Rent Reform Information section), conducive to self-sufficiency, and because the policy is cost-effective.

## **Rent Reform Information**

### **(I) Alternative Rent Policy Selection and Rationale**

**Background:** The development and adoption of the DHA’s MTW proposed rent has been informed by critically exploring (1) scholarly research findings, (2) current sociodemographic profile of HUD population, (3) labor market projections, (4) evaluation policy costs, (5) community feedback and preferences.

#### **1. CONNECTING RESEARCH FINDINGS AND ATTITUDINAL INSIGHT TO INFORM MTW PROGRAM DESIGN**

Means-tested subsidized programs continue to generate strong debate in policy and academic circles as budget pressures on public resources continue to grow and poverty persists. Some of the argued shortcomings of subsidized housing programs, is that they contribute to the “poverty trap” by creating disincentives to employment and inhibiting self-sufficiency. The idea is that such programs impose a taxation on earnings, which negatively impact labor supply behavior and foster single-adult household formation. While the research shows mixed findings, likely attributable to research design and bias, it leaves practitioners and welfare program designers with important elements to consider.

##### **a. Willingness to work**

DHA designed an outreach strategy intended to elicit preliminary preferences and attitudes regarding current marginal tax rate and its relationship to willingness to work. Similarly, and on the other hand, outreach efforts sought to explore how the proposed rent policy would impact participants’ willingness to work, their consumption of goods, and locational decisions. While it is important to note that attitudes could differ from behavior, the comparative picture drawn

remains essential to policy development efforts and sheds insightful light on a debated problematic.

Three major surveys were administered to MTW-eligible voucher holders. 84% of the respondents expressed feeling “*discouraged*” and “*stuck*” when their rent increases as a result of a growth in earnings. Similarly, 64% of the respondents reported that they would not be more motivated to engage in labor market because of the increased income-increased rent mechanism. Conversely, 88% of respondents reported that they would feel “*encouraged*” and “*motivated*” if their rent would not increase as a result of an increase in income; and 74% would be extremely/very motivated to actively engage in the labor market to earn more.

HCV families also indicated that if their rent does not increase as result of an increase in income, they would use their additional income to (in order of response frequency) pay bills, to pay debts, for daily, necessary expenditures such as groceries, gas, and the like, and finally families would save that additional income.

While results seem to favor the dominant discourse that income-based housing subsidies induce work disincentives<sup>1</sup>, DHA remains sensible to the fact that marginal tax rate impacts, attitudes, and induced behaviors (i.e., labor supply responses), are likely to vary across household types. As such, DHA embraces the premise that variations are also likely to be tied to the “packaging” of housing assistance, which also involves the provision of supportive services to advance the proposed policy. Thus, DHA also assessed ways in which barriers to labor market engagement and neighborhood choice could be alleviated through MTW programming.

## **b. Labor Market Engagement**

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<sup>1</sup> As self-reported attitudes

DHA is also sensible to the idea that labor market engagement is likely to be affected by educational attainment, access to information, professional experience, intrapersonal skills and the like. And similarly, upward mobility and access to social and economic opportunities is affected by barriers to housing choice.

HCV survey respondents expressed needing assistance with their education (19%), and being connected with training and apprenticeships opportunities (17%) as well as to employers and jobs directly (22%). DHA's assisted families disproportionally reside in low-upward mobility neighborhoods likely to fuel intergenerational poverty and dependence on governmental assistance.

### **c. Neighborhood Choice**

The HCV program is not only designed to ensure affordability through direct subsidy, but to also give recipients greater locational choices, opening the door to better neighborhoods, and allowing them to take advantage of better job and educational prospects. However, research show that DHA's assisted families disproportionally reside in low-upward mobility neighborhoods. Abundant research show that voucher holders would like to move to higher-opportunity neighborhoods, but often are unable to do so. Our research corroborate the dominant literature where surveyed families living in the most impoverished and segregated neighborhoods overwhelmingly expressed their desire to relocate to safer, opportunity-rich neighborhoods.

Voucher holders identified barriers to high opportunities to include the lack of assistance with moving costs and deposits (31%), lack of connection with landlords (28%), and identifying opportunity areas (21%).

### **d. Sensitivity to proposed policy incentives**

A great majority of survey respondents appeared to be positively responsive to the proposed rent structure and associated incentives. 90% of respondents indicated to be definitely (72%)/ probably

(18%) likely to live in the high-opportunity areas if their rent increases at a smaller rate than in a lower-opportunity area. 94% of families also reported that to be definitely (56%)/probably (38%) more motivated to earn more/search for a better paying job knowing that their rent increases every year.

## **2. PROFILE FROM MTW-ELIGIBLE POPULATION**

### **a. Family Structure, Unemployment Rate, and Earned Income Figures**

DHA identified over 8,000 families potentially eligible to participate in the rent reform demonstration program, with counts 6758 HCVs and 1,570 public housing residents. As DHA is evaluating its public housing inventory and considering a large portion of it to RAD, DHA anticipated HCVs families to participate in the rent reform.

To further inform its MTW program design, DHA first built a sociodemographic profile of MTW-eligible HCV population to assess current level unemployment rate, income distribution, and family structure.

[Data analysis in progress]

### **b. A comparative picture between HUD-assisted households and HUD-eligible households not receiving housing assistance**

The provision of housing assistance is intended to not only alleviate affordability pressures and housing insecurity, but also to act as a vehicle to enhance quality of life and foster upward mobility long-term. In an attempt to shed light on this, we draw a comparative picture between HUD-assisted households, and eligible households not receiving housing assistance to gauge the extent to which the premise seems to hold true.

Leveraging data from the American Housing Survey (2019), we performed a series of statistical analyses, including difference in means and regressions, to compare two groups in the Dallas-Fort

Worth region: (1) HUD assisted households, (2) and income-eligible households not receiving housing assistance. The comparisons are made across households and individuals.

We found that:

- 1. HUD-assisted households tend to have a lower educational attainment than those eligible not receiving assistance.**
    - There is a statistically significant difference between HUD-assisted households and non-assisted eligible households where non-assisted households tend to have a bachelor's degree (6% vs. 21%)
  - 2. HUD-assisted households tend to have a lower income than those eligible not receiving assistance.**
    - There is a statistically significant difference between HUD-assisted households and non-assisted eligible households where non-assisted households tend to earn more (\$19,649 vs. \$29,794)
  - 3. HUD-assisted households tend to have a lower number of adults in the households than those eligible not receiving assistance.**
    - There is a statistical difference between HUD-assisted households and non-assisted eligible households where non-assisted households tend to a greater number of adults in the household (1.4 vs 1.7)
- ❖ **Results suggest that HUD-assisted households tend to underperform non-assisted households in terms of educational attainment and earned income.**
- 4. HUD-assisted individuals tend to have a lower educational attainment than those eligible not receiving assistance.**
    - There is a statistically significant difference between HUD-assisted individuals and non-assisted eligible individuals where non-assisted individuals tend to have a High School degree (4% vs. 29%)
  - 5. HUD-assisted individuals tend to have a lower income than those eligible not receiving assistance.**
    - There is a statistical difference between HUD-assisted individuals and non-assisted eligible individuals where non-assisted individuals tend to earn more (\$6,928 vs. \$22,670)
- ❖ **Results suggest that HUD-assisted individuals tend to underperform non-assisted individuals in terms of educational attainment and earned income.**

**Table 1: Comparisons between HUD- assisted and income eligible non-assisted households**

Demographic Comparisons Among Households			
	HUD-assisted households	Income Eligible, not receiving HUD assistance	Household Income Ineligible
Total Households Numbers	67	419	293
Percentage with High School Degree	70%	79%	94% **
Percentage with bachelor's degree	6%	21% **	47% **
Average Household Income	\$19,649	\$29,794**	\$97,740**
Number of People in Household	2.13	2.41	2.42
Number of Adults in Household	1.4	1.7**	1.9**
Total Rent	\$716.12	\$996.26**	\$1,327.6**
Head of Household Age	50	43**	41**
<i>Method: Bonferroni ANOVA test</i> <i>** : statistically different from HUD-assisted households' group</i>			

**Table 2: Comparisons between HUD- assisted and income eligible non-assisted households**

Demographic Comparisons Among Individuals		
	HUD-assisted individuals	Income Eligible, not receiving HUD assistance
Total Individuals	143	1,628
Percentage with High School Degree	66%	83% **
Percentage with bachelor's degree	4%	29% **
Average Age	31	31
Average Earned Income	\$6,928.08	\$22,670.38 **
Percent Non-White	83%	33% **
<i>Method: Bonferroni ANOVA test</i> <i>** : statistically different from HUD-assisted households' group</i>		

To further test the robustness of these results above, we ran three sets of regressions where we looked at the effect of having housing assistance on 1) attaining a high school degree, 2) attaining a bachelor's degree, and 3) personal earned income. The analysis is performed at individual level data, while controlling for a series of demographic variables in an attempt to isolate the effects of receiving housing assistance on these quality-of-life metrics.

After controlling for various demographic and socio-economic variables, we found that the effect of receiving housing assistance on educational attainment persists even after controlling for race, household income, and gender. The significant negative effect of receiving housing assistance on earned income also remains after controlling for demographic and socio-economic variables. The size of this negative effect, however, while still statistically significant is almost halved once we control for educational attainment. This suggests that the earned income gap among individuals who receive housing assistance and individuals who are eligible for it but do not receive it can be partially attributed to the gap in educational attainment that is found to exist between these two groups.

Our analysis points to the importance of the educational gap between these two groups and how this gap can affect differences in earned income as well. This evidence suggest that our agency focuses efforts to help reduce educational gaps and notably by leveraging our existing partnerships with educational providers and support systems for both children and adults moving forward.

### **3. MARKET CONDITIONS AND PROJECTIONS 2026/2028**

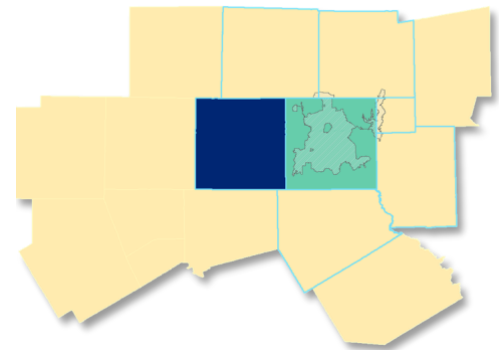
Because the MTW program aims at incentivizing and supporting self-sufficiency and housing choice, DHA gave critical considerations to not only current patterns of unemployment within its population, as explored in the previous section, but also considered labor market conditions and projections for close to the next ten years.

