



May 26, 2015

The Honorable Julian Castro  
Secretary  
Department of Housing and Urban Development  
451 7<sup>th</sup> Street, SW  
Washington, DC 20410

The Honorable Shaun Donovan  
Director  
Office of Management and Budget  
725 17<sup>th</sup> Street, NW  
Washington, DC 20503

Dear Secretary Castro and Director Donovan:

We are writing to express our opposition to the proposal in the Administration's 2016 budget to expand the Moving to Work demonstration (MTW) without adequately addressing its shortcomings. We greatly appreciate the work you and your agencies have done to protect and strengthen housing assistance for the lowest-income Americans. The proposed MTW expansion, however, could undercut those efforts and impede key Administration goals by weakening or eliminating important tenant rights, shifting resources away from the neediest families, and laying the groundwork for future rental assistance cuts.

Rather than pushing ahead with a divisive, harmful MTW expansion, we urge you to focus on enactment of constructive, broadly supported reforms in areas such as project-based vouchers, tenant screening, housing quality inspections, and the Family Self-Sufficiency program. If the Administration does continue to advocate MTW expansion, it should insist that the expansion be accompanied by the full set of protections HUD negotiated in 2012 with NLIHC, CBPP, and housing agency trade groups.

There is no compelling rationale to expand MTW. Reports from the Government Accountability Office and HUD's Inspector General indicate that HUD already struggles to oversee the demonstration at its current size. HUD has not explained what it could accomplish with 150,000 added MTW units that would be impossible with the 430,000 units in the demonstration today. Moreover, the goals MTW proponents cite — such as streamlining program rules, allowing policy experimentation, and supporting work — could be furthered through other policies that are more likely to achieve policymakers' goals, less risky, and less controversial.

MTW has been well-administered at some agencies and has permitted some useful innovation, but it has also done significant harm. The demonstration has exposed many families to risky policies such as work requirements, time limits, and rent increases, but has not required the rigorous evaluation needed to assess those policies' impact. MTW has allowed agencies to shift large amounts of voucher funds to other purposes or accumulate them as reserves, leaving tens of thousands of families without vouchers despite the availability of funds to support them. In addition, MTW expansion — like Representative Paul Ryan's Opportunity Grant proposal and other efforts to block grant rental assistance programs — would increase the risk that funds will be cut in the future.

If MTW is expanded, it is critical that the expansion include strong protections to address these risks. We were dismayed that the Administration's expansion plan omitted or weakened most of the protections in the 2012 stakeholder agreement. These include — but are not limited to — provisions capping cuts in the number of families receiving substantial rental assistance, prohibiting waivers of key tenant rights and program standards (such as the requirement that agencies target most assistance on extremely low-income families), limiting the scope of the riskiest MTW policies (time limits, work requirements, and major rent changes), and requiring rigorous evaluation of those policies. We strongly urge you to stand by HUD's prior commitment to the full set of stakeholder agreement protections and advocate their inclusion in any MTW expansion.

We look forward to working with you to make federal rental assistance as effective as possible in meeting the housing needs of the lowest-income families and individuals.

Sincerely,



Sheila Crowley  
President and CEO  
National Low Income Housing Coalition



Barbara Sard  
Vice President for Housing Policy  
Center on Budget and Policy Priorities

Cc: Lourdes Castro Ramirez, Dominique McCoy, Andrew Mayock, Michelle Enger, Luke Tate