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## **APPENDIX: SOURCES AND METHODS USED IN “EXPANSION OF HUD’S ‘MOVING-TO-WORK’ DEMONSTRATION IS NOT JUSTIFIED”**

### **Public Housing and Voucher Funding Levels**

The estimates in the analysis of the number of families MTW and non-MTW agencies assisted in 2009 per \$100,000 in federal funding were calculated by comparing (1) the amount of public housing and voucher funding agencies received to (2) the number of families agencies assisted through vouchers, public housing, or other similar forms of housing assistance.

The funding levels reflect the actual amount of funding HUD data indicate agencies received after the application of any funding proration or reserve offset. They include voucher renewal funds, incremental and tenant protection voucher awards, administrative fee awards, public housing operating subsidies for calendar year 2009, and public housing capital fund formula grants for federal fiscal year 2009. They exclude funds provided through a number of smaller accounts and set-asides that are not used primarily for ongoing rental assistance or maintenance, repair, and administration of existing units, and they are not covered by the funding flexibility provided to MTW agencies: HOPE VI; Choice Neighborhoods; Replacement Housing Factor (RHF) awards through the Capital Fund; Resident Opportunities for Self-Sufficiency (ROSS); and grants for Family Self-Sufficiency (FSS) coordinators. The estimates also exclude supplemental capital funding provided through the 2009 Recovery Act. (MTW agencies received disproportionately large funding amounts from these excluded sources, so their inclusion would have further increased the imbalance between MTW and non-MTW agencies in the number of families assisted per dollar in federal funding.)

Some housing agencies administer housing subsidies that are funded separately from public housing and vouchers, including project-based Section 8, Section 8 Moderate Rehabilitation, and Section 811 Mainstream vouchers. The analysis excludes federal funds provided for these programs and the families they assist. The estimates, however, include funding provided for, and families assisted by, vouchers or public housing units at MTW agencies that are not covered by the agencies' MTW agreements, since in analyzing HUD and agency data it is sometimes difficult to distinguish such units from the same agency's MTW units.

## **Number of Families Assisted**

Both MTW and non-MTW agencies regularly report data through HUD's Voucher Management System (VMS) on the number of their vouchers in use each month. The analysis uses these data to determine the number of families both types of agencies assisted through the voucher program.

For non-MTW agencies, we estimated the number of eligible low-income families assisted in public housing using occupancy data reported for the 2010 public housing operating fund eligibility determinations. These data cover the period from July 2008 to June 2009. To estimate the number of families assisted in calendar year 2009, we projected the data forward by assuming that the percentage of public housing units occupied by eligible low-income families at non-MTW agencies was 0.5 percent lower than in the 12 months ending in June 2009. This is approximately the rate of decline in the number of families living in public housing in recent years.

For MTW agencies, the analysis uses the number of occupied public housing units reported by the agencies in their annual reports to HUD for calendar year 2009 or the most closely overlapping period for which data were available. For several agencies, report data were not available for any period overlapping with calendar year 2009; for those agencies we used data submitted by the agency for operating subsidy determinations.

MTW agencies are permitted to use funds for housing assistance through local programs that are distinct from the public housing and voucher programs. We included such units when they were reported in agency reports to HUD, received ongoing subsidies through public housing or voucher funds, and provided ongoing rental assistance comparable to public housing and vouchers. We excluded Low-Income House Tax Credit units and units described simply as "affordable," unless the reports indicated that the units received funds through MTW during 2009 and that sufficient subsidies were provided to make the units affordable to families at the income level typically served by public housing and vouchers.

The analysis uses data on the number of families assisted per dollar of federal funding in 2009 because complete data on the number of families assisted in 2010 are not yet available. HUD has not released data used for 2011 operating subsidy determinations, which will contain the most complete information on the number of occupied public housing units at non-MTW agencies in 2010. In addition, agency reports covering most of 2010 are not yet publicly available for a number of MTW agencies.

## **Funding Per Authorized Unit**

The analysis uses authorized voucher totals from HUD data for MTW and non-MTW agencies. Since the number of authorized vouchers may rise or fall during the course of the year, the totals are averages of monthly levels. The total number of public housing units used to calculate per unit operating subsidy funding is drawn from data used for 2010 operating subsidy determinations. For both programs, we used the same funding levels to determine funding per authorized unit as we used to calculate the funding level per family served described above.

## **Vouchers Funded but Left Unused**

The number of families agencies could have assisted in 2010 with the voucher funds they received was estimated by dividing each agency's calendar year voucher subsidy funding by the agency's annual cost per voucher based on its VMS data. This calculation does not include unspent prior year funds remaining in agency reserves.

Some MTW agencies receive voucher administrative funding (which non-MTW agencies receive through a separate budget account) and subsidy renewal funds together in a single funding stream. For these agencies, we estimated the amount that was intended as administrative funding by assuming that the agency's administrative funding was equal to 9.3 percent of its subsidy funding (the national average for non-MTW agencies), and we deducted the estimated administrative funding from the agency's funding level before calculating the amount available to fund voucher subsidies.

We then calculated the share of vouchers left unused at MTW and non-MTW agencies that could have been funded with the voucher funds the agency received by comparing the number of families the agency could have assisted with its voucher funds to the number of vouchers in use according to VMS. For non-MTW agencies, we capped the number of vouchers in use and the number of families that the agency could have assisted at the number of vouchers the agency was authorized to administer. We did not apply this cap at MTW agencies, since (unlike non-MTW agencies) MTW agencies are permitted to assist families beyond their authorized level.

## **Agencies Counted as Participating in MTW**

The estimates in the analysis of the number of families assisted per dollar of public housing and voucher funding, the amount of public housing and voucher funding agencies received per authorized unit, and the number of unassisted families who could have been assisted with available funds cover 2009 and 2010, so they count as MTW agencies only the 30 agencies that participated in MTW throughout those years. The analysis treats Tacoma, Orlando, Champaign County (IL), Boulder (CO), and Lexington (KY), which were admitted under the terms of 2009 and 2010 appropriations legislation and began participating in MTW late in 2010 or later, as non-MTW agencies.