DHA's seven county jurisdiction which overlaps with three Workforce Development Areas (WDAs) as defined by The Texas Workforce Commission, namely: Dallas WDA, Tarrant WDA, and North Central WDA. The data presented in this section has been extracted from the Texas Workforce Commission (TWC) which offers labor market and career information for the State of Texas. This section aims at offering a glance at labor market projections within the context of the MTW program, as opposed to an exhaustive picture of all of trends and projections across all industries and submarkets in North Texas. As TWC's tracking tool signals somewhat of a COVID-recovery trend in unemployment rate between 2020 Q3 and Q4 (13% to 6%), DHA will continue to monitor projections to refine and inform its employment-related strategies as data become available.

### **OVERVIEW:**

Data from the TWC suggest that the State of Texas will register an employment growth of approximately 16.6% from 2016 to 2026 adding a total of 2,136,000 jobs. The three WDAs within which DHA families reside as projected to register an even higher rate. It is important to note that the North Central Counties also expand beyond DHA's jurisdiction.

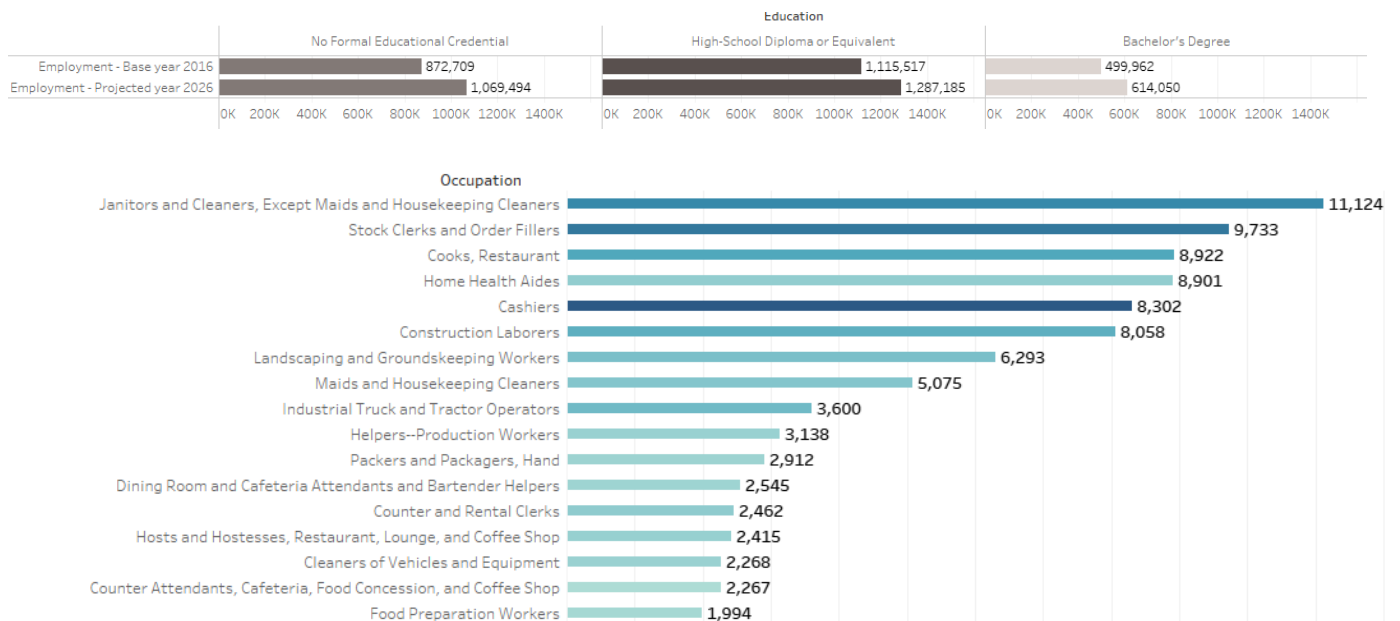
Taking a closer look at WDA-specific projection, Dallas County is projected to experience an employment growth of 16.7% by 2026, adding 298,000 jobs. Similarly, and additional 157,000 jobs are expected to be added in Tarrant County, representing a 16.8% growth. Finally, North Central WDA is expected to add 269,000 jobs: that is a 27.1% growth from 2016. It is important to note that the North Texas region,



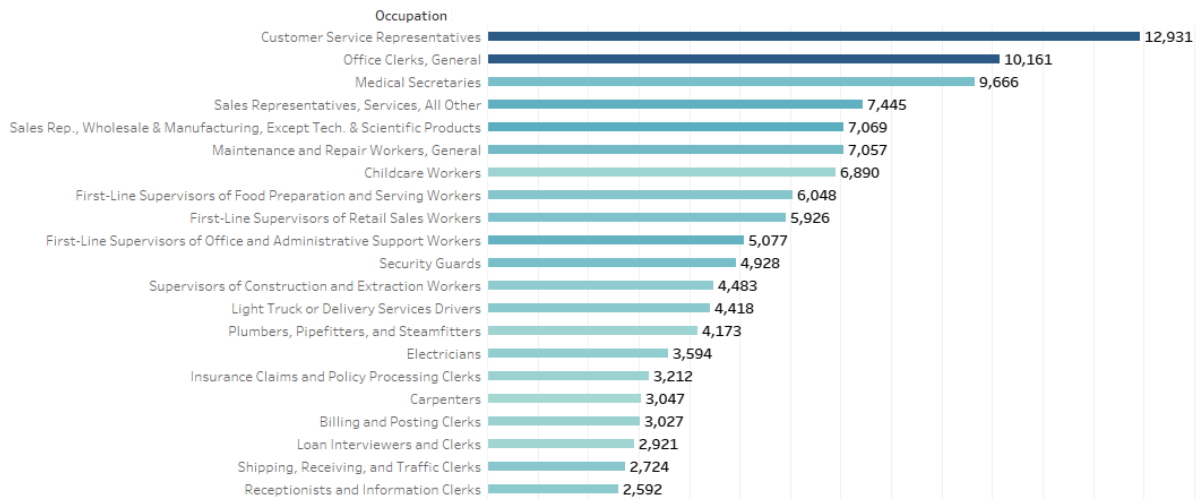
and the State of Texas in general, remain an attractive destination to out-of-state, high-skilled workers, contributing to its growth in population and overall competitive marketplace.

## ZOOM INTO EDUCATION-SPECIFIC PROJECTIONS

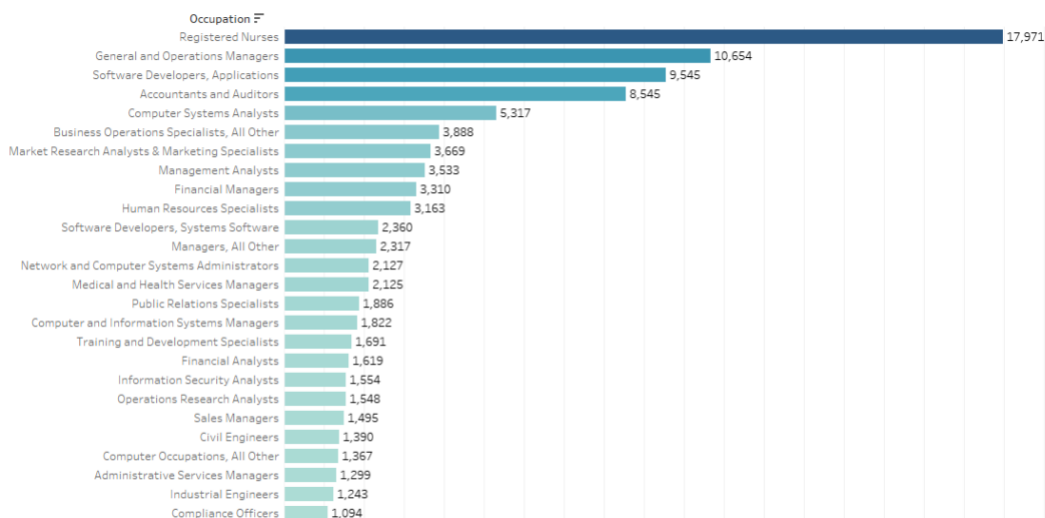
Leveraging TWC’s projected and latest employment numbers, job openings, Help Wanted Online postings, DHA created a tailored labor market demand report by occupations and educational level. The following figure focuses on 2016-2026 job projections requiring (1) no formal educational credential (2) a High School Diploma or equivalent, and (3) a bachelor’s degree. Overall, a 23% growth (+196,785 jobs) is expected for occupations with no formal educational credentials required. The occupations with the highest change in employment are the following: janitors and cleaners, stock clerks and order fillers, cooks, home health aides, cashiers, construction laborers, landscaping and groundskeeping workers, maids and housekeeping cleaners, industrial truck and tractor operators, helpers--production workers, packers and packagers, hand, dining room and cafeteria attendants and bartender helpers, counter and rental clerks, hosts and hostesses, restaurant, lounge, and coffee shop, cleaners of vehicles and equipment, counter attendants, cafeteria, food concession, and coffee shop, food preparation workers. (Figure X).



Overall, a 15% growth (+117,668 jobs) is expected for occupations requiring a High School degree or equivalent with the highest change in employment for customer service representatives, office, clerks, medical secretaries, sales representatives, and maintenance and repair workers (Figure X).



Finally, a 23% growth (+114,088 jobs) is expected for occupations requiring a bachelor's degree. The occupations with the highest change in employment are registered nurse, operation managers, software developers, accountants, and computer system analysts. (Figure X).



### **FATEST GROWING INDUSTRIES IN NORTH TEXAS (% Growth 2018-2028)**

Here are the top three fastest growing industries in the WDA within which voucher families reside. It is important to note the geographical variations and shared projected growth of support services—related occupations.

- **Dallas WDA:** Support activities for mining (+110%), Special food services (+51%), and Freight transportation arrangements
- **Tarrant WDA:** Religious organizations (+54%), Chemical manufacturing (+47%), Support activities for rail transportation (+43%),
- **North Central WDA:** Computer systems design (+79%), facilities support services (+79%), Medical and diagnostic laboratories.

