

## **HOUSING AUTHORITY OF THE CITY OF SANTA BARBARA**

The Housing Authority of the City of Santa Barbara (HACSB) will be submitting form HUD-50075-MTW electronically through the Moving to Work (MTW) portal to HUD upon approval of its Board of Commissioners after a public process. Please find the original form HUD-50075-MTW on HUD's website at:

[https://www.hud.gov/program\\_offices/public\\_indian\\_housing/programs/ph/mtw/expansion/mtwsupplement](https://www.hud.gov/program_offices/public_indian_housing/programs/ph/mtw/expansion/mtwsupplement). This document contains the information in the HUD form, but in an easier to read format, including larger print in a format that will be accessible to persons with disabilities when posted online. Most of the instructions and questions in the document are copied directly from the form HUD-50075-MTW (01/2021).

## **EXPLANATORY NOTE TO PUBLIC REVIEWERS OF THE PROPOSED MOVING TO WORK SUPPLEMENT FILLABLE FORM**

The Moving to Work (MTW) Supplement collects information about policies implemented by MTW expansion agencies. MTW agencies use it to communicate their plans with residents and community stakeholders through required public comment processes, and HUD uses the information collected to monitor and evaluate the MTW demonstration program. MTW agencies will submit the MTW Supplement to HUD annually, and amend as needed. HUD plans to make the MTW Supplement into a fillable form so as to reduce respondent burden and make the information collected more useful to HUD. When the MTW Supplement is available through the fillable form, it will include skip patterns<sup>1</sup> that prompt the user to populate only the sections relevant to what they are currently implementing. It will also include screening questions that will ask which waivers and associated activities they are currently implementing, plan to implement in the upcoming year, or will be discontinued in the submission year. The MTW Agency will be able to print the information from the MTW Supplement in a reader-friendly format in order to inform the public of its plans for the upcoming year. The purposes of the MTW Supplement are two-fold: it reports to HUD what is happening at the local level in a way that the Department can monitor and evaluate; and, more importantly, it informs the public about what the agency is planning and gives the public the ability to provide comment.

The MTW Supplement asks for information about each of the MTW Waivers and associated activities that are made possible by the MTW Operations Notice, Safe Harbor Waivers and Agency-Specific Waivers, and a few other types of information. MTW agencies will fill in information/data through a fillable form and the information collected will be stored in a database so that it can be analyzed by HUD. The approved forms will be posted to the MTW website for viewing by the public. For instance, it will be simple to find out how many MTW agencies and which MTW agencies are implementing each type of activity. It will also simplify reporting for the MTW agency since information will carry

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<sup>1</sup> A skip pattern is a question or series of questions associated with a conditional response.

over year-to-year in the fillable form so that information that does not change from year to year will be pre-populated, thereby reducing respondent burden.

This document lists the sections of the MTW Supplement and then presents the proposed questions to be included in the MTW Supplement for MTW agencies to answer annually. Throughout the online version, there will be a dropdown menu option that makes it clear as to which activities an agency is permitted to do within the safe harbors of the MTW Operations Notice, Appendix I, MTW Waivers.

### **Sections of the MTW Supplement:**

- A. PHA Information
- B. Narrative
- C. MTW Waivers and Associated MTW Activities
- D. Safe Harbor Waivers
- E. Agency-Specific Waivers
- F. Public Housing Operating Subsidy Grant Reporting
- G. MTW Statutory Requirements
- H. Evaluations
- I. MTW Certifications of Compliance

### **Information to be Collected for MTW Activities**

There are many MTW activities, subject to limitations as outlined in the MTW Operations Notice, that an MTW agency may implement. Each MTW agency will likely only engage in a subset of these MTW activities. The MTW Supplement will first ask MTW agencies to identify which MTW activities they are proposing to implement and which of those MTW activities they are already implementing. MTW agencies will subsequently be asked to provide information only about the MTW activities they are proposing to implement or are already implementing. This feature will reduce respondent burden. MTW waivers have associated MTW activities. MTW agencies are also able to combine MTW activities into their own initiatives.

MTW agencies will be asked for specific information about each MTW activity they are proposing to implement or are already implementing. There are six types of questions that could be asked about each MTW activity. The exact mix of questions will depend partly upon the MTW activity and partly upon the requirements for that MTW activity listed in the MTW Operations Notice. The six types of questions are:

- (1) Core—questions applicable to most MTW activities
- (2) Custom—questions specific to an individual MTW activity
- (3) Safe Harbor Waiver—questions asked when the MTW activity requires a Safe Harbor Waiver
- (4) Hardship Policy—questions asked when the MTW Operations Notice requires a hardship policy for the MTW activity
- (5) Impact Analysis—questions asked when the MTW Operations Notice requires an impact analysis for the MTW activity

(6) Agency-Specific Waiver—questions asked when the MTW activity requires an Agency-Specific Waiver

## Questions

The questions are presented below by type, beginning with the core questions. In the final online version of the MTW Supplement, the relevant questions from each type will be asked together in relation to each MTW activity the MTW agency is proposing to implement or is already implementing. The final online version of the MTW Supplement will be set up to allow for different versions of the same MTW activity—for instance, a different minimum rent for the non-elderly/non-disabled than for the elderly/disabled. The final online version of the MTW Supplement will also be able to autofill items with information from previous years. This feature will reduce respondent burden.

Table 1, at the end of this document, lists the MTW activities and indicates which types of questions need to be asked about each one.

## MTW SUPPLEMENT TO THE ANNUAL PHA PLAN

U.S. Department of Housing and Urban Development Office of Public and Indian Housing

OMB. No. 2577-0226

Expires: 03/31/2024

**Purpose.** The Moving to Work (MTW) Supplement to the Annual PHA Plan informs HUD, families served by the PHA, and members of the public, about the MTW Waivers and associated activities that the MTW agency seeks to implement in the coming Fiscal Year and updates the status of MTW activities that have been previously approved. It also provides information about Safe Harbor Waivers, Agency-Specific Waivers, compliance with MTW statutory requirements, and evaluations. The MTW Supplement does not replace the PHA Plan. MTW agencies must continue to submit the applicable PHA Plan. MTW agencies that are not required to submit annual PHA Plans under the Housing and Economic Recovery Act of 2008 (HERA) must submit the MTW Supplement annually, in addition to holding public hearings, obtaining board approval, and consulting with Resident Advisory Boards (RABs) and tenant associations, as applicable, on planned MTW activities.

**Applicability.** Form HUD-50075-MTW is to be completed annually by all MTW agencies brought onto the MTW Demonstration Program pursuant to Section 239 of the Fiscal Year 2016 Appropriations Act, P.L. 114-113 (2016 MTW Expansion Statute) or legacy MTW agencies that chose to follow the requirements of the MTW Operations Notice.

