



Housing & Redevelopment Authority of Hibbing

3115 7th Avenue East – Hibbing, MN 55746 – Phone: 218.263.3661 – Fax: 218.262.4164

March 9th, 2020

Dear Mr. Swanberg,

My name is Andrew Jarocki and I am a Lead for Minnesota Fellow serving with the Housing and Redevelopment Authority of Hibbing (HRA). I am the primary author of the HRA's Moving to Work policies.

I write to begin a sincere dialogue with you regarding your column in the Duluth News Tribune on March 5th. I hope to provide further information on the important concerns you expressed about Moving to Work and listen to your subsequent thoughts on these explanations.

You shared concerns about three general domains of MTW-designated agencies: flexibility, self-sufficiency programming and administrative costs. I will attempt to provide a suitable answer for each category of concern.

First, you describe MTW flexibility as the ability of agencies “to decide independently how to spend their funds rather than following government determined spending formulas.” While it is true that MTW agencies are empowered to make more locally-informed budget decisions, I wish to call your attention to the Substantially The Same requirements of all MTW agencies.

By federal law, all “MTW agencies must continue to assist substantially the same total number of eligible low-income families as would have been served absent the MTW demonstration” (Operations Notice for the Expansion of the Moving to Work Demonstration Program, FR-5994-N-05, Section 7(c), page 27). This applies to any and every budget decision.

You argue that “the result of this change has been devastating for housing-insecure families.” To support this claim, you cite a 2017 report by Abt Associates that found MTW agencies shifted funds away from some housing programs.



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I believe important context for this statistic can be found in the executive summary of the same report. The report notes on the first page that “these outcomes may be related to successes [by MTW agencies] in other areas such as adding services to vouchers and creating innovative non-traditional vouchers to stabilize hard to reach populations.”

Regardless, you reach the conclusion that MTW flexibility to shift funding to new forms of assistance “has removed opportunities, not opened them.” What do you make of a more recent Urban Institute report that shows 26% more families were served by MTW agencies between 2008 and 2016, even after accounting for new MTW agencies added?

For example, “the Atlanta Housing Authority reported an almost 5,000-household increase in assisted households” during the study period (Page 14, “A Picture of Moving to Work Agencies' Housing Assistance” in Cityscape, Volume 22, Number 3, 2020).

Additionally, I believe it is important to note that since its inception in 1998, no agency has even been removed from the MTW Demonstration Program by HUD for under-serving families or providing less housing assistance than they should. The executive summary of the Abt Associates report adds on the first page that “both MTW and non-MTW agencies meet the standard PHA requirements for serving extremely low-income households.”

I am open to all arguments and evidence you can provide that would lead an indifferent observer to expect the Hibbing HRA to serve fewer families in need as a result of MTW designation.

Next, you worried that the self-sufficiency components were “insufficient.” To buttress this claim, you wrote that “the Abt Associates report found no difference in increase in income between families in MTW programs and families in traditional public housing.” I fail to understand how the July 25, 2017 Abt Associates Testing Performance Measures for the MTW Program Report supports your claim and I would appreciate your clarification.



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On page 14, top paragraph, this report notes that “the estimates show that household earnings were more likely to increase at MTW PHAs than at comparison PHAs.” The report then states on page 14, middle paragraph, that “the average share of households that had positive earnings at follow-up was significantly higher for MTW PHAs than comparison PHAs (46.5 percent vs. 40.0 percent).” Am I reading the same report that you cited?

The statistical evidence and real life examples of success I have found seem to allow a cautious optimism about the positive impact MTW programming would have on the lives of work able tenants in Hibbing. For example, the Housing Authority of Champaign County (IL) found that tenant adjusted earned income increased 29% as “a direct result of the Mandatory LSS Program and its corresponding work requirements” of MTW programming (HACC Moving to Work 2018 Annual Report, Page 21).

You then write that MTW “work requirements forced [tenants] out before they were back on their feet.” I agree with you that the sustainability of graduation from public housing is a crucial rubric for grading policy success. Graduating residents of public housing before they are ready serves neither the tenant nor the community the agency serves.

I am reassured when I consider the example of the Lawrence Douglas County Housing Authority, an MTW agency that in 2019 alone helped 51 households graduate to home ownership or market rate rentals (LDCHA 2020 Moving to Work Report, Page 10).

Can you share any data that supports your specific assertion that MTW agencies graduate tenants “before they were back on their feet” economically or otherwise? I am truly determined to consider all evidence on the effectiveness of MTW programming. You note that “families received assistance for 11 fewer months in MTW program.” Why couldn’t this be interpreted as a sign of expedited economic mobility?



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Lastly, you write that “MTW agencies spend 43% more on administrative costs than traditional public housing agencies” according to a GAO report. I share your desire to see taxpayer money spent as efficiently as possible, and concede that improvement is always possible.

However, I would also like to point out that the executive summary of the Abt Associates report clarifies on page 5 that “the difference in public housing operating costs [between MTW and comparison agencies] is not statistically significant, but the difference in HCV administrative costs is significant.”

The HRA of Hibbing administers only Section 9 traditional public housing, as all Section 8 vouchers (HCV) for the area are handled by the Virginia Housing Authority. The report seems to suggest that the HRA would not be expected to record any significant rise in inefficiency as an MTW agency with only Section 9 housing.

Your concerns are all equally valid and important to address. You make the excellent point that the majority of public housing is elderly or disabled. In the interest of total transparency, I’ve attached the planned policies the HRA intends to implement under MTW for your inspection. I would be especially grateful for your attention to our Safe Harbor exceptions, which are required by HUD and always exempt the disabled and elderly from any requirement. In your opinion, how could we improve our safe harbors while maintaining the effectiveness of the programs?

I deeply agree with your point that “if we truly want to get folks out of public housing...more support for families who need it” will be critical. For this reason, the HRA plans to add a new staff role this spring specifically dedicated to helping residents succeed in MTW programming. A crucial part of this job will be to connect residents with the broad coalition of partners that have expressed support for MTW.



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For example, I've included a letter of support from the local Habitat for Humanity to HUD on behalf of the HRA's MTW application. Productive relationships with community stakeholders like Habitat for Humanity and advocates like yourself will decide if the potential of MTW is realized in Hibbing. Do you have any suggestions for other stakeholders or advocates the HRA should seek to form a relationship with for the success of MTW?

I'm excited to hear your response. Please feel free to write or call me.

Your willingness to dialogue makes you a true advocate for the vulnerable, and your feedback is invaluable for HRA's mission to "seize social and economic opportunities to develop and revitalize our community."

Sincerely,

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