## **4. POLICY FORMULATION**

**Background:** When evaluating which policy to implement, DHA evaluated the fitness of each policy option with the following objectives: (i) foster self-sufficiency, (ii) incentivize households to increase earnings, (iii) increase housing choice and mobility, (iv) incentivize relocation to higher-opportunity areas, and (v) reduce operational costs. When evaluating each policy structure, DHA gave critical considerations to research findings, unemployment patterns in HUD population, the local housing policy landscape, current residential living patterns of HCV families, housing and labor market trends, current operational costs, HUD policy and research priorities, and finally, previous MTW policy evaluations.

**Evaluation:** Abundant research has tied employment opportunities and upward mobility to neighborhood attributes. Thus, efforts to encourage employment and self-sufficiency must be sensitive to the economic conditions of neighborhoods, which varies across communities. In other terms, the proposed rent reform should be designed to incentivize and reward move to opportunity-rich areas — conducive to economic self-sufficiency. In fewer terms, location matters. DHA already operates under place-based strategy: Small Areas Fair Market Rents (SAFMRs), which calls for critical consideration when evaluating the suitability of MTW policy structure options.

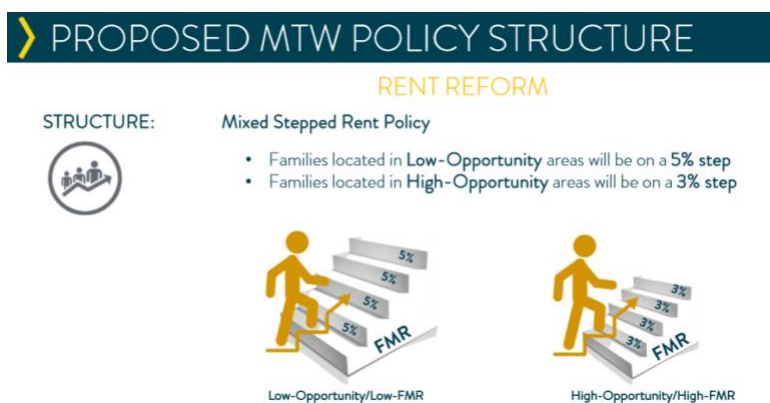
□ **Test 1: Is the policy structure location-sensitive?**

- Tiered Rent Structure (MTW Test Rent #1) is not location sensitive.
- Stepped Rent Structure (MTW Test Rent #2) is location sensitive within an SAFMR policy landscape where the increase in step varies across ZIP Code FMR, and so based on location.
  - **Outcome:** Stepped Rent structure appears better suited.

□ **Test 2: How does the Stepped Rent Structure interact with SAFMR policy?**

- Because the step /increase in rent is a function of the value of the ZIP FMR value, a fixed stepped rent structure (MTW Test #2) has the potential to incentivize families to stay or relocate to lower ZIP Codes FMR areas which are associated with lower opportunity.
  - **Outcome:** Step rate should vary across ZIP Codes based on the opportunity level.

**Policy Structure:** Leveraging its SAFMR policy, and in an effort to incentivize move to opportunity-rich neighborhood to foster self-sufficiency, DHA proposes lower step in higher-opportunity Zip Code FMRs. Methodologically, FMRs are categorized into two groups: low- and high-opportunity FMRs and assigned a step rate where high FMRs have a lower step rate (3%) than low FMRs (5%). Such approach has the great potential to maximize policy impact by increasing access to economically vibrant neighborhoods and by incentivizing moves from higher-poverty/lower opportunity-FMR areas. Therefore, **DHA opts for MTW Test Rent #3**, which equates to a mixed stepped rent policy structure.



## 5. COMMUNITY FEEDBACK ON PROPOSED POLICY

DHA is committed to the pursuit of an inclusive process, and as such has designed and implemented a wide array of public engagement strategies to elicit meaningful insight and feedback to inform the development of the proposed MTW program.

DHA's outreach efforts included a series of electronic surveys and interactive webinars intended to gauge residents' opinions about the current rent policy as it relates to their ability to move towards self-sufficiency and aimed at comparatively introducing the MTW program's intent and proposed rent policy in a non-technical way. Subsequent efforts sought to dive deeper into the mechanisms, rules, and parameters behind the rent policy. DHA registered unprecedentedly high engagement numbers with over 4,000 survey respondents, and an average of 150 attendees for its webinars<sup>2</sup>. Webinars included embedded interactive survey tools and live questions and answers allowing residents to seek clarification and to provide feedback and engage in real-time.

Not only DHA sought to understand the challenges and shortcomings of the current rent policy from a resident's perspective, but also elicited direct feedback on the proposed MTW rent policy. To ensure meaningful engagement, and to facilitate the audience's understanding of the functioning of the rent, DHA created a series of scenarios covering key topics such as (1) increase in income, (2) decrease in income, (3) zero-income situation, (4) landlord increase in rent, and how these scenarios affect to (A) tenant's change in rent portion, (B) hardship policies, and (C) DHA's role in supporting residents in achieving upward mobility.

The participants overwhelmingly support the DHA's proposed policy: 93% in favor for MTW proposed policy, 7% in favor of current rent policy. They prefer the MTW proposed rent policy specifically because an increase in come does not results in an immediate increase in rent portion,

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<sup>2</sup> DHA leverage its CRM system to automate notices and reminders via emails and texts.

because there is a hardship policy in place in case families are unable to pay rent; and overall, because it allows to earn more over the years, to save money, and to become more self-sufficient. Because of the strong support and preference of its residents, DHA is pursuing the mixed stepped rent policy.

Q2b. Would you be motivated to earn more income/search for a better paying job if your rent does not increase as a result?

VOTE  
USING  
THIS LINK  
[PollEv.com/dhantx485](https://poll.ev.com/dhantx485)

- |               |   |
|---------------|---|
| <b>A. 62%</b> | <b>A. I would be extremely motivated to earn more.</b>  |
| <b>B. 12%</b> | <b>B. I would be very motivated to earn more.</b>       |
| <b>C. 15%</b> | <b>C. I would be moderately motivated to earn more.</b> |
| <b>D. 6%</b>  | <b>D. I would be slightly motivated to earn more.</b>   |
| <b>E. 5%</b>  | <b>E. I would not at all be motivated to earn more.</b> |

Q7. The goal of this rent reform program is help you become self-sufficient and financially independent from housing assistance. Do you think this program will help you become financially independent and reach self-sufficiency?

VOTE  
USING  
THIS LINK  
[PollEv.com/dhantx485](https://poll.ev.com/dhantx485)

- |               |  |
|---------------|--|
| <b>A. 35%</b> | <b>A. I am extremely confident that this program will help me</b>  |
| <b>B. 42%</b> | <b>B. I am very confident that this program will help me</b>       |
| <b>C. 23%</b> | <b>C. I am moderately confident that this program will help me</b> |
| <b>D. 0%</b>  | <b>D. I am not very confident that this program will help me</b>   |
| <b>E. 0%</b>  | <b>E. I am not at all confident that this program will help me</b> |

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#### HOW IT WORKS

##### How it works:

Every year, the rent increases by small percentage (3% or 5%) of ZIP Code fair market rent

Example:  
FMR 18D is \$1,000, 5% increase is \$50



VOTE  
USING  
THIS LINK  
[PollEv.com/dhantx485](https://poll.ev.com/dhantx485)

Q3. Would you be more motivated to earn more income/search for a better paying job knowing that your rent will slightly increase the next year?

- |               |  |
|---------------|--|
| <b>A. 56%</b> | <b>A. Yes, I definitely would be more motivated to earn more.</b>    |
| <b>B. 38%</b> | <b>B. Yes, I probably would be more motivated to earn more.</b>      |
| <b>C. 5%</b>  | <b>C. No, I probably would not be more motivated to earn more.</b>   |
| <b>D. 1%</b>  | <b>D. No, I definitely would not be more motivated to earn more.</b> |

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We learned that:

- 93% Prefer Scenario 2 (Proposed MTW rule)  
7% Prefer Scenario 1 (Current rule)

Tania has a DHA voucher.  
And she just got a new job!

SCENARIO 1:	INCOME
1. Tania's rent increases the very next month, from \$90 to \$300	\$30,000
2. Next year: monthly rent is \$300	
3. Following year: monthly rent is \$300	
4. Following year: monthly rent is \$300	
SCENARIO 2:	INCOME
1. Tania's rent portion does not increase, it stays at \$90. Instead, her portion increases on a yearly basis by a small regular amount.	\$30,000
2. Following year: monthly rent is \$140	
3. Following year: monthly rent is \$190	
4. Following year: monthly rent is \$240	

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## INTRO

The following section is an excerpt of DHA's community webinar where the MTW policy was presented in a non-technical way for residents to understand the functioning of the proposed rent policy through known processes such as a change in income or increase in rent.