**Definitions.** All terms used in this MTW Supplement are consistent with the definitions stated in the MTW Operations Notice, including:

- (1) **Local, Non-Traditional Activities (LNT)** – Those MTW activities that use MTW funding flexibility outside of the Housing Choice Voucher (HCV) and public housing programs established in Sections 8 and 9 of the U.S. Housing Act of 1937.

- (2) **Safe Harbors** – The additional parameters or requirements, beyond those specified in the MTW activity description itself found in the MTW Operations Notice, following each activity description, that the MTW agency must follow in implementing MTW activities.
- (3) **Substantially the Same Requirement** – A statutory MTW requirement that 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.

## A. PHA INFORMATION

- A.1 **PHA Name:** Housing Authority of the City of Santa Barbara  
**PHA Code:** CA076  
**MTW Supplement for PHA Fiscal Year Beginning (MM/DD/YYYY):**  
04/01/2023  
**PHA Program Type:**  Public Housing (PH) only  
 Housing Choice Voucher (HCV) only  
 Combined  
**MTW Cohort Number:** 4 (Landlord Incentives)  
**MTW Supplement Submission Type:**  
 Annual Submission  
 Amended Annual Submission

## B. NARRATIVE

### B.1 MTW Supplemental Narrative.

The narrative provides the MTW agency with an opportunity to explain to the public, including the families that it serves, its MTW plans for the fiscal year and its short and long-term goals.

The MTW agency should provide a description of how it seeks to further the three MTW statutory objectives during the coming Fiscal Year. Those three MTW statutory objectives are: (1) to reduce cost and achieve greater cost effectiveness in federal expenditures; (2) to give incentives to families with children whose heads of household are either working, seeking work, or are participating in job training, educational or other programs that assist in obtaining employment and becoming economically self-sufficient; and (3) to increase housing choices for low-income families.

The Housing Authority of the City of Santa Barbara (HACSB) has maintained a long-standing goal of being designated a Moving to Work (MTW) agency and is thrilled to begin implementing of various MTW activities at the onset of its 2023/2024 fiscal year.

Prior to MTW designation, HACSB utilized all available resources, however limited, and implemented innovative landlord programs and incentives aimed at increasing landlord participation in the Section 8 program. The fiscal flexibility allowed by Moving to Work will allow HACSB to further collaborate with landlords and property owners to create Section 8 program enhancements to enhance landlord and property owner participation and retention in the program. The Year One is goal being to increasing housing choice for Section 8 Housing Choice Voucher recipients.

HACSB will focus Year One MTW implementation on meeting the MTW statutory objective to increase housing choices for low-income families through extensive landlord incentives. The focus will be on monetary incentives and on-going educational opportunities for property owners and managers. Signing bonuses, vacancy payments, mitigation funds, education legal workshops, increased program marketing and a constant focus on providing great customer service will be the focus of year one. Despite limited inventory and high rents, increased monetary incentives will increase owner participation and housing choices for program participants.

HACSB will also implement modifications to medical, disability and dependent allowances to reduce administrative cost and burden. Verifying on-going medical expenses for eligible households is a very time-consuming process. HACSB will eliminate this practice and in turn will apply an increased standardized deduction, to significantly reduce staffing time and associated costs. In addition, the increase deductions will result in reduced tenant rent portions.

Throughout year-one HACSB will continue to engage with all stockholders to evaluate and create additional incentives and program modifications.

## **C. MTW WAIVERS AND ASSOCIATED ACTIVITIES**

**NOTE: MTW agencies are reminded that all MTW Waivers and associated activities must be implemented in accordance with the MTW Operations Notice and within its safe harbors unless a Safe Harbor or Agency-Specific Waiver approval is provided by HUD, in which case, the activity utilizing the Safe Harbor or Agency-Specific Waiver must be implemented in accordance with the terms of the approval.**

**Screener:**

For all MTW Waivers and Activities in Section C, the screening question listed below will be presented in the fillable form. This will allow the form to only display those waivers that input where is required.

Each waiver and activity will be listed with the following choices. If “Not Currently Implemented” is selected, the agency will not be shown any further questions for the activity.

- Currently Implementing
- Plan to Implement in the Submission Year
- Will be Discontinued in the Submission Year
- Was Discontinued in a previous Submission Year
- Not Currently Implemented

### **Core Questions:**

The following core questions apply to all of the MTW Waivers and associated activities listed in the MTW Operations Notice. The core questions collect basic information about any MTW activity proposed or implemented by MTW agencies.

- Narrative. Describe the MTW activity, the MTW agency’s goal(s) for the MTW activity, and, if applicable, how the MTW activity contributes to a larger initiative.
- MTW Statutory Objectives. Which of the MTW statutory objectives does this MTW activity serve?
- Cost implications. What are the cost implications of this MTW activity? Pick the best description of the cost implications based on what you know today.
- Different policy by household status/family types/sites? Does the MTW activity under this waiver apply to all assisted households or only to a subset or subsets of assisted households?
- Household Status. Does the MTW activity apply only to new admissions, only to currently assisted households, or to both new admissions and currently assisted households?
- Family Types. Does the MTW activity apply to all family types or only to selected family types?
- Location. Depending on if responses are being provided for a public housing (PH) or HCV activity, the agency will either see questions applicable to PH or HCV.
- Does the MTW agency need a Safe Harbor Waiver to implement this MTW activity as described?
- Does this MTW activity require a hardship policy?
- Does the MTW activity require an impact analysis?

As this is the first year of MTW for HACSB, questions pertaining to last year’s performance of the activity will not be answered with anything other than “0” or “none.”

### **Custom Questions:**

Custom questions are tailored to each MTW activity. In what follows, the MTW activities are listed with their custom questions. The final online version of the MTW Supplement will be set up so that if an MTW activity is the same in the HCV and/or public housing programs, the MTW agency fills in the information for public housing, then the information is auto populated for the HCV program. MTW agencies are asked to fill in answers only to questions that are relevant to the MTW activities they propose to implement or are already implementing.

As this is the first year of MTW for HASCB, questions pertaining to last year's performance of the activity will not be answered with anything other than "0" or "none."

