

United States House of Representatives
Committee on Financial Services
Washington, D.C. 20515

October 7, 2015

The Honorable Gene L. Dodaro
Comptroller General
U.S. Government Accountability Office
441 G Street NW
Washington, DC 20548

Dear Mr. Dodaro:

I am very concerned about recent proposals to vastly expand HUD's Moving to Work (MTW) program. One proposal would add an additional 300 agencies to the demonstration program, which could result in 800,000 units being added to the MTW program, representing 35 percent of all public housing and Housing Choice Voucher (HCV) units being under the MTW demonstration. Numerous studies have highlighted that the MTW demonstration program has serious shortcomings. Specifically, the Government Accountability Office (GAO) and the HUD's Inspector General (IG) have raised concerns about HUD's ability to adequately oversee the activities and outcomes of the current 39 participating agencies. Data also shows that several of the current MTW agencies are serving substantially fewer families through the HCV program than non-MTW agencies. Specifically, non-MTW agencies used approximately 96 percent of their vouchers funded in 2014 while MTW agencies used only 81 percent.¹

Another issue of great concern is that MTW allows participating agencies to impose rent increases, work requirements, time limits, and other policy changes that risk serious hardships for residents. These alternative policies can result in greater cost burdens or evictions of residents, and there is no corresponding requirement for PHAs to provide more robust supportive services in conjunction with these policies, or to conduct rigorous evaluations of the impacts on residents. These alternative policies effectively put residents at great risk without any solid evidentiary proof of program effectiveness.

I request that GAO revisit the MTW program with a focus on its effect on tenants. I would like you to address these questions and any others you think are appropriate.

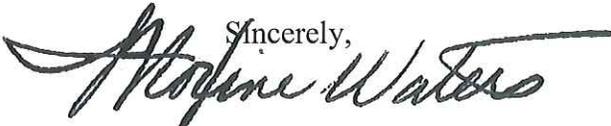
- How are HUD and MTW agencies monitoring the impact of new policies, such as time limits, work requirements, and increased rent burdens on residents, especially the impact on those who cannot meet work requirements or other new requirements?
- What safeguards and protections are included in MTW agreements to protect residents from hardship? How do these protections vary across MTW agencies? How consistent are MTW agencies in applying these protections when they should apply?

¹ Fischer, Will. (2015, July 29). Senate Expansion of "Moving to Work" Block Grants Would Sharply Cut Number of Families with Housing Vouchers. Center on Budget and Policy Priorities. Accessed at: <http://www.cbpp.org/sites/default/files/atoms/files/7-28-15hous.pdf>

What is known about the families denied hardship protections, e.g., have they lost housing assistance, become homeless, increased their incomes, suffered separation of family members, experienced an increase in domestic violence?

- One of the statutory goals of MTW is improving housing choice for families. Recent research has shown that housing choice is a major benefit for children growing up in low-income neighborhoods. What have the current MTW agencies done to expand housing choice in low-poverty neighborhoods for their residents? What do data show on the impact of agencies' efforts? Does HUD require MTW agencies to assess whether a reasonable share of housing voucher holders --- given the distribution of the rental stock -- are able to live in low-poverty neighborhoods? Have any agencies implemented policies that restrict housing choice, for example by limiting mobility in project-based voucher developments or portability? What are some examples?
- MTW agencies have lower voucher utilization rates than non-MTW agencies. In 2014 MTW agencies shifted \$590 million from vouchers to other uses.² How are the MTW agencies using the funds they have shifted away from the voucher program? Is it possible to answer this question from publicly available documents? What effect has this shift had on the number of residents at various income levels, particularly extremely low-income families, receiving rental assistance, compared to the number that could have received assistance if agencies had used all their voucher funds for vouchers?
- To date, there is no proof that MTW agencies perform any better than non-MTW agencies in terms of cost-effectiveness. What are MTW agencies' actual subsidy costs relative to comparable non-MTW agencies (and administrative costs), for public housing and for housing vouchers?
- Another statutory requirement of MTW is that agencies assist substantially the same number of low income families as they would have without the MTW flexibilities. HUD did not establish a policy to ensure this requirement was being met until 2013, and concerns still remain regarding the effectiveness of this policy and compliance therewith. Are agencies meeting the requirement to substantially serve the same number of low income families as they would have without MTW, in light of the funding increases they have received since joining the demonstration? What is HUD doing to address any noncompliance?

Thank you for your cooperation and attention in this matter. If you have any questions, please do not hesitate to contact Theresa Dumais at Theresa.Dumais@mail.house.gov or Esther Kahng at Esther.Kahng@mail.house.gov.

Sincerely,

MAXINE WATERS
Ranking Member

² *Id.*