## Income Increase:



### 1. No Income Increase:



OR



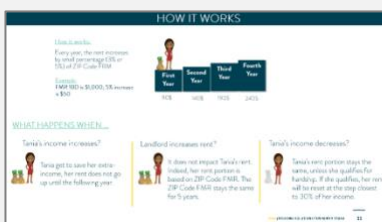
### 2. Income Decrease / Zero Income:



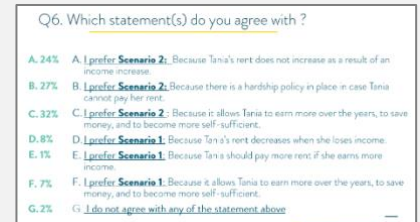
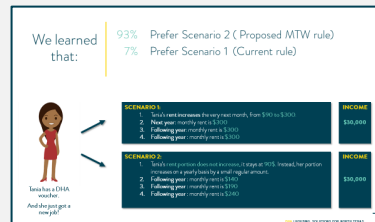
### 4. Landlord Increases Rent:



## Summary Slide:



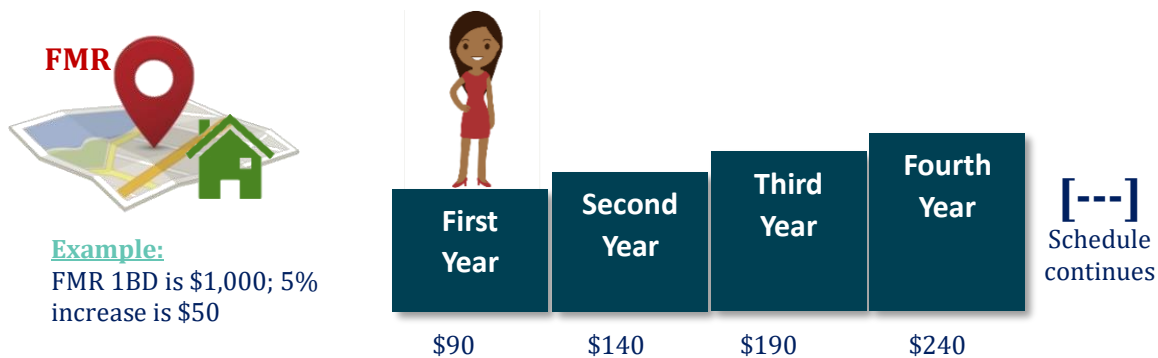
## Residents 'Feedback:



## (II) Describe Alternative Rent Policy to the Public

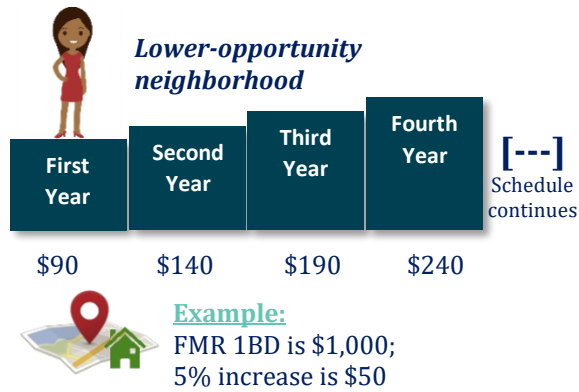
### 1. OVERVIEW

A stepped-rent policy is not based on income, but rather on Fair Market Rent estimates; and each year, households advance to the next step based on Fair Market Rent. Below is an illustration of a 5% stepped rent policy, which means that every year, a household's rent portion increase by 5% of the FMR.



In 2011, DHA was the initial participant in the SAFMR Demonstration Program, which provides HCV families greater access to resource-rich areas often characterized by greater opportunities for employment, higher-performing schools, and additional public amenities.

To further encourage and support participants to move to opportunity-rich neighborhoods conducive of self-sufficiency, **DHA proposes a mixed stepped rent policy** with lower step in higher-opportunity Zip Code FMRs. Methodologically, FMRs are categorized into two groups: low- and high-opportunity FMRs and assigned a step rate where high FMRs have a lower step rate (3%) than low FMRs (5%). Such approach has the great potential to maximize policy impact by increasing access to economically vibrant neighborhoods and by incentivizing moves from higher-poverty/lower opportunity-FMR areas.



## 2. PURPOSE

DHA recognizes that the Brooks Amendment income-based rent formula may create a disincentive for program participants to work and to build off from labor market engagement gains. When a participating tenant becomes employed, their rent portion increases commensurately with their increased income, making it harder for families to enjoy their increase in income and to enhance their quality of life. The primary benefit of the proposed MTW rent reform 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, achieve long-term self-sufficiency and closely mirror real world private market practices.

Along with the rent reform, DHA will provide participating families (both in the treatment and control groups) with robust self-sufficiency programs to support educational and employment growth while addressing impediments to economic growth, to ultimately create tangible pathways to self-sufficiency. In addition to these services, DHA will provide \$3 million for mobility counseling services to assist families to move to high-opportunity areas.

### **3. WHO CAN PARTICIPATE IN THE MTW PROGRAM?**

Eligible households include existing, currently assisted households in DHA's Housing Choice Voucher Program and new households admitted into the 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, will consider other exclusions.

Through a lottery process, eligible households will be randomly assigned to either of two groups, a control group that pays rent based on the Brooke Amendment income-based rent (where the participant contribution is 30% of adjusted income) or the experimental group that pays rent based on the DHA's proposed MTW rent reform (stepped rent, based on SAFMR as described in this section).

### **4. HOW DOES IT WORK?**

#### **▪ Timeline**

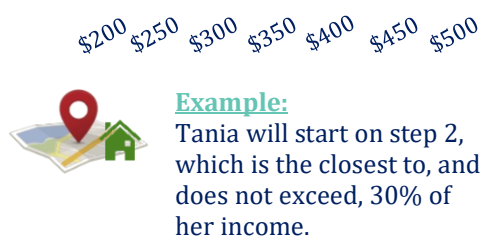
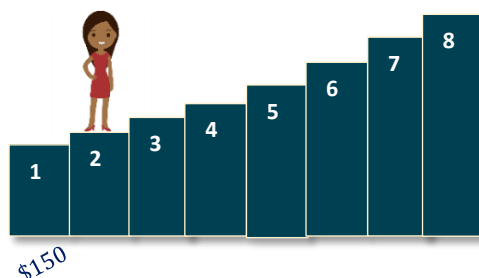
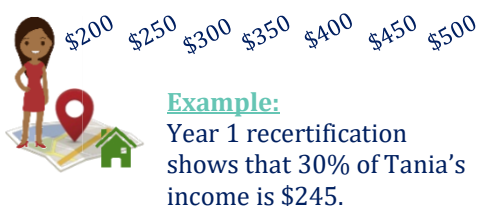
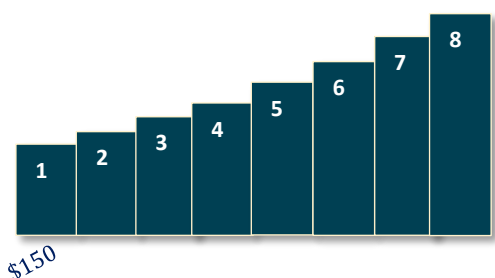
DHA anticipates submitting its MTW plan to HUD by January 8, 2021. The announcement of awardees is expected in March 2021. If DHA is selected, HUD anticipates six to twelve months to finalize the plan and implementation logistics with DHA, which means that the implementation should start between October 2021 and March 2022, after which enrollment will begin. Below is the projected timeline for MTW participation; please note that dates are subject to change:

## **TIMELINE**

- Community Engagement – Fall 2020
- Notice of Public Hearing – October 19, 2020
- Draft Rent Reform Plan – October, 2020
- Public Hearing – November 23, 2020
- Board Meeting – December 16, 2020
- Rent Reform MTW Plan submission to HUD – by January 8, 2021
- HUD Announcement of Awardees – March 2021
- Planning Period with Residents and HUD for final Rent Reform MTW Plan – March 2021
- Rent Reform MTW Plan Implementation – March 2022
- Enrollment Spring 2022

- Transitioning from current policy to proposed MTW rent policy

Families selected to participate in the MTW program under the proposed MTW rent policy, which is in the “treatment group”, will need to first be set up on a payment schedule. All payment schedules will be determined prior to launching the program, which means that for each and all ZIP Code and bedroom size, there is a corresponding payment schedule. The first year, families will have their income certified and will be placed on their ZIP Code payment schedule step the closest to, not to exceed, 30% of their income. For example, if year 1 recertification shows that 30% of Tania’s income is \$245, then Tania will start on step 2, which is the closest to that amount, without exceeding it.



In sum, for the first year, families entering the program will have their income certified, and will be placed on the payment schedule step closest to, not to exceed, 30% of their income. The following year, the family will move to the next step on the schedule, unless granted hardship.

- Defining High-opportunity neighborhoods

DHA proposes a mixed stepped rent policy with lower step in higher-opportunity Zip Code FMRs. Methodologically, FMRs are categorized into two groups: low- and high-opportunity FMRs and assigned a step rate where high FMRs have a lower step rate (3%) than low FMRs (5%).

When considering a suitable categorization methodology between low and high opportunity neighborhoods, DHA is considering (1) the robustness and validity of the metric, (2) the ease of implementation for PHAs across the country, (3) ease of understanding for HCV families. DHA is currently focused on option 1 and continues to explore other options in meeting the three aforementioned goals.

**Option 1:** Because higher rent ZIP Code FMRs have been associated with higher opportunity (using a series of opportunity metrics such as Job proficiency), DHA is opting to use SAFMR to distinguish low-opportunity from high-opportunity areas. Methodologically,



SAFMR estimates are ranked from lowest to highest, and the midpoint of the ranking order is used to make the classification.

**Option 2:** In partnership with Harvard's research group, Opportunity Atlas, DHA is currently exploring transforming upward mobility metrics from the Opportunity Atlas to derive a ZIP Code level metric, easy to use for PHAs across the Country.

- **Hardship policies**

Sensitive to the diverse needs of its client population, DHA seeks to establish several 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, following an investigation, will 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 results 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 be responsible to pay the rent portion 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 (based on comments received: SUCH AS: national and/or state declared natural disaster, health related, death, 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 employment income, including job applications, 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 \$130 for a period not to exceed (3) three months.

**Rent burden policy:** A household will receive a hardship if their rent burden exceeds 40% of their current/anticipated total annual gross income.

**Extensions** of each hardship policy are available on a case-by-case basis provided households can demonstrate that they are making a good-faith effort to secure income, including the evidenced based criteria mentioned above.

- What happens when ...?
  - i. **Increase in Income**

Under the proposed MTW rent reform policy, a tenant's rent portion is based on ZIP Code FMR and not on his/her income. Therefore, if a tenant increases his/her income, this does not affect

his/her rent. The tenant will continue to make payments according to his/her schedule, unless the tenant requests and qualifies for hardship. The final step on the rent schedule will be at 100% of the SAFMR, however, in no case will the family pay more than the contract rent for the unit.

**ii. No Income Increase**

Under the proposed MTW rent reform policy, a tenant's rent portion is based on ZIP Code FMR and not on his/her income. Therefore, if a tenant does not increase his/her income, this does not affect his/her rent. The tenant will continue to make payments according to their schedule, unless the tenant requests and qualifies for hardship. If granted, the tenant will be reset on step closest to 30% of his/her income.