<b>1. Tenant Rent Policies</b>	
b. Tiered Rent (HCV)	Not Currently Implemented
d. Stepped Rent (HCV)	Not Currently Implemented
f. Minimum Rent (HCV)	Not Currently Implemented
h. Total Tenant Payment as a Percentage of Gross Income (HCV)	Not Currently Implemented
j. Alternative Utility Allowance (HCV)	Not Currently Implemented
l. Fixed Subsidy (HCV)	Not Currently Implemented
n. Utility Reimbursements (HCV)	Plan to Implement in the Submission Year
o. Initial Rent Burden (HCV)	Not Currently Implemented
q. Impute Income (HCV)	Not Currently Implemented
s. Elimination of Deduction(s) (HCV)	Not Currently Implemented
u. Standard Deductions (HCV)	Plan to Implement in the Submission Year
w. Alternative Income Inclusions/Exclusions (HCV)	Not Currently Implemented

<b>2. Payment Standards and Rent Reasonableness</b>	
a. Payment Standards – Small Area Fair Market Rents (FMR) (HCV)	Not Currently Implemented
b. Payment Standards – Fair Market Rents (HCV)	Plan to Implement in the Submission Year
c. Rent Reasonableness – Process (HCV)	Not Currently Implemented
d. Rent Reasonableness – Third Party Requirement	Not Currently Implemented

<b>3. Reexaminations</b>	
b. Alternative Reexamination Schedule for Households (HCV)	Plan to Implement in the Submission Year
d. Self-certification of Assets (HCV)	Not Currently Implemented

<b>4. Landlord Leasing Incentives</b>	
a. Vacancy Loss (HCV-Tenant-Based Assistance)	Plan to Implement in the Submission Year
b. Damage Claims (HCV-Tenant-Based Assistance)	Plan to Implement in the Submission Year
c. Other Landlord Incentives (HCV-Tenant-Based Assistance)	Plan to Implement in the Submission Year

<b>5. Housing Quality Standards (HQS)</b>	
a. Pre-Qualifying Unit Inspections (HCV)	Plan to Implement in the Submission Year
b. Reasonable Penalty Payments for Landlords (HCV)	Not Currently Implemented
c. Third-Party Requirement (HCV)	Not Currently Implemented
d. Alternative Inspection Schedule (HCV)	Not Currently Implemented

<b>6. Short-Term Assistance</b>	
b. Short-Term Assistance (HCV)	Not Currently Implemented

<b>7. Term-Limited Assistance</b>	
b. Term-Limited Assistance (HCV)	Not Currently Implemented

<b>8. Increase Elderly Age (PH &amp; HCV)</b>	
a. Increase Elderly Age (HCV)	Not Currently Implemented

<b>9. Project-Based Voucher Program Flexibilities</b>	
a. Increase PBV Program Cap (HCV)	Plan to Implement in the Submission Year
b. Increase PBV Project Cap (HCV)	Plan to Implement in the Submission Year
c. Elimination of PBV Selection Process for PHA-Owned Projects without Improvement, Development, or Replacement (HCV)	Plan to Implement in the Submission Year
d. Alternative PBV Selection Process (HCV)	Not Currently Implemented
e. Alternative PBV Unit Types (Shared Housing and Manufactured Housing) (HCV)	Not Currently Implemented
f. Increase PBV HAP Contract Length (HCV)	Not Currently Implemented
g. Increase PBV Rent to Owner (HCV)	Not Currently Implemented
h. Limit Portability for PBV Units (HCV)	Not Currently Implemented



<b>10. Family Self-Sufficiency Program with MTW Flexibility</b>	
a. HCV Waive Operating a Required FSS Program (HCV)	Not Currently Implemented
b. HCV Alternative Structure for Establishing Program Coordinating Committee (HCV)	Not Currently Implemented
c. HCV Alternative Family Selection Procedures (HCV)	Not Currently Implemented
d. HCV Modify or Eliminate the Contract of Participation (HCV)	Not Currently Implemented
e. HCV Policies for Addressing Increases in Family Income (HCV)	Not Currently Implemented

<b>11. MTW Self-Sufficiency Program</b>	
a. HCV Alternative Family Selection Procedures (HCV)	Not Currently Implemented
b. HCV Policies for Addressing Increases in Family Income (HCV)	Not Currently Implemented

<b>12. Work Requirement</b>	
b. Work Requirement (HCV)	Not Currently Implemented

<b>13. Use of Public Housing as an Incentive for Economic Progress (PH)</b>	Not applicable
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<b>14. Moving On Policy</b>	
a. Waive Initial HQS Inspection Requirement (HCV)	Not Currently Implemented
b. HCV Allow Income Calculations from Partner Agencies (HCV)	Not Currently Implemented
c. HCV Aligning Tenant Rents and Utility Payments Between Partner Agencies (HCV)	Not Currently Implemented

<b>15. Acquisition without Prior HUD Approval (PH)</b>	Not applicable
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<b>16. Deconcentration of Poverty in Public Housing Policy (PH)</b>	Not applicable
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<b>17. Local, Non-Traditional Activities</b>	
a. Rental Subsidy Program	Not Currently Implemented
b. Service Provision	Not Currently Implemented

<b>17. Local, Non-Traditional Activities</b>	
c. Housing Development Programs	Not Currently Implemented

Core and Custom Question Answers for Activities Plan to Implement in Submission Year:

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**1.n. Utility Reimbursements (HCV)**

HACSB will eliminate the utility allowance reimbursement payments to households. Utility allowance reimbursements were issued infrequently and reimbursement checks would often go uncashed. To reduce cost and the administrative burden of issuing these payments HACSB will eliminate this practice.

This MTW activity serves the following statutory objectives:

- Cost effectiveness
- Self-sufficiency
- Housing Choice

This MTW activity has the following cost implications:

- Neutral
- Increased revenue
- Decreased revenue
- Increased expenditures
- Decreased expenditures

A MTW activity may apply to all assisted households or only to a subset or subsets of assisted households by having a different policy by household status/family types/sites. This MTW activity applies:

- to all assisted households
- only to a subset or subsets of assisted households

This MTW activity does not require a Safe Harbor Waiver.

This MTW activity does not require a hardship policy.

This MTW activity does not require an impact analysis.

**1.u. Standard Deductions (HCV)**

HACSB will implement a larger standard deduction for elderly and disabled families. This will reduce administrative burden and cost and be a benefit for eligible families.

Custom Question: What is the standard deduction?

\$1,000.00

This MTW activity serves the following statutory objectives:

- Cost effectiveness
- Self-sufficiency
- Housing Choice

This MTW activity has the following cost implications:

- Neutral
- Increased revenue
- Decreased revenue
- Increased expenditures
- Decreased expenditures

A MTW activity may apply to all assisted households or only to a subset or subsets of assisted households by having a different policy by household status/family types/sites. This MTW activity applies:

- to all assisted households
- only to a subset or subsets of assisted households -Elderly and Disabled Households

This MTW activity does not require a Safe Harbor Waiver.

This MTW activity **does** require a hardship policy.

Hardship policy will be uploaded here, but please see **Standard Deduction** Hardship Policy.

This MTW activity **does** require an impact analysis. Impact analysis will be uploaded here, but please see **Standard Deduction** Impact Analysis.

**2.b. Payment Standards – Fair Market Rents (HCV)**

HACSB will adopt a payment standard that is between 80-120% of the Fair Market Rents (FMR). Payment standards will be reviewed on an annual basis when the new FMR is published, and at other times as determined necessary. The ability to set payment standards within this increased range will allow for payment standards to be more reflective of local markets and therefore increase the number of housing units that HCV participants qualify to rent.

Custom Question: Please explain the payment standards by FMR.