**iii. Loss of Income /Zero Income**

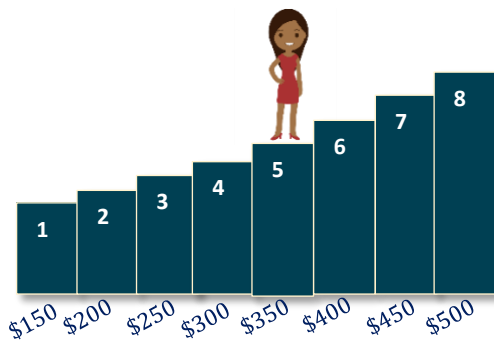
Under the proposed MTW rent reform policy, a tenant's rent portion is based on ZIP Code FMR and not on his/her income. Therefore, if a tenant increases their income, this does not affect his/her rent. The tenant will continue to make payments according to their schedule, unless the tenant requests and qualifies for hardship. If granted, the tenant will be reset on step closest to 30% of his/her income or will be paying minimum rent if zero-income household.

**iv. Landlord increases rent**

Under the proposed MTW rent reform policy, a tenant's rent portion is based on ZIP Code FMR and not on his/her income, nor rent. Therefore, if a landlord increases rent (and it does not exceed payment standard, and passes reasonableness test), this does not affect the tenant's rent. The tenant will continue to make payments according to his/her schedule, unless the tenant requests and qualifies for hardship. The final step on the rent schedule will be at 100% of the SAFMR, however, in no case will the family pay more than the contract rent for the unit. ZIP Code FMR are set to remain the same for five years. If SAFMR estimates are updated, schedules will be updated accordingly.

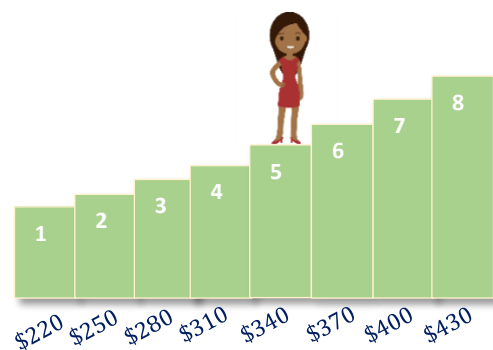
#### v. A tenant relocates

If a tenant relocates to a different ZIP Code, then the tenant will be placed on the corresponding payment schedule for that ZIP Code and bedroom. The tenant will be placed on a step that is the closest to, and not to exceed, their current payment. If Tania currently lives in from ZIP Code “A” and pays \$350 towards her rent; if she then relocates to ZIP Code “B”, she will be placed on step 5, and will pay \$340, which is the closest, not to exceed, to her current/past payment in her previous ZIP Code.



##### From ZIP CODE “A”

Tania is currently living in ZIP Code “A”, and is paying \$350 towards her rent



##### To ZIP CODE “B”

Tania will be placed on step 5 and will pay \$340 towards her rent

#### vi. After recertification

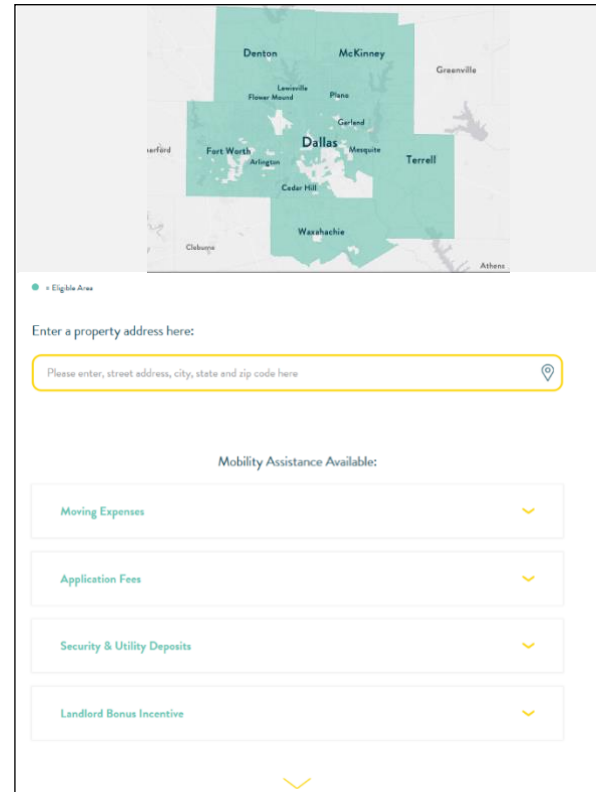
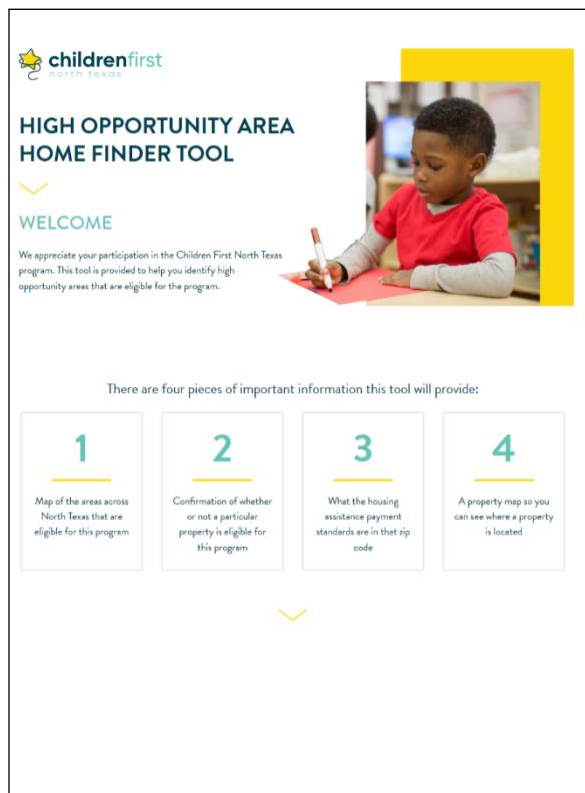
Income reexaminations would occur every three years. The purpose of these reexaminations would be to verify eligibility, not to calculate rents. If a household’s income at reexamination is high enough to affordably rent a unit at the FMR, they will no longer be eligible for assistance. That is, if a household’s monthly income times 30% is greater than the FMR for their household/unit size, they would be required to exit assistance.

##### ▪ Navigating rent schedules

DHA will prepare a step rent schedule for each Zip Code based SAFMR (approximately 354 Zip Code areas). Tables will be established for a five-year period and updated during the PHA/MTW

Plan process. For lower-opportunity areas, tables will begin at 15% of the SAFMR by bedroom category and will increase annually by 5%. For higher-opportunity areas, tables will begin at 8% of the SAFMR by bedroom category and will increase annually by 3%. Families relocating from one SAFMR area to another will have their rent set at the step rent in the new SAFMR area closest (rounded down) to what they would be paying if they had remained in their original unit.

DHA has designed a home-finder tool to guide families as they navigate the North Texas housing landscape. In essence, the home finder allows family to enter an address in the search bar, and the tool will return whether the address is within a high-opportunity area, and its corresponding SAFMR for each bedroom size. DHA anticipates adding all payment schedules to the tool, so families can navigate the SAFMR landscape and make locational decisions understanding the implication for their payment schedule.



▪ Walk-thru example

For example, a family requiring a two-bedroom unit enters the MTW Rent Reform Program in the treatment group. In Year 1, the Tenant Rent, calculated under the current income calculation method, is \$310. The family resides in West Dallas in Zip Code 75212, a Non-High Opportunity Area. Based on the example Rent Schedule Table below (showing only the first six Steps), during Year 1 the family's Tenant Rent will be set at Step 4 (\$282 per month) of the 75212 Schedule as the rent is rounded down. Should the family remain in this unit, its rent will increase by 5% of the 75212 SAFMR annually.

Example SAFMR Table:

STEP	YEAR 1		YEAR 2		YEAR 3	
	West Dallas		Plano		Frisco	
	Zip Code: 75212		Zip Code: 75024		Zip Code: 75034	
	Low Opportunity Area		High Opportunity Area		High Opportunity Area	
	5% Increments		3% Increments		3% Increments	
		2 BR 2019 SAFMR		2 BR 2019 SAFMR		2 BR 2019 SAFMR
	% FMR	\$940	% FMR	\$1,800	% FMR	\$1,580
1	15%	\$141	8%	\$144	8%	\$126
2	20%	\$188	11%	\$198	11%	\$174
3	25%	\$235	14%	\$252	14%	\$221
4	30%	\$282	17%	\$306	17%	\$269
5	35%	\$329	20%	\$360	20%	\$316
6	40%	\$376	23%	\$414	23%	\$363

In Year 2, the family moves to Plano, Zip Code 75024, a High Opportunity Area. The family's Tenant Rent is set at Step 4 of the 75024 Rent Schedule (\$306) as it is the nearest (rounded down) to what the family would have paid if it had remained in its Year 1 unit (\$329). If the family remains in this unit, its rent will increase by 3% of the 75024 SAFMR annually.

To complete the example, in Year 3, the family moves to Frisco, Zip Code 75034, another High Opportunity Area. For Year 3, the family's Tenant Rent will be set at Step 5 of the 75034 Step Rent Schedule (\$316) as this step is the nearest (rounded down) to what the family would have paid if it had remained in its Year 2 unit (\$360). Again, should the family remain in this unit, its rent will increase by 3% of the 75034 SAFMR annually.

Should the family downsize to a one-bedroom unit or increase to a three-bedroom unit, its rent will be recalculated based on the gross rent and SAFMR corresponding to the new size unit. It is important to note that families will undergo income examination as they enter the program and then tri-annually. After the first year, income reexamination will only be used to verify program eligibility, not to calculate rent. Further, unit inspections will occur biennially for families remaining in the same unit.

Note: DHA believes this process complies with the Cross-Cutting Provisions in Notice PIH 2019-04 but will work with HUD to revise it if necessary.

a. Coupling Self-sufficiency programming to rent reform

The following section depicts past and current programmatic efforts to support self-sufficiency. DHA is committed to enhancing the welfare of the families it serves and to removing barriers to self-sufficiency. As such, over the last few years, DHA further increased its focus and dedicated resources towards the development of data-driven strategies designed to support housing choice and to incentivize relocation to higher-opportunity neighborhoods for existing families. Thus,

DHA established a Policy Development and Research (PD&R) department responsible for developing evidence-based strategies to combat segregation and poverty, foster upward mobility, and enable system-wide operational improvements. Since its inception, DHA's leadership and PD&R team have designed a series of pilots intended to generate empirical evidence about the relative success of various strategies to create pathways to self-sufficiency through relocation, education and mobility counseling, employment opportunity, and connection with supportive services.

i. Brokering Employment Opportunities for DHA families: The case of Red Bird Mall

**Background:** A major employer expanding into the Dallas marketplace created over 400 jobs to be filled in the Southern sector of Dallas. A public job fair was scheduled for candidates to attend and potentially be interviewed for employment. Over 600 candidates were expected to attend and apply.

**Methodology:** *Baseline Analytics:* In an effort to broker opportunities for the families we serve, DHA's PD&R department conducted a series of analyses to identify among its population working-age individuals (non-elderly, non-disabled) residing in proximity to the employment hub, unemployed or earning less than the offered wages. PD&R then assessed whether DHA-assisted individuals are located within acceptable distance to transit –critical to sustain access to employment and meet commuting needs for transit-dependent population.

*Outreach:* After consulting with the recruiting agency to determine employment requirements and preferences, DHA's PD&R team developed an outreach strategy designed to identify interested and qualified candidates, while assessing potential barriers to employment access and retention such as access to transportation, childcare, professional clothing, etc. Concurrently, DHA brokered MOUs with major support service providers in Dallas to assist families with these challenges. Survey respondents expressed interest in the available positions, self-assessed their skills

proficiency, and self-reported their job experiences, and need for assistance. Finally, PD&R categorized and identified competitive candidates (+200) while linking all survey respondents with service providers for assistance where needed.

**Outcomes:** Upon reviewing the report presented by PD&R, the recruiting agency set up 80 interviews one week prior to the public job fair event for DHA candidates only. DHA candidates were able to interview in a one-on-one setting, on a dedicated appointment time slot at a nearby community college facility, with some candidates offered a job the same day. Early recruiting strategy efforts have given DHA participants a competitive advantage while building a tangible fast-track for them to engage in the marketplace.

**MTW application:** DHA anticipates scaling up this successful pilot program to support MTW families as they compete in the job marketplace. DHA anticipates partnering with key partners such Workforce Solutions of Greater Dallas, Dallas County College, and the City of Dallas to develop a robust system to support HCV labor force participation and economic growth.

ii. Fostering Housing Choice and Upward mobility: Children First North Texas Program

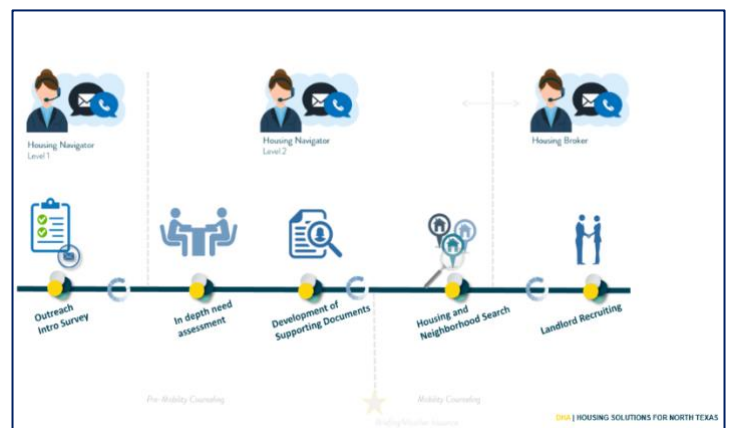
**Background:** After two years of research and operations design, DHA launched in 2020 a program named “Children First North Texas” (CFNTX) focused on HCV families with children living in the most impoverished and segregated neighborhoods in our region. The CFNTX program is designed to systematically help these families relocate to high-upward mobility neighborhoods through personalized individual mobility counseling and connection to social services providers using tech-driven, human centered, CRM automated workflows.

**Overview:** The mission of the CFNTX’s program is to provide opportunities for HCV families and their children to live in higher-opportunity neighborhoods to empower them to break the cycle of generational poverty. Programmatically, this initiative focuses on mobility counseling and

support services with a wide array of social service providers –based on the family’s needs, eligibility and geographic coverage.

**Operations:** The program was designed by DHA’s PD&R department and co-executed by with the Voucher Program staff (Housing Navigators and Housing Broker). Spatial analyses of residential living patterns with respect to segregation are conducted to identify HCV families living in segregated and impoverished neighborhoods to participate in the CFNTX program. The program starts with an outreach survey designed to gauge neighborhood and school preferences and to collect critical lease information to best strategize voucher issuance for families based on their lease end date, while accounting for the presence of children and school breaks. If a family is eligible and selected for the CFNTX program, they can elect to participate in DHA’s (2) Mobility Counseling Program, which start with an Info Session, followed by an in-depth needs assessment interview, a Voucher briefing, and assistance during the housing search process. (3) Concurrently, a Housing broker is actively recruiting landlords in high-opportunity areas to participate in the HCV program.

**Tech and Processes:** The CFNTX program uses the power of technology, Artificial Intelligence, and advanced analytics to pre-set workflows to sort, filter, prioritize and automate the majority of the processes involved with (1) contacting, (2) following up,



(3) sorting, (4) assigning tasks, (5) tracking housing search activities, and (6) assessing progress for families and the overall program. In addition, DHA has acquired a commercial real estate

software to identify currently available units (in real time), to explore neighborhood amenities at a granular level, and to recruit landlords based on locational preferences and neighborhood quality.

**Moving Forward:** More recently, and in partnership with Harvard University's research group Opportunity Insights, DHA has been selected as a CMTOx site to expand experimental testing of mobility counseling-focused administration models.

**MTW application:** DHA anticipates providing proactive case management, mobility counseling and to deploy both staff and financial resources to support MTW families' housing choice and search for housing opportunities in their areas of preferences.

iii. Wellness Check: Assessing and Mitigating Food and Medicine Insecurities during COVID-19 Pandemic

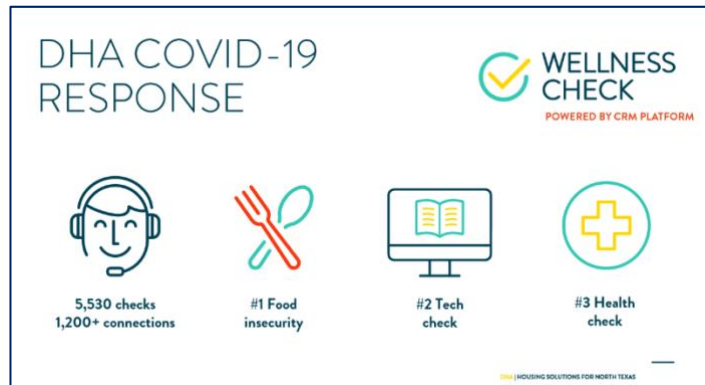
**Background:** Like many other communities in the country, Dallas has experienced the effects of the COVID-19 pandemic. DHA's concern for the safety of the community, co-workers, and the families we serve, prompted a component of its business continuity plan that maintains an optimal level of productivity while following recommendations from local, state, and federal health professionals. Because the well-being and safety of our residents is a top priority, DHA launched a wellness check initiative for public housing residents to assess their immediate needs, provide resource referrals, and monitor the residents' needs on a continuous and ongoing basis during the pandemic. DHA's PD&R team first gauged the size of DHA's overall public housing, elderly population, individuals with disability, children under the age of 13, and individuals at-risk (over the age of 60 and/or with a disability). Second, PD&R looked at the distribution of vulnerable populations across DHA's public housing properties to identify potential clusters and correspondingly, areas of focus.

**Operations:** The first phase of the wellness check outreach prioritized at-risk families. Subsequent phases focused on at-risk individuals and families experiencing food and/or medicine insecurity - with the end goal of conducting the wellness check for all public housing residents and connecting residents with the services they require. In addition, in the event that a family is particularly vulnerable (due to food insecurity, or health conditions) DHA team members scheduled regular follow up with the family to monitor its situation. The wellness check is conducted on a continuous basis, with ad-hoc adjustments as the COVID-19 situation evolves.

In addition to conducting wellness checks for its residents, DHA staff built and maintained an in-house database listing organization providing emergency and/or COVID-related assistance in North Texas. The information is continuously updated by DHA staff to provide our families with the most-up-to date information. Another major database made available to our DHA staff is ‘Aunt Bertha’ which is search engine for social services, allowing seekers to search based on their ZIP Code and several eligibility criteria (e.g., income, veteran status...). Aunt Bertha offers an extensive directory of social service providers with concise information such as eligibility criteria, hours of service, contact information, and steps to take to access services.

**Outcomes:** These databases are used by DHA staff to advise Public Housing residents about the available resources in their communities and ways to access them. During the course of the wellness check initiative, over 1,200 referrals were made. A tracking system was established mid-April to capture the type of referrals made to DHA families. Please note that information below does include referrals made prior to mid-April (approximately 300).

Further highlighting our survey results, a great majority of Public Housing residents expressed facing food insecurity, representing close to 45% of all inquiries received and treated. Despite the closing of our offices to the non-employees during the pandemic, DHA staff has continued to proactively identify and address technical issues (93) as well as property-related challenges (40). Each wellness check outreach seeks to capture whether families were able to access the recommended resources during the last wellness check. In average, we found that about 40% of DHA public housing families received the help they needed during the pandemic through the wellness check system.



**MTW application:** This technology-based system will enable DHA to meaningfully elicit preferences, needs, and enable personalized assistance for MTW-population while tracking and storing dynamic and time-series data for long-term program evaluation.

#### iv. Self-Sufficiency Programs at DHA

Fostering self-sufficiency and enhancing the welfare of low-income communities is at heart of our organization s' mission. Indeed, for more than 30 years, DHA has long invested in the administration of self-sufficiency programs notably through its Family Self-Sufficiency (FSS) program and Resident Opportunity and Self-Sufficiency (ROSS) and continuously gathers community feedback from its residents to assess community needs and inform the development of operational strategies to meet these needs. DHA is leveraging its technological capabilities to outreach to its resident in a targeted way (based on the nature of the communication, eligibility, or again location), in an effort to meaningfully engage its families, assess needs and preferences, to inform operational investments and design operations. Our technology-based strategies allow

large-scale outreach and engagement and are traditionally coupled with on-site activities to build families' confidence and trust, and to meaningfully elicit preferences, needs, and enable personalized assistance.