HACSB will adopt a payment standard that is between 80-120% of the Fair Market Rents (FMR)

This MTW activity serves the following statutory objectives:

- Cost effectiveness
- Self-sufficiency
- Housing Choice

This MTW activity has the following cost implications:

- Neutral
- Increased revenue
- Decreased revenue
- Increased expenditures
- Decreased expenditures

A MTW activity may apply to all assisted households or only to a subset or subsets of assisted households by having a different policy by household status/family types/sites. This MTW activity applies:

- to all assisted households
- only to a subset or subsets of assisted households

This MTW activity does require a Safe Harbor Waiver.

This MTW activity does require a hardship policy.

Hardship policy will be uploaded here, but please see Payment Standards Hardship Policy.

This MTW activity does require an impact analysis. Impact analysis will be uploaded here, but please see Payment Standard Impact Analysis.

### 3.b. Alternative Reexamination Schedule for Households

Reducing family's responsibility to provide income documentation from annually to tri-annually results in less caseworkers needed to process annuals that result in minimal rent changes. Allows stability in rent for tenants and landlords. Families receiving zero income or less than \$5,000 per adult annually in income, living in Mod Rehab SRO, Shelter Plus Care, VASH, or EHV units will receive annual recertifications. HACSB will check for families meeting these conditions twice a year (normally January and July) and schedule an annual reexamination as appropriate.

Income increase(s) resulting in an annual increase of \$10,000 needs to be reported. Increases of less than \$10,000 annually do not need to be reported between recertifications. Cumulative increases resulting in more than \$10,000 of income increases needs to be reported when the \$10,000 level is reached.

Families receiving the Earned Income Disallowance (EID) will receive interims to change their EID portion annually that will not count towards the limit.

Owners would still be able to request annual rent increases. These would be processed after a rent reasonableness test is conducted and would not count towards interim cap.

Custom Question: What is the recertification schedule?

- Once every two years
- Once every three years
- Other

Custom Question: How many interim recertifications per year may a household request?

- 0
- 1
- 2 or more

Custom Question: Please describe briefly how the MTW agency plans to address changes in family/household circumstances under the alternative reexamination schedule.

The family may request one interim per year for an income decrease or family composition change. Reports of income increases of more than \$10,000 do not count towards the interim limit. Involuntary household composition changes do not apply towards the interim limit, for example, reporting the death of a family member will not count towards the interim limit.

If the interim results in a decrease, the family must show that the gross income loss is going to significantly (greater than 10%) and long-term (more than 6 months) change the family's annual income going forward from the income used at the last income calculation. No interim decreases will be processed during the first six months after initial occupancy.

**3.b. Alternative Reexamination Schedule for Households**

If the family composition change is for an addition of an adult, then eligibility must be determined before an individual can move into the unit. The new adult family member's income will be added during the interim. Family composition changes for minors would be processed at the next triennial or when the household transfers. The family may request an interim for family composition changes once a year, including an increase in subsidy when the family is over-housed. Interims could be requested for additional adults to meet approved reasonable accommodations at any time.

The conditions of receiving a second interim decrease in one year are outlined in the Hardship Policy.

This MTW activity serves the following statutory objectives:

- Cost effectiveness
- Self-sufficiency
- Housing Choice

This MTW activity has the following cost implications:

- Neutral
- Increased revenue
- Decreased revenue
- Increased expenditures
- Decreased expenditures

A MTW activity may apply to all assisted households or only to a subset or subsets of assisted households by having a different policy by household status/family types/sites. This MTW activity applies:

- to all assisted households
- only to a subset or subsets of assisted households

This MTW activity does not require a Safe Harbor Waiver.

This MTW activity does require a hardship policy Alternative Reexamination Schedule Hardship Policy.

This MTW activity does require an impact analysis. Impact analysis will be uploaded here, but please see Alternative Reexamination Schedule Impact Analysis.

#### 4.a. Vacancy Loss

HACSB will pay vacancy loss when a unit assisted under the HCV program is re-rented through the Section 8 program. Vacancy loss will be paid for a maximum of 30-days/1 full month. Payment will be sent to Landlord once the HAP contract has been executed. All efforts made to lease a unit, including but not limited to, advertisements, notification to HACSB of an available unit, turnover timeline with workorders or invoices, will be required when deciding as to number of vacancy days paid. Vacancy loss will only be paid when the new tenant is a Section 8 assisted as was the immediate prior tenancy.

Custom Question: Does this policy apply to certain types of units or to all units all HCV units or only certain types of units (for example, accessible units, units in low-poverty neighborhood, or units/landlords new to the HCV program?)

- To all units
- Certain types of units only

If certain types of units only, what types of units does this policy apply to?

- Accessible units
- Units in particular types of areas or neighborhoods
- Units/landlords new to the HCV program
- Other. Please describe briefly:

Does not apply to PHA owned, LIHTC units, or units with regulatory agreements. Project-Based Voucher units.

Custom Question: What is the maximum payment that can be made to a landlord under this policy?

One month rent

This MTW activity serves the following statutory objectives:

- Cost effectiveness
- Self-sufficiency
- Housing Choice

This MTW activity has the following cost implications:

- Neutral
- Increased revenue
- Decreased revenue
- Increased expenditures
- Decreased expenditures

A MTW activity may apply to all assisted households or only to a subset or subsets of assisted households by having a different policy by household status/family types/sites. This MTW activity applies:

- to all assisted households
- only to a subset or subsets of assisted households



**4.a. Vacancy Loss**

A MTW activity can apply only to new admissions, only to currently assisted households, or to both new admissions and currently assisted households. This MTW activity applies to:

- New admissions (i.e., applicants) only
- Currently assisted households only
- New admissions and currently assisted households

A MTW activity can apply to all family types or only selected family types. This MTW activity applies to:

- all family types
- only to selected family types

An MTW activity can apply to a tenant-based and or project-based voucher.

- The MTW activity applies to all tenant-based units.
- The MTW activity applies to all properties with project-based vouchers.
- The MTW activity applies to specific tenant-based units and/or properties with project-based vouchers. The description of which tenant-based units and/or properties with project-based vouchers that will participate in this MTW activity is:

It does not apply to PHA owned, LIHTC units, units with regulatory agreements, or Project-Based Voucher units.

This MTW activity does not require a Safe Harbor Waiver.

This MTW activity does not require a hardship policy.

This MTW activity does not require an impact analysis.

**4.b. Damage Claims (HCV)**

Damage mitigation funds can be used to pay a landlord for tenant-caused damages beyond normal wear and tear, unpaid rent, and related court costs more than the tenant's security deposit. Allowing for damage mitigation funds will increase landlord retention and increase housing inventory.

Custom Question: Does this policy apply to certain types of units or to all units all HCV units or only certain types of units (for example, accessible units, units in low-poverty neighborhood, or units/landlords new to the HCV program?)

- To all units
- Certain types of units only

If certain types of units only, what types of units does this policy apply to?

- Accessible units
- Units in particular types of areas or neighborhoods
- Units/landlords new to the HCV program
- Other. Please describe briefly:

Does not apply to PHA owned, LIHTC units, or units with regulatory agreements. Also, does not apply to Project-Based Voucher units.

Custom Question: What is the maximum payment that can be made to a landlord under this policy?

2 months of contract rent

This MTW activity serves the following statutory objectives:

- Cost effectiveness
- Self-sufficiency
- Housing Choice

This MTW activity has the following cost implications:

- Neutral
- Increased revenue
- Decreased revenue
- Increased expenditures
- Decreased expenditures

A MTW activity may apply to all assisted households or only to a subset or subsets of assisted households by having a different policy by household status/family types/sites. This MTW activity applies:

- to all assisted households
- only to a subset or subsets of assisted households

A MTW activity can apply only to new admissions, only to currently assisted households, or to both new admissions and currently assisted households. This MTW activity applies to:

- New admissions (i.e., applicants) only
- Currently assisted households only
- New admissions and currently assisted households

**4.b. Damage Claims (HCV)**

A MTW activity can apply to all family types or only selected family types. This MTW activity applies to:

- all family types
- only to selected family types

An MTW activity can apply to a tenant-based and or project-based voucher.

- The MTW activity applies to all tenant-based units.
- The MTW activity applies to all properties with project-based vouchers.
- The MTW activity applies to specific tenant-based units and/or properties with project-based vouchers. The description of which tenant-based units and/or properties with project-based vouchers that will participate in this MTW activity is:

It does not apply to PHA owned, LIHTC units, units with regulatory agreements, or Project-Based Voucher units.

This MTW activity does not require a Safe Harbor Waiver.

This MTW activity does not require a hardship policy.

This MTW activity does not require an impact analysis.

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#### 4.c. Other Landlord Incentives

As these activities are implemented to increase landlord participation in the program, units that are required to house voucher holders such as Project-Based Voucher units, ones with a regulatory agreement on the units, Tax Credit units, or ones owned by the Housing Authority are not included in these activity.

This activity allows the HACSB to pay the landlord an incentive to lease up a Housing Choice Voucher (HCV) program participant. The HACSB would offer an array of incentives, but the total incentive paid to one landlord could not exceed more than one month of the contract rent of the unit and would be paid at the time of HAP execution.

The proposed incentives are:

- a) New landlord bonus: HACSB will pay an incentive of up to \$1000 for new HCV participating landlords.
- b) Referral bonus: A \$250 monetary incentive to any person referring a new landlord to the HACSB's HCV program which results in the lease up of a Section 8 participant. Section 8 participants would not be eligible.
- c) Legal Information Sessions: One of the barriers HACSB has discovered exists with landlords unwilling to participate in the HCV program is fear of not providing proper legal documentation. HACSB will provided periodic legal information sessions lead by a local attorney. This activity gives landlords more confidence in working with a HUD funded program.
- d) Apartment Repair Program: HACSB can provide loans to landlords to help pay for repairs to quickly bring a unit up to HQS standards. The loan would then be repaid over a period of 6 or 12 months with automatic deductions from HAP payments. Loan amounts will be granted up to \$2,500 with a quote from a qualified contractor or itemized estimate from the landlord.
- e) Subsidized Membership to Santa Barbara Rental Property Association (SBRPA): HACSB will pay a portion of the initial fees for the first year of membership for participating landlords for SBRPA fees. Landlords will gain access to SBRPA legal documents, information on new and existing tenant laws and an attorney. This access makes for generally better-informed landlords who follow rules and regulations and need less guidance from agency staff which ultimately is less of a financial and resource drain on the agency.
- f) Marketing: While marketing is not a landlord incentive, having an HCV program that is not marketed well will result in limited success. HACSB has been able to create a positive image about the agency as a whole and has been successful in marketing to landlords directly by advertising in local magazines and newspapers, using social

**4.c. Other Landlord Incentives**

media, sending out newsletters and by creating audio and visual public service (PSA) announcements.

g)Returning Landlord incentive: HASCB will pay an incentive of up to \$1000 for returning landlord leasing a unit to an HCV participant that has been on the program prior.

Custom Question: Does this policy apply to certain types of units or to all units all HCV units or only certain types of units (for example, accessible units, units in low-poverty neighborhood, or units/landlords new to the HCV program?

- To all units
- Certain types of units only

If certain types of units only, what types of units does this policy apply to?

- Accessible units
- Units in particular types of areas or neighborhoods
- Units/landlords new to the HCV program
- Other. Please describe briefly:

Does not apply to PHA owned, LIHTC units, units with regulatory agreements, or Project-Based Voucher units.

Custom Question: What is the maximum payment that can be made to a landlord under this policy?

One month's rent

This MTW activity serves the following statutory objectives:

- Cost effectiveness
- Self-sufficiency
- Housing Choice

This MTW activity has the following cost implications:

- Neutral
- Increased revenue
- Decreased revenue
- Increased expenditures
- Decreased expenditures

A MTW activity may apply to all assisted households or only to a subset or subsets of assisted households by having a different policy by household status/family types/sites. This MTW activity applies:

- to all assisted households
- only to a subset or subsets of assisted households

A MTW activity can apply only to new admissions, only to currently assisted households, or to both new admissions and currently assisted households. This MTW activity applies to:

- New admissions (i.e., applicants) only
- Currently assisted households only

**4.c. Other Landlord Incentives**

New admissions and currently assisted households

A MTW activity can apply to all family types or only selected family types. This MTW activity applies to:

all family types

only to selected family types

An MTW activity can apply to a tenant-based and or project-based voucher.

The MTW activity applies to all tenant-based units.

The MTW activity applies to all properties with project-based vouchers.

The MTW activity applies to specific tenant-based units and/or properties with project-based vouchers. The description of which tenant-based units and/or properties with project-based vouchers that will participate in this MTW activity is:

Does not apply to PHA owned, LIHTC units, units with regulatory agreements, or Project-Based Voucher units.

This MTW activity does not require a Safe Harbor Waiver.

This MTW activity does not require a hardship policy.

This MTW activity does not require an impact analysis.

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**5.a. Pre-Qualifying Unit Inspections**

Initial inspections of units can be conducted up to 90 days prior to unit lease-up to help incentivize landlords to participate in the program and avoid delays in leasing. Participants or landlords can request a special (interim) inspection at any time.

Custom Question: How long is the pre-inspection valid for?  
90 days

This MTW activity serves the following statutory objectives:

- Cost effectiveness
- Self-sufficiency
- Housing Choice

This MTW activity has the following cost implications:

- Neutral
- Increased revenue
- Decreased revenue
- Increased expenditures
- Decreased expenditures

A MTW activity may apply to all assisted households or only to a subset or subsets of assisted households by having a different policy by household status/family types/sites. This MTW activity applies:

- to all assisted households
- only to a subset or subsets of assisted households

This MTW activity does not require a Safe Harbor Waiver.

This MTW activity does not require a hardship policy.

This MTW activity does not require an impact analysis.