Recent ROSS outreach efforts revealed that health and wellness are a top priority for DHA residents, and accordingly DHA is pursuing programmatic/grant opportunities to address such needs. DHA strives to proactively and meaningfully engage its residents and its Resident Advisory Board and launches regular survey campaigns to capture the community's needs, insight, and feedback on current operations and upcoming initiatives.

**MTW application:** DHA will leverage its long-term experience and expertise in administering self-sufficiency-focused activities, as well as their developed network of trusted partners to assist MTW families in achieving economic independence and enhancing their quality of life altogether.

v. Leveraging Tech and Advanced Analytics to Incorporate Mental Health into Housing Operations for HUD-assisted Families

Our internal research shows that despite receiving rental housing assistance, low-income families tend to disproportionately reside in low-opportunity neighborhoods, often associated with an increased risk of poor overall health, premature mortality, heart disease, obesity, and mental illness. The inequitable impact of the environmental and social conditions in which people live creates persistent and pervasive health disparities which plague under-resourced populations. DHA has applied to the 2021 Texas Health Community Impact Grant to address such behavioral health impediments, and DHA's application is now in the final stages of award selection.

DHA is committed to the pursuit of innovative, data-driven policies and programs effectively bridging systemic inequities and enhancing the quality of life of low-income families in North Texas. Thus, DHA seeks to develop technological infrastructure to support large-scale, cross-

sector collaboration, supporting industry-wide operational shifts, effectively fostering and streamlining access to a wide array of behavioral health services for chronically under-resourced communities. DHA's working group, including North Texas Behavioral Health Authority (NTBHA) and the University of Texas at Arlington, seeks to leverage DHA's Customer Relationship Management (CRM) technology, automation, and artificial intelligence capabilities to bridge the realms of housing and health by enabling and streamlining timely assessment and intervention for behavioral health concerns for residents of public housing, and low-income families at-large.

DHA seeks to capitalize on its proximity to low-income families and at-risk population to maximize the benefits of housing assistance by coupling it with robust, data-driven, integrated health and resource referral system. The plan is intended to build technological capacity to avoid bottleneck challenges, maximizing our collaborative impacts by not only serving DHA individuals (~55,000) but also vulnerable families who are seeking housing assistance and so accessing DHA's website (waitlist: ~>100,000). The plan seeks to leverage the power of artificial intelligence, and DHA's CRM platform to integrate services between DHA, North Texas Behavioral Health Authority and its network of service providers.

The projected workflow will be designed to not only assess behavioral health needs, but also assess needs related to other social determinants of health (i.e., food, education, transportation...) and provide a seeker a tailored, automated set of recommendations (matching system based on household information and providers' area of service, eligibility, requirements, and so forth). DHA intends to leverage its position as a major traffic hub for low-income families in North Texas to offer this web-based assessment and associated workflows to not only the families it serves, but resourced-challenges individuals accessing its website.

DHA will couple these technological investments, with targeted, human-centered, programming at its properties by addressing behavioral health access and education, food and medicine insecurities, other social determinant of health, as well as challenges associated with distance learning. In addition, to fully integrating behavioral health into its organizational culture and competency, our collective will focus on agency-wide Mental Health First Aid training, seeking state Community Health Worker certification for staff dedicated to DHA's self-sufficiency program, and the hiring of licensed clinical social workers (LCSWs) to provide expertise and insight from within.

**MTW application:** DHA anticipates leveraging grant funding to unlock resources to tackle mental health challenges for families electing to participate in health-focused programs.

b. Research merits and Industry-advancement

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;

DHA is uniquely positioned to generate strong empirical evidence to foster public policy advancement. The jurisdiction encompasses (seven counties) 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 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**

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 has engaged its IT software provider, Yardi, in collaborative working sessions with regard to software modifications that will be required to Yardi Voyager, if selected for MTW. The purpose of these sessions is 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 Yardi during future sessions.

## Appendix 1

### Moving to Work Certifications of Compliance

#### CERTIFICATIONS OF COMPLIANCE

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

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

Action on behalf of the Board of Commissioners of the applicant public housing agency (PHA) listed below, as its Chairman or other authorized PHA official if there is no Board of Commissioners, I approve the submission of the application to the Moving to Work Demonstration Program for the PHA and make the following certifications and agreements with the Department of Housing and Urban Development (HUD) in connection with the submission of the application and implementation thereof:

- (1) The PHA will adhere to HUD guidance in the MTW Operations Notice or successor notice in continuing to ensure at least 75% of families assisted are very low-income as defined in Section 3(b)(2) of the 1937 Act throughout the PHA's participation in the MTW Demonstration Program.
- (2) The PHA will adhere to HUD guidance in the MTW Operations Notice or successor notice in establishing a reasonable rent policy that is designed to encourage employment and self-sufficiency
- (3) The PHA will adhere to HUD guidance in the MTW Operations Notice or successor notice in continuing to assist substantially the same total number of eligible low-income families as would have been served absent MTW throughout the PHA's participation in the MTW Demonstration Program.
- (4) The PHA will adhere to HUD guidance in the MTW Operations Notice or successor notice in continuing to maintain a comparable mix of families (by family size\_ as would have been provided had the funds not been used under the MTW Demonstration Program throughout the PHA's participation in the MTW Demonstration Program.
- (5) The PHA will adhere to HUD guidance in the MTW Operation Notice or successor notice in continuing to ensure housing assisted under the MTW Demonstration Program meets housing quality standards established or approved by the Secretary throughout the PHA's participation in the MTW Demonstration Program.
- (6) The PHA published a notice that a hearing would be held, that the application and all information relevant to the public hearing was available for public inspection for at least 30 days, that there were no less than 15-days between the public hearing and the approval of the application by the Board of Commissioners, and that the PHA conducted a public hearing to discuss the application and invited public comment.
- (7) THE PHA took into consideration public and resident comments (including those of its Resident Advisory Boards) before approval of the application by the Board of Commissioners or Board of Directors in order to incorporate any public comments into the application.

(8) The PHA certifies that the Board of Commissioners has reviewed and approved the budget for the Capital Fund Program grants contained in the Capital Fund Program Annual Statement/Performance and Evaluation Report, form HUD-56007.1 (or successor form as required by HUD).

(9) The PHA must certify that it will carry out its application in conformity with Title VI of the Civil Rights Act of 1964 (42 USC 2000d-2000d-4), the Fair Housing Act (42 USC 3607-19), Section 504 of the Rehabilitation Act of 1973 (29 USC 794), and title II of the Americans with Disabilities Act of 1990 (42 USC 12101 et seq.), regulations implementing these authorities, and other applicable Federal, State, and local civil rights law and that it will affirmatively further fair housing, which means that it will take meaningful actions to further the goals identified by the Assessment of Fair Housing conducted in accordance with the requirements of 24 CFR 5.150-5.180 and 903.15, that it will take no action that is materially inconsistent with its obligation to affirmatively further fair housing and that it will address fair housing issues and contributing factors in its programs, in accordance with 24 CFR 903.7 (o)(3) and 903.15(d). Until such time as the PHA is required to submit an AFH, and the AFH has been accepted by HUD, the PHA will address impediments to fair housing choice identified in the Analysis of Impediments to fair housing choice associated with any applicable Consolidated or Annual Action Plan under 24 CFR part 91 the PHA will affirmatively further fair housing by fulfilling the requirements at 24 CFR § 903.7(o) promulgated prior to August 17, 2015, which means that it examines its programs or proposed programs; identifies any impediments to fair housing choice within those programs; addresses those impediments in a reasonable fashion in view of the resources available; works with local jurisdictions to implement any of the jurisdiction's initiatives to affirmatively further fair housing that require the PHA's involvement; and maintains records reflecting these analyses and actions. The PHA will carry out its plan in conformity with HUD's Equal Access Rule at 24 CFR 5.105(a)(2).

(10) The application is consistent with the applicable Comprehensive Plan (or any plan incorporation such provisions of the Comprehensive Plan) for the jurisdiction in which the PHA is located.

(11) The application contains a certification by the appropriate State or local officials that the application is consistent with the applicable Consolidated Plan, which incorporates a fair housing strategy that reflects the jurisdiction's Assessment of Fair Housing or Analysis of Impediments to Fair Housing Choice, as applicable, and a description of the manner in which the PHA Plan is consistent with the applicable Consolidated Plan.

(12) The PHA affirmatively furthers fair housing. A PHA shall be considered in compliance with the certification requirements of 24 CFR 903.7(o)(1)-(3) and 903.15(d) if it: (i) Examines its programs or proposed programs; (ii) Identifies fair housing issues and contributing factors within those programs, in accordance with 24 CFR 5.154; (iii) Specifies actions and strategies designed to address contributing factors, related fair housing issues and goals in the applicable Assessment of Fair Housing (AFH) consistent with 24 CFR 5.154, in a reasonable manner in view of the resources available; (iv) Works with jurisdictions to implement any of the jurisdiction's initiatives to affirmatively further fair housing that require the PHA's involvement; (v) Operates programs in a manner consistent consolidated plan under 24 CFR Part 91, and with any order or agreement, to comply with the authorities, specified in paragraph (o)(1) of this section; (vi) Complies with any contribution or consultation requirement with respect to any applicable Analysis of Fair Housing, in accordance with 24 CFR 5.150-5.180; (vii) Maintains records reflecting these analyses, actions, and the results of these actions; and (viii) Takes steps acceptable to HUD to remedy known fair

housing and civil rights violations. PHAs that are not yet required to submit an AFH shall adhere to the requirements under 24 CFR 903.7(o) in effect prior to August 17, 2015.

(13) The PHA complies with the prohibitions against discrimination on the basis of age pursuant to the Age Discrimination Act of 1975.

(14) The PHA complies with the Architectural Barriers Act of 1968 and its implementing regulations at 24 CFR Part 41, Policies and Procedures of the Enforcement of Standards and Requirements for Accessibility by the Physically Handicapped.

(15) The PHA complies with the requirements of Section 3 of the Housing and Urban Development Act of 1968, Employment Opportunities for Low-or-Very –Low Income Persons, and with its implementing regulation at 24 CFR Part 135.

(16) The PHA complies with requirements with regard to a drug free workplace required by 24 CFR Part 135.

(17) The PHA complies with requirements with regard to compliance with restrictions on lobbying required by 24 CFR Part 87, together with disclosure forms if required by this Part, and with restrictions on payments to influence Federal Transactions, in accordance with the Byrd Amendment and implementing regulations at 49 CFR Part 24.

(18) The PHA complies with acquisition and relocation requirements of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 and implementing regulations at 49 CFR Part 24 as applicable.

(19) The PHA will take appropriate affirmative action to award contracts to minority and women's business enterprises under 24 CFR 5.105(a)

(20) The PHA will provide HUD or the responsible entity any documentation needed to carry out its review under the National Environmental Policy Act and other related authorities in accordance with 24 CFR Part 58. Regardless of who acts as the responsible entity, the PHA will maintain documentation that verifies compliance with environmental requirements pursuant to 24 CFR Part 58 and 24 CFR Part 50 and will make this documentation available to HUD upon its request.

(21) With respect to public housing the PHA will comply with Davis-Bacon or HUD determined wage rate requirements under Section 12 of the United States Housing Act of 1937 and the Contract Work Hours and Safety Standards Act.

(22) The PHA will keep records in accordance with 2 CFR 200.333-200.337 and facilitate an effective audit to determine compliance with program requirements.

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

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

(25) The application and all attachments are available at the primary business office of the PHA and at all other times and locations identified by the PHA in its Plan and will continue to be made available at least at the primary business office of the PHA.

Dallas Housing Authority  
PHA Name

TX009  
PHA Number/HA Code

I hereby certify that all the information stated herein, as well as any information provided in the accompaniment herewith, is true and accurate. Warning: HUD will prosecute false claims and

statements. Conviction may result in criminal and/or civil penalties. (18 U.S.C. 1001, 1010, 1012; 31 U.S.C. 3729, 3802)

Troy Broussard  
NAME OF AUTHORIZED OFFICIAL\*

President/CEO & Board Secretary  
TITLE

\_\_\_\_\_  
SIGNATURE

\_\_\_\_\_  
DATE

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

## Appendix 2: Public Process Documentation

Evidence that residents and HCV participants were notified of the PHA's intention to participate in MTW Demonstration program

### **Notice of DHA's Intent to Participate In HUD's Moving to Work (MTW) Demonstration Program**

Please accept this form as official notice to you as a DHA HCV participant or resident of DHA's intent to participate in HUD's Moving to Work (MTW) Expansion Cohort #2 Rent Reform

Under the MTW Expansion Program - Cohort #2 Rent Reform HUD will evaluate alternative rent policies designed to increase resident self-sufficiency and reduce PHA administrative burdens.

To find out more about HUD's MTW Program please log onto [https://www.hud.gov/program\\_offices/public\\_indian\\_housing/programs/ph/mtw](https://www.hud.gov/program_offices/public_indian_housing/programs/ph/mtw)

To find out more about how you can get involved in the development of DHA's MTW Plan please log onto our website at [www.dhantx.com](http://www.dhantx.com).

Your input is an important element in the design of DHA's MTW Program. Over the next several months we will ask you to engage and participate in various ways in the drafting of our MTW Plan, including but not limited to attending virtual resident/community meetings, participating in electronic surveys, being a part of a public hearing as well as a DHA Board of Commissioners meeting.

We will send electronic communication through the Rent Café to provide regular and on-going updates regarding the drafting of the DHA's MTW Plan.

## Appendix 2: Public Process Documentation

### Communication Channels

An essential element of DHA's MTW Plan design is centered in community engagement. DHA developed multiple communication channels with continuous feedback loops from residents and key stakeholders that drove the framework of the plan. Our community engagement approach is not narrowly focused simply based plan design but rather is a fundamental part of the evolution of the plan in the months and years to come as DHA looks to build a MTW Plan that designs and test innovative, locally designed housing and self-sufficiency strategies for low-income families.

Will impact the initial MTW Plan design but will also be a critical role in the planning period after award. To easily access information, complete surveys and provide feedback loops.  
[www.dhantx.com/rent\\_reform\\_mtw\\_program/](http://www.dhantx.com/rent_reform_mtw_program/)

Survey administration results

created a landing page dedicated to the MTW Demonstration program

## Appendix 2: Public Process Documentation

Evidence two resident meetings were held

## Appendix 2: Public Process Documentation

The public notice advertising the public hearing

## Appendix 2: Public Process Documentation

### Evidence that the public hearing was held

(items could include minutes, sign-in sheet, etc.)

## Appendix 2: Public Process Documentation

### Board Resolution

Resolution signed by Board adopting application, including the MTW Plan, and certifications contained therein. Reso must also confirm that the public process requirements described in Section 5(A)(i)(c) of this Notice were met.

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

#### Cert Consistency with Consolidated Plan

## Appendix 3: Required Standard Forms

### Cert of Payments (HUD-50071)

<b>Certification of Payments to Influence Federal Transactions</b>		<b>OMB Approval No. 2577-0157 (Exp. 01/31/2017)</b>
<b>U.S. Department of Housing and Urban Development Office of Public and Indian Housing</b>		
<hr/> <b>Applicant Name</b>		
<div style="background-color: #e6f2ff; padding: 2px;">Dallas Housing Authority</div>		
<hr/> <b>Program/Activity Receiving Federal Grant Funding</b>		
<div style="background-color: #e6f2ff; padding: 2px;">Moving To Work Demonstration Program Cohort #2 Rent Reform</div>		
<hr/> <b>The undersigned certifies, to the best of his or her knowledge and belief, that:</b>		
<p>(1) No Federal appropriated funds have been paid or will be paid, by or on behalf of the undersigned, to any person for influencing or attempting to influence an officer or employee of an agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with the awarding of any Federal contract, the making of any Federal grant, the making of any Federal loan, the entering into of any cooperative agreement, and the extension, continuation, renewal, amendment, or modification of any Federal contract, grant, loan, or cooperative agreement.</p> <p>(2) If any funds other than Federal appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of an agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with this Federal contract, grant, loan, or cooperative agreement, the undersigned shall complete and submit Standard Form-LLL, Disclosure Form to Report Lobbying, in accordance with its instructions.</p>	<p>(3) The undersigned shall require that the language of this certification be included in the award documents for all subawards at all tiers (including subcontracts, subgrants, and contracts under grants, loans, and cooperative agreements) and that all sub recipients shall certify and disclose accordingly.</p> <p>This certification is a material representation of fact upon which reliance was placed when this transaction was made or entered into. Submission of this certification is a prerequisite for making or entering into this transaction imposed by Section 1352, Title 31, U.S. Code. Any person who fails to file the required certification shall be subject to a civil penalty of not less than \$10,000 and not more than \$100,000 for each such failure.</p>	
<hr/> <p>I hereby certify that all the information stated herein, as well as any information provided in the accompaniment herewith, is true and accurate.  <b>Warning:</b> HUD will prosecute false claims and statements. Conviction may result in criminal and/or civil penalties. (18 U.S.C. 1001, 1010, 1012; 31 U.S.C. 3729, 3802)</p>		
<b>Name of Authorized Official</b>	<b>Title</b>	
<div style="background-color: #e6f2ff; padding: 2px;">Troy Broussard</div>	<div style="background-color: #e6f2ff; padding: 2px;">President &amp; CEO</div>	
<b>Signature</b>	<b>Date (mm/dd/yyyy)</b>	
<div style="display: flex; justify-content: space-between;"> <span>Previous edition is obsolete</span> <span> <b>form HUD 50071 (01/14)</b>                      ref. Handbooks 7417.1, 7475.13, 7485.1, &amp; 7485.3                 </span> </div>		

## Appendix 3: Required Standard Forms

### Disclosure of Lobbying Activities (SF-LLL)

<b>DISCLOSURE OF LOBBYING ACTIVITIES</b> Complete this form to disclose lobbying activities pursuant to 31 U.S.C. 1352 (See reverse for public burden disclosure.)		Approved by OMB 0348-0046
<b>1. Type of Federal Action:</b> <input type="checkbox"/> a. contract <input type="checkbox"/> b. grant <input type="checkbox"/> c. cooperative agreement <input type="checkbox"/> d. loan <input type="checkbox"/> e. loan guarantee <input type="checkbox"/> f. loan insurance	<b>2. Status of Federal Action:</b> <input type="checkbox"/> a. bid/offer/application <input type="checkbox"/> b. initial award <input type="checkbox"/> c. post-award	<b>3. Report Type:</b> <input type="checkbox"/> a. initial filing <input type="checkbox"/> b. material change <b>For Material Change Only:</b> year _____ quarter _____ date of last report _____
<b>4. Name and Address of Reporting Entity:</b> <input checked="" type="checkbox"/> Prime <input type="checkbox"/> Subawardee Tier _____ if known: _____  <b>Congressional District, if known:</b> _____		<b>5. If Reporting Entity in No. 4 is a Subawardee, Enter Name and Address of Prime:</b> _____ _____ _____ _____ <b>Congressional District, if known:</b> _____
<b>6. Federal Department/Agency:</b> _____	<b>7. Federal Program Name/Description:</b> _____ <b>CFDA Number, if applicable:</b> _____	
<b>8. Federal Action Number, if known:</b> _____	<b>9. Award Amount, if known:</b> \$ _____	
<b>10. a. Name and Address of Lobbying Registrant</b> <i>(if individual, last name, first name, MI):</i> _____ _____ _____	<b>b. Individuals Performing Services</b> <i>(including address if different from No. 10a)</i> <i>(last name, first name, MI):</i> _____	
<b>11.</b> Information requested through this form is authorized by title 31 U.S.C. section 1352. This disclosure of lobbying activities is a material representation of fact upon which reliance was placed by the tier above when this transaction was made or entered into. This disclosure is required pursuant to 31 U.S.C. 1352. This information will be available for public inspection. Any person who fails to file the required disclosure shall be subject to a civil penalty of not less than \$10,000 and not more than \$100,000 for each such failure.		
<b>Signature:</b> _____ <b>Print Name:</b> _____ <b>Title:</b> _____ <b>Telephone No.:</b> _____ <b>Date:</b> _____		Authorized for Local Reproduction Standard Form LLL (Rev. 7-97)
<b>Federal Use Only:</b>		



if applicable

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

Letters of Support, community meeting material, resumes, etc. limited to 10 pgs.

### **SUBPART 1: PARTICIPATING PHAs**