**9.a. Increase PBV Cap (HCV)**

There is a large community need for long term affordable housing. HCV units experience annual rent increases which result in increased tenant rental portions. By project-basing additional vouchers, long-term and affordable housing is secured for families.

This activity would increase the cap for which the HACSB could award Project-Based Voucher contracts. HACSB has very few project-based units a left to authorize and there is an increased need within the housing inventory.

Custom Question: What percentage of total authorized HCV units will be authorized for project-basing?

50% of the lower of either the total authorized units or annual budget authority

This MTW activity serves the following statutory objectives:

- Cost effectiveness
- Self-sufficiency
- Housing Choice

This MTW activity has the following cost implications:

- Neutral
- Increased revenue
- Decreased revenue
- Increased expenditures
- Decreased expenditures

A MTW activity may apply to all assisted households or only to a subset or subsets of assisted households by having a different policy by household status/family types/sites. This MTW activity applies:

- to all assisted households
- only to a subset or subsets of assisted households

This MTW activity does not require a Safe Harbor Waiver.

This MTW activity does not require a hardship policy.

This MTW activity does not require an impact analysis.



**9.b. Increase PBV Project Cap**

Allows more than the greater of 25 units or 25% of the units at a complex to receive Project-Based Voucher assistance. HACSB will implement this activity to allow a project cap of up to 100% of the units at a project. This will allow for additional housing choice for all Section 8 eligible households.

This MTW activity serves the following statutory objectives:

- Cost effectiveness
- Self-sufficiency
- Housing Choice

This MTW activity has the following cost implications:

- Neutral
- Increased revenue
- Decreased revenue
- Increased expenditures
- Decreased expenditures

A MTW activity may apply to all assisted households or only to a subset or subsets of assisted households by having a different policy by household status/family types/sites. This MTW activity applies:

- to all assisted households
- only to a subset or subsets of assisted households

This MTW activity does not require a Safe Harbor Waiver.

This MTW activity does not require a hardship policy.

This MTW activity does not require an impact analysis.

**9.c. Elimination of PBV Selection Process for PHA-owned Projects without Improvement, Development, or Replacement**

HACSB will be allowed to award project-based voucher units to properties owned by HACSB, or a single-asset entity of HACSB without engaging in a competitive selection process. HACSB must currently engage in an administratively burdensome process to project-based units that begins with publishing a Request for Proposals (RFP) to solicit applications for any interested property owner. This activity would provide flexibility to award PBV vouchers to HACSB owned units with a simplified process of having a Subsidy Layering Review conducted and ensuring the property is compliant with site selection requirements.

This MTW activity serves the following statutory objectives:

- Cost effectiveness
- Self-sufficiency
- Housing Choice

This MTW activity has the following cost implications:

- Neutral
- Increased revenue
- Decreased revenue
- Increased expenditures
- Decreased expenditures

A MTW activity may apply to all assisted households or only to a subset or subsets of assisted households by having a different policy by household status/family types/sites. This MTW activity applies:

- to all assisted households
- only to a subset or subsets of assisted households

A MTW activity can apply only to new admissions, only to currently assisted households, or to both new admissions and currently assisted households. This MTW activity applies to:

- New admissions (i.e., applicants) only
- Currently assisted households only
- New admissions and currently assisted households

A MTW activity can apply to all family types or only selected family types. This MTW activity applies to:

- all family types
- only to selected family types
- Other – another specifically defined target population or populations. The description of this population is:

An MTW activity can apply to a tenant-based and or project-based voucher.

- The MTW activity applies to all tenant-based units.
- The MTW activity applies to all properties with project-based vouchers.

**9.c. Elimination of PBV Selection Process for PHA-owned Projects without Improvement, Development, or Replacement**

The MTW activity applies to specific tenant-based units and/or properties with project-based vouchers. The description of which tenant-based units and/or properties with project-based vouchers that will participate in this MTW activity is:

Applies only to units owned by a single-asset entity of HACSB.

This MTW activity does not require a Safe Harbor Waiver.

This MTW activity does not require a hardship policy.

This MTW activity does not require an impact analysis.

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**Cohort 4.2 Front-End Vacancy Loss Payment**

ACTIVITY 2022-11: This activity is to incentivize landlords to participate in the HCV program in combination with activities 2022-04, 2022-05, 2022-06, and 2022-07.

As these activities are implemented to increase landlord participation in the program, units that are required to house voucher holders such as Project-Based Voucher units, ones with a regulatory agreement on the units, Tax Credit units, or ones owned by the Housing Authority are not included in this activity.

Similar to ACTIVITY 2022-04 except this allows the HACSB to make a payment up to one month's rent payment to a landlord whose unit was not vacated by a participant of the Housing Choice Voucher program and is subsequently occupied by a participant of the Housing Choice Voucher program. The payment would be made after the execution of the HAP contract.

This MTW activity serves the following statutory objectives:

- Cost effectiveness
- Self-sufficiency
- Housing Choice

This MTW activity has the following cost implications:

- Neutral
- Increased revenue
- Decreased revenue
- Increased expenditures
- Decreased expenditures

A MTW activity may apply to all assisted households or only to a subset or subsets of assisted households by having a different policy by household status/family types/sites. This MTW activity applies:

- to all assisted households
- only to a subset or subsets of assisted households

A MTW activity can apply only to new admissions, only to currently assisted households, or to both new admissions and currently assisted households. This MTW activity applies to:

- New admissions (i.e., applicants) only
- Currently assisted households only
- New admissions and currently assisted households

A MTW activity can apply to all family types or only selected family types. This MTW activity applies to:

- all family types
- only to selected family types

An MTW activity can apply to a tenant-based and or project-based voucher.

- The MTW activity applies to all tenant-based units.

**Cohort 4.2 Front-End Vacancy Loss Payment**

- The MTW activity applies to all properties with project-based vouchers.
- The MTW activity applies to specific tenant-based units and/or properties with project-based vouchers. The description of which tenant-based units and/or properties with project-based vouchers that will participate in this MTW activity is:

Does not apply to PHA owned, LIHTC units, or units with regulatory agreements.  
Would not apply to Project-Based Voucher units.

This MTW activity does not require a Safe Harbor Waiver.

This MTW activity does not require a hardship policy.

This MTW activity does not require an impact analysis.

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## **D. SAFE HARBOR WAIVERS**

### **D.1. Safe Harbor Waivers seeking HUD Approval:**

The MTW Operations Notice describes a simplified process for MTW agencies to implement MTW activities outside of the safe harbors described in Appendix I. For each Safe Harbor Waiver request, a document that includes the following information must be provided: (a) the name and number of the MTW Waiver and associated activity for which the MTW agency is seeking to expand the safe harbor, (b) the specific safe harbor and its implementing regulation, (c) the proposed MTW activity the MTW agency wishes to implement via this Safe Harbor Waiver, (d) a description of the local issue and why such an expansion is needed to implement the MTW activity, (e) an impact analysis, (f) a description of the hardship policy for the MTW activity, if applicable, and (g) a copy of all comments received at the public hearing along with the MTW agency's description of how the comments were considered, as a required attachment to the MTW Supplement.

Will the MTW agency submit request for approval of a Safe Harbor Waiver this year?

No    Yes

## **F. HOUSING OPERATING SUBSIDY GRANT REPORTING**

Not applicable. HACSB does not operate Public Housing.

## **G. MTW STATUTORY REQUIREMENTS**

### **G.1. 75% Very Low Income – Local, Non-Traditional.**

Not applicable as the Housing Authority of the City of Santa Barbara does not have a local, non-traditional MTW activity.

### **G.2. Establishing Reasonable Rent Policy.**

Has the MTW agency established a rent reform policy to encourage employment and self-sufficiency?

Yes                       No

[If No]: please describe the MTW agency's plans for its future rent reform activity and the implementation timeline.

HACSB is exploring options for implementing alternative reexamination schedules to a triennial reexamination schedule. Review of required interim reporting for income increases is also being reviewed for possible future implementation. HACSB staff is looking to implement once a software conversion is completed, and additional stakeholder input is solicited.

### **G.3. Substantially the Same (STS) – Local, Non-Traditional**

Not applicable.

**G.4. Comparable Mix (by Family Size) – Local, Non-Traditional**

Not applicable.

**G.5. Housing Quality Standards**

Certification is included in MTW Certifications of Compliance for HCV and local, non-traditional program.

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## **H. PUBLIC COMMENTS**

H.1.

Please provide copy of all comments received by the public, Resident Advisory Board, and tenant associations.

These will be provided as received.

Please attach a narrative describing the MTW agency's analysis of the comments and any decisions made based on these comments.

These will be provided as available.

If applicable, was an additional public hearing held for an Agency-Specific Waiver and/or Safe Harbor waiver?  Yes  No  N/A

## **I. EVALUATIONS**

I.1. Please list any ongoing and completed evaluations of the MTW agency's MTW policies, that the PHA is aware of, including the information requested in the table below.

Does the PHA have an agency-sponsored evaluation?  Yes  No

## **J. MTW CERTIFICATION OF COMPLIANCE**

The MTW agency must execute the MTW Certifications of Compliance form and submit as part of the MTW Supplement submission to HUD.

Please see form HUD-50075-MTW for the certification form that will be executed prior to MTW Supplement submission.



## **Hardship Policy**

### **Reasons for Financial Hardship**

Financial hardship includes the following situations:

- (1) The family has lost eligibility for or is awaiting an eligibility determination for a federal, state, or local assistance program. This includes a family member who is a noncitizen lawfully admitted for permanent residence under the Immigration and Nationality Act who would be entitled to public benefits but for Title IV of the Personal Responsibility and Work Opportunity Act of 1996.

#### HACSB Policy

A hardship will be considered to exist only if the loss of eligibility has an impact on the family's ability to pay the established rent, and only if there is another source of income from which the family is paying for ongoing medical expenses.

For a family waiting for a determination of eligibility, the hardship period will end as of the first of the month following: (1) implementation of assistance, if approved, or (2) the decision to deny assistance. A family whose request for assistance is denied may request a hardship exemption based upon one of the other allowable hardship circumstances.

- (3) Family income has decreased because of changed family circumstances, including the loss of employment.
- (4) A death has occurred in the family.

#### HACSB Policy

In order to qualify under this provision, a family must describe how the death has created a financial hardship (e.g., because of funeral-related expenses or the loss of the family member's income).

- (5) The family has experienced an increase in on-going out of pocket medical or disability related expenses circumstances that exceed 20% of the household's income.

### **Implementation of Hardship Exemption**

#### ***Determination of Hardship***

If a request for hardship is received HACSB will suspend the activity for the household, beginning the first day of the month following the date of the request. The activity will remain suspended until a determination has made as to whether the request is warranted.

The PHA then determines whether the financial hardship exists and whether the hardship is temporary or long-term.

#### HACSB Policy

The PHA defines temporary hardship as a hardship expected to last 90 days or less. Long-term hardship is defined as a hardship expected to last more than 90 days.

If the request is approved the request will remain in effect until the next income reexamination. At which time the hardship will be reevaluated.

The financial hardship exemption applies only to families who qualify as elderly or disabled families and report recurring out of pocket medical expenses. Likewise, the family must report an ongoing source of income from which the reported out of pocket medical expenses are paid. An elderly or disabled family with zero income is not eligible for a hardship exemption.

A hardship exemption may be considered if a household can demonstrate that they would not be able to pay the rent due to the standard health and medical deduction.

The hardship provision would require HACSB to recalculate household income by deducting the amount of health and medical expenses that exceed 20% of household income.

The hardship exemptions would expire at a household's next regular income reexamination, or when the household is able to resume paying rent using the regular income calculation

#### HACSB Policy

To qualify for a hardship exemption, a family must submit a request for a hardship exemption in writing. The request must explain the nature of the hardship and how the hardship has affected the family's ability to pay rent.

The PHA will make the determination of hardship within 30 calendar days.

#### ***No Financial Hardship***

If the PHA determines there is no financial hardship, the PHA will reinstate the standard deduction and require the family to repay the amounts suspended.

#### HACSB Policy

The PHA will require the family to repay the suspended amount within 30 calendar days of the PHA's notice that a hardship exemption has not been granted.

#### ***Temporary Hardship***

If the PHA determines that a qualifying financial hardship is temporary, the PHA will calculate medical or disability related expenses and include all expenses that exceed 20% of a household's income. This TTP will be for a 90-day period beginning the first of the month following the date of the family's request for a hardship exemption.

At the end of the 90-day suspension period, the family must resume payment of rent as calculated with the standard deduction and must repay the PHA the amounts suspended. HUD requires the PHA to offer a reasonable repayment agreement, on terms and conditions established by the PHA. The PHA also may determine that circumstances have changed and the hardship is now a long-term hardship.

### HACSB Policy

The PHA will enter into a repayment agreement in accordance with the procedures found in Chapter 16 of its Administrative Plan.

#### ***Long-Term Hardship***

If the PHA determines that the financial hardship is long-term, the PHA will calculate all reported on-going medical and disability related expenses and apply an allowance for each dollar that exceeds 20% of a household income. The exemption will apply from the first of the month following the family's request until the next income reexamination, at which time the hardship will be reevaluated. When the financial hardship has been determined to be long-term, the family is not required to repay any HAP.

#### **Grievance**

If a hardship request is denied a family may submit a written request for a second review by the Director of Housing Programs or designee.

### **Impact Analysis 1.u. Standard Deductions**

1. Replacing itemized medical deductions with a standard deduction of \$1,000 per eligible elderly or disabled household will result in approximately \$30,000 of increased Housing Assistance Payments per year. This cost translates to \$15 average reduced monthly total tenant payment.
2. This change will benefit eligible households with a decrease in monthly rent portion.
3. The change will have no impact the wait time on any agency waitlists.
4. The change will have no impact on the termination rate of families form the program.
5. The change will have no impact on the HCV utilization rate.
6. The change will result in much reduced staff time spent in the collection and verification of reported medical expenses. Annual reexaminations for households with reported out of pocket medical expenses can result in an additional hour to five-hours of staff time. Replacing itemized deductions with a larger standard deduction meets the MTW goal of cost effectiveness as staff time, photocopy costs and postage costs are all reduced.
7. MTW statutory requirements:
  - a) Very Low-Income Requirement: This activity will not impact HACSB's ability to meet this requirement as there is no link to applicant waitlist selection.
  - b) Reasonable Rent Policy: This activity does not affect process for rent calculations. An increased standard deduction, however, would decrease eligible family's share of rent to owner.
  - c) Substantially the Same Requirement: HACSB does not anticipate an increase in HAP expenditures due to this activities, however, HACSB will continue to ensure adequate HAP dollars are available to continue to assist the same number of families.
  - d) Comparable Mix Requirement: This activity would have no effect on the number of household members in families, nor unit size rented.
  - e) Housing Quality Standards (HQS): Units would continue to have to meet the HQS standards, so this statutory requirement will be met.
8. Hardship requests are not anticipated as most elderly or disabled participant families will receive an increased benefit in the reduced tenant portion of rent.
8. A hardship policy has been adopted. As this is a new MTW activity the Housing Authority will monitor hardship requests and track the number received and the outcome of the requests.
9. This policy change will be a positive change for both elderly and disabled families and will have no disparate impact on these classes.

## **Impact Analysis – 2.b. Payment Standards (HCV)**

- 1: Exact impact is difficult to predict as there are many economic factors that dictate market performance, however, HACSB believes that the impact will be neutral or result in decrease revenue. HACSB has historically sought HUD approval for exception to adopt payment standards above 110% of Fair Market Rent. The application package to these requests has required many hours of staff time as well as costs to higher a firm to conduct elaborate market analysis.
2. Based on historical data HACSB would adopt payment standards between 110-120% annually. As a result the change will benefit eligible households with a decrease in monthly rent portion.
3. The change will have no impact the wait time on any agency waitlists.
4. The change will have little impact on the termination rate of families form the program. The change would possibly lower the number of families losing assistance due to the rule of termination of assistance after 180 days of zero HAP payment.
5. Increased payment standards would incentivize landlords to rent new units to voucher participants as they would be able to rent at higher contract rents, so it would increase utilization rate.
6. This activity would increase housing choice and be cost effective. Less staff time and cost obtaining approval for adequate payment standards would be coupled with larger housing inventory as a result of landlord receiving approval of proposed contract rents.
7. MTW statutory requirements:
  - a) Very Low-Income Requirement: This activity will not impact HACSB's ability to to meet this requirement as there is no link to applicant waitlist selection.
  - b) Reasonable Rent Policy: This activity does not affect process for rent calculations. An increased payment standard, however, would decrease the family's share of rent to owner in many cases.
  - c) Substantially the Same Requirement: HACSB does not anticipate an increase in HAP expenditures due to these activities, however, HACSB will continue to ensure adequate HAP dollars are available to continue to assist the same number of families.
  - d) Comparable Mix Requirement: This activity would have no effect on the number of household members in families, nor unit size rented.
  - e) Housing Quality Standards (HQS): Units would continue to have to meet the HQS standards, so this statutory requirement will be met.
8. Hardship requests are not anticipated as the participants will receive an increased benefit in increased HAP and reduced tenant portion of rent.
9. Payment standards for all bedroom sizes would be increased equitably based on market data to avoid a disparate impact to any protected class.

## **Hardship Policy**

### **Reasons for Financial Hardship**

A financial hardship for a change in payment standards is only for families where a payment standard would decrease in an established unit (not at unit transfers or issuance of vouchers), where the family has experienced a decrease in income because of changed circumstances.

### HACSB Policy

A decrease in income because of changed circumstances includes.

Family income has decreased because of the loss of employment.

A death has occurred in the family.

Reduction in or loss of earnings or other assistance; and

Changed circumstances, for medical costs, childcare, transportation, education, or similar items.

Death in the family

### HACSB Policy

In order to qualify under this provision, a family must describe how the death has created a financial hardship (e.g., because of funeral-related expenses or the loss of the family member's income).

## **Implementation of Hardship Exemption**

### ***Determination of Hardship***

If a request for hardship is received HACSB will suspend the activity for the household, beginning the first day of the month following the date of the request. The activity will remain suspended until a determination has made as to whether the request is warranted.

The PHA then determines whether the financial hardship exists and whether the hardship is temporary or long-term.

### HACSB Policy

The PHA defines temporary hardship as a hardship expected to last 90 days or less. Long-term hardship is defined as a hardship expected to last more than 90 days.

If the request is approved the request will remain in effect until the next income reexamination. At which time the hardship will be reevaluated.

A hardship exemption may be considered if a household can demonstrate that they would not be able to pay the rent due to the payment standard.

The hardship exemptions would expire at a household's next regular income reexamination, or when the household is able to resume paying rent using the reduced payment standard.

### HACSB Policy

To qualify for a hardship exemption, a family must submit a request for a hardship exemption in writing. The request must explain the nature of the hardship and how the hardship has affected the family's ability to pay rent.

The PHA will make the determination of hardship within 30 calendar days.

### ***No Financial Hardship***

If the PHA determines there is no financial hardship, the PHA will reinstate the standard deduction and require the family to repay the amounts suspended.

### HACSB Policy

The PHA will require the family to repay the suspended amount within 30 calendar days of the PHA's notice that a hardship exemption has not been granted.

### ***Temporary Hardship***

If the PHA determines that a qualifying financial hardship is temporary, the PHA will calculate medical or disability related expenses and include all expenses that exceed 20% of a household's income. This TTP will be for a 90-day period beginning the first of the month following the date of the family's request for a hardship exemption.

At the end of the 90-day suspension period, the family must resume payment of rent as calculated with the standard deduction and must repay the PHA the amounts suspended. HUD requires the PHA to offer a reasonable repayment agreement, on terms and conditions established by the PHA. The PHA also may determine that circumstances have changed and the hardship is now a long-term hardship.

### HACSB Policy

The PHA will enter into a repayment agreement in accordance with the procedures found in Chapter 16 of its Administrative Plan.

### ***Long-Term Hardship***

If the PHA determines that the financial hardship is long-term, the PHA will calculate all reported on-going medical and disability related expenses and apply an allowance for each dollar that exceeds 20% of a household income. The exemption will apply from the first of the month following the family's request until the next income reexamination, at which time the hardship will be reevaluated. When the financial hardship has been determined to be long-term, the family is not required to repay any HAP.

### **Grievance**

If a hardship request is denied a family may submit a written request for a second review by the Director of Housing Programs